



**ANNIVERSARY**  
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# ANNUAL REPORT 2019

รายงานประจำปี 2562

บริษัท ปันจวัฒนาพลาสติก จำกัด (มหาชน)

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED

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# ***Message from the Board of Directors***



Dear All Shareholders, Panjawattana Plastic Public Company Limited

In 2019, Thailand's economy has continued to slow down due to internal and external factors, drought, as well as the impact of trade policies of each country in the world economy. For Panjawattana Plastic Public Company Limited and its subsidiaries ("the Company") has invested to open a lubricant packaging factory in Jiangsu, China in late 2018 and started production and commercial sales in the second half of last year. Therefore, during the past year, this subsidiary in China has a cost of product development for example trial and testing of samples to prepare production.

The product line of automotive parts and painting part segment in Thailand had a good expansion especially in the second half of the year and is continuing throughout next year. There was investment in the medium-sized painting and warehouse building to support the upcoming orders. The new model of automotive parts has been gradually started commercial sales throughout the year until the mid of next year.

For the plastic packaging segment, The company's growth rate has remained stable because the lubricant packaging market has a contracted market condition while there are upside due to new commercial sales from variety of milk and yogurt packaging products, However, there are negative factors in the part of the chemical packaging that our customers have been affected by the campaign to reduce the use of paraquat substances, caused some customers to terminate the sale of the said product. There were also the factors, arose from falling agricultural products prices and the exports that have not yet recovered, caused the growth of packaging, chemical solutions and consumer packaging products to remain stable.

The Board of Directors, employees and executives of the Panjawattana Plastic Public Company Limited and its subsidiaries intends to manage and control production costs under the market fluctuations condition and determine to improve production process, maintain competitiveness and market expansion capable, increase of production capacity in order to increase the growth rate for both plastic packaging segment and the automotive parts segment. Additionally, the Company is also considering the investment risk in order to achieve the Company's strategic plan by applying the principles of precaution, studying the returns, carefully analyzing the risk elements in all aspects. In terms of financing

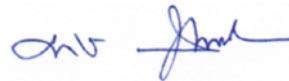
channels, the Company has maintained good relationships with many financial institutions and funding sources to support the future business expansion. In the past year, The Company and its subsidiaries' the total revenue growth was 5.66% and the total profit was 63.33 million baht with the net profit margin at 2.01%.

In 2020, despite the negative factors from the impact of the epidemic situation of Coronavirus Disease 2019 (COVID-19) expected to affect the contraction of the Thai economy and world economy severely and affect the revenue growth of the company in both plastic packaging segment and automotive parts and paint part segment in Thailand and China. The Board of Directors, the management team and employees have monitored the forecasted sales trend closely including risk management plans in order to adjust costs and investments to be more appropriate and cautious to be able to maintain a positive operating result and to cope with various emergency situations so that the business can continue to operate.

As the Board of Directors, the management team, and all employees, we are proud of our work, ready to seek maximum benefits for the Company as well as conduct business with regard to safety and environmental concerns, and commit to sustainable organizational development. The Board of Directors would like to thank all shareholders, business partners, customers, employees, all related parties including financial institutions which have always supported the Company's operations. Please strongly believe that the Company will continue its commitment and dedication in conducting business with prudence, carefulness, transparency, adherence to the code of conduct, corporate governance and sustainable development for maximum benefits to all involved parties and become an organization that continues to progress.



(Mr. Satit Hemmondharop)  
Chief Executive Officer



(Dr. Damri Sukhothanang)  
Chairman of the Board of Directors



(Mr. Wiwat Hemmondharop)  
Chairman of the Board of  
Executive Committee

# Report of the Audit and Corporate Governance Committee



## Dear Shareholders of Panjawattana Plastic Public Company Limited

The Audit and Corporate Governance Committee (ACGC) of Panjawattana Plastic Public Company Limited is comprised of 3 independent directors with the names listed below

1. Miss Charanya Sangsukdee,  
Chairman of the ACGC
2. Assoc. Prof. Dr. Aekkachai Nittayagasetwat,  
Member of ACGC
3. Mr. Nuttawut Khemeyothin,  
Member of the ACGC

The ACGC independently performs the duties under scope of responsibilities assigned by the Company's Board of Directors and performed the duty without a limitation in obtaining information for performing duties. The audit committee focuses on the company's operations to be in accordance with the principles of good corporate governance, comply with regulations and good practices as specified by the Securities and Exchange Commission and the Stock Exchange of Thailand, including the performance of duties as assigned Transparent, fair, reliable Its check as well as a system of balance of power in both work processes and decisions which leads to the highest non-benefit just for shareholders including employees and other relevant parties. The ACGC are also supervises the internal audit work focusing on internal audit operations efficiency, effectiveness and standards.

In 2019, the ACGC held totally 4 meetings by discussing and exchanging opinions with the management, internal auditors and auditors on relevant matters. The essence of functions can be summarized as follows:

### 1. Review of Financial Statements

The ACGC reviewed financial statements and consolidated financial statements of the Company and its subsidiaries on quarterly and yearly basis for the year 2019, to ensure they were prepared in accordance with Thailand's financial reporting standard and in consistency with the international financial reporting standard, together with the auditor and management, by considering important accounting policies, significant financial reporting and disclosure of important information and giving advices and helpful comments before giving approval and presenting to the Board of Directors.

Additionally, the ACGC jointly convened 1 meeting with the auditors without the attendance of the Company's Management Department to independently discuss the key information for preparing financial statements, the issues detected from review and audit of financial statements, as well as independence of the auditors. If the auditors discover the suspected circumstances of fraud or breach of laws relating to functions of the directors and the executives, the auditors shall report to the ACGC. The auditors stated that, in 2019, there were no specific information or observations from audit and the executives or the Management Department of the Company were well cooperative in the function of the auditors.

## **2. Adequacy of internal control system, risk management, good corporate governance and internal audit**

Risk management Committee and The ACGC has reviewed the efficiency and suitability of the process. Manage risks that may be caused by internal and external factors Including risk management policies, business plan and risk management guidelines that affect the company's business performance on a regular basis, every quarter, together with executives and giving suggestion for improvement. The ACGC considered the review of the Audit Committee Charter and the Office Charter Audited annually in accordance with the risk and the current situation of the company and approved the 2019 Annual Internal Audit Plan which prepared according to the Company's material risks. The ACGC also focused on examining the effectiveness of the operation which is the key controlling point. The policies were reviewed to ensure that the internal control system is effective both in Thailand and China. In the past, the meetings were held with the Certified Public Accountants of Subsidiaries in China. and the audit report was examined, including monitoring the corrective action result based on the audit report, in order to recognize causes and problems and give advices on development and improvement of audit operation to be effective. Furthermore, the guideline for improvement of internal audit quality was taken into consideration by allowing various work units to evaluate the performance of internal auditors and independently propose comments for improvement of audit work quality. The appropriateness of budget, number of personnel, personnel training and development plan of the Internal Audit Office were considered to meet international standards. The ACGC commented that the Company's internal audit system is appropriate, effective and independent. The annual audit plan is conforming to the Company's goals and risks. The performance of the Internal Audit Department achieved the setting goals. The personnel and tools used for the audit are adequate and properly and continuously developed in

line with international standards of professional practice in internal audit.

## **3. Compliance with laws**

The ACGC verified whether the Company's operations are in line with the Securities and Exchange Law, the requirements of the Stock Exchange of Thailand and the laws related to the Company's business and acknowledged the changes to the set of regulations with impact on the Company's business. The ACGC remarked the opinion that the Company has complied with the relevant laws without finding of any material breach or noncompliance.

## **4. Connected transactions or transactions with potential conflict of interest**

The ACGC regularly considers the connected transactions or transactions with potential conflict of interests in quarterly basis by adhering to the principles of reasonableness, transparency, adequate disclosure of information as normal in the business and the maximum benefits of the Company. The ACGC remarked the opinion that such connected transactions considered are normal business transactions with general, reasonable and fair commercial term which optimizes the benefit for the Company.

## **5. Good Corporate Governance**

The ACGC gives high precedence to encouraging and emphasizing on the operations based on Corporate Governance Code and code of business conduct, including promoting and monitoring the progress of good corporate governance and social responsibility development process continuously. During the year 2019, Good Corporate Governance Policy, Code of Business Conduct handbook and Anti-corruption Measures were reviewed and updated. Other and support training, communication, and make suggestions for activities to create knowledge and understanding about good corporate governance, business ethics and code of conduct and providing guidelines and other recommendations that are necessary to develop a good corporate governance system to be more efficient. To

be international standard equivalent, which will create confidence for all groups of stakeholders.

#### **6. Suitability of the auditors, consideration, selection and appointment of auditors**

The ACGC considered to select the suitable auditors and nominate the auditors by considering knowledge, skills, experiences, ability to audit the plastic industry business and work quality of the auditors in the previous year, status of the auditors, team of the auditors, the appropriateness of the audit fee, essential restrictions and requirements of other relevant agencies. The ACGC also considered the rotation of the auditors in accordance with the Notification of the Capital Market Supervisory Board to ensure that the auditors are truly independent and impartial in their operations.

The ACGC considered the performance of the auditors of Dharmniti Auditing Co., Ltd. The independence and performance of the year 2019 which was the 11<sup>th</sup> year of the auditing firm and the 2<sup>nd</sup> year of the auditors in signing to certify the financial statements, were evaluated. It was deemed that such auditors well comprehended on the Company's business, carried on their professional practices with independence, impartiality, experience and ability, and always handed in audit work on time. The overall performance was satisfactory with adequate independence. It was deemed appropriate to propose the Board of Directors to request the approval from the 2019 Annual General Meeting of Shareholders to appoint the following persons:

1. Mr. Suwat Maneekanoksakul,  
Certified Public Accountant No. 8134 and/or
2. Mr. Thanawut Pibulsaswas,  
Certified Public Accountant No. 6699; and/or
3. Miss Sulalit Adsawang,  
Certified Public Accountant No. 7517

In 2020, it has been the 12<sup>th</sup> year of the auditing firm and the audit fee is fixed at not exceeding Baht 1,970,000 per year, including the audit and certification fees for compliance with the condition of BOI Certificate. In case of additional audit and certification of BOI Certificate, the audit

fee is charged at Baht 40,000 per certificate. In case of establishing a subsidiary during the year, the fixed audit fee shall not exceed Baht 100,000 per company, excluding other expenses such as traveling expense for operation in upcountry. The auditors listed above have had no relationship or interest with the Company, the executives, major shareholders or parties related to such persons at all.

#### **7. Function under the Charter of the Audit and Good Corporate Governance Committee**

The ACGC assessed its performance by evaluating authorities, ACGC members, meetings, internal control, financial report preparation, compliance with rules and regulations, auditors, internal auditors, reporting of the Audit Committee, and performance appraisal. The individual and group self-assessment was conducted in accordance with the guideline of good corporate governance of the listed companies in Stock Exchange of Thailand. Moreover, the Charter of the ACGC and the Charter of the Internal Audit Department were reviewed on annual basis to ensure that the scope of operating duties as assigned by the Board of Directors is fully and effectively defined in accordance with Corporate Governance Code for equitable benefit of the stakeholders.

The ACGC remarked the overall opinion that it has adequately and completely performed its duties and responsibilities as specified in the Charter of the ACGC approved by the Company's Board of Directors, using knowledge, ability and carefulness with independence and without limitation of awareness on information given from the executives, staffs and related parties. The opinions and suggestions have been provided for equitable benefit of all parties of stakeholders.



Miss Charanya Sangsukdee  
Chairman of the Audit and Corporate  
Governance Committee

## Report of the Risk Management Committee



Assoc. Prof. Dr. Aekkachai Nittayagasetwat  
Chairman of the Risk Management Committee  
Panjawattana Plastic Public Company Limited

Dear Shareholders

Panjawattana Plastic Public Company Limited

In the year 2019, Thailand economy had a growth rate of 2.4% compared to 4.2% in year 2018, caused by the world economy especially the trade war between the United States and China that affects the export sector. It can be seen from the value of export for the year 2019 that decreased by 3.2% and it resulted in affecting to the manufacturing sector, employment, domestic consumption and agricultural sector income. However, the Risk Management Committee also considered and held meetings to monitor and manage risk in accordance with the changing situation from external factors that cannot be controlled and considered business strategy.

The Risk Management Committee comprises of 6 committees and 3 of them are independent directors with governing and supporting duty for effective companywide risk management with a focus on continuously cultivating the corporate culture of risk.

During 2019, the Risk Management Committee held total of 2 meetings with following essences of operations

1. Reviewing policy of risk management to be suitable and consistent with changing business environments of the company and industry.

2. Considering the opinions on mitigation plan for risk transactions affecting business plan of year 2019 and regularly monitoring the progressive of risk management to be in the acceptable level by emphasizing on managing material risks in an organization and in each operating line and in each business segment of the company.

3. Considering and giving advice on the foreign exchange risk management plan, monitoring fluctuation as well as providing guidelines for effectively managing foreign currencies for example Forward contracts, opening foreign currency deposit accounts (FCD), etc.

4. Giving suggestion, guidelines, monitoring and assessing annual risk management result for year 2019 for risk management executives and management team in order to implement and develop an effective risk management system.

5. Giving opinions and suggestions, considering and assessing risks of investment project and business plan of the Company.

However, the Risk Management Committee committed to define and manage risks to prevent severe impacts on the Company's business plan to enable the company to achieve the organization's goals including maintaining the maximum benefits for shareholders and stakeholders.

Assoc. Prof. Dr. Aekkachai Nittayagasetwat  
Chairman of the Risk Management Committee





## Report of the Nomination and Remuneration Committee



Dr. Damri Sukhotanang

Chairman of Nomination and Remuneration Committee

Panjawattana Plastic Public Company Limited

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Dear Shareholders

Panjawattana Plastic Public Company Limited

The Nomination and Remuneration Committee (NRC) of Panjawattana Plastic Public Company Limited consists of 3 members who are experts in Various fields. The number of independent directors shall be two-thirds or more than half. The independent director is the Chairman of the Committee according to the good corporate governance policy of the Company.

The Nomination and Remuneration Committee performed duties as assigned with prudence, transparency and fairness, as well as improving operational guidelines in accordance with the company's strategy and good corporate governance policy by being aware of the maximum benefits of shareholders and stakeholders, such as setting guidelines for the consideration of remuneration for directors and executives and the selection of the nominated directors and the Chief Executive Officer that

Is fair and reasonable by considering the qualifications, knowledge, ability, experience, including diversity in many professions In order to specify the qualifications of the directors to be selected In order to get suitable qualifications and in line with the composition and structure of the directors in accordance with the strategy and mission of the company with a transparent process by allowing the minority shareholders the ability to nominate suitable individuals for selection as directors.

In 2019, NRC held one meeting to consider in part of review on policy, Charter of NRC, assessment of the whole committee and individual sub-committee, assessment of Chief Executive Officer, and consider determination of remuneration of the directors and Chief Executive Officer by considering from duties and responsibilities, performance in comparison with setting target, turnover and size of expanded and more complicated business, and comparison with the remuneration of the listed companies in the business segment in the same industry or similar size of business. The director development program was taken into consideration so that the director can perform duties more efficiently.

Dr. Damri Sukhotanang

Chairman of Nomination and Remuneration Committee



### Vision:

“Panjawattana Plastic PCL is one of the biggest manufacturers in plastic production industry based in Thailand. We reach success not only in Thailand but we step forward into regional level.

With strong confidence that great relationship between customers and us and our partners will be the path to success that can make us trusted organization with confidence of our production competitiveness to support numerous needs of customers and we are ready to alter in every form incessantly.



### Mission:

“We are ready to progress for unceasing business growth by seeking every possible market by using our strong production efficiency to step forward as a winner with excellent business operation pattern.

Our resolution is “we will be the best for customer for co-creation with our production quality and we determine to be the leader in every market, we are in and expand business opportunity and competitive advantage for customers we can apply production pattern to response their need.”

Together We **GROW** เราจะ **GROW** ไปด้วยกัน

**G**

Generate Partnership

ร่วมใจ  
สร้างพันธมิตร



**R**

Race with Business Dynamism

ตามโลกธุรกิจ  
ต้องทันสมัย



**O**

Observe Trustworthiness

น่าเชื่อถือ โปร่งใส  
วางใจได้



**W**

Work of Excellence

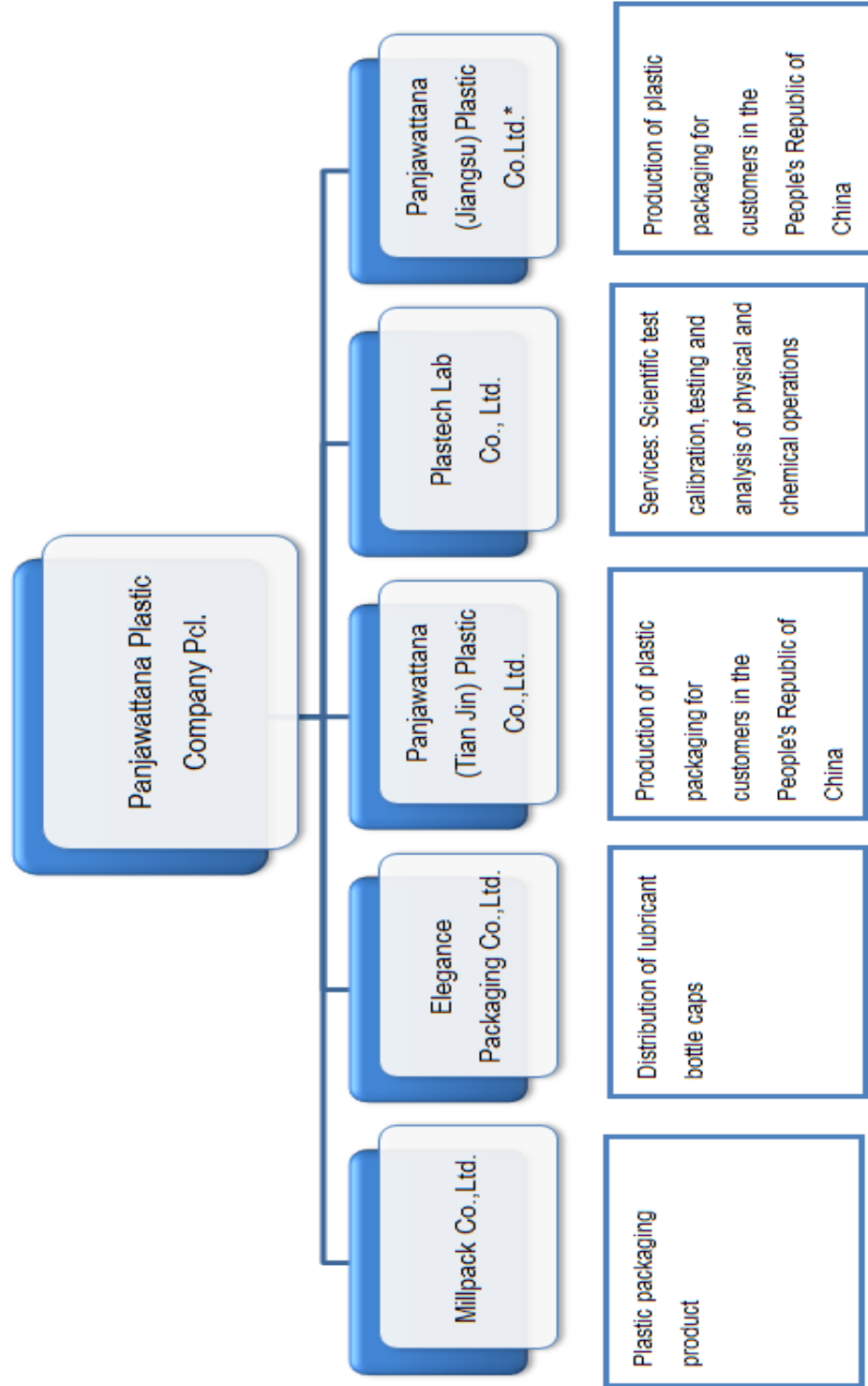
ผลงานเลิศ ไปไกล  
จนเลื่องลือ



**GROW** นี้คือ...ค่านิยมของเรา... ชาวปัญญาพัฒนา



Shareholding Structure of the Group



Note: \* The company's Committee has resolution to establish the company on 8 March 2018

### Overview of the Subsidiary Group's Businesses

	<b>Company</b>	<b>Shareholding Proportion (Percent)</b>	<b>Product</b>
1.	Mill Pack Company Limited	99.98	Plastic packaging for consumption
2.	Elegance Packaging Co., Ltd.	99.97	Supply and distribution of lubricant bottle caps
3.	Panjawattana (Tianjin) Plastic Co., Ltd.	100.00	Plastic packaging for customers in the People's Republic of China
4.	Plastech Lab Co. , Ltd.	99.99	Services: Scientific test calibration, testing and analysis of physical and chemical operations
5.	Panjawattana (Jiangsu) Plastic Co., Ltd.	100.00	Plastic packaging for customers in the People's Republic of China

### **Relationship with business group of major shareholders**

For the Company's core business, there is no significant relationship or connection with other businesses of major shareholders. There are only occasional relationships as normal transactions. The sale of plastic packaging is the general market price with normal commercial terms like ordinary customers. The Company uses the selling price-cost-profit structure just as the Company produces and sells to other customers. The rental of land from shareholders and directors is comparable to market price with normal commercial terms. Consultancy fee with the shareholders and directors is the rate stipulated in the regulations on the employment of staff according to the Company's policy with details mentioned under the topic of management and corporate governance titled Inter-transaction.

## Significant Changes and Developments

The Company's Significant Changes and Developments in the past 5 years in details are as follows:

Year	Significant Changes and Developments
2015	<ul style="list-style-type: none"> <li>● The Meeting of the Shareholders of the Company for the year 2015 on 21 April 2015 resolved to increase the authorized capital of the Company previously from 276,000,000.00 Baht to be the authorized capital of 287,040,000.00 Baht through newly issuance of 22,080,000 million ordinary shares at par value of 0.5 Baht per share to support the stock dividend payment to the Company's shareholders in the rate of 25 existing shares per 1 stock dividend for total value of not more than 11,040,000.00 Baht.</li> <li>● The Company registered for capital increase from 276,000,000.00 Baht to be 287,039,972.50 Baht on 18 May 2015.</li> <li>● The Company has been approved for investment promotion from the Board of Investment pursuant to Investment Promotion License No. 58-2011-0-00-1-0 upon approval of the Board for promotion on 17 March 2015.</li> <li>● The Company has been approved investment promotion from the Board of Investment pursuant to Investment Promotion License No. 58-2010-0-00-1-0 upon approval of the Board for promotion on 23 March 2015.</li> </ul>
2016	<ul style="list-style-type: none"> <li>● PJW Food Pack Company Limited, the subsidiary, has changed its name into Plastech Lab Company Limited, on 12 May 2016 and has added the company's operating objective in parts of quantity and standard inspection service for all kinds of products, scientific testing service, standard calibration and physical and chemical laboratory testing and analysis.</li> <li>● The Company has been certified for Innovation Capability and Innovative Organization for 2016 from Innovation Capability Promotion Project for Entrepreneurs in Stock Exchange of Thailand on 5 October 2016 by National Innovation Agency (Public Organization) and Stock Exchange of Thailand.</li> </ul>
2017	<ul style="list-style-type: none"> <li>● The Company was awarded for Ford Q1 Certification, Ford's Commendation for Suppliers.</li> <li>● The Company was granted for the third ranked award from Quality Control Circle (QCC) Activity of HINO</li> <li>● The Company was upgraded from ISO 9001:2008 Standard to be ISO 9001:2015 Standard.</li> </ul>
2018	<ul style="list-style-type: none"> <li>● The company established a subsidiary under the name Panjawattana (Jiangsu) Plastic Company Limited on 8 March 2018 to produce and sell plastic packaging for customers in the People's Republic of China with the registered capital of US Dollar 5,000,000 and paid-up share capital shall be US Dollar 3,000,000.</li> </ul>
2019	<ul style="list-style-type: none"> <li>● The Company was awarded for ICL (Thailand) Co.,Ltd 9th Supplier Conference May 10,2019 Quality Prize</li> <li>● The Company was awarded for The 2<sup>nd</sup> THCC Safety Activity 2019 Certificate of Completion "Level B"</li> <li>● The Company was awarded for The 2<sup>nd</sup> Runner-Up (Group D) MCC- QCC Presentation Contest of 2019</li> <li>● The Company was awarded for Occupational promotion and employment of disable towards sustainability The Redemptorist Foundation for People with Disabilities</li> </ul>

## Type of Business and Nature of Business Operation

### Nature of Business Operation

PJW is a producer and supplier of plastic containers & closures and automotive plastic parts of high quality and with custom designs according to clients' requirements for the product brands that are recognized in each end-use industry and among consumers in general. Its products are manufactured through two main processes: blow molding and injection molding. The product range covers plastic bottles and gallons of various shapes, bottle closures, and plastic parts for automobiles and motorcycles. A variety of plastic packaging products are manufactured for containing lubricants, fresh milk and yoghurt milk, consumer products, farm chemicals and automotive parts. Major raw materials are polyethylene and polypropylene.

Currently, PJW has 5 factories:

1. Factory located in Bang Bon, Bangkok
2. Factory located in Muang District, Samutsakhon Province
3. Factory located in Pinthong Industrial Estate 2, Sri Racha District, Chonburi Province
4. Factory located in Tianjin, China
5. Factory located in Jiangsu, China

The plastic containers and plastic parts manufactured by PJW for each customer will have different specifications up to customers' needs which can be classified by their applications as follows:

1. Lubricant packaging
  2. Milk and yoghurt milk packaging
  3. Consumer goods packaging and Agro chemicals packaging
  4. Automotive plastic parts
- **Company and its subsidiaries' revenue structure classified by type of customers, for the years 2017-2019**

Company and its subsidiaries' revenue structure classified by type of customers, for the years 2017-2019 are as follows:

#### Income Structure Classified by Geography

Description	2017		2018		2019	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Domestic sales	2,417.76	89.71	2,730.70	91.44	2,683.17	85.03
Abroad sales	271.37	10.07	239.21	8.01	269.90	8.55
<b>Gross sales</b>	<b>2,689.13</b>	<b>99.78</b>	<b>2,969.91</b>	<b>99.45</b>	<b>2,953.07</b>	<b>93.58</b>
Project income	-	-	6.93	0.23	187.42	5.94
Other income	5.83	0.22	9.62	0.32	15.03	0.48
<b>Total income</b>	<b>2,694.96</b>	<b>100.00</b>	<b>2,986.46</b>	<b>100.00</b>	<b>3,155.52</b>	<b>100.00</b>

### Income Structure Classified by groups of products

Description	2017		2018		2019	
	Million Baht	Growth Rate	Million Baht	Growth Rate	Million Baht	Growth Rate
Lubricant packaging	1,475.65	-0.14	1,607.37	8.93	<b>1,342.09</b>	<b>-16.50</b>
Milk and yoghurt milk packaging	337.21	-8.75	357.91	6.14	<b>424.18</b>	<b>18.52</b>
Consumer goods and chemical liquid packaging	203.03	0.80	216.43	6.60	<b>190.06</b>	<b>-12.18</b>
Automotive parts	673.24	-3.97	788.20	17.08	<b>996.74</b>	<b>26.46</b>
<b>Gross sales</b>	<b>2,689.13</b>	<b>-2.20</b>	<b>2,969.91</b>	<b>10.44</b>	<b>2,953.07</b>	<b>-0.57</b>
Project income	0.00	0.00	6.93	100.00	<b>187.42</b>	<b>2,604.47</b>
Other income	5.83	-23.09	9.62	65.18	<b>15.03</b>	<b>56.34</b>
<b>Total income</b>	<b>2,694.96</b>	<b>-2.26</b>	<b>2,986.46</b>	<b>10.82</b>	<b>3,155.52</b>	<b>5.66</b>

### Types of Products

The plastic containers and plastic parts manufactured by PJW can be classified by type of application by customers as follows:

- a) **Lubricant packaging:** The Company produces and distributes plastic bottles, gallons and tanks of various sizes and shapes for containing lubricating oil up to customers' needs. These products range from small plastic containers sized 0.5, 0.8, 1, 3, 4, 5 and 6 liters, and larger ones sized 18 and 20 liters.





- b) **Milk and yoghurt milk packaging:** The Company produces and distributes plastic packaging for containing milk and yoghurt milk of various sizes. As these plastic products are used to contain food, the Company has paid high attention to the production process. Its production process and operation units are separated, e.g. clean room, machinery and workers, are separated from the production lines hence preventing contaminated dust and bacteria as well as enhancing quality control according to the standards of the GMP (Good Manufacturing Practice) and the HACCP (Hazard Analysis and Critical Control Point). These product sizes range from 80 ml., 100 ml., 190 ml., 200 ml., 450 ml., 830 ml., 2 liters and 5 liters.



- c) **Consumer goods and chemical liquid packaging:** The Company produces and distributes plastic containers for consumer goods, including cleaning liquid products such as bathroom & sanitary ware cleaner, floor cleaner, dishwashing liquid, etc.; fabric softener; talcum powder; and others.



d) **Automotive plastic parts:** The Company produces automotive plastic parts and distributes to its customers, both the car and motorcycle product makers and the 1<sup>st</sup> Tier Suppliers. The car makers use PJW products as components of the vehicles, such as windshield washer tank, radiator coolant reserve tank, air duct, lid, spoiler, gear cover, etc.



e) **Automotive plastic painting parts** the Company is a manufacturer and distributor of automotive parts painting to customers under trade mark of various auto brands, including injection molding services, dip and spray-painting plastic products to the company, which is a car manufacture (Product Maker). They will bring the Company's product to be a component of automobile parts.





● **Benefits and Conditions under BOI Privileges**

The Company is awarded tax benefits from investment by the Thailand Board of Investment in accordance with Investment Promotion Act B.E. 2520. The key information is shown in the below table;

	Panj wattana Plastic Public Co., Ltd.						Milk Pack Co., Ltd.		Plastech Lab Co., Ltd.
							Bangkok Branch	Samutsakhon Branch	Chonburi Branch
<b>Investment Promotion Certificate</b>	1080(10)/2553	1745(2)/2555	1044(2)/2557	58-2010-0-00-1-0	58-2011-0-00-1-0		1379(5)/2556	1882(5)/2555	60-0646-1-00-2-0
<b>Effective Date</b>	April 1, 2010	March 10, 2012	September 2, 2014	October 25, 2016	Unused		October 5, 2011	May 31, 2012	June 23, 2017
<b>Expiry Date</b>	March 31, 2017	March 9, 2019	September 1, 2021	October 24, 2024	-		October 4, 2019	May 30, 2020	June 22, 2025
Is a producer and supplier of plastic containers & closures and automotive plastic parts Type 6.12 producer and supplier of plastic containers & closures and automotive plastic parts Type									
<b>Investment Promotion</b>									
1. Exemption from corporate income tax from net profit of the promoted business	Exempted for 7 years	Exempted for 7 years	Exempted for 7 years	Exempted for 8 years	Exempted for 7 years	Exempted for 8 years	Exempted for 8 years	Exempted for 8 years	Exempted for 8 years
2. The period after expiry of tax exemption period which is allowed to deduct the loss from the net profit	5 years	5 years	5 years	5 years	5 years	5 years	5 years	5 years	5 years
3. Exemption/reduction of import duty for machines which are approved by BOI committee	Exempted	Exempted	Exempted	Exempted	Exempted	Exempted	Exempted	Exempted	Exempted
4. Exemption of withholding tax for dividend paid to the Company's shareholders	Exempted	Exempted	Exempted	Exempted	Exempted	Exempted	Exempted	Exempted	Exempted

## Competitive Strategy

The Company is a producer and a supplier of plastic containers, closures, and plastic for automotive parts of high quality and with custom designs according to customers' requirements. The products are acceptable by customers in term of products' and services' quality. The Company makes importance and takes good care of production process; starting from package design, raw materials procurement, production control, including inspection of quality and fineness of the products, and on-time delivery to customers; to ensure that the products are produced according to customers' requirement and design.

The Company runs its business based on the following strategies.

- (1) Products' quality: The Company takes quality control of the products into its account to ensure that the products' quality meet customers' requirement. The Company focuses on products' design, procurement of raw materials with required specification as specified by customer, including quality assurance for finished goods which is held in 2 levels as follows;
  1. Quality control and inspection in production process; and
  2. Final inspection before delivery to customers to ensure that the products' quality are meet customer's requirement.
- (2) On-time delivery: The Company concerns about products control and delivery to customer on time and regularly to create customers' confidence
- (3) Production security: The Company can product and procure the products to match with customers' requirement, specified quantity, and time schedule; to ensure that customers will receive the products according to their requirement and in time, especially automotive parts which must delivery to match with their just-in-time process.
- (4) Capability in increasing or expansion of production capacity: The Company is capable to increase or expand its capacity to support customers' business growth and expansion. With customers' requirement, the Company can produce more products for them.
- (5) Improvement of production process to increase cost management efficiency: The Company is committed to improve production process and cost management continuously to raise up its competition capability and to persuade its customers. As the Company has its pricing structure of "Cost plus Pricing", thus the Company's cost reduction will also reflect customers' cost, and then can increase customers' capability in competition. In addition, the Company has developed and applied operating process and system for using in the Company's production process to increase efficiency in cost management. The Company has developed the Total Productive Maintenance (TPM) program since 2000, thus it can control its production cost and also retain profitability.
- (6) Good responsibility and relationship with customer

- Capability in increasing of production capacity to response customers' requirement: Sometimes, customers may require the products in higher volume suddenly. However, the Company is capable to adjust production line to increase its production capacity in accordance with customers' requirement shortly.
- Long-term relationship with customer: The Company has the policy to retain its long-term relationship with customer by preparing and securing production capacity for supporting customers' business, including increase capacity and develop new process for complete service.
- Confidentiality for customers' information: The Company engages in keeping confidential of customers' information by controlling not to use or disclose customers' information; i.e. technical information in relation with customers' products, other information which is customers' secret, and any other information which has some effect on competitiveness and business operation; to third party or use the information for personal's benefits.

### **Customer Segment and Target Group**

Most of Company's customers are the owner of famous brand in each industry, including general consumers who require plastic packaging and plastic parts with standard quality. The customer segments can be categorized as follows;

1. Lubricant packaging
2. Milk and yogurt milk packaging
3. Consumer goods and agro chemical packaging
4. Automotive plastic parts

### **Distribution Channels**

The Company sells its products locally via several distribution channels to reach the target groups as follows;

- Selling by marketing team: The Company assigns its marketing team, who has experience, knowledge, and capability to approach customers, to contact customers directly. The marketing team will meet customers and present products and product's details, which are match with customers' requirement. This process can create acknowledgement about new requirement of customers. In addition, the marketing team may have to cooperate with other departments in the Company, such as production and planning, to jointly prepare and present the information which match with requirement of each customer.
- Selling by bidding: This is one channel of the Company to sell its products. Most customers in the group of automotive plastic parts and lubricant packaging use this method for supplier selection. The Company's marketing team will follow up for the news of customers' bidding activity to submit its quotation. The bidding will be allowed only for existing suppliers (close bidding) to be awarded and received customers' orders.
- Direct contact of customers: Some customers contact the Company for purchasing its products directly because reference from the existing customers.

## Pricing Strategy

The Company set the selling prices of plastic containers and plastic parts in term of cost-plus pricing. Price setting can be done either by jointly determination between the Company and its customers before starting of production process or the Company set selling price to compete with other manufacturer.

Prices of raw materials, i.e. Polyethylene (PE) and Polypropylene (PP), take major parts in manufacturing cost. Although the raw materials are bought locally, they are commodity products, their price are determined by their supply and demand in the world market which is dynamic and can cause price variation. As a result, the products selling prices are set to be adjustable on monthly or quarterly basis for only customers who allow adjusting price to secure the Company gross margin.

For some customers who do not open for products price adjustment, the Company can negotiate with them by referring raw materials' price change.

## Products or Services procurement

### Products Procurement

#### Production and Production Capacity

Currently, the Company and its subsidiaries have 5 manufacturing plants. The 3 plants are located in Thailand; Bangkok, Samutsakorn province, Chonburi province; and another 2 plants are located in Tianjin and Jiangsu, Republic of China.

#### Raw Materials

The major raw materials are plastic pellets, dry colorant, and stickers & shrink film, which specification, type, and quality grade will be specified by customers as follows;

1. Plastic Pellets used by the Company are listed below;

a) Polyethylene (PE)

They are high-flexibility plastics, i.e. LDPE (Low Density) and HDPE (High Density). The plastic containers produced from PE are lubricant packaging, milk and yogurt milk packaging, and consumer goods packaging.

b) Polypropylene (PP)

They are the plastics which have higher toughness and flexibility than Polyethylene (PE) and can withstand with high temperature and humidity. Sample products are bottle cap, automotive parts, and bicycle parts.

2. Dry Colorant

Production of plastic packaging and plastic parts uses dry colorant as major composition as well as plastic pellets. All raw materials will be mixed in certain ratio to receive required color and physical properties.

3. Stickers and Shrink films

To produce plastic containers, customer will determine pattern, price and manufacturer of stickers and shrink films, then the Company will contact the manufacturers and suppliers for running production.

Most of plastic pellets, dry deodorant, and stickers and shrink films are bought from local suppliers. There are only some plastic pellets and stickers which are bought from abroad. The Company is aware that price of plastic pellets changes according to oil price and balance between supply and demand of the world market, then the management always follows up price and demand of plastic pellets regularly to plan for purchasing in correspondence with quantity and schedule in production plan.

## Environmental Impact

Plastic parts manufacturing process does not release any pollution which affect environment. However, there are some plastic scraps from finished products which can be recycling to be used as a raw material in production at the ratio identified by the Company. Regarding plastic bags and cartons for containing products can be reused until damage, the Company will sell them to third party.

Although, there are 2 factories of the Company where are not located in industrial estate, they have to follow regulations of Department of Industrial Works, Mistry of Industry. Regarding another 2 factories located in Pinthong Industrial Estate, they can comply with regulations of Industrial Estate Authority of Thailand.

The Company has already achieved ISO 14001:2004, the standard of environmental management, which can guarantee that the Company has good environmental protection and control system to avoid some effects from its production to environment.

## ● Competitive Condition and Trend of Industrial Situation

<sup>1</sup>Under the economic situation in 2019, Thailand's Gross Domestic Product (GDP) was expanded at 2.4% in comparison with the expansion at 4.2% in 2018, this showed the relatively slow domestic economic recovery that reflected by the export volume decreased by 5.3%. The main products which decreased were chemicals, passenger cars, parts and accessories, with public investment government spending incentive measures and the household sector is still the main driving factor will be able to see results from various trade indices Such as the amount of gasoline sold and gasohol, diesel fuel, household electricity usage. Its overall, tourism grew by 4.5%. International tourism increased by 6.4%. The revenue from tourists increased by 3.1%, number of foreign tourists increased by 4.2%.

<sup>1</sup>For the Monetary Policy Committee, during the year 2019, has decrease the interest rate twice at 0.25% each time resulting in the policy interest rate decreasing from 1.75% per annum at the end of the year 2018 to 1.25% per annum at the end of the year 2019, because it is estimated that the Thai economy is likely to expand lower than the expectation and lower than the potential. The policy interest rate adjustment of Thailand is in line with the financial policies of many countries that has a view of the global economic slowdown.

<sup>2</sup>Regarding the automobile industry in 2019, has slowed down from the fragile global economy and the domestic economy that does not grow as targeted, which could be seen from the volume of car sold in the country which decreased by 3.26%, although all carmakers have a sales promotion or launch of a new car model but the level of supply for domestic cars has yet to be grow which was in the same direction as the car production rate which also decreased by 6.97%. For the export sector, there was a slowdown by 7.62% from the economics of trading partners that experienced the same conditions. However, the company has a growth rate for automotive parts industry as high as 26.46% due to new model work. Including increased sales from painting part factories.

## <sup>2</sup> Car Sales and Production Quantity

(Unit :100,000 cars)	2014	2015	2016	2017	2018	2019
<b>Production</b>	18.80	19.12	19.44	19.89	21.65	<b>20.14</b>
<b>(%YOY)</b>	-23.49	1.71	1.68	2.28	8.15	<b>-6.97</b>
<b>Total automobile quantity</b>	8.82	8.00	7.68	8.72	10.42	<b>10.08</b>
<b>(%YOY)</b>	-33.52	-9.29	-3.86	13.38	19.50	<b>-3.26</b>
<b>Distribution volume</b>	3.70	3.05	2.80	3.49	4.17	<b>4.12</b>
<b>(%YOY)</b>	-41.11	-17.39	-8.35	24.60	19.48	<b>-1.20</b>
<b>Export volume</b>	11.28	12.04	11.89	11.40	11.41	<b>10.54</b>
<b>(%YOY)</b>	0.00	6.81	-1.36	-4.11	0.09	<b>-7.62</b>

<sup>1</sup> Office of the National Economic Development Board (NEDB)

<sup>2</sup> Office of Industrial Economics (OIE)

Regarding the lubricant packaging industry in 2019 has contracted rate according to market conditions and economic conditions. For the risk factors due to the electric vehicle that affects the lubricant packaging industry, management considers that the technology depends on the production of electric batteries in cars and the concrete support from the government electric train projects. However, the process of changing the technology and the supply chain will take at least 5 years and the growth of the automotive industry will focus on the hybrid group which are still an internal combustion engine that will still be a component of future cars in the form of hybrid propulsion between electric motors and the engine. Therefore, internal combustion engine vehicles are still one of the main options. However, the company has carefully planned to support all dimensions in expanding investment or studying the feasibility of various projects to support future growth. For the plastic packaging industry for milk and yogurt packaging containers the growth rate is better due to the expansion of the market in soybean milk beverages and the factors from government spending promotion measures.

For the Thai economy in 2020, after the impact of the epidemic of the Coronavirus Disease 2019 (Covid-19) It is expected that affect the contraction of Gross Domestic Product (GDP) in the first quarter of 2020 and there is a risk of a recession in the middle of the year and may continue for the second half of the year. In addition to the outbreak of the virus Coronavirus Disease 2019 (Covid-19), which affects the economy of Thailand and the world economy, there are still negative factors from the drought that affect the income security and employment of Thai property. Depending on the efficiency and effectiveness of the government measures issued to help control the epidemic situation of the Coronavirus Disease 2019 (Covid-19) and measures to look after economic impacts. In addition, management considers the severity of the impact of the outbreak of the Coronavirus Disease 2019 (Covid-19) both domestic and international which affect the demand and supply of the Thai economy including tourism, services, exports and expanding into manufacturing businesses, including the decline in asset prices, both real estate and stock market portfolios which will affect the company's revenue growth both in packaging and automotive parts Which has followed up the situation sales forecasted including considering risk management plans in order to adjust costs and investments to be more appropriate and cautious.



## Risk Factors

The Company has been aware of the risks and followed the impact of event which could be a risk to the business operations of the Company periodically in order to the consideration and the risk management is prudent and effective. The Company has appointed a Risk Management Committee and a working group which is a senior executive involved to act as analyzing risk factors and assessing the risks occurring to find out method to prevent or manage risks appropriately. In addition, the Risk Management Committee will report to the Board of Directors to informed and consider at least every six months. The risks which have a significant influence on the Company concluded as follows.

### 1. The risks of the global and domestic economy from the outbreak of the Covid-19 virus

In the year 2020, Thailand has been affected by Covid-19 disease outbreak. Especially, the Thai stock market index dropped more than all Asian countries by 15%, reflecting the expectation that the Thai economy will be more severely affected by all countries due to the Covid-19 disease due to the high economic structure linked to the tourism and Chinese sectors. It is estimated that the epidemic will affect the income of Thai people, wealth, such as falling asset prices (Real estate, stock portfolio, etc.) affect the business sector financial position. The profitability may decrease resulting from the behavior that has changed, such as when there is an epidemic, should avoid activities that need to meet a lot of people may cause the cancellation of tourism, shopping, and other activities. The epidemic of Covid-19 also affects the demand and supply of the Thai economy from the business and service sectors that resulted from the impact of government measures to block the spread of the Covid-19 virus. The top 5 major sectors, affected by tourism, are hotels, retail, restaurants, land transportation and air transportation. The impact of the slowdown of the China economy and the global economy due to the widespread spread in many countries with large economic activities resulting in lower demand for goods and services including investment in China and other countries became a negative factor for the Thai export sector that is highly tied to the global economy Products at risk that have been hit hard by the decline in consumption are agricultural, fishery products, wooden furniture and products made of wood and paper which will cause risks for the Thai economy to enter into a full recession this year

From the impact of the outbreak of the Covid-19 virus affecting the extension of the Thai economy's income contraction of the business sector and the household sector in countrywide. The Board of Directors and the Risk Management Committee as well as the management team are aware of the said risk and considered the emergency plan to support this unusual situation Including reducing unnecessary investment and controlling expenses, reducing production costs and considering cash flow reserve for liquidity in order to be able to continue the business.

### 2. Fluctuation in raw material prices

The plastic industry is one of the industries that is affected by the oil price. Because the plastic industry has a direct linkage with the petroleum industry and the petrochemical industry. If the crude oil price in the world market increased or decreased will cause the raw material price to increase or decrease as well, In addition, the domestic plastic price will be referenced from the world market price that is traded in US dollars. Therefore, the exchange rate of the Thai baht and US dollar also has an influence on the domestic plastic price as well.

In the year 2019, oil prices declined due to the world oil demand in market decreased caused by the economic slowdown since the beginning of last year from economic factors such as trade barriers that are uncertain about the major economies, political problems between the United States and Iran including the state of war in Syria. In addition, the

increase in the oil inventory of OECD groups such as the United States and Canada also caused oil prices to continually decline. However, in the second half of the year, the Thai baht moved strengthen continuously, despite the announcement of interest rate cuts. As a result, raw material prices at the end of the year began to fall. Although the selling price of plastic packaging industry products can be adjusted up and down according to the raw material prices, but the price adjustment cannot be made immediately. It needs to use a period to notify the customer of the price adjustment. Therefore, in the meantime, the company has to bear the cost.

However, the Company has a policy of risk management, fluctuations of plastic beads prices with tracking the movement of plastic beads prices closely. There is the analysis of price trends that are going in a particular direction and to plan for further orders. Including the assessment of the demand for raw materials in each period and considering the import of raw materials from abroad so that companies can manage the procurement of raw materials for maximum performance.

### **3. The risk of relying on few large customers.**

The company pays attention and aware of the risk of expanding the plastic packaging business and automotive parts particularly in the plastic packaging group's income which is the main revenue of the company and is sold to the country's major operators in the lubricant industry, milk and the automotive industry and enter into a sale and purchase agreement with the said customer with a relatively high order quantity and having many manufacturers in the industry giving the customer the bargaining power and the opportunity that the client may not renew the contract with the company or add to order some products from competitors. If the company loses the said customer and cannot find a replacement immediately, it may affect the consistency and continuous revenue or resulting in the company's revenue decreasing over time in the future

However, with the experience of the Company is long term, coupled with the development of products quality and the Company's products, resulting to the risk that new competitors shall hit the market, it is quite difficult. Most of customers realize the quality of the product rather than just consider the price factor only. In the past, the Company has promoted the research and development, including seeking for new technologies from public and private sector to improve in terms of production to get a quality product even better as well as reducing manufacturing costs, so as to let customers receive the highest quality products at reasonable prices.

### **4. The risk of competition from new producers.**

Since the business of plastic packaging and automotive parts manufacturing requires not very high investment, the business structure is not complex, therefore, the sole risk is the new operators entering to compete in this industry or even the customers, if they have the idea to produce the plastic packaging by themselves, they can do it. Additionally, the launch of the ASEAN Economic Community or AEC also makes the market more independent, the production base may be move into the country, resulting in more competitors in the industry, and the price competition is more intense than ever as well.

However, the Company's potential and the development of products in terms of quality and as desired by customers create the customers' satisfactions and increase their confidence in the Company's products. In addition, the management of production efficiency, production and service delivery with rapidity to timely serve a variety of customers and the financial security also help to enhance the production capacity, the improvement of production process helps to increase the productivity, as well as the product research and development helps to make differentiation and to support

the growth of customers, these make the customers remain their trustfulness and be our business partners for a long time over decades.

#### **5. The risk of no long-term contracts.**

Most of company and customers in the group of plastic packaging will make a purchasing contract in short-term for 1- 2 years or there is no making a contract. However, it is depending on the policy of contract making by each customer, which is the general practice of the industry. Additionally, the Company received bids from competing with other vendors when the contract is expired, customers may also renew or hold a qualifying new producer. It may be risk of losing customers. However, the company has the risk from the contract is not renewed low level in the past, because customers have confidence in the quality of standard products, delivering the goods on time, and the ability to expand production capacity to respond the needs of customers as well.

The customers in the plastics parts for automotive, the risk of termination of production is very low as well. Typically the operator will not change manufacturers until version of the product is clear or having problems of quality. The average age of products is appropriate 3-5 years, depending on the style and appearance of the products in each industry. However, the Company has various customers in the industries. None of customer has sales amount more than 30% of total sales, in order to diversify the risk of income from no long-term contracts.

#### **6. Risk of Exchange Rate**

In 2019, the global economy experienced a slowdown from the beginning of the year in line with the downturn of economic cycle in major countries and the launch of policy to increase interest rates in many countries. The trade disputes resulted in the movement of capital. Many entrepreneurs not only imported but exported had to confront with the risk from exchange rate although trade leaders have relaxed financial policies, such as the US, the Eurozone, it still affects their operating results and business operations ability. Although the company had not been affected by the exchange rate fluctuations as an exporter because the main income is from domestic sales but as an importer of machinery or raw material that must be imported from foreign countries. The depreciation of the baht affects the cost of production of the company and causing the company to bear the increased cost. Therefore, the company has studied how to prevent foreign exchange risk and closely following news about the movement of foreign exchange rates including the study of the analysis of the trend of foreign currency movements. The Company have chosen to use Forward transactions or forward foreign exchange contracts in situations or conditions that it deems appropriate to do to prevent or reduce the losses that may be caused by the change of currency

#### **7. The risk of changes on the flow and consumption habits of consumers**

The trend of campaign for environment conservation makes consumers and operators begin to more realize on what effect the environment, possibly causing people to change their consumption behaviors by turning to use the products that are environmentally friendly instead, for example; the selection of products made from bioplastics instead of products made of 100% plastic, the bioplastics is considered as an alternative type of plastic produced from agricultural products, i.e. corn, cassava and sugarcane, etc. Another example is electric car that can save energy costs and reduce pollution release to environment because of its motor batter and power supply control system, the government sector fully support this type of cars, influencing many car manufacturers turn to focus on the development of this car for further actual usage with full efficiency, however, the supporting system is also required of development such as power charging station

and limited driving distance. Therefore, the changes on current consumption trends may lead to a negative impact on the Company's income and cost; the Company must prepare itself to respond to those potential changes.

However, the proportion of the bioplastics versus the conventional plastic is not much, and the cost price of the bioplastics is much higher than conventional plastic plastics. It was produced from agricultural raw materials, so there is the cost of cultivation. In addition, the features of the bioplastics are limited and could not fully replace conventional plastics. It still takes time to develop some features. These make the bioplastics is only one choice for consumers and it grows in specific markets only (Niche Market). However, the injection and blow molding systems for packaging can well support the use of bioplastics, the Company can invest in machinery and equipment improvement with small portion of money. Regarding electric powered cars, the management team considers that the car manufacturers still need time to study and develop for a while because of the limitation of battery, resources to do and electric power sources to support the growth of the industry. However, the Company has periodically studied and considered such matters to consider the suitability and the direction of further investment expansion in the future if there are feasibility and market to support.

#### **8. The risk of a majority shareholder in the Company holding more than 60 percent**

The company's majority shareholder is the Hemmontharop groups, which hold shares in the Company totaling of 58.65 percent at March 23, 2020. Aforementioned shareholding proportion is almost 60 percent; the group of largest shareholder has the power to control the Company and influence to the Company's decision on all matters that shall be approved by the shareholders' meeting, excepting for the matters required by law or the Company's regulation specified to get the votes for third in four of the AGM. Therefore, the other shareholders of the Company have the risk from unable to collect the vote for checking and balancing the matter presented by the majority shareholder in the AGM to consider.

However, the Company has established the management structures to achieve balance and reviewing the management properly, which comprise of sub-committees that is; Audit and Governance Committee, Risk Management Committee, The Nomination and Remuneration Committee, and Executive Committee. Their power scope and duties are specified clearly.

The Company has appointed four committees, who is not a representative of the majority shareholders from total of nine directors. It is divided into three of the Independent Director / Audit Committee, and another one is the independent director who is not Audit Committee acting to the first Chairman of the Board, or it is calculated to 44.44 percent to serve the balance of power in the administration, screening agenda offered to AGM for consideration, as well as monitoring the actions of the directors and executives representing the majority shareholder. Moreover, in the case of transactions related to directors, the majority shareholders, and person with control authority, including those who may have a conflict, aforementioned person cannot vote to approve the transaction.

## GENERAL INFORMATION AND OTHER KEY INFORMATION OF THE COMPANY

<b>Company Name</b>	: PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED
<b>Symbol</b>	: PJW
<b>Registration Number</b>	: 0107554000208
<b>Authorized Capital</b>	: 574,080,000 ordinary shares at par value of Baht 0.50, total in amount of Baht 287,040,000
<b>Paid-up Capital</b>	: 574,079,945 ordinary shares at par value of Baht 0.50, total in amount of Baht 287,039,972.50
<b>Nature of Business</b>	: PJW is a producer and supplier of plastic containers & closures and automotive plastic parts of high quality and with custom designs according to clients' requirements for the product brands that are recognized in each end-use industry and among consumers in general. Its products are manufactured through two main processes: blow molding and injection molding and painting. The product range cover car accessories to customers.
<b>Registered Address (Head Office)</b>	: No. 19, 21, Soi Ekkachai 63, Ekkachai Road, Klong Bang Bon Sub-district, Bang Bon District, Bangkok 10150 Telephone Number: 0-2898-0018, 0-2898-1008 Facsimile Number: 0-2898-0633
<b>Samuthsakhon Branch</b>	: 28 Moo 2 Chaimongkol Sub-district, Muang District, Samutsakhon Province 74000 Telephone Number: 0-2150-5988, 0-3483-9130-1 Facsimile Number: 0-2150-5987
<b>Chonburi Branch</b>	: Pin Thong Industrial Estate 2, No. 150/62 Moo 9, Nhong Kham Sub-district, Sriracha District, Chonburi Province 20110 Telephone Number: 0-3304-8081-4, 0-3834-7187-8 Facsimile Number: 0-3304-8085, 0-3834-7189
<b>Homepage</b>	: <a href="http://www.pjw.co.th">www.pjw.co.th</a>
<b>Contact Investor Relations (For general information)</b>	: Telephone Number: 0-2150-5988 Ext. 153 E-mail Address: <a href="mailto:ir-pjw@pjw.co.th">ir-pjw@pjw.co.th</a>
<b>Contact Company Secretary</b>	: Telephone Number: 0-2150-5988 Ext. 153
<b>Contact the Audit Committee's Secretary</b>	: Telephone Number: 0-2150-5988 Ext. 176 E-mail Address: <a href="mailto:ac-secretary@pjw.co.th">ac-secretary@pjw.co.th</a>
(For complain, notice about corruption clue, and/or infringement of code of conduct and/or good corporate governance)	

## GENERAL INFORMATION OF SUBSIDIARIES

**Company Name** : MILK PACK COMPANY LIMITED

**Paid-up Capital** : 12,000 ordinary shares at par value of Baht 2,500 total in amount of Baht 30,000,000

**Nature of Business** : Manufacturing of plastic packaging, mainly used for lubricant packaging for medium and small customers

**Registered Address** : No. 19, 21, Soi Ekkachai 63, Ekkachai Road, Klong Bang Bon Sub-district, Bang Bon District, Bangkok 10150  
Telephone Number: 0-2898-0018 Facsimile Number: 0-2898-0633

**Samuthsakhon Branch** : 28 Moo 2 Chaimongkol Sub-district, Muang District, Samutsakhon Province 74000  
Telephone Number: 0-2150-5988, 0-3483-9130-1  
Facsimile Number: 0-2150-5987

**Company Name** : ELEGANCE PACKAGING COMPANY LIMITED

**Paid-up Capital** : 10,000 ordinary shares at par value of Baht 100 total in amount of Baht 1,000,000

**Registered Address** : No. 19, 21, Soi Ekkachai 63, Ekkachai Road, Klong Bang Bon Sub-district, Bang Bon District, Bangkok 10150  
Telephone Number: 0-2150-5988, 0-3483-9130-1  
Facsimile Number: 0-2150-5987

**Nature of Business** : Lubricant Bottle Cap

**Company Name** : PLASTECH LAB COMPANY LIMITED

**Paid-up Capital** : 2,000,000 ordinary shares at par value of Baht 10 total in amount of Baht 20,000,000

**Nature of Business** : The servicing test of products and/ or standard of overall products, testing and analyzing physical and chemical of products

**Registered Address** : No. 28 Moo 2, Chaimongkol Sub-district, Muang District, Samutsakhon Province 74000  
Telephone Number: 0-2150-5988, 0-3483-9130-1  
Facsimile Number: 0-2150-5987

**Chonburi Branch** : Pin Thong Industrial Estate 2, No. 150/62 Moo 9, Nhong Kham Sub-district, Sriracha District, Chonburi Province 20110  
Telephone Number: 0-3304-8081-4, 0-3834-7187-8  
Facsimile Number: 0-3304-8085, 0-3834-7189

**Company Name** : PANJAWATTANA (TIANJIN) PLASTIC COMPANY LIMITED  
**Paid-up Capital** : US Dollar 5,500,000  
**Registered Address** : Building no.4, Hongtai Industrial Estate, No. 78 Taihua Road,  
 Tianjin Economic-Technologic Development,  
 Tianjin, 300457 RPC  
 Telephone Number: (+86) 22-2532-7703  
 Facsimile Number: (+86) 22-2532-8323

**Nature of Business** : Manufacturing of lubricant packaging for customers in Republic of China  
**Company Name** : PANJAWATTANA (JIANGSU) PLASTIC COMPANY LIMITED  
**Paid-up Capital** : US Dollar 5,000,000 and paid-up share capital shall be US Dollar 4,000,000.  
**Registered Address** : Building no.3 Plainvim (Taicang) Industrial Park, 525 Lingang South Road,  
 yuewang shaxi Town, Taicang City ,Jiangsu 215421 PRC  
 Telephone Number: (+86) 0512 56660092  
**Nature of Business** : Manufacturing of lubricant packaging for customers in Republic of China

**OTHER REFERENCES**

**Securities Registrar** : Thailand Securities Depository Co., Ltd.  
 The Stock Exchange of Thailand Building  
 93 Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400  
 Telephone Number: 0-2009-9000

**Auditor** : Dharmniti Auditing Co., Ltd  
 267/1, Soi Piamsud (Prachachian 20), Prachachian Road,  
 Bang Sue Sub-District, Bang Sue District Bangkok 10800  
 Telephone Number: 02-596-0500

**Legal Consultant** : Wayu & Partners Co., Ltd  
 9/8 Soi Sukhumvit 63, Sukhumvit Road,  
 Khlong Ton Nua Sub-district, Wattana District Bangkok  
 Telephone Number: 0-2714-2799

\*\*\*\*\*  
 The investor reading from annual registration statement (From 56-1) were presented on the securities  
 and exchange commission website at [www.sec.or.th](http://www.sec.or.th) or company website at [www.pjw.co.th](http://www.pjw.co.th)  
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## BOARD OF DIRECTORS



01

**Dr. Damri Sukhotanang**  
 • Board Chairman  
 • Independent Director



02

**Mr. Kongsak Hemmontharop**  
 • Vice Chairman Director



03

**Mrs. Malee Hemmontharop**  
 • Director



04

**Mr. Wiwat Hemmondharop**  
 • Director



05

**Mr. Satit Hemmondharop**  
 • Director



06

**Dr. Pirun Hemmondharop**  
 • Director



07

**Miss Charanya Sangsukdee**  
 • Chairman of Audit and Corporate  
 Governance Committee  
 • Independent Director



08

**Assoc. Prof. Dr. Aekkachai  
 Nittayakasetwat**  
 • Audit and Corporate  
 Governance Committee  
 • Independent Director



09

**Mr. Natthawut Khemayotin**  
 • Audit and Corporate  
 Governance Committee  
 • Independent Director





**BOARD OF DIRECTORS  
AUDIT COMMITTEE  
RISK MANAGEMENT COMMITTEE  
NOMINATION AND REMUNERATION COMMITTEE  
BOARD OF EXECUTIVE COMMITTEE**

**Board of Directors**

1.	Dr. Damri Sukhotanang	Board Chairman / Independent Director
2.	Mr. Kongsak Hemmontharop	Vice Chairman / Director
3.	Mrs. Malee Hemmontharop	Director
4.	Mr. Wiwat Hemmondharop	Director
5.	Mr. Satit Hemmondharop	Director
6.	Dr. Pirun Hemmondharop	Director
7.	Miss Charanya Sangsukdee	Independent Director
8.	Assoc. Prof. Dr. Aekkachai Nittayakasetwat	Independent Director
9.	Mr. Natthawut Khemayotin	Independent Director

**Audit Committee**

1.	Miss Charanya Sangsukdee	Chairman of Audit Committee
2.	Assoc. Prof. Dr. Aekkachai Nittayakasetwat	Audit Committee Member
3.	Mr. Natthawut Khemayotin	Audit Committee Member

**Risk Management**

1.	Assoc. Prof. Dr. Aekkachai Nittayakasetwat	Chairman of Risk Management Committee
2.	Miss Charanya Sangsukdee	Risk Management Committee member
3.	Mr. Natthawut Khemayotin	Risk Management Committee member
4.	Mr. Wiwat Hemmondharop	Risk Management Committee member
5.	Mr. Satit Hemmondharop	Risk Management Committee member
6.	Dr. Pirun Hemmondharop	Risk Management Committee member

**NOMINATION AND REMUNERATION COMMITTEE**

1.	Dr. Damri Sukhotanang	Chairman of Nomination and Remuneration Committee
2.	Mr. Wiwat Hemmondharop	Nomination and Remuneration Committee member
3.	Mr. Natthawut Khemayotin	Nomination and Remuneration Committee member

**BOARD OF EXECUTIVE COMMITTEE**

1.	Mr. Wiwat Hemmondharop	Chairman of the Board of Executive Committee
2.	Mr. Satit Hemmondharop	Executive Committee member
3.	Mrs. Malee Hemmontharop	Executive Committee member
4.	Dr. Pirun Hemmontharop	Executive Committee member

## Securities Focus and Shareholders

### Securities Focus

Panjawattana Plastic Public Company Limited has association to company limited on November 30, 1987 and registered to listed company in Market for Alternative Investment (MAI) on February 24, 2012

### Shareholders Structure

As at December 31, 2019 the Company has Authorized Capital of Baht 287,040,000, divided into 574,080,000 ordinary shares with a par value of Baht 0.50., Paid-up Capital of Baht 287,039,972.50, divided into 574,079,945 ordinary shares with a par value of Baht 0.50

As at March 23, 2020 top 10 Company's major shareholders are shown below;

Shareholders' lists	As at March 23, 2020	
	Number of shares	%
<b><u>The Hemmontharops<sup>1/</sup></u></b>		
1. Mrs. Malee Hemmontharop	101,725,566	17.72%
2. Mr. Kongsak Hemmontharop	88,241,747	15.37%
3. Mr. Wiwat Hemmondharop	71,868,660	12.52%
4. Dr. Pirun Hemmondharop	35,688,640	6.22%
5. Mr. Satit Hemmondharop	32,661,428	5.69%
6. Mrs. Jittravadee Hemmontharop	6,050,000	1.05%
7. Mr. Chaval Hemmondharop	455,304	0.08%
<b>Total</b>	<b>336,691,345</b>	<b>58.65%</b>
<b><u>The Other shareholders in top 10 list</u></b>		
1. Mr. Suntorn Sripratchayaanun	20,629,380	3.59%
2. Mr. Permsak Kosolphon	10,799,000	1.88%
3. Mr. Vichiar Srimuninnimitr	8,295,900	1.45%
4. Mr. Seksan Krongpanich	6,600,000	1.15%
5. Mr. Natthaphon Krongpanich	6,400,000	1.12%
<b>Total</b>	<b>52,724,280</b>	<b>9.18%</b>
<b><u>Other minor shareholders</u></b>	184,664,320	32.17%
<b>Total</b>	<b>574,079,945</b>	<b>100.00%</b>

<sup>1/</sup> The Company major's shareholders who have significant influence on conducting the Company's policy, management, or its business operation

**Acquisition report of the Company's Directors and Executives**
**From January 1 – December 31, 2019**

Name - Surname	Position	December 31, 2018	Percentage of shares (%)	Changed of shares	December 31, 2019	Percentage of shares (%)
<u>Paid-up Capital</u>		574,079,945			<u>574,079,945</u>	
• <u>Directors</u>						
1. Dr. Damri Sukhotanang	Board of Director Chairman/Independent Director	260,000	0.05%	-	260,000	0.05%
2. Mr. Kongsak Hemmontharop	Director/Vice Chairman	88,241,747	15.371%	-	88,241,747	15.37%
3. Mrs. Malee Hemmontharop	Director/ Vice Chief Executive Officer	101,725,566	17.720%	-	101,725,566	17.72%
4. Mr. Wiwat Hemmondharop	Director/ Executive Committee Chairman	69,405,360	12.090%	2,463,300	71,868,660	12.52%
5. Mr. Satit Hemmondharop	Director / Chief Executive Officer	32,661,428	5.689%	-	32,661,428	5.69%
6. Dr. Pirun Hemmondharop	Director / Vice Chief Executive Officer / Chief Administrative Officer	35,688,640	6.217%	-	35,688,640	6.22%
7. Miss Charanya Sangsukdee	Audit Committee Chairman /Independent Director	260,000	0.05%	-	260,000	0.05%
8. Assoc. Prof. Dr. Aekkachai Nittayakasetwat	Independent Director	156,000	0.03%	-	156,000	0.03%
9. Mr. Natthawut Khemayotin	Independent Director	260,000	0.05%	-	260,000	0.05%
• <u>Chief Executive</u>						
1. Mrs. Prim Chaiyawat	Chief Financial Officer/ Secretary	364,000	0.06%	-	364,000	0.06%
2. Mr. Seksan Sinbunluekul	Chief Product Engineer and Development Officer	364,000	0.06%	-	364,000	0.06%

## Dividend Payment Policy

### Dividend Payment Policy of the Company

The Company has a policy to pay dividend for its shareholders at the rate not less than 40% of net profit after corporate income tax in the company-only financial statements and after legal reserve. However, the Company may set to pay less than the rate specified in the policy, depending on its operational performance, financial position, liquidity, necessity to use working capital, business expansion plan, and other rationales and factors as deemed appropriate by the Board of Directors and/or the shareholders.

### Dividend payment policy of subsidiary companies

Each subsidiary company has a policy to pay dividend at the rate not less than 50% of net profit after corporate income tax in its company-only financial statements and after legal reserve. However, each subsidiary company may set to pay less than the rate specified in the policy, depending on its operational performance, financial position, liquidity, necessity to use working capital, business expansion plan, and other rationales and factors as deemed appropriate by the board of directors and/or the shareholders of each company.

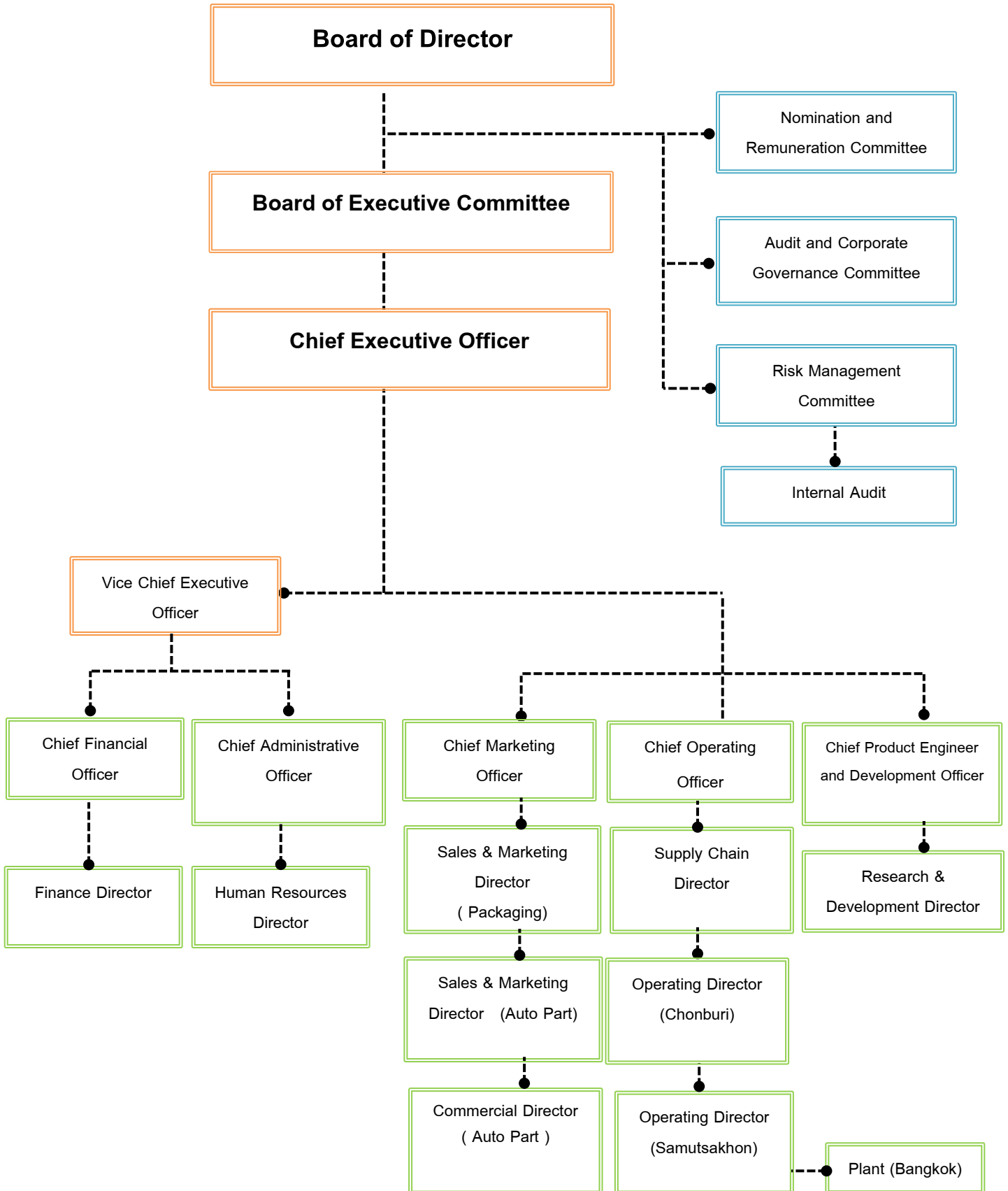
### The dividends paid in the previous years

Year	Net profit per share (Baht/share)	Cash Dividend (Baht/share)	Stock Dividend (Existing : New)	Dividend per net profit %
2012	0.35	0.15	-	44.81
2013	0.18	0.10	-	54.63
2014	0.03	-	25 : 1	66.01
2015	0.18	0.10	-	55.92
2016	0.24	0.13	-	53.59
2017	0.07	-	-	-
2018	-	0.08	-	-
<b>2019</b>	<b>0.04</b>	-	-	-
<b>2020*</b>	<b>0.15</b>	<b>0.07</b>	-	<b>46.31</b>

**Remark:**

*\*The Company's Board of Directors No. 2/2020 dated March 6, 2020 has its resolution to pay for dividend regarding the 2019 performance at Baht 0.07 per share. However, the resolution will be proposed to the 2020 Annual General Meeting of Shareholders, to be held on April 22, 2020 for further approval.*

# Organization Structure



## Organization Structure

PJW organization structure consists of the Board of Directors, the Audit and Corporate Governance Committee, the Risk Management Committee, the Nomination and Remuneration Committee and the Executive Committee. The Board of Directors and the Executive Committee are qualified as stipulated in Section 68 of the Public Limited Companies Act 1992 and in accordance with the relevant notifications of the Capital Market Supervisory Board. The company's management structure consists of many persons who have different knowledge and skill in the areas of industrial, finance and accounting, business administration, international trade, strategic, crisis management, legal and good corporate governance.

The Board of Directors has 4 independent directors out of 9 members which is more than one-third of total number of members and has 1 female independent director. The management among the board has clear segregation of duties and the balance of power. The Chairman of the Board is not the same person as the Chief Executive Officer. The name list of the Board of Directors, Position and the 2019 meeting attendance records are as follows:

### **Board of Directors**

As of 31 December 2019, the Board of Directors is composed of 9 members below:

<i>Name</i>	<i>Position</i>	<i>BOD's meeting attendance</i>
1. Dr. Damri Sukhotanang	Board of Director Chairman/Independent Director Nomination and Remuneration Committee Chairman	6/6
2. Mr. Kongsak Hemmontharop	Director/Vice Chairman	6/6
3. Mrs. Malee Hemmontharop	Director/Executive Committee Member	6/6
4. Mr. Wiwat Hemmondharop	Director Risk Management Committee Member Nomination and Remuneration Committee Member Executive Committee Chairman	6/6
5. Mr. Satit Hemmondharop	Director Risk Management Committee Member Executive Committee Member Chief Executive Officer	6/6
6. Dr. Pirun Hemmondharop	Director Risk Management Committee Member	6/6
7. Miss Charanya Sangsukdee	Director/Independent Director Audit and Corporate Governance Committee Chairman Risk Management Committee Member	6/6
8. Assoc. Prof. Dr. Aekkachai Nittayakasetwat	Director/Independent Director Audit and Corporate Governance Committee Member Risk Management Committee Chairman	6/6
9. Mr. Natthawut Khemayotin	Director/Independent Director Audit and Corporate Governance Committee Member Risk Management Committee Member Nomination and Remuneration Committee Member	6/6

Mrs. Prim Chaiyawat acts as Secretary to the Board of Directors

### **Authorized Directors**

Directors authorized to sign on behalf of the Company are two of the four directors, namely Mr. Wiwat Hemmondharop, Mr. Satit Hemmondharop, Dr. Pirun Hemmondharop and Mrs. Malee Hemmondharop, to co-sign documents with the Company seal affixed.

### **Director Term of office**

At each annual general meeting of shareholders, one-third of the total directors are due to vacate the office. If the number of directors cannot be divided by three, the closest number to one-third shall apply. The method for vacating directors from office in the first and second year after the Company's registration is by drawing lots. On the following years, the directors who are in office the longest shall retire. The retiring directors may be re-elected as the directors for another term.

Independent directors have a term of office not exceeding 9 years. In order to comply with the good corporate governance guidelines of the Stock Exchange of Thailand, those independent directors may be reappointed if the Board of Directors sees that is appropriate.

### **Scope of duties and responsibilities of the Board of Directors**

1. The Board of Directors has the authority and responsibility to manage the company in accordance with the law. Company objectives and the articles of association.

As well as the resolution of the shareholders' meeting, based on the principle of "good practices for directors of listed companies" as prescribed by the Stock Exchange of Thailand

2. Participate in setting the Company's vision and mission so that the executives and employees aim in the same direction and reviewing them in annually basis.

3. Set goals, guidelines, policies, business plans and the company's budget as well as monitor and supervise administration and management to be in accordance with

the policies, plans and budgets with efficiency and effectiveness.

In addition, the Board of Directors also has the scope of duties to supervise the Company to comply with the law of the Securities and Exchange, the Capital Market Supervisory Board Announcement and the requirements of the Stock Exchange of Thailand such as the entering in the connected transactions, the acquisition or disposal of important assets and laws related to the business of the company.

4. Consider the structure of management to have the power to appoint an executive committee, Chief Executive Officer and other subcommittees as appropriate including determine the scope of authority of the Executive Committee, Chief Executive Officer and appointed subcommittees.

The delegation of authority under the scope of authority must not allow the Executive Committee, Chief Executive Officer and subcommittees to consider and approve any transactions that may have conflicts of interest with the Company or its subsidiaries (if any) except for approving transactions that are in accordance with the policies and criteria that the Board of Directors consider and already approved

5. Prepare annual board reports, responsible for the preparation and disclosure of financial statements to present the financial status and operating results of the previous year, present to the shareholders' meeting for consideration and approval

6. Supervise to ensure compliance with the principles of good corporate governance and business ethics.

7. Provide a written business ethics for all directors, executives and employees can understand the ethical standards that the company uses in business operations and strictly monitor the compliance with such ethics.

8. Considering the formulation of risk management policies to cover the entire organization and supervise to have a system or process in managing risk by having measurement to support and control methods to reduce the impact on the business of the company appropriately

9. Provide adequate and appropriate internal control systems to ensure that the various transactions are approved by the authorized persons and to ensure various systems can prevent the use of company assets inappropriately.

10. Supervise and manage potential conflicts of interest including related transactions.

11. The Board of Directors may authorize single director or multiple directors or any other person to perform any act on behalf of the Board under the control of the Board of Directors or may grant authorize so that such person has the power as the Board deems appropriate and within the period of time that the Board of Directors deems appropriate. The Board of Directors may cancel, revoke, change or amend such authorization as deemed appropriate.

Such authorization must not be made in the manner that empowers the person to determine and approve transactions that he/she or other person may be involved in conflicts of interest or conflicts of interest in any other nature with the Company or its subsidiary (if any) (as defined in the notification of the Capital Market Supervisory Board and/or the SET, and/or other notifications of relevant agencies) except the case of approving a transaction according to the policy and criteria earlier considered and approved by the Board.

**Scope of duties and responsibilities of the Chairman of the Board of Executive Committee**

1. Responsible as the leader of the Board of Executive Committee in supervising, monitoring,

**Executives**

As of 31 December 2019, the Company has 6 executive members

Name	Position
1.Mr.Wiwat Hemmondharop	Executive Committee Chairman
2.Mr.Satit Hemmondharop	Chief Executive Officer
3.Mrs.Malee Hemmontharop	Vice Chief Executive Officer
4.Dr. Pirun Hemmondharop	Vice Chief Executive Officer Chief Administrative Officer
5.Mrs. Prim Chaiyawat	Chief Financial Officer / Company Secretary

and managing the Executive Committee and other subcommittees to achieve the objectives as planned and promote the development of knowledge and skills necessary for the performance of the company's directors

2. Analyse problems, suggest opinions and find solutions and consider decisions that is matter.
3. Set the meeting agenda with the Chief Executive Officer and scrutinize the agenda of each meeting
4. To be the lead to conduct the Board of Directors meeting and shareholders' meeting by controlling the meeting in accordance with the company regulations and relevant laws.
5. Being a casting vote in the event that the Board of Directors' meeting has a two equal votes
6. Have the authority to approve spending in normal business operations of the company, such as purchasing assets. significant investing for the benefit of the company and other transactions for the benefit of the company. Such approval authority will be the approval of the normal commercial transactions with amount not greater than Baht 20 million in each transaction but not exceed the budget endorsed by the Board of Directors



6.Mr. Seksan Sinbunluekul	Chief Product Engineer and Development Officer
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**Scope of duties and responsibilities of the Chief Executive Officer:**

1. Supervise, manage and perform the duties of normal business conducts for the Company's interest in accordance with the objectives and the Articles of Association, rules, regulations, resolutions, policies, work plans and budgets endorsed by the Board's and/or the shareholders' meeting under relevant laws and/or scope of authority designated by the Board of Directors;
2. Control and oversee the business operations and/or daily administration of the Company;
3. Determine and propose the Company's business policies, business plans, targets, operational plans, business strategies, annual budgets for the Company's operations, budgets shown in annual report, management authority to the Executive Committee and Board of Directors for approval;
4. Implement the policies of Board of Directors by translating them into directions, guidelines, strategies and business targets to define mission which will be assigned to the management team for further actions;
5. Oversee and follow up the performance of the executives; give advice on remediate of problems and obstacles to ensure that the executives and management team act in accordance with the strategies and business plan and in line with the Company's policy;
6. Monitor and evaluate performances of duties of the management team; report the results of operations, management and progress of the operations to the Executive Committee, the Audit Committee and the Board of Directors on a regular basis;
7. Approve the expenditures for the Company's normal business conducts such as the purchase

of property, major investment and other transactions for the Company's benefits. The power to approve shall be for normal commercial transactions with amount not greater than Baht 15 million each transaction and not exceed the budget endorsed by the Board of Directors;

8. Determine the organizational structure, management methods including selection, training, hiring and dismissal of employees and determine the wage rate, salary, compensation, bonus and welfare for employees
9. Perform any other duties as assigned by the Executive Committee or the Board.

In undertaking any matter that the Chief Executive Officer or his authorized person or other person that may have conflicts of interest (as defined in the notification of the Capital Market Supervisory Board and/or the SET, and/or other notifications of relevant agencies) or conflicts of interest in any other nature with the Company or its subsidiary and/or associated companies, the Chief Executive Officer has no authority to approve the said matter. Hence, he must propose to the meeting of the Board of Directors and/or shareholders (as the case may be) for its approval, except the case of approving a normal transaction under normal trade conditions in accordance with the notification of the Capital Market Supervisory Board and/or the SET, and/or other notifications of relevant agencies.

**Company Secretary**

In the Board of Directors Meeting No. 8/2011 on 18 August 2011, the Board of Directors passed a resolution to appoint Mrs. Prim Chaiwat to be the Company Secretary. The company secretary must perform duties according to Section 89/15 and Section 89/16 of the Securities and Exchange Act (No. 4) BE 2551 which became effective on August 31, 2008 with responsibility. Careful And honesty Including having to comply with the law Objectives,

Articles of Association Board resolution As well as the resolution of the shareholders' meeting The legal duties of the company secretary are as follows:

1. Provide basic advice to directors regarding compliance with laws, regulations, rules and regulations of the company. And follow up to ensure the correct and consistent practice

2. Ensuring the disclosure of information and reports in the areas of responsibility according to the rules and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission.

3. Prepare and maintain the following documents;

- Registration of the Company's directors;
- Invitation letters to the Directors meeting and minutes of the meetings;
- Invitation letters to shareholders for meeting and minutes of the shareholders' meeting;
- Company's annual reports;
- Reports of conflicts of interest of Directors and executives.

4. Organizing the Board of Directors meeting Sub-committee and shareholders' meeting

5. Perform other tasks As the Board of Directors and sub-committees assigned

6. Other operations as announced by the Capital Market Supervisory Board

#### **Remuneration of Director and Executive**

##### ● **Director**

The Company considers determining remuneration and the Nomination and Remuneration Committee considers determining the director remuneration under consideration on function and responsibility of the director, turnover of the Company, appropriateness and comparison referring to the business in the same type as the Company or similar to the Company and referring to the information of the remuneration for the Company's director and executive, to be proposed to the Board of Directors for regular considering and proposing to the Meeting of Shareholders for approval on director remuneration every year.

#### ○ **Monetary Remuneration**

In 2019, the Meeting of Shareholders approved and determined structure of monetary director remuneration rate in total limit of not more than 3,200,000 Baht per year as follows.

Element of Remuneration	Amount
<b>1. Meeting Allowance</b>	
— Chairman of the Board	25,000 Baht/Meeting/Person
— Chairman of the Audit and Corporate Governance Committee	15,000 Baht/Meeting/Person
— Chairman of the Risk Management	15,000 Baht/Meeting/Person
— Chairman of the Nomination and Remuneration Committee	15,000 Baht/Meeting/Person
— Director and Sub-Committee Member	10,000 Baht/Meeting/Person
<b>2. Monthly Remuneration (particularly for independent director)</b>	10,000 Baht/Meeting/Person
<b>3. Bonus for independent director in total amount of not more than</b>	1,000,000 Baht

**Director Remuneration of Panjawattana Plastic Public Company Limited paid in the Year of 2019**

List	Director Remuneration (Baht) Paid in the Year 2019						
	Allowance of the Board's Meeting				Only independent directors		Total (Baht)
	The Company	Audit	Risk Management	Nomination and Remuneration	Monthly Remuneration	Bonus	
<b>Number of Meetings for 2019</b>	6 Meetings	4 Meetings	2 Meetings	1 Meetings			
1.Dr. Damri Sukhotanang	150,000	-	-	15,000	120,000	300,000	585,000
2.Mr. Kongsak Hemmondharop	60,000	-	-		-		60,000
3.Mrs. Malee Hemmondharop	60,000	-	-		-		60,000
4.Mr. Wiwat Hemmondharop <sup>1/</sup>	60,000	-	20,000	10,000	-		90,000
5.Mr. Satit Hemmondharop	60,000	-	20,000		-		80,000
6.Dr. Pirun Hemmondharop	60,000	-	20,000		-		80,000
7.Miss Charanya Sangsukdee	60,000	60,000	20,000		120,000	230,000	490,000
8.Assoc.Prof.Dr.Aekkachai Nittayakasetwat	60,000	40,000	30,000		120,000	230,000	480,000
9.Mr. Natthawut Khemayothin	60,000	40,000	20,000	10,000	120,000	230,000	480,000
<b>Total</b>	630,000	140,000	130,000	35,000	480,000	990,000	2,405,000

○ **Other Remunerations**

The Company does insurance policy in type of responsibility of the director and executive officer (D&O).

● **Executives**

The Nomination and Remuneration Committee determines the determination criteria and policy of the remuneration for the Chief Executive Officer and top executives, and regularly reviews every year to be consistent with the Company's overall operation, operating result, and competitiveness in business group for retention of the Company's key executives. The remunerations of the executives consisted of below.

○ **Monetary Remuneration**

The Company paid remuneration with below details for the executives.

Type	Year 2019	
	Number of Executives	Amount (Baht)
Salary and Bonus	6 <sup>1/</sup>	38,849,541.77
Provident Fund Contribution	6 <sup>1/</sup>	2,235,833.11

Note :

1/ 5 executives and 1 Chief Executive Officer and during 1 January – 31 December 2019

○ **Other Remunerations**

The Company insures health insurance and arranges posting cars for top executives. The Company has none of remuneration policy for director or staff in the nature of shares, debentures or any other securities.

### Personnel

As at 31 December 2019, total staffs of the Company and its subsidiaries (excluding 12 executives) have been 1,921 persons that can be divided into the following lines

Main Line	Number of Staffs	
	Year 2018	Year 2019
Panjawattana Plastic Public Company Limited		
Samutsakhon Branch	682 persons	688 persons
Chonburi Branch	974 persons	933 persons
Millpack Company Limited	121 persons	129 persons
Panjawattana (Tianjin) Plastic Company Limited	53 persons	57 persons
Panjawattana (Jingsu) Plastic Company Limited	-	114 persons
<b>Total</b>	<b>1,830 persons</b>	<b>1,921 persons</b>

### ● **Staff Remuneration**

Total remuneration of the staffs includes salary, overtime pay, allowance, bonus, social security contribution, compensation fund contribution, welfare grants, and others.

Detail	Year 2017	Year 2018
Number of Staffs (persons)	1,830 persons	1,921 persons
Remuneration (Million Baht)	481.72 Million Baht	527 Million Baht

- **Other remunerations**

#### Provident fund

The company and subsidiaries asset a provident fund by partly deducting money from salary of employee combined with contribution paid by the company. Such fund was registered as provident fund in accordance with regulations of Ministry of Finance and the fund manager was permitted with objectives to build up morale for employees and to motivate them to work with the Company in the long run.

#### Health Insurance

- The company makes health insurance for employees at division leader level and above along with personal accident insurance for delivery employees

- **Personnel development policy**

The Company has a policy to develop personnel regularly by recognizing that employees are valuable asset and the key that can operate business successfully and achieve the goal. Therefore, the Company is determined to develop the organization to be learning organization to increase knowledge, capability and potentials of employees and it is beneficial to the organization having efficient personnel that can creates works for the company and develop themselves to grow in career path along with the company. It provides both external and internal trainings annually.

#### Internal Training

To promote and upgrade potentials of executives and employees to be able to work responding strategy and goals of the Company efficiently and effectively, the Company designs and develops courses of in-house training which can be graded as follows

##### For manager-level employee:

The Company develops manager-level employees to develop skill of leadership together with new knowledge in strengthening proficiency in more effective management. Besides, it's the way to get prepared for future promotion in accordance with the progress in career path that they can compete and be ready to be a leader in industry of current and future businesses.

##### For operating employee:

The company develops operating employees by providing courses for them to fully develop knowledge and capability according to their duty, professional line and responsibility. It is to develop skills, knowledge and

capability in operating works and increasing efficiency by their line of responsibility such as Technician school, financial and accounting standard, skill of computer system and technology, marketing and sale skill and ISO system etc.

##### For every employee:

The company develops every employee by providing a course to train about main knowledge and capability so that they can perform works in accordance with organizational culture for ultimate efficiency such as orientation for new employees, implantation of organizational culture and raising awareness about ethics, morality and compliance with principles of good corporate governance, code of conduct and anti-corruption policy etc.

#### External training

The Company supports employees to be trained in seminars arranged by external training institution to increase knowledge or study new innovation about changing aspects so that they can apply it to improve and develop organization's operations with competitive edge.

In addition, directors are encouraged to receive training or join activities in various courses. In order to develop and increase the knowledge and ability in the operation of the company each year.


- **Policy of In-house Relationship and Attachment Creation**

The Company defines a policy to create relationship and attachment at any level in the organization between executives and employees and it also promote synergy by focusing on creating organizational values and cultures for effective cooperation and coordination. Accordingly, in previous year, the company arranged many activities such as CSR activity Grow Day activity, annual party, Asakai meeting between leader and employee in every morning and management outing activity etc.





- **Keeping personnel to remain with the company**

The company has a policy to maintain quality personnel to remain with the company by managing to have a good working environment and atmosphere. Encourage the company's personnel to show their creativity and ability to the fullest. Provide personnel development Performance evaluation and consideration for compensation

# Corporate Governance



**Corporate Governance Code**

-  Good corporate governance policy and business ethics
-  Social Responsibility, Community and Environment Policy
-  Risk management
-  Anti-Corruption

Panjawattana Plastic Public Company Limited has always recognized the importance of developing effective management policies, together with the advancement of organizational transparency and accountability. This will bring trust and confidence to all parties involved, resulting in sustainable business growth under the Company's Code of Conduct and compliance with relevant laws. Panjawattana Plastic has strategically developed a set of good corporate governance policies, while keep them updated to conform to the current economic and business situations aiming to generate enhanced operations capacity. With well-developed standards, the advanced business implementation has been expected to be pursued by employees of all levels, supported by various organization-based activities aiming to foster the excellence of good corporate governance. The Company has adopted the principles of good corporate governance for registered companies prescribed by the Stock Exchange of Thailand (SET) and has also taken into account the comments and suggestions featured in the annual assessment report of the Thai Institute of Directors

(IOD). With the expectation to use them as guidelines for business accomplishment, the Board members, executives, and employees of Panjawattana Plastic have determined to strictly pursue such good corporate policies and rely on them in an efficient and consistent manner. In the past year, there was no situation or incident going against the approved good corporate policies, according to the following guidelines.

## ➤ Corporate Governance

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### Part 1 The Rights of Shareholders

**Key Concept** : *A shareholders possesses the right of ownership by controlling the Company through the appointment of the Board of Directors to act on his/her behalf and the right to make a decision about major changes to the Company. The Company should encourage all shareholders to exercise their rights.*

Panjawattana Plastic recognizes and values fundamental rights of shareholders, both as investors in securities and as owners of the Company, including trading or transferred shares, sharing of profits for the Company, obtaining the Company's news and information in a sufficient manner in order to be authorized for casting a vote as well as appointing or removing a member of the Board of Directors or an auditor. Shareholders are also required to be responsible for matters that affect the Company, including the allocation of dividends, determination or amendment of rules and regulations and requirements of the Memorandum of Understanding (MOU), maximization or minimization of capital, approval of special transactions, and proposal of inquiries or expression of opinions on various issues acknowledged and approved by the Board of Directors in the meeting of shareholders.

#### **1. Organization of the Meeting of Shareholders**

1.1 The Company maintains and encourages all shareholders, whether they are major or minor

shareholders, foreign shareholders, or institutional investors to attend the shareholders' meeting.

1.2 The Company has assigned Thailand Securities Depository Company Limited, acting as the Company's securities registrar, to be responsible for delivering an invitation letter of shareholders

to participate in the meeting of shareholders, where invited shareholders can spend a period of time studying the meeting-related information within a period of seven (7) days prior to the actual meeting date or as required by relevant laws. The registrar is also required to advertise the meeting invitation letter and other related notices in any of the local newspapers within a minimum period of three (3) days prior to the actual meeting date, where the meeting invitation letter and other related notices should be required to be advertised in the preferred newspapers for three (3) consecutive days.

1.3 The information of date, time, venue and meeting agenda with clarification and supporting reason in the each proposed agenda shall be provided.

1.4 The Company shall facilitate the shareholders to fully exercise the right of meeting attendance and voting.

1.5 The Company is required to provide shareholders with an opportunity to propose an agenda in advance, reportedly starting from October to December of every year, while submitting any inquiry related to the proposed agenda ahead of the meeting by keeping shareholders informed about the updated information via the news reporting system possessed by the Stock Exchange of Thailand (SET). The Company is also required to announce rules, regulations, standards, and procedures of the meeting of shareholders via the Company's website [www.pjw.co.th](http://www.pjw.co.th) in the Investor Relations section.

1.6 In case where the shareholder is unable to attend the meeting by presence, the Company gives the opportunity to the shareholder to enable to give a proxy to the independent director or any person to attend the meeting in lieu of him/her.

## **2. Procedures of Meeting of Shareholders**

2.1 The Company is required to encourage the Board of Directors, executives, and personnel of related agencies, including its auditor, to attend the meeting of shareholders promptly.

2.2 The Company applies Barcode System in registration and vote count for rapid, proper and accurate execution of the meeting. The advance registration of the shareholders is allowed before meeting for 2 hours and registration duration is extended until the time before considering last agenda.

At the meeting of shareholders, all shareholders will be authorized to express their opinions, comments, suggestions, and inquiries on particular agendas in an unbiased manner. In the meantime, there will be members of the Board of Directors and related executives present in the meeting to be responsible for all proposed inquiries.

Important issues and resolutions of agendas will be recorded in the minutes of the meeting of shareholders aiming to unveil transparency and accountability of

implementation, where the Chairman of the meeting of shareholders will mainly be responsible for the allocation of time required for each agenda.

The shareholders are given the opportunity to be able to vote in electing the director one by one.

The Company will assign an independent person to act as a counter or checker of casted votes for both shareholders' ordinary and extraordinary meetings, while being required to

disclose the voting results to the meeting and record them in the minutes of the meeting of shareholders.

### **3. Preparation of Meeting Minutes and Introduction of Meeting Agendas**

3.1 As the Company will record the minutes of the meeting of shareholders, all voting procedures will be announced to shareholders prior to the meeting. Shareholders will be allowed to express opinions, raise inquiries, record replies of inquiries related to the meeting agendas, and acknowledge the list of attended members of the Board of Directors and those who are absent from the meeting.

3.2 The Company will report the voting results and resolutions of agendas via the website of the Stock Exchange of Thailand (SET) as well as the Company's website [www.pjw.co.th](http://www.pjw.co.th) on the same date of the meeting or within 09:00 a.m. of the next business day. Additionally, the minutes of the meeting of shareholders will be submitted to the Stock Exchange of Thailand (SET) within fourteen (14) days following the meeting date.

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## **Part 2 The Equitable Treatment of Shareholders**

**Key Concept:** *All shareholders, both executive and non-executive shareholders, including foreign shareholders, should be treated equally and fairly. Minor shareholders who are treated unequally or unfairly should have been compensated in an appropriate manner.*

### **1. Disclosure of Information before the Meeting**

1.1. The Company will announce the schedule of the meeting of shareholders, together with the agendas and opinions provided by members of the Board of Directors via the website of the Stock Exchange of Thailand

(SET) and the Company's website at least within twenty-eight (28) days prior to the meeting date.

1.2. The Company will keep all shareholders informed about the rules and regulations required for the meeting of shareholders as well as the voting procedures, including the right to vote for each type of share as stated in the meeting invitation letter and other related notices prior to the commencement of the meeting.

1.3. The Company is required to prepare the meeting invitation letter and other related documents in Thai and English versions to facilitate both Thai and foreign shareholders.

### **2. Protection of Minor Shareholders' Rights**

2.1 Company has developed its policies to foster equality for all shareholders, particularly with minor shareholders. Minor shareholders are amiably invited to propose agendas and qualified persons to be elected as members of the Board of Directors prior to the meeting date, with the detailed information required for the consideration and/or eligibility and consent of nominated persons starting from October to December of every year. The Company is required to keep all shareholders informed about the rules, regulations, and other related issues via the news reporting system of the Stock Exchange of Thailand (SET) and the Company's website in the Investor Relations section, where the Company will screen the agendas that will be truly beneficial for the meeting and elect qualified persons to be members of the Board of Directors through the Audit and Corporate Governance Committee before being proposed to the Board of Directors for further consideration and specification in the meeting agendas accordingly.

2.2 The Company will not add any new agenda without informing the shareholders in advance, aiming to provide



them with an opportunity to study each agenda thoroughly before making their decisions.

### **3. Prevention of Internal Information**

3.1 The Company strictly supervises the use of internal information to prevent the exploitation of internal data for themselves or others in a wrongful or illegal manner to ensure fairness and equality to all stakeholders. The Company has developed a set of guidelines for keeping its internal information and procedures to prevent the use of internal information for personal gain in a written notification, while urging its members of the Board of Directors, executives, and employees not to trade the Company's securities by using any confidential information and/or internal information or entering into any action deemed to have used any confidential information and/or internal information that may directly or indirectly cause damage to the Company. Besides, members of the Board of Directors, executives, and employees obtained any confidential information and/or internal information are not allowed to use such information before being disclosed to the public, including their related persons, for instance, spouse or child under the age of majority, to directly or indirectly trade the Company's securities (considered a nominee of a private fund) within a period of one (1) month prior to the disclosure of the quarterly and annual financial statements and within a period of three (3) days following the date of disclosure.

3.2 The Company has informed its members of the Board of Directors and executives about the duty to report on the holding of the Company's securities and related punishment provisions in accordance with the Securities and Exchange Act, B.E. 2535 (1992) as well as the regulations issued by the Stock Exchange of Thailand (SET). In case where any member of the Board of Directors or executive has traded the Company's securities, he will be required to report on his

holding of the Company's securities, including the holding of the Company's securities represented by his spouse or child under the age of majority complying with the provision of Section 59 of the Securities and Exchange Act, B.E. 2535 (1992) within a period of three (3) official working days for the Office of the Securities and Exchange Commission (SEC)'s acknowledgement and announcement to the general public. Meanwhile, the Company's secretary will be required to report on the alteration of the holding of the Company's securities conducted by the member of the Board of Directors or executive to the meeting on a quarterly basis.

3.3 The Company formulates the policy for determination of disciplinary punishment for the person who exploits benefit from use of inside information of the Company or disclosure until causing damage to the Company.

### **4. Interests of the Board of Directors**

4.1 The Company determines the guideline for transparent and verifiable stake holding management, particularly in consideration of related transactions between the Company and stakeholder or related party.

4.2 Upon occurrence of the said event, the stakeholder of that issue shall immediately report the Company for acknowledgement and not participate in considering or voting in such issue.

### **5. Implementation for Interconnected Transactions**

In case where it is the commercial transaction with general commercial term, the said transaction shall be performed on Fair and at arms' length basis. The Company shall determine the framework of performing such transaction which is considered and approved by the Audit Committee prior to proposal to the Board of Directors for approval consideration as principle. The Management Department can

approve performing such transaction if the commercial agreement of such transaction is in the similar nature as reasonable man should perform with the general contractual party under the same situation with commercial bargaining power which is free from influence in the status of director, executive, connected party of the Company or related party. The director with gain and loss shall abstain voting in such agenda. However, the Company shall prepare summary report of related party transaction performing to be reported in the Meeting of the Audit Committee of the Company and the Meeting of the Board of Directors in every quarter.

In case where the Audit Committee is not expertise in considering the contingent related party transactions of the Company, the independent expert or auditor shall be provided to remark opinion about the said related party transactions in order to be applied as decision support for the Audit Committee and/or the Board of Directors and/or the Meeting of Shareholders as the case may be.

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### **Part 3 The Role of Stakeholders**

*Key Concept: All stakeholders should be treated nicely and fairly by the Company in accordance with their respective applicable laws aiming to foster effective cooperation between the Company and its stakeholders to create organizational stability, financial wealth and business sustainability.*

#### **1. Code of Conduct for Stakeholders**

Panjawattana Plastic has always recognized the importance of securing the rights for all stakeholders, while realizing that all supports and comments from stakeholders will bring the greatest benefits to the Company's business operations, management, and development. Hence, the Company has managed to comply with the relevant laws and

regulations, ensuring that all stakeholder-related rights are fostered in the most efficient and reliable manner.

**Shareholders:** The Company will treat all shareholders nicely and equally, as part of the strategy to obtain the highest benefits for them. The Company will not be committed to pursuing any action deemed to have abused or deprived the rights of shareholders

**Employees:** The Company has remained firm to provide all of its employees with competency development projects. Admittedly, all employees are considered valuable resources that will lead the Company to splendid business achievement. The working atmosphere will promote the effectiveness of teamwork and development of employees' competency to advance their careers and secure their occupational opportunities at the same time, guaranteed by appropriate remunerations rewarded for enhanced quality of operations and management, supported by the principles of occupational health and safety, where employees at all levels are expected to work together in harmony with equality and compassion.

**Customers:** The Company is strictly committed to bringing the highest satisfaction and confidence to all customers, who are always expected to be provided with excellent products and services developed under the principles of quality and safety to be available at affordable prices. As the development of product and service standards is anticipated, the Company also plans to maintain good relationship with its customers earnestly and consistently, while promising not to use the customer's information for organizational gains and benefits of others.

**Partners and Creditors:** The Company always takes into account the equality, fairness, and morality to in running its business, while keeping benefits with partners and

creditors by complying with relevant laws and stay away from being involved in corrupted actions and illegal conducts of all kinds. As part of the intention to maintain a concrete relationship with both business partners and creditors, in case where the Company may accidentally or unintentionally fail to comply with any obligation under the signed agreement, the Company will collaborate with its partners and creditors to mutually seek the most effective solutions to solve an existing issue. In selecting a strategic partner, the Company has reiterated its intention to rely on suppliers and service providers by pursuing the operational procedures, procurement schemes, assessment of service providers, and development of service providers.

**Competitors:** The Company will cope efficiently and strategically with its competitors and promote fair competition in accordance with the international principles and under the framework of business competition laws. The Company will also adhere to the rules of fair competition, not causing any trade barrier or destroying any competitor's reputation.

**Public Sector:** The Company has been urged to pay closer attention to transparency and morality in dealing with government authorities and public officials in order to avoid any improper action that may ruin the Company's principles of good corporate governance, while being committed to pursuing the anti-bribery policies related to any government authority or public official considered the exploitation of business benefits and opportunities.

**Community, Society, and Environment:** The Company has fostered a set of business policies with its earnest responsibility for the community, society and environment in terms of safety, quality of life, and conservation of natural resources. To make use of natural resources in an efficient

manner, the Company's products, services, and operational procedures are developed in line with relevant rules, regulations, and standards required by globally renowned business organizations worldwide. Also, the Company has encouraged its employees to be more conscious of the community, society, and environment they live in, as part of the intention to promote a better quality of life for all Thai people.

## **2. Anti-Bribery and Corruption Policies**

Panjawattana Plastic has strategically developed efficient anti-corruption measures and set out the principles of business ethics, supported by the morality and transparency in dealing with business transactions, officials, and organizations to avoid unfavorable actions that may cause conflicts with good management principles. The Company has always encouraged its employees to possess clear understanding on anti-bribery and corruption policies and practices through the launch of knowledge-based seminars and workshops. Anti-bribery and corruption policies consist of:

1. **Corruption Risk Assessment** – The Company will conduct this type of assessment on a yearly basis

2. **Assessment Process for Corruption Risk:** The Company schedules the regular assessment of corruption-derived risk at least once a year.

3. **Monitoring Guidelines and Implementation Assessment for Anti-Bribery and Corruption** – The Company has come up with strategic procedures described below:

- Encouraging executives and employees to prepare an assessment form in compliance with good corporate governance policies, codes of conduct, and anti-bribery and corruption measures on a yearly basis.

- Allowing the internal audit company to conduct its internal audit tasks to ensure effective risk management, good corporate governance, and productive suggestions on

anti-bribery and corruption to be proposed to the Audit Committee accordingly.

- Conducting a regular review on anti-bribery and corruption measures prior to proposing to the Audit and Corporate Governance Committee in a timely and consistent manner.

### **3. Offense Reporting and Complaint Filing**

The Company provides effective channels for offense reporting and complaint filing described as follows:

1. CG Report  
Tel: 02-150-5988 or 034-839-130 ext. 153 and 176  
E-mail: [cgreport@pjw.co.th](mailto:cgreport@pjw.co.th)
2. Corporate Secretary Office or Internal Audit Office addressed to:  
Panjawattana Plastic Public Company Limited  
28 Moo 2 Rata II Road, Chai Mongkhon sub-district, Mueang Samut Sakhon district, Samut Sakhon province 74000  
Tel: 02-150-5988 หรือ 034-839130 ext. 153 and 176
3. The Audit and Corporate Governance Commit  
Email: [Taxspecialist2007@yahoo.com](mailto:Taxspecialist2007@yahoo.com)  
Secretary Audit and Corporate Governance Committee  
Email: [ac-secretary@pjw.co.th](mailto:ac-secretary@pjw.co.th)  
Postal mail addressed to : Audit and Corporate Governance Committee  
Panjawattana Plastic Public Company Limited  
28 Moo 2 Rata II Road, Chai Mongkhon sub-district, Mueang Samut Sakhon district, Samut Sakhon province 74000

To report on offense or file a complaint, it is required to use polite statements to clearly identify facts or circumstances. The offense reporting and complaint filing will be considered with transparency and fairness under the

management and supervision of the Audit and Corporate Governance Committee, where all information related to offense reporting or complaint filing cases will be maintained with confidentiality.

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### **Part 4 Disclosure and Transparency**

***Key Concept:*** *The Company is required to disclose the significant information related to the Company's financial and non-financial transactions in an accurate and transparent manner based on the principles of convenient accessibility, absolute equality and enhanced trustworthiness*

The Board of Directors of Panjawattana Plastic has always recognized the importance of disclosing accurate information on financial and non-financial transactions in a complete, timely, and transparent manner in accordance with the rules of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) as well as other information that may have a potential influence on decision making of investors, shareholders, and stakeholders of the Company. Additionally, the Company has developed its policies to disseminate the information to its shareholders and investors as well as the general public through various communication channels developed by the Stock Exchange of Thailand (SET).

The Company has developed its website for all stakeholders to access the Company's information, with the disclosure of rules and guidelines for good corporate governance in accordance with relevant laws and regulations approved by the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC). The website also features the Company's annual reports, financial statements, good corporate governance policies and codes of conduct, measures against corruption cases, type of business operations, meetings of shareholders, news related to the Stock Exchange of Thailand (SET), media news, and details of members of the Board of Directors, executives, and investment groups of the Company.

Also, the Company has introduced its Investor Relations section served as a new contact channel, providing significant information on meetings of analysts and press conferences on the Company's performance. The newly developed channel also provides domestic and foreign investors with sufficient information regarding the Opportunity Day in order to report the Company's performance quarterly and annually. The Company has also made debut of newsletters for the press, investment promotion activities for Thailand-based investors, and visits to the Company.

The Board of Directors is responsible for the financial statements of the Company as well as the financial information appearing in the annual report. The financial statements are required to be prepared in accordance with generally accepted accounting standards applied in Thailand, while adopting appropriate accounting policies and practices in a consistent manner. The disclosure of information is sufficient and complete for the financial statements. In this regard, the Audit and Corporate Governance Committee will thoroughly review the quality of financial reports and internal control systems, including adequate disclosure of the related information in the notes to the financial statements to be reported to the Board of Directors

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## **Part 5 Responsibilities of the Board of Directors**

**Key Concept:** *The Board of Directors is required to play an important role in corporate governance aiming for the highest benefits of the Company. The Board of Directors is directly responsible for coping with shareholders and liberated from the Management.*

### **1. Structure of the Board of Directors**

The Company considers establishing the Board of Directors under appropriate structure. The nomination of experts with functional honesty, vision, competency and experience, and ability to devote time for the Company shall be considered in appointing the directors of the Company to

fully function and independently make decision for maximum overall interests of the Company and shareholders.

The structure of the Board of Directors is diversified with profession and specialization in the fields of industry, accounting and finance, business, management, international marketing, strategy, crisis management, law, corporate governance, and gender. At present, the Board of Directors consists of 9 directors comprising of 5 executive directors and 4 independent directors. The term of office for each independent director is scheduled to be not more than 9 years. These independent directors may be appointed to resume the office if the Board of Directors deems that it is appropriate.

According to the Company's regulations, for every annual general meeting, at least one third of the members of the Board of Directors are due to be retired. In case where the number of members of the Board of Directors cannot be divided into three parts, it is required to remain the number closest to one-third. Members of the Board of Directors who will be retired in the first year and the second year after the registration are required to draw tickets for resignation. For the following year, members of the Board of Directors who have been in place for the longest period of time are required to be retired. However, the retiring directors may be re-elected.

Additionally, the Board of Directors has been required to appoint a subcommittee consisting of the Audit and Corporate Governance Committee, Risk Management Committee, Nomination and Remuneration Committee, and executive board to perform specific duties and propose certain issues to the Board of Directors for consideration or acknowledgment. Such committees possess the rights and duties as determined by the authorities of each committee.

The Board of Directors possesses a set of policies mentioning that the Chairman and Chief Executive Officer must not be the same person in order to clarify

responsibilities of the regulator. The Company has clearly defined the responsibilities of the Board of Directors, with effective operational and management power. The Board of Directors is required to be responsible for policy formulation and oversight of executive management at the policy level, while the Company's executives are set to manage the organization in various extents to be in accordance with the policies set by the Chairman of the Board of Directors and Chief Executive Officer to be a different person.

To effectively implement good corporate governance, the Board of Directors of the Company has set policies, stating that each director cannot serve more than five other listed directors, chief executive officers, and senior executives of the Company. A maximum of five directors may be appointed by the Board of Directors, excluding the subsidiaries. This must initially be approved by the Board of Directors.

The Board of Directors has appointed the Company's Secretary to provide legal advices and rules. Members of the Board of Directors must recognize and oversee all activities practiced by the Board of Directors, including coordination to abide by the board resolutions as well as other duties and responsibilities in accordance with the rules and regulations set forth by the Securities and Exchange Act.

## **2. Roles and Responsibilities of the Board of Directors**

The Board of Directors is responsible for conducting regular reviews and approving important matters regarding the Company's business operations, varying in the review and approval of visions and missions, financial goals, risk management strategies, organizational plans, and investment budgets to supervise the management to operate effectively and efficiently according to the Company's policies and plans.

### **- Separation of Duties between Policy Formulation and Routine Administration**

The Board of Directors has determined the levels of roles and responsibilities in setting corporate governance policies as well as day-to-day management strategies. As the Chairman and Chief Executive Officer are elected by the Board of Directors, the Chairman and Chief Executive Officer cannot be the same person. They are considered leaders and key players in making decisions on corporate policies. Consequently, the Board of Directors' meeting has been required to consider and set business goals with the Management aiming to manage and supervise the Board of Directors' meeting efficiently and effectively by encouraging all members of the Board of Directors to participate in the meeting and express their opinions independently. The Chairman has been expected to chair the Company's meeting of shareholders. The Chairman is not required to participate in day-to-day management, but is anticipated to offer a continuing support and guidance to the Management through the Chief Executive Officer. At the same time, the Chief Executive Officer is responsible for managing the Company within the authority delegated by the Board of Directors (details of roles and responsibilities of the Chief Executive Officer are required to be disclosed under the Management Structure).

### **- Corporate Governance Policy**

The Company has established its corporate governance policies in a written form, where the Board of Directors is required to grant its approval for such policies. The Board of Directors will regularly review policies and implementation of policies. Meanwhile, the Company is required to communicate with everyone in the organization to foster a better understand towards the corporate governance policies aiming to encourage them to strictly pursue the policies.

Following the Board of Directors' meeting No. 1/2013 held on February 20, 2013, the resolution had approved the Audit Committee to be renamed as the Audit and Corporate Governance Committee to play its pivotal roles in promoting, studying, revising, evaluating, and reviewing corporate governance guidelines as well as business ethics practices of the Company, complying with the rules established by the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC).

#### – Code of Conduct

The Board of Directors always adheres to correct and unbiased business practices. The Company has strategically developed its code of conduct policies served as practical guidelines for business excellence fostered by members of the Board of Directors, executives, and employees, which can reflect the Company's business transparency and morality for stakeholders and everyone involved in the Company's business operations, while being able to prevent conflicts of interests. The use of internal information and the confidentiality of information can ensure massive benefits for internal control, intellectual property, and information technology and communications.

The Company has notified all members of the Board of Directors, executives, and employees to strictly adhere to such guidelines.

#### – Conflict of Interest

The Board of Directors has set its policies on conflicts of interests based on the basic principles that business activities must be carried out for the best interests of the Company, while being able to avoid any conflict of interest, where members of the Board of Directors, executives, and employees must review and prevent conflicting interests on a regular basis. In addition, the Company possesses a strong

relationship with its subsidiaries, particularly in considering business transactions. The Company has also been urged to determine who is involved in items required to be acknowledged and considered as well as those who must not participate in the consideration or possess no authority to authorize the business transactions, including the transactions considered by the appropriateness of prices and terms associated with outsiders.

The Audit and Corporate Governance Committee will propose all related transactions to the Board of Directors, including transactions with conflicts of interests. This has been considered in a highly cautious manner complying with the rules of the Stock Exchange of Thailand (SET), which will also be disclosed in the annual report and the Annual Registration Statement (Form 56-1).

The Board of Directors and executives of the Company, including their spouses and children under the age of majority, are required to keep the Company informed about the change in holding of the Company's securities. The change is also required to be reported to the Securities and Exchange Commission (SEC) under Section 59 of the Securities and Exchange Act, B.E. 2535 (1992) within three (3) business days following the date of purchase, sale, or transfer. No members of the Board of Directors or executives are allowed to disclose the internal information to any third party or unauthorized person. Trading of securities is required to be completed within one (1) month before the financial statements are made available to the public and at least three (3) days following the dissemination of such information in order to prevent misuse of such information.

#### – Internal Control

The Board of Directors has recognized the importance of supervising the internal control system at both operational

and management levels. The internal control system is an important mechanism developed to ensure quality management to reduce possible business risks and enable effective business operations by appropriately allocating resources and achieving the targeted goals, while protecting properties from being damaged or leaked. This will help everyone in the organization to comply with relevant laws and regulations as well as secure their investment plans efficiently and appropriately. As a consequence, the Company has set its obligations to empower executives and administrators in a clear written form. It effectively controls the use of the Company's assets for the highest benefits of the Company.

The Board of Directors has assigned the Audit and Corporate Governance Committee to review the suitability and effectiveness of the internal control system provided by the Management, including the preparation and review of internal control systems, financial reporting policies, and operational insights as well as risk management strategies determined to focus on early warning signs and unusual incidents.

The Internal Audit Agency is responsible for reviewing and evaluating the Company's both financial transaction and non-financial information. The agency is also required to assess the adequacy of the internal control system at least once a year to ensure the system in place can perform its functions efficiently and appropriately at all times. Meanwhile, the agency has to review the compliance of various internal regulations to ensure that the Company has fully complied with relevant rules and regulations, while offering concrete supports to corporate governance policies by reporting the evaluation results directly to the Audit and Corporate Governance Committee.

#### **– Risk Management**

The Board of Directors has evolved effective risk management policies to ensure safety and security of the organization as a whole. Risk Management Committee is involved mainly in monitoring and managing risks that can possibly take place anytime. At present, the Company has appointed the Risk Management Committee to ensure that the Company's risk management is maintained and managed in the most effective manner in accordance with the well-developed risk management policies. In case of difficulties, the Company must apply its productive measures to manage and control existing risks. The Risk Management Committee is required to fully understand the causes of risks and apply corrective actions to cope efficiently with their consequences. This will clearly result in huge benefits provided for the Company, creating new business opportunities that will add a greater value to the organization.

#### **– Report of the Board of Directors**

The Board of Directors is responsible for the Company's financial statements by assigning the Audit and Corporate Governance Committee to review financial reports and ensure that financial reports are prepared in an accurate and consistent manner in accordance with generally accepted accounting standards. The Company discloses important information in a transparent and sufficient manner. The accounting department and the auditor are required to collaborate with each other to submit the financial reports to the Board of Directors on a quarterly basis. The Board of Directors is responsible for reviewing the financial statements of the Company, including financial information (Report of the Board of Directors' Responsibilities for Financial Statements) as appeared in the annual report. The financial statements are prepared in accordance with financial reporting standards and they should be verified by the Company's auditor who will be responsible for the Disclosure of important information, both financial and non-financial, based on complete and accurate facts.



### **3. Meeting of the Board of Directors**

The Board of Directors will schedule its meeting in advance each year to allow all members of the Board of Directors to allocate time and be prepared to participate in the meeting in every 3-month period, where additional meetings may be required. With clear agendas, documents must be submitted at least within five (5) business days prior to the actual meeting date. In case where any urgent case may arise, the Board of Directors is allowed to call an urgent meeting as necessary, where the minutes of the meeting and the collection of certified reports for reference and verification will be recorded. In addition, the Company has prepared its performance report to be submitted to the Board of Directors on a monthly basis as member of the Board of Directors can consistently monitor the performance of the Management.

At the meeting, the Chairman of the Board and Chief Executive Officer jointly set the agendas and consider each agenda of the Board of Directors' meeting by providing each member of the Board of Directors with the opportunity to come up with various topics to be considered as meeting agendas.

In consideration of various matters, the Chairman of the Board will provide members of the Board of Directors with the opportunity to propose comments freely. The resolution of the Board of Directors' meeting is required to be passed by majority votes, where one member possesses one vote. The Company has completed its quorum, at the time of the resolution, of not less than two-thirds of the total number of the Board of Directors.

All members of the Board of Directors possess the right to inspect and verify all meeting documents and other important documents. In case where any inquiry is raised by any member of the Audit and Corporate Governance Committee, the Board of Directors and the Management of the Company must respond promptly and as fully as possible.

In case where the Board of Directors may disagree with any resolution, the Board of Directors can ask the Company's Secretary to record the objection in the minutes of the meeting or file a statement of objection to the Chairman of the Board.

At each meeting of the Board of Directors, the Company's Secretary is required to attend the meeting and propose all agendas to the Chairman of the Board for final approval.

### **4. Remuneration**

The Nomination and Remuneration Committee is responsible for determining the Board of Directors' remuneration by considering the performance and responsibilities of each member of the Board of Directors, comparing to the remuneration offered to the Board of Directors and executives of other listed companies. The Board of Directors' remuneration will be paid on a yearly basis. The Company has issued its policies to pay the remuneration to the senior management, namely the Chairman of the Executive Committee and the Chief Executive Officer, approved by the Nomination and Remuneration Committee. The rates should be competitive comparing to entrepreneurs of the same business in order to maintain the quality of management. The Chairman of the Board and the Chief Executive Officer will be eligible to receive additional compensation according to their further assigned duties and responsibilities.

### **5. Knowledge Development for the Board of Directors and Secretary**

The Company has encouraged its Board of Directors, executives, and secretary to attend training courses and seminars that are beneficial to them. The training programs and seminars are organized by the Thai Institute of Directors, the Stock Exchange of Thailand (SET), the Securities and Exchange Commission (SEC), and other independent agencies throughout the year. The Board of Directors, approved by the Thai Institute of Directors (detailed in the profile of each member of the Board of Directors), is required to make a visit to the production plant at least once a year to encourage the exchange of business insights between members of the Board of Directors and top executives.

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

The Board of Directors has been urged to participate in a self-assessment program to evaluate its performance. Expected to be conducted on a yearly basis, the results obtained from self-assessment will help improve the efficiency of operations and management. The self-

assessment form has been approved by the Stock Exchange of Thailand (SET).

In evaluating the performance of members of the Board of Directors and Subcommittee, it is required to rely on the following criteria.

1. Performance Evaluation of the Board Committee
  - Structure and qualifications of the Board
  - Roles and responsibilities of the Board
  - Board Meetings
  - Acting Director
  - Relationship with the Management
  - Self-development of directors and executives
2. Performance Evaluation of the Subcommittee
  - Structure and qualifications of the Board
  - Board Meetings
  - Roles and responsibilities of the Board
3. Performance Evaluation of individual board member
  - Structure and qualifications of the Board
  - Board Meetings
  - Roles and responsibilities of the Board

For each topic, the Subcommittee will be required to cast votes, where the scores will be taken as the average rating of the entire Board. The evaluation criteria will be calculated and summed up in percentage of the total score for each topic.

- Above 85% = Excellent
- Above 75% = Very good
- Above 65% = Good
- Above 50% = Fair
- Below 50% = Poor

#### Performance Evaluation Report of the Board of Directors for 2019

Description	Assessment	Criteria
	Result	
The Board of Directors	93.33	Excellent
The Audit and Corporate Governance Committee	93.41	Excellent
The Risk Management Committee	92.50	Excellent
The Nomination and Remuneration Committee	98.30	Excellent

#### 7. Performance Evaluation of Chief Executive Officer

The Board of Directors Is an annual assessment of the performance of the Chief Executive Officer on an annual basis By using the evaluation form of the Chief Executive Officer of the Stock Exchange of Thailand And use the index to measure the success of the organization compared to the achievement of goals and annual plans Core Competency, Managerial Competency through the nomination and remuneration committee And report the evaluation results and opinions of the directors to the Chief Executive Officer to acknowledge for further improvement and development

#### 8. Succession Planning for Senior Executives

The Board of Directors Has given priority to the establishment of a succession plan and an executive development plan for the succession of the senior management positions of the company in order to be able to continuously manage the work and be able to select personnel with competency and competency Ready to hold such important positions By applying the career management principles and the succession plan (Talent Management and Succession Plan) by the Nomination and Remuneration Committee Has established written procedures and guidelines for directors and high-level executives In order to be informed and understand the scope of development in order to grow steadily and sustainably with the company Which will enable the company to achieve strategic goals efficiently and effectively

Methods and criteria for recruiting directors and high-level executives as follows :

- 1) The Board of Directors is required to determine the executive development plan.
- 2) The Nomination and Remuneration Committee is required to indicate the knowledge, ability, and experience required for the position, where qualified candidates are expected to perform their functions efficiently for each task.
- 3) The Chief Executive Officer is required to evaluate performance and knowledge of executives with the required competency regarding individual development plans.

4) The Chief Executive Officer is required to review and summarize the results of the succession planning of Chief Executive Officer on a yearly basis.

#### **Subcommittee**

The Board of Directors Attach importance to good corporate governance With the establishment of a sub-committee consisting of the Audit and Corporate Governance Committee Risk Management Committee Nomination and Remuneration Committee and Executive Committee By the sub-committee and the management of the company, consisting of qualified persons with qualifications as specified

in Section 68 of the Public Company Limited Act BE 2535 and the relevant Capital Market Supervisory Board The management structure of the Board of Directors must have a variety of skills, including industrial skills. Financial accounting, business management International marketing, strategic management, legal and corporate governance issues

The Board of Directors has determined the scope of authority and responsibility of each committee to review and assign effective policies according to the roles and responsibilities under the Company's good corporate governance.

#### **Audit and Corporate Governance Committee**

As of December 31, 2019, the Audit and Corporate Governance Committee consisted of three (3) independent directors. The name list of the Audit and Corporate Governance Committee members, position and attendance for the year 2019 are as follow:

<b>Name</b>	<b>Position</b>	<b>Attendance (time)</b>
<b>1. Miss Charanya Sangsukdee</b>	Chairman of Audit and Corporate Governance Committee	4/4
<b>2. Assoc. Prof. Dr. Aekkachai Nittayakasetwat</b>	Audit and Corporate Governance Committee Member	4/4
<b>3. Mr. Natthawut Khemayotin</b>	Audit and Corporate Governance Committee Member	4/4

Ms. Supattra Nijjaya acted as Secretary to the Audit and Corporate Governance Committee.

The three members of the Audit and Corporate Governance Committee are highly specialized in accounting, taxation, financial management, and risk management and experienced in reviewing the financial statements. In 2019, four board meetings were held to review quarterly financial statements and annual financial statements.

#### **Term of Audit and Corporate Governance Committee**

1. Chairman of the Audit and Corporate Governance Committee –3 years
2. Members of the Audit and Corporate

Governance Committee – 3 years

Upon the completion of the term, the retired Chairman and members of the Audit and Corporate Governance Committee are allowed to be reappointed in addition to the termination of the term mentioned above. The Chairman and members of the Audit and Corporate Governance will vacate upon the following cases.

1. Resignation
2. Death
3. Lack of qualifications under the required rules and regulations.
4. The Board of Directors has resolved to vacate the term.

Any member of the Audit and Corporate Governance Committee expected to resign is required to announce the resignation in a writing notice to be submitted to the Chairman of the Board. The Audit and Corporate Governance Committee expecting to resign prior to the end of the term is required to submit a resignation letter to the Company within no less than thirty (30) days in advance and provide reasons for the Board of Directors to consider the appointment of another qualified member to replace the resigned position. The Company must notify the resignation and submit a copy of the letter of resignation to the Stock Exchange of Thailand (SET) as the member of the Audit Committee and the Corporate

Governance Committee is withdrawn before the termination of the term.

In case where the position is vacant for other reasons regardless of the expiration of the term, the Board of Directors is required to appoint a qualified person to substitute the member of the Audit and Corporate Governance Committee within three (3) months following the date when the number of audit committee members becomes incomplete in order to ensure consistent performance of the Audit and Corporate Governance Committee

#### **Roles and Responsibilities of the Audit and Corporate Governance Committee**

1. Review the Company's financial reporting processes properly and adequately.
2. Review the Company's internal control system and internal audit system to ensure that they are maintained in an efficient and suitable manner, while considering the independence of the internal audit unit as well as approving the appointment, transfer, and dismissal of the chief of the internal audit unit or any other agency responsible for internal audit.
3. Consider, comment, and keep an eye on the budget and strength of the internal audit agency.
4. Review the Company's continuous improvement of good corporate governance, including necessary guidelines and recommendations for development as well as encourage the Company to set good corporate governance policies.
5. Review the Company's risk management procedures in an appropriate standardized system.
6. Cooperate with the Risk Management Committee and Risk Management Working Group to consider the Company's risk management report.
7. Review the Company's compliance with the Securities and Exchange Act, B.E. 2535 (1992), Stock Exchange of Thailand (SET)'s regulations and other relevant laws.
8. Consider, select, nominate, and dismiss any person acting as the Company's auditor and propose the compensation of such person at least once a year.

9. Consider interconnected transactions or other transactions that may have conflict of interest to comply with the laws and regulations established by the Stock Exchange of Thailand (SET).

10. Prepare a report of the Audit and Corporate Governance Committee to be disclosed in the Company's annual report. The report must be signed by the Chairman of the Audit and Corporate Governance Committee and must contain the following information:

(A) An opinion on the accuracy, completeness, reliability and reliability of the Company's financial report;

(B) An opinion on the adequacy of the Company's internal control system;

(C) An opinion on the compliance with the Securities and Exchange Act, B.E. 2535 (1992), Stock Exchange of Thailand (SET)'s regulations and other relevant laws;

(D) An opinion on the suitability of the auditor;

(E) An opinion on the transactions that may lead to conflicts of interests.

(F) Number of meetings of the Audit and Corporate Governance Committee and the attendance of each member attending the meetings;

(G) Comments on the overall aspects and performances of the Audit and Corporate Governance Committee appointed by the Charter;

(H) Other items that shareholders and investors should be informed under the scope of duties and responsibilities assigned by the Board of Directors;

11. Supervise the process of offense reporting and complaint filing not complying with the code of conduct or corporate governance policies to assure that the Company has efficiently applied the independent investigation process.

12. Monitor special investigations as necessary.

13. In the event of the following items or actions, the Audit and Corporate Governance Committee should report to the Board of Directors to carry out the amendment within the specified period of time deemed appropriate by the Audit Committee and the Corporate Governance Committee.

(A) Conflict of Interest;

(B) Fraud or irregularity or defect in the internal control system;

(C) Violation of the Securities and Exchange Act Stock market requirements or laws related to the business of the company.

14. Consider and review the charter of the Audit and Corporate Governance Committee at least once a year to cover obligations under the principles of good business practices expected to be achieved by the Board.

15. Perform other duties as assigned by the Board of Directors with the approval of the Audit and Corporate Governance Committee.

In accomplishing the above-mentioned requirements, the Audit and Corporate Governance Committee is directly responsible for the Board of Directors' resolutions as well as the Company's operations related to other third parties.

#### **Risk Management Committee**

The Board of Directors of Panjawattana Plastic Public Company Limited always recognizes the importance of promoting risk management throughout the organization and establishes the Risk Management Committee consisting of at least three independent directors and two high-ranking executives. The Risk Management Committee has been expected to review and monitor risk factors and impacts that may cause to the Company, providing financial, operating, environmental, and legal marketing advices, which include the formulation of policies and supervision of the risk management system to minimize the impact on the Company's business. Scopes of roles and responsibilities indicate that the Risk Management Committee is required to perform its duties effectively as assigned by the Board of Directors.

As of December 31, 2019, the Risk Management Committee was composed of six (6) members. The name list of Risk Management Committee members, position and attendance for the year 2019 are as follow:

Name	Position	Attendance (time)
1. Assoc. Prof. Dr. Aekkachai Nittayagasetwat	Chairman of the Risk Management Committee / Independent Director	2/2
2. Ms. Charanya Sangsukdee	Director of the Risk Management Committee / Independent Director	2/2
3. Mr. Nattawut Khemayothin	Director of the Risk Management Committee / Independent Director	2/2
4. Mr. Wiwat Hemmontharop	Director of the Risk Management Committee	2/2
5. Mr. Satit Hemmondharop	Director of the Risk Management Committee	2/2
6. Dr. Pirun Hemmontharop	Director of the Risk Management Committee	2/2

**Mrs. Prim Chaiwat acted as Secretary to the Risk Management Committee.**

#### **Term of Risk Management Committee**

Members of the Risk Management Committee Member are expected to be in the position for a period of three (3) years. Similarly, the retired members can be re-elected. The Risk Management Committee is directly responsible for the Board of Directors and possesses the authority and duties as assigned by the Board of Directors.

#### **Roles and Responsibilities of the Risk Management Committee**

1. Define the risk management policy and the overall risk management frameworks of the company, including the risk management plan and prepare the risk management report. This covers various risks that influence the Company's goals and operations.

2. Consider and approve the risk appetite and propose to the Board of Directors for acknowledgment.

3. Acknowledge and comment on the results of risk assessment and risk management measures to ensure that the Company has sufficient and appropriate risk management procedures.

4. Provide supports for successful corporate risk management and suggestions on how to protect and reduce the level of risk to an acceptable level.

5. Monitor and evaluate the Company's performance in accordance with the defined risk management policies and plans to allow the system to perform efficiently.

6. Provide advices and supports for the Board of Directors, the Management, and the Risk Management Working Group.

7. Report on the organizational development, including the status of risk, guidelines for risk management, and results of risk management to be proposed to the Board of Directors in a regular manner.

8. Provide feedbacks and suggestions for using services provided by the third parties to ensure independent advices on the scopes of operations to manage risk management efficiently and appropriately.

9. Review risk management policies and plans to be consistent with changes influenced by both internal and external factors.

10. Review and revise the charter to be appropriate and consistent with the business environment and/or

applicable to regulatory agencies to be proposed to the Board of Directors.

11. Possess the authority to appoint working groups or additional personnel as well as employ outside experts when necessary to stimulate effective risk management and prevent possible risks that may occur.

12. Perform other duties related to risk management as assigned by the Board of Directors.

13. Prepare an annual performance report on a yearly basis.

#### **Nomination and Remuneration Committee**

The Nomination and Remuneration Committee (NRC) was established in accordance with the resolution of the Board of Directors' Meeting No. 6/2557, held on November 12, 2014. The Company has developed its recruitment criteria for selecting the right person to be in charge of the Board of Directors and the Chief Executive Officer in accordance with good corporate governance principles.

The Nomination and Remuneration Committee is required to consist of fully qualified members under the requirements of the Notification of the Capital Market Supervisory Board. It consists of not less than three (3) directors with more than half of the independent directors. Meanwhile, the Chairman of the Nomination and Remuneration Committee must be an independent director.

As of December 31, 2019, the Nomination and Remuneration Committee had three (3) members detailed below: The name list of the Nomination and Remuneration Committee members, position and attendance for the year 2019 are as follow:

<b>Name</b>	<b>Position</b>	<b>Attendance (time)</b>
1. Dr. Damri Sukhothanang	Chairman of the Nomination and Remuneration Committee / Independent Director	1/1
2. Mr. Nattawut Khemayothin	Director of the Nomination and Remuneration Committee / Independent Director	1/1
3. Mr. Wiwat Hemmontharop	Director of the Nomination and Remuneration Committee	1/1

**Mr. Wassapol Phawatwong acted as Secretary to the Nomination and Remuneration Committee.**

#### **Term of the Nomination and Remuneration Committee**

The Nomination and Remuneration Committee is required to be in the position for a period of three (3) years. The members of the Nominating and Remuneration Committee who are retired can be re-elected. The Nomination and Remuneration Committee is directly responsible to the Board of Directors and has the roles and responsibilities as assigned by the Board of Directors.

#### **Roles and Responsibility of the Nomination and Remuneration Committee**

##### **1.1 Nomination**

1.1.1 Consider the composition of the Board to suit the organization and condition in accordance with the changing business environments.

1.1.2 Define rules, policies, and procedures for the Nomination and Remuneration Committee, the Subcommittee, and the Chief Executive Officer of the Company to conform to the organizational structure.

1.1.3 Consider and select qualified candidates in the case that the position has become vacant to be proposed to the Board of Directors for approval prior to proposing to the meeting of shareholders for the approval of the appointment of a new director

1.1.4 Facilitate minority shareholders in nominating a person to be appointed as a new director prior to the annual meeting of shareholders.

1.1.5 Provide a succession plan for the Chief Executive Officer and review the plan on a regular basis.

1.1.6 Foster the development plan for members of the Board of Directors and determine roles and responsibilities of the Board of Directors based on the principles of good corporate governance.

## **1.2 Remuneration**

1.2.1 Define compensation structure and other benefits, both monetary and non-monetary, to be proposed to the Board of Directors and the Chief Executive Officer of the Company.

## **1.3 Other Roles and Responsibilities**

1.3.1 Appoint a permanent advisor and/or employ a project consultant to provide advices on the performance of duties and responsibilities when necessary and appropriate. The Nomination and Remuneration Committee can determine the advisor's remuneration at the expense of the Company deemed necessary and appropriate.

1.3.2 Review and revise the Charter of the Nomination and Remuneration Committee in line with the existing situations to be proposed to the Board of Directors for approval.

1.3.3 Perform any other work related to nomination and remuneration of the Board of Directors and the Chief Executive Officer.

1.3.4 Encourage the Chairman of the Nomination and Remuneration Committee to attend the annual general meeting of shareholders.

1.3.5 Prepare an annual performance reports on a yearly basis.

## **Executive Committee**

As of December 31, 2019, the Executive Committee was established with four (4) members specified as follows:

1. Mr. Wiwat Hemmontharop

Chairman of the Executive Committee

2. Mr. Sathit Hemmontharop

Director of the Executive Committee

3. Mrs. Malee Hemmontharop

Director of the Executive Committee

4. Dr. Pirun Hemmontharop

Director of the Executive Committee

Mrs. Prim Chaivat acted as Secretary to the Executive Committee.

## **Term of the Executive Committee**

The Executive Committee has been expected to remain in the position for a period of three (3) years and a retired member can be re-elected.

## **Roles and Responsibilities of the Executive Committee**

The Executive Committee possesses the roles and responsibilities to manage the Company's normal business affairs and administration to be proposed to the Board of Directors for consideration and approval, including the monitoring of the Company's performance in accordance with the policies and measures established by the Board of Directors. Key roles and responsibilities are explained below:

1. Operate and manage the Company's business in accordance with the objectives, regulations, policies, rules, regulations, orders, and resolutions of the Board of Directors' meeting and the meeting of shareholders.

2. Consider the proposal of management and establish organizational structures, policies, directions, and business strategies, while being able to generate the



development of budget plans, human resources management, and information technology investment to be proposed to the Board of Directors for further consideration.

3. Possess the authority to appoint the subcommittee and or a working group for the operations and management of the Company to achieve the targeted organizational goals.

4. Monitor the Company's performance in accordance with the policies approved by the Board of Directors and supervise the operations to be maintained with quality and efficiency.

5. Consider the allocation of annual budget in accordance with the management before being proposed to the Board of Directors for consideration and approval.

6. Possess the authority to approve financial expenditures in accordance with the Company's normal aspect of business. Each transaction is required to be implemented within thirty (30) million baht or not exceeding the budget approved by the Board of Directors.

7. Approve major capital expenditures determined by the allocation of annual budget delegated or approved by the Board of Directors in principle.

8. Approve the borrowing credit limit for any loan within a period of not more than five (5) years or not exceeding thirty (30) million baht, not exceeding the budget approved by the Board of Directors.

9. Consider entering into a contract with respect to the normal business operations of the Company. The term of the contract or agreement should not exceed eight (8) years, where each transaction should not exceed the value of one-hundred (100) million baht or not exceeding the budget approved by the Board of Directors.

10. Possess the authority for the appointment, commissioning, transfer, termination, wage determination, compensation, and bonus expected to be paid to the Chief Executive Officer.

11. Possess the authority to delegate its power to one or more than one person under the control of the Executive Committee.

12. Take any other actions as assigned by the Board of Directors on a regular basis.

The delegation of authority and responsibility of the Executive Committee is dissimilar to the power of attorney or delegation of authority over which the delegate of the Executive Board can approve the transaction on which he or she may be in conflict (as defined by the Notification of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand (SET) and/or related entities)

### **Nomination and Appointment of Directors and Top Executives**

#### ● **The Independent Director**

The Company determines the composition of the Board of Directors to comprise of at least one-third of the total number of members of the Board of Directors.

Criteria for the appointment of independent directors will be based on the Company's Board of Directors in accordance with the Public Limited Company Act, the Securities and Exchange Act, and other relevant regulations. Independent directors are expected to possess qualifications, specialization, and experience appropriate for the meeting of shareholders. If an independent director is vacated prior to the expiration of the term, the Board of Directors may appoint an independent director who has the qualifications specified above to assume the position.

The Board of Directors has determined the qualifications of independent directors as follows:

1. Hold not more than 1.0% of the total voting shares of the Company, its parent company, subsidiary company, associated company, major shareholder or the controlling person of the company, including the shareholding of related persons of the independent director.

2. Not considered a member of the management team, a consultant with a regular salary or the controlling authority of the Company, its parent company, its subsidiaries, affiliated companies, subsidiaries, major shareholders or of the controlling person of the Company,

unless it has ceased to exist at least two (2) years prior to the date of being appointed as an independent director.

3. Possess no blood relationship by legal registration in the manner of a parent, spouse, sibling, and child, including the spouse of a child, an executive, a major shareholder's controlling authority or the person who will be proposed to be the executive or controlling person of the Company or its subsidiaries.

4. Never have a business relationship with the Company, parent company, subsidiary, associated company, Major Shareholders or the controlling authority of the company in a manner that may interfere with the exercise of independent judgment or a significant shareholder or controlling persons of persons having business relationships with the Company, parent company, subsidiary company, associated company, major shareholder or the controlling authority of the company, unless it has ceased to exist at least two years prior to the date of being appointed as an independent director.

5. Not being the auditor of the Company, parent company, subsidiary company, associated company, major shareholder, or the controlling authority of the Company and is not considered a significant shareholder, controlling authority, or partner of the audit firm.

6. Not being or being a professional service provider, including providing legal advice or financial advisory services. The service fee is more than two (2) million baht per year obtained from the parent company, subsidiary company, associate company, major shareholder or the controlling authority of the Company and is not considered a significant shareholder, controlling authority or the partner of the professional service provider, unless it has ceased to exist at least two (2) years prior to the date of being appointed as an independent director.

7. Not being a director appointed to represent the Company's directors or persons related to major shareholders.

8. Never engage in business that has the same conditions or be considered a significant competitor to the business of the Company or its subsidiaries.

9. Never possess any characteristic that makes it impossible to express independent opinions about the Company's operations.

The independent directors will review and certify their independence at least once a year, together with a report on the Board of Directors' background at the end of the year for the preparation of the annual registration statement (Form 56-1) and the annual report of the Company.

- **The Board of Directors**

At the Board of Directors' Meeting No. 6/2557, dated November 12, 2014, the resolution was passed at the meeting to set up the Nomination and Remuneration Committee to be responsible for selecting the appropriate person to be the Board of Directors. The Company has recruited its directors by the major shareholders and/or major shareholders' representatives and/or qualified members of the relevant departments, directors, independent directors, and the Management of the company featured as follows.

1. Possess the qualifications complying with the Public Limited Company Act, the Securities and Exchange Act, rules of the Securities and Exchange Commission, rules of the Stock Exchange of Thailand and principles of good corporate governance.

2. Have the knowledge, ability and experience in various professional fields to be useful and add value to the company.

3. Support and promote the operation of corporate governance to create value for the Company to perform duties with responsibility.

Selection and appointment of directors is in accordance with the procedures set out in the Company's Articles of Association. And the appointed directors must be approved by the shareholders meeting. The resolution of the shareholders' meeting requires the majority votes of the shareholders who attend the meeting and have the right to vote

1. The Board of Directors of the Company is composed of not less than 5 members. And not less than half of all directors must reside in the Kingdom.

2. The meeting of shareholders shall elect the directors in accordance with the following rules and procedures:

(1) A shareholder has one vote equal to the number of shares he holds.

(2) Each shareholder shall exercise his or her votes, elect one or several persons as directors. In case of the election of several persons, the number of votes for each director cannot be divided.

(3) The person receiving the highest number of votes will be elected as a director

3. Possess at least one third of the Board of Directors. In case where the number of directors cannot be divided into three parts, it is issued by the number nearest to one-third.

Directors who will be retired in the first year and the second year after the registration of the Company will be required to draw a ticket to be resigned in the following year. The member of the Board of Directors who is in the longest position is the one who will resign from the position. The retired directors may be re-elected.

4. Any director who resigns shall submit a resignation letter to the Company. Resignation is effective from the date the letter leaves the Company.

5. In case where the position of the director is vacant for any reason other than the expiration of the term, the board may select a qualified person without any prohibited characteristic under the Public Limited Company Act and the Securities and Exchange Act to be effective on the next Board meeting, unless the director's term is less than two (2) months, the person who becomes the replacement shall be in office only for the remaining term of the replaced director.

The resolution of the committee under paragraph one shall consist of votes of not less than three-fourths of the number of remaining directors.

6. The shareholders' meeting may elect a director to retire before the expiration of his term by not less than three-fourths of the total number of shareholders attending the meeting and having the right to vote. And there are not less than half of the shares held by the shareholders who attend the meeting and have the right to vote.

- **The Audit and Corporate Governance Committee**

The meeting of the Board of Directors or shareholders (as the case may be) is required to appoint at least three members of the Audit and Corporate Governance Committee to serve as the members of the Audit and Corporate Governance Committee. Each Audit and Corporate Governance Committee member must be an independent director. It must not be a director assigned by the Board of Directors. The Audit and Corporate Governance Committee must possess qualifications in accordance with the Securities and Exchange Act as well as the regulations of the Stock Exchange of Thailand which prescribe the qualifications and scope of work of the Audit and Corporate Governance Committee.

At least one member of the Audit and Corporate Governance Committee must have sufficient knowledge or experience in accounting or finance to be able to review the reliability of the financial statements.

- **The Nomination and Remuneration Committee**

The Board of Directors is responsible for appointing a Nomination and Remuneration Committee composed of not less than three directors with more than half of the independent directors. And the Chairman of the Nomination Committee must be an independent director, nomination and remuneration committee member must have knowledge and experience beneficial to the performance of duties as a member of the Nomination and Remuneration Committee, including knowledge of corporate governance, be neutral and independent of the good corporate governance principles of recruiting and nominating candidates for the position.

- **The Risk Management Committee**

The Board of Directors is responsible for appointing a Risk Management Committee to assist the Board in overseeing various levels of risk management within the organization to ensure that the management responsible for the organization's risk management functions. The risk management system effectively and comprehensively covers all risks associated with the organization's business operations. The Risk Management Committee consists of: At least 3 independent directors and senior executives, but should not be less than two (2) members.

- **The Executive Committee**

The Company has developed its policies to recruit executives by selecting qualified, knowledgeable, and experienced people in accordance with human resource management regulations and it must be approved by the Board of Directors and/or the person assigned by the Board of Directors.

The Board of Directors will consider the appointment of the Chief Executive Officer required to be approved by the Board of Directors. The appointment of a supervisor or a person to be responsible for internal audit and control as well as the approval of the Audit and Corporate Governance Committee are required.

### **Holding Position in Other Companies**

The Company has established a policy on holding company positions in other companies (including the Chief Executive Officer) to comply with good practice established or recommended by regulatory requirements to serve as directors in other listed companies of not more than five (5) companies.

In addition, the Company has set internal guidelines in which positions in which the directors must notify in advance of receiving any other position in the company to the Audit and Corporate Governance Committee. This will determine the appropriateness and compliance with the rules and the company secretary is responsible for informing the position of each director so that the Board of Directors will be informed. Shares are acknowledged in the annual report and for holding director positions in other companies or organizations of top executives since the Executive Vice President (including the Chief Executive Officer) is required to obtain approval from the Board of Directors.

### **Development of Knowledge for the Board of Directors and High-Ranking Executives**

The Board of Directors is responsible for promoting and facilitating those involved in the corporate governance system of the Company such as directors, audit committee and corporate governance. High-ranking executives and the Secretary are required to attend seminars, training programs, or activities organized by the Thai Institute of Directors, the Stock Exchange of Thailand, the Securities and Exchange Commission, or other independent organizations to strengthen the knowledge, which will be useful for performing duties. The Company requires at least one (1) director to attend at least one (1) training session on a yearly basis.

To develop the knowledge of the Board of Directors based on the Board Skill Matrix assessment, the Company's Secretary will consider the courses related to the addition of knowledge and skills to be a liaison with directors and administrators to announce the training of those courses.

## Details of the training program for senior executive directors and the company secretary in 2019

2019	Course	Institute
1. Mr. Wiwat Hemmondharop	● Business Revolution and Innovation Network. Corporate Innovation Class 2/2019	The Federation of Thai Industries
	● Corporate Innovation Summit 2019	RISE (Regional Corporate Innovation Accelerator)
	● Diploma, National Defence College, The Joint State - Private Sector Course Class 2019	National Defence College of Thailand
2. Mrs. Prim Chaiyawat	● Thai Financial Reporting Standards No.15	Dharmniti Seminar and Training Company Limited
	● Inspector feelings with AI technology and Block chain	The Federation of Accounting Professions Under The Royal Patronage of His Majesty the King
	● Tell the story of fraud and Thai Financial Reporting Standards Class 1/2019	
	● Data Analytics for Internal Auditor Class 2/2019	
	● Coaching For Logistics and Supply Chain Network	
	● Smart Factory for Industry 4.0	Institute of Information and Communication Technology for Industries

### Supervision of the Operations of Subsidiaries

The Board of Directors is responsible for managing the business. In addition, the Board of Directors is responsible for setting visions and strategies for the operations of the subsidiary according to the policies. The Company also possesses its policies to monitor and supervise the operations of the subsidiaries in accordance with relevant laws. The Internal Audit Office and the Corporate Secretariat are jointly responsible for this section.

### Supervision of Internal Information

The Company possesses rules and regulations for the Board of Directors, executives, and employees to keep confidential of the Company's internal information. They must not disclose or exploit the Company's confidential and/or internal information for personal gain or the benefit of others, either directly or indirectly. Also, it is not required to trade, transfer, or receive securities of the Company using confidential information and/or internal information or to engage in any other improper act. This causes damage to the Company, either directly or indirectly. In addition, directors, executives, and employees who receive the internal information must not exploit such information before public disclosure.

In addition, the Company has informed its members of the Board of Directors and executives of their obligations to report their holdings, spouses and minor children in the Company as well as changes in securities holding to the Office of the Securities and Exchange Commission under Section 59 of the Securities and Exchange Act, B.E. 2535 (1992) within three (3) days

following the date of the change in securities holding and notify the Company's Secretary to record changes and summaries of securities of directors and executives individually to be presented to the Board of Directors for the next meeting. Violation or non-compliance with the requirements will be penalized under Section 275 of the Securities and Exchange Act, B.E. 2535 (1992).

In this regard, the company has established disciplinary action for those seeking benefits from the use of inside information of the company or disclose it until it may cause damage to the company by considering the punishment as appropriate as the case, including verbal warning, warning in written, probation, including termination of employment, termination of employment by dismissal, dismissal or dismissal, case by case etc.

#### **Remuneration for Auditors**

According to Section 120 of the Public Limited Companies Act, B.E. 2535 (1992), the annual general meeting of shareholders is required to appoint the auditors. According to the Notification of the Securities and Exchange Commission No. Kor Chor 39/2005 under the topic "Rules, Conditions and Procedures for Reporting", the disclosure of information on financial status and performance of issuing companies No. 20 requires the Company to arrange a rotation of the auditor.

Company's financial statements for 2019 were reviewed and commented by Mr. Suwat Maneekanoksakul, with the Certified Public Accountant No. 8134, of Dharmniti Auditing Company Limited, appointed as the auditor of the Company for 2020 to provide excellent accounting services for the Company and its subsidiaries. The audit fees are detailed below:

<b>Audit Fees</b>	<b>2019</b>	<b>2020</b>
1. Audit fees	2.010 million baht	1.970 million baht
2. Other service fees	-	-

To proposed auditors possess no relationship or conflict of interest with the Management, major shareholders or anyone related to such person by all means.

## Corporate Social Responsibilities : CSR

### 1. Business Operation with Fairness

The Company has realized and fully emphasized on the effective, transparent and verifiable management system generating the reliabilities to all relevant parties and resulting to the sustainable growth for the business. Under the ethical operation and the compliance with the relevant laws and regulations, the Company has established the policy of good corporate governance through principles and practices consistent with the good corporate governance principle of the Stock Exchange of Thailand (SEC) and the guidelines of Thai Institute of Directors (IOD) in order to enhance existing operation to obviously meet the standard as well as have written Code of Conduct for the business to communicate with the Board of Directors, executives, employees for acknowledgement and adherence continuously. Furthermore, the Company has also arranged the training programs and internal communications through different styles in order to promote the business operation with transparency, morality, responsibility towards all stakeholders, society and environment concerns as well as to reflect values and practices which all employees should behave and perform their duties in line with the specified code of conduct to encourage the authentic and fruitful culture of good corporate governance.

### 2. Anti-Corruption

The Company's Board of Directors has extremely emphasized on the involvement in anti-corruption, determining the written practice way and method related to Anti-Corruption and setting the code of conduct principle for the Company's business. All mentioned practices of anti-corruption measurement had been reviewed and approved by the Board of Directors by assigning the Board of Directors, executives and employees in the Company and subsidiaries including persons or parties related to the business operation to strictly follow to avoid any operations which may affect improper actions and conflicts to the good governance principle. Above and beyond, the anti-corruption is also included giving officials bribery for convenience or the Company's business benefits, and the maximum disciplinary penalty shall be applied for any employees who violate such rule.



**Furthermore, the Company has preceded the following methods to prevent the involvement in corruption:**

1. The company has communicated its anti-corruption policy by using public relations (PR) tools to all Directors, executives and employees to acknowledge and strictly practice through various channels including electronic communications, announcement on public relations (PR) board, training and the company's activities, as well, to other people outside the company and investors through the company's website.

2. The company has provided whistle-blower hotline, if there is any prohibition or corruption happened, the company must also provide the protection measurement for the safety of reporter and then report to the Audit Committee for further improvement and solution of such problem with rightness, appropriateness, transparency and fairness

3. The Company shall propose the Board of Directors to review the appropriateness of anti-corruption policy every year.

In 2019, the Company had not found any problems and faults which is the materiality of corruption and operations inconsistent with relevant laws or regulations as well as the violation of business operation's code of conduct

The details of policy and process related to the prevention for corruption are indicated on the company's website [www.pjw.co.th](http://www.pjw.co.th) under the topic of "Good Governance".

### **3. The Respect for Human Rights**

The company has supported and respected the Human Rights and it is restricted that the company's business shall be unable to get involved in the violation of the Human Rights. Furthermore, the Company has encouraged and monitored employees to follow the Human Rights rule within the company's activities as well as practice according to the Human Rights Standards. The Company respects everyone's human rights without separation of race, nationality, gender, color, religion, language, political belief or any other beliefs, impairment or deniability or any other status indirectly relating the duty performance. Correspondingly, the corporate

responsibilities towards the Human Rights have also cover the subsidiaries and business partners.

The Company has communicated with all employees and employee representatives to acknowledge and understand the actual operations and circumstances, and has encouraged the conferring/cooperation between employer and employees including employee representatives to enable the development of the quality of working life. Besides, the Company has also respected all employees' opinion including the freedom of giving opinion without interference of information or opinion through various media as well as has arranged the communication channel for liberally listening opinions from stakeholders.

In 2018, the Company didn't receive any complaints related to the violation of Human Rights caused by the Company's business operation from both inside and outside of the Company and also didn't have any legal disputes of labor, consumer rights and business operations.

### **4. Fair Treating towards Labors**

The Company has implemented the policy to treat employees equally and fairly in respect of opportunities, benefits, welfare and potential development. The Company has realized that all employees are valuable resource and significant factor to drive the Company into the success. Therefore, the Company has focused to develop organization to be the learning organization, strengthen cultures and working environment, promote team work, support the development of employees' knowledge and competency to be more progressive, have job security as well as perform duties with safety awareness and environment concern. Besides, the Company has also provided employees the assurance of the quality of life and safety in working, and has retained good working environment as well as has listened to all employees' opinions and recommendations fairly and equally.

### **Health and Safety**

The Company has realized the importance of employees' and related parties' safety and health in working, therefore, the Occupational Health and Safety Management



System according to OHSAS 18001 has been applied as the guideline to create secured environment. The Company has achieved the certification of Occupational Health and Safety System “OHSAS 18001: 2007” since 2013, the operations and practice are strictly controlled in line with relevant laws and regulations.

The Company has supported all employees to perform duties with safety and hygiene in working place and has emphasized on the prevention of accidents which may be happened with full capability as well as has promoted all employees to be aware of safety by providing knowledge through trainings. Besides, the Company has promoted all employees to have good health and hygiene, has kept the working place in hygienic condition and has continuously promoted the implementation of projects and activities which create the awareness of safety.

#### **Compensation and Welfare for Employees**

The Company determines compensation and welfare for employees with fairness, the reward system is evaluated on employees’ knowledge, competency and performance evaluation based on Key Performance Index (KPI) which is compliance with the corporate target, KPI is the evaluation tool and its objective is to motive employee’s duty performance.

Other significant welfares based on position, authority and responsibility are provident fund, health and accident insurance, annual health check-up program, allowances, annual party, sport day and others

#### **The Development of Employees’ Knowledge and Potentials**

The Company has policy of human resources development by supporting employees to develop knowledge, competency, potential, positive thinking, morality and teamwork through the process of trainings, seminars, study tours in order to support business expansion and career path opportunities in line with professional areas and capabilities

equally. Furthermore, the Company has also encouraged employees to apply their potentials for society’s benefits as the good citizen and would like to create smart, good and efficient employees in compliance with the direction and organizational culture according to the key value.

The preparation for employees to be progressive in professional areas with the increasing knowledge and basic skills, specific knowledge in job, knowledge and skill in business including management skill and leadership, has been arranged by providing the various knowledge appropriate to the duty and responsibility of employees in each level as follows :

- Safety in working for employee level
- Corporate Social Responsibilities Management for sustainable development
- Corporate Governance (CG), Anti-Corruption Measurement, Business’ Code of Conduct
- Individual Development Plan to develop employees’ potentials for supporting organizational growth
- The 360-degree (full circle) Appraisal of executives who focus on the importance of upward appraisal and downward appraisal for self-development and improvement.
- Preparation of the Skill Matrix Assessment Test to assess knowledge and skills in the workplace. By supervisor To plan and create a Training Roadmap for each line of work

However, the creation of team building is important and the Company has emphasized on the development of teamwork skill to support the cross-functional working. The followings are the development of making decision skill and problem solving skill reflecting the effective management and leadership :

- PJW Management “GROW” & “6 Steps” Star Search for employees In the work that requires work Coordinate with executives and managers to

jointly vote to select outstanding executives and managers. According to instill Core Value.

- Camping for discipline in working (strict discipline, strong team, excellent organization KYT)
- GROW Day for employees to have knowledge and understanding and to instill Core Value
- Project to assess knowledge and skills at work
- Project to establish a mechanic school For technicians and maintenance technician.
- Project to CPR education program during lunch breaks

In 2019, the Company trained employees for 10,321 hours in total or 5.37 hours per person per year as average employee training hours.

## 5. Responsibilities towards Consumers

The company has strong intention to obtain customers' satisfaction and confidence with carefulness and responsibility and would like customers to receive good products/services which have high quality, safety, reasonable price and specified standard. The company has believed that the good and standardized products/services shall create confidences to consumers and this will help customers to increase more income. In addition, the company has followed terms and conditions of customers, enhancing higher standard of products and services unceasingly and maintain the good and sustainable relationship with customers seriously and regularly as well as does not apply any information of customers for the company or related parties' benefits. As the result that the Company has concentrated and rigorously practiced according to the Quality Standard Principle, the Company has obtained the certification of International Standard as follows :

➤ **ISO 9001** is the Quality Management System to assure that the manufacturer or service provider has established and maintained the same standard of quality management system with the objective of better response for customer's needs. This standard which can be applied to every business in every industry is related to the design,

development, production and service. The company is required to have awareness and set up the clear goal and effective management system principle in order to achieve the specified target.

➤ **Good Manufacturing Practice: GMP** criteria or basic conditions required for manufacturing and controlling manufacturer to follow and practice as well as be able to produce food safely, there are 6 factors as follows

1. Hygiene of location and manufacturing building
2. Equipment, machines and tools for manufacturing
3. Production Process Control
4. Sanitation
5. Maintenance and Cleanliness
6. Human Resources

➤ **Hazard Analysis Critical Control Point: HACCP** means danger analysis, crisis control point is the concept related to the preventive measurement for possible dangers in each process of any activity by having scientific process which had studied about the dangers, prevention methods, controlling and monitoring in order to be assured that the specified preventive measurement is effective all the time.

➤ **TS 16949** Is an existing ISO technical specification that complies with the United States, Germany, France and Italy automotive quality system standards in the automotive industry worldwide. Which specifies the need for a quality system for the design / development, production, installation and service of related automotive products

## 6. Responsibilities towards community, society and environment

The company has business operation policy related to responsibilities to community, society and environment regarding safety, quality of life and natural resources conservative and has encouraged the utilization of energy effectively as well as has been aware of the quality of life in community and society. The company has realized on the impact of business operation towards environment, so, in any working operation and any decisions including any operations of the Company, it must be assured that the Company's products and business operations are all accurate and complied with rules and regulations or any standards. In

In addition, all employees have been promoted to have awareness and responsibilities towards community, society and environment as well as to moderately give cooperation in any activities with community where the company has operated its business.

Although the manufacturing process of the company does not have any pollution affecting to environment because all plastic scraps can be recycled, however, the Company has realized the significance of environment, then established environmental management system in order to reduce the effect on environment and to improve surrounding better continuously by executives and all employees' intentions to practice according to the policy, the followings are the implementation of activities under the scope and practice :

- The company has obtained **ISO 14001:2004 Standard** which is the standard related to the management and practice for environment, this can guarantee that the company's environmental prevention system can prevent harm and damage from the company's production in all areas towards the environment. The inspection shall be done by the independent external inspectors.

- The company has operated the work process following to environment law by organizing the measurement of environment, such as measurement for weather quality, noise, heat, lighting and quality of water released from factory, the result of the inspection is qualified according to the standard specified by law.

- The company has studied, made research and development for products and production technology including the design of products to have light weight for decreasing the usage of plastic beads. In some cases, the company has cooperated with customers, educational institutes and government agencies

### 7. Innovation and Innovation Diffusion

The company has developed new knowledge to be economically progressive and innovations which create the balance between value and values towards community, society and environment along with the sustainable growth of business by having following practices:

- The Company has applied Mold Flow Analysis Program for analyzing and solving problems prior to commencement of Injection Molding and B-Simulation Program for analyzing and solving problems prior to commencement of Blow Molding to reduce Tooling Development Time and solve problems properly and accurately (virtual simulation of Blow and Injection Molding Process).








- The Company has applied robot as aid in manufacturing work pieces to reduce labor cost and compete price in the business.

- The Company conducted research and development of Blow Molding using Honeycomb in reducing weight and strengthening load for work in type of Lid, Cargo.

### Operations and Report Preparation

In operating the Company's business operations, all stakeholders' expectation in both internal and external risks, current situation and future possibilities or risk opportunities in every dimensions has been assessed regularly, the Company has considered that the point of views and opinions of all stakeholders shall assist the company to have more complete and clearer understanding to plan and implement the business operation and the development of positive effect



Stakeholders	Communication Channels	
Shareholders 	<ul style="list-style-type: none"> <li>- Annual General Meeting of Shareholders</li> <li>- Annual Report</li> <li>- Opening for Company Visit</li> <li>- Investor Relations</li> </ul>	<ul style="list-style-type: none"> <li>- Company's Website</li> <li>- Activity of Opportunity Day</li> <li>- Tele-conversation</li> <li>- Roadshow</li> <li>- News informing to the Stock Exchange of</li> </ul>
Employees 	<ul style="list-style-type: none"> <li>- Meeting</li> <li>- Voice on line</li> <li>- Activity of Morning Talk</li> <li>- Complaints Box</li> </ul>	<ul style="list-style-type: none"> <li>- Public Relations Board</li> <li>- Electronic Letters</li> <li>- Labor Relation Activity</li> </ul>
Customers 	<ul style="list-style-type: none"> <li>- Factory Visit</li> <li>- Complaints</li> <li>- Electronic Letters</li> <li>- Tele-conversation</li> </ul>	<ul style="list-style-type: none"> <li>- Conference Meeting</li> <li>- Company's Website</li> </ul>
Partners and Lenders 	<ul style="list-style-type: none"> <li>- Nomination and Selection Process</li> <li>- Annual Meeting</li> <li>- Electronic Letters</li> <li>- Tele-conversation</li> </ul>	<ul style="list-style-type: none"> <li>- Company's Website</li> <li>- Vendor Evaluation</li> <li>- Providing recommendation</li> </ul>
Competitors 	<ul style="list-style-type: none"> <li>- Being member in many organizations and associations</li> <li>- Party and experience exchange</li> </ul>	
Government Sector 	<ul style="list-style-type: none"> <li>- Being member in many organizations and associations</li> <li>- Participation in any activities</li> <li>- Information providing</li> </ul>	<ul style="list-style-type: none"> <li>- Company's Website</li> </ul>
Community, Society and Environment 	<ul style="list-style-type: none"> <li>- Participation and support activities</li> <li>- Making PR through community leader</li> <li>- Providing assistance</li> </ul>	<ul style="list-style-type: none"> <li>- Receiving complaints</li> <li>- Tele-conversation</li> </ul>

### Business Operations affecting Social Responsibility

The company has operations guidelines to assure that the direction and main target of the sustainable development is in compliance with the changes of economy, society and environment as well as the expectation of stakeholders in order to effectively, efficiently and sustainably grow and develop. The summary of main operations for many areas is as follows :

#### Operations for Economy

In 2019, the company had key performance for economy and could provide the economic value to all stakeholders as following details :

Item	Value *
Income from sales, helping in driving economy	2,953.07
Total net Profit (Loss) to increase value to shareholder	63.32
Salary and Wages to remunerate employees **	509.52
Employees' training expenses	2.49
Donations	1.07

\* Data from 2019 Financial Statement of the company

\*\* Consisted of salary, wage, welfare and contributions to the providence fund and social security fund, Reserve retirement, Shuttle Bus, New Year Party and Sport Day

#### Operations for Society and Community

Since the company has realized the importance of the coexistence with surrounded community and society, the policy framework has been focused on the assistance towards society and community in order to promote the good relationship and have cooperation and support the organization operations from community and society. Besides, the conflict had been decreased while the intensity of future problems has been relieved, the company can increase their understanding and create good recognition and be a good role model for society. All implemented activities had concerned on the benefits of organization and the development of

community and society together which has made community confident and trustful towards organization in promoting intimate business relationship and sustainably being success partners to each other. In 2019, the company had organized activities beneficial for society and community as follows :

- Project to support the National Children's Day activities For various schools, Panjawattana Plastic Public Company Limited recognizes the importance of youth. Therefore, giving money to support the children's day activities for schools by giving 2,000 baht per school.



- Project to give out milk to children In order to strengthen the youth to receive useful nutrients in 5 schools in the area Chaimongkol Sub-District, Bangthorad Sub-District, Samutsakhon Provide.



- Project to donation bucket to alleviate suffering from drought at Makha Sub-District, Nonsung District, Nakhon Ratchasima Provide on July 20, 2019 for public used.



### Operation for Environment

The Company has promoted all directors, executives, employees to utilize resources effectively, suitably, and sufficiently for utmost benefits as well as communicated, provided the knowledge, supported and build awareness for employees and relevant parties to manage the utilization of existing resources for organization's utmost benefits

The company has realized the significance of the environment then established the environmental management system to decrease the effect on environment and improve surroundings to be better continuously. All executives and employees have focused to strictly follow the policy by implementing activities under the scope and practice as follows:

- The company has obtained **ISO 14001:2004 Standard** which is the standard related to the management and practice for environment, this can guarantee that the company's environmental prevention system can prevent harm and damage from the company's production for all areas towards the environment. The inspection shall be done by the independent external inspectors.

- The company has operated the work process following to environment law by organizing the measurement of environment, such as measurement for weather quality, noise, heat, lighting and quality of water released from factory, the result of the inspection is qualified according to the standard specified by law.

The company has continuously organized the activity of energy usage reduction by encouraging employees to be aware of energy conservative within the organization, as well, the company has invested on efficiency improvement of machines and equipment, In 2019, the Company could reduce energy consumption from energy conservation measure in total of 706,118.78 kWh./year or total saving amount of 2,541,780.91 Baht, as per the following activity implementation.

### Energy Reduction Activity

Name of Project	Objective
To reduce the use of electric daylight (Male / female restroom)	To reduce electricity consumption By putting clear roofs and transparencies instead to allow sunlight to illuminate the bathroom in daytime instead of using the light from the lamp
To control Cooling Tower with temperature by sintra division	To reduce the amount of electricity used by installing a control unit in the underground water tank to control the amount of water in the cooling tower and water pump, divided into 3 sets.
To stop box conveyor	To install the sensor to detect the box. When there is no box, the conveyor will stop working.
To stop support system (chiller, Cooling tower) 18 liter	Walk the water pipes from the support system that is not used to the water pipes of the original system. And operate the system that uses less motor instead
To control the system shutdown for Cooling Tower System Plant A,B,C,D	To reduce the amount of work of the cooling unit To work at full efficiency.
To control the operation of the air compressor Onload & Unload Compression machine	To reduce electricity consumption from air compressors from the original that is always on for 10 units.

## Internal control and risk management

The Board of Directors is aware of the importance having a good internal control system which will ensure that the management and control of the operations of the company are organized in accordance with the objectives, and the long-term goals of the company by requiring management to have the structure of the internal control system covering various areas, including control Environment, Risk Management, Control Activities, Information & Communication and Monitoring Activities into practice to achieve objective efficiency as well as proceed for ensure that the company has an internal control system that is sufficient and appropriate for the situation with continuous development and improvement.

In the Board of Director Meeting no. 1/2020 on 24 February 2020, there are 3 Audit and Corporate Governance Committee members participated. The Board of Directors assessed an adequacy of internal control system of the company by using an assessment form as specified by Office of Securities and Exchange Commission. They asked questions with the management and gathered information from the questionnaires done by the management and report of audit and monitor committee. It could be concluded from the internal control assessment of the company in 5 components as follows

### 1) Control Environment

The company adheres to value of integrity and virtue. The Board of Directors is independent from the management and has duties of oversight and development in operations covering environment in the organization, risk

assessment, operation control, information system and communication and monitoring system.

The company has determined scope of power and duties of the Board of Directors and subcommittee in writing segregated from duties of the management. Furthermore, it has defined the structure, report and duties and responsibilities properly in accordance with business condition and relevant laws. Duties are clearly allotted in major works so as to create balance of inspection. Furthermore, it includes defining and limiting power of working in administration and operation level clearly.

The company is determined to motivate, develop and maintain personnel who have knowledge and capability and to determine personnel to have duties and responsibilities in internal control

### 2) Risk Assessment

The company defines clear and sufficient objectives to be able to identify and evaluate risks related to achieving company's objectives. The executives and employees in every level in the organization are responsible for identifying and analyzing every type of risks that have impact on achieving objectives thoroughly and properly along with considering likelihood of corruption and assessing changes that may affect internal control system. It includes defining risk level in organization level and institute level to specify proper management measure and to follow up the risk assessment result to be in acceptable level.

### 3) Control Activities

The company selects and develops control activities to be consistent with risks and special features of the company such as environment, complexity, work aspects,

operation scope and other specifications by considering various formats of control activities between manual control and automated control. It is designed to contain mixed control activities including preventive control and detective control by recognizing allotment of duties and responsibilities in works such as approving, recording accounting list and information, handling properties separately for proper reciprocal inspection.

The company has strict and clear measures for dealing with transactions with directors, executives, major shareholders or related parties. By requiring the company to conduct related transactions or The subsidiary company and the person who may have conflict must comply with the relevant announcements and regulations and Under reasonable conditions Or normal trade conditions or market prices and Consider it as if it were a transaction with the Arm's Length Basis as well as report the said connected transaction to the Audit Committee For quarterly review.

For operation process in information technology system, the company develops general control activities variously and appropriately to ensure that the information technology system of the company is always available and safe for access of irrelevant users by bringing control activities as written policy and procedures. It shall be identified undertaker, duration of practice and resolution for error so that the employees can operate control activities correctly and review the policy and procedures regularly.

#### 4) Information & Communication

The company defines data required in operations including quality internal and external data related to works with data provision so that the committee has adequate essential information to support decision prior to meeting within period specified by law. Besides, it includes recording

opinions, suggestions, observations, inquiries and disapproval along with reasons of the committee in every meeting that can be traced back about duty performing of each committee.

In addition, it provides communication in the organization by conveying objectives, polices, practices and duties and responsibilities to support internal control to personnel in every level and in every institute including selecting various communication channels with guidelines for employees to inform data or clues about fraud in the company safely.

The company has process of communication with external shareholders effectively through proper channels and provides investor relation sector and channels for stakeholders to inform data or clues about fraud or corruption safely to audit committee at [Auditcommittee@pjw.co.th](mailto:Auditcommittee@pjw.co.th)

#### 5) Monitoring Activities

The Company follows up and assesses internal control to ensure that internal control is operated completely and suitably by providing assessment from external and internal independent institute. It includes assessing and communicating errors of internal control with undertakers for immediate resolution as well as defining the error report as an essence and progress of problem solving to the corporate's committee, chief executives as seen proper.

The company determines regulations to the management that it shall inform corporate's committee immediately in case of serious corruption or suspected fraud as well as a legal violation or other offences that may affect reputation and financial status of the company significantly.



The corporate's committee agrees that the internal control system in the company is efficient, sufficient and proper with suitable risk management. The company provides enough personnel to operate according to the system effectively and internal control system about monitoring and supervising operations of the company and subsidiaries to protect properties of the company and subsidiaries from the actions of the committee or executives without rights or authority along with transactions with people who may have conflict and relevant people.

### **Internal Audit**

Internal audit institute directly reports audit and monitor committee which monitors audit operations to be independent, fair and ethical and to perform duties professionally according to measures of internal audit profession.

Head of internal audit institute performs duties as a secretary of audit and monitor committee to support audit committee to operate works assigned by the corporate's committee and to be the consultant giving advices in various terms such as internal control, risk management and business ethic etc.

The company supports sufficient resources for auditing and assessing internal control in works systems and coordinating with training division to arrange training and activities to promote and educate employees.

Internal Audit division made annual internal audit plan in consistence with trends and strategies of the company covering operation process of the company and subsidiary. It is provided based on risk principles focusing on critical risks that affect business operation, objectives and strategies of the company along with anti-corruption audit.

The audit plan is approved by the audit and monitor committee with the scope of work of the Internal Audit Office covers inspection, monitoring, control, test, review, and evaluation of adequacy. And the efficiency of the company's internal control system with result report and tracking as well as compliance with suggestion from audit to audit and monitor committee for regular consideration. However, the corporate's committee realizes that any internal control system cannot be guaranteed damages as a result of errors but it can be protected and credited in reasonable level

### **Risk management**

Panjawattana Plastic Public Company Limited realizes and gives precedence to risk management and it creates the foundation of organization-level risk management in accordance with The Committee of Sponsoring Organization of the Treadway Commission: COSO and it applies in risk management in acceptable or proper level so as to achieve objectives, strategies, missions and visions of the company. Risk management is an important instrument in administrating works to achieve goals, prevent damages, and reduce errors in administration. The corporate's committee has appointed 6 risk management committee with duties to monitor risk management closely, define risk management policy and set the risk management framework of the company as well as providing risk management plan and report that covers any kinds if risk affecting goals and business operations of the company and reviewing risks of the company regularly.

Therefore, to enable the company to have internal control system in every level in consortium, business units, line of operation, departments, divisions or in operation process and to promote personnel in every level of the

organization to understand risk management process and practice as organizational cultures. Risk management department has provided a manual of risk management of the company so that personnel can use it as guidelines of risk management and it will be an essential instrument that can support every sector of the organization to achieve objectives/ goals and success in operations. This will lead to value addition and sustainable growth of the organization; besides, it can be applied with practices from large to small projects. The realization of errors and preparation of backup plan is better than solving the consequential problems that may cause the loss of expense and resources unnecessarily.

## Connected Transaction



### **Transaction Approval Measure or procedure**

In 2019, transactions of the company have been inspected by audit committee and approved by the company's committee and they are prioritized benefit of the company. The transactions that will happen in the future with persons may cause conflict of interest with gain and loss. Therefore, the company lets the audit committee to give opinions about necessity and suitability of that transaction. In case the audit committee has no expertise in considering transactions that possibly occur, the company will let independent experts or the auditors to give opinions about such transactions instead so as to support decision of the corporate's committees and/or audit committee and/or shareholders as the case may be. Those who have conflict of interest or gain and loss in doing transactions will have no rights to vote for approving such transaction.

In case the company lends or borrows money from the consortium or relevant person including liability guarantee or exercising properties possessed by the company as loan guarantee or liability guarantee of the consortium or relevant persons, the company will let the audit committee to give opinions on reasonability of transactions, amount, liability, period and interest rate and capital and propose the corporate's committee to consider approving such transaction. It will be considered from principles, conditions and validity of transaction and properness of duration and financial capital. However, the committee with gain and loss shall not vote and has no rights to attend the meeting in that agenda.

### **Policy or Tendency of Connected Transaction**

Sales of plastic packaging products to related companies are small volume sales. And has a low frequency of occurrence because it is project and the space rental program still has the following items for the specified period. The land rental transactions from directors and shareholders are likely to decrease since it is in the process of negotiating to purchase land and buildings in 2020.

The board of director realizes every stakeholder under principles of good governance. Nevertheless, for transactions that may cause conflict of interest in the future, the corporate's committee need to proceed in accordance with laws on securities and exchange, regulations, notices, orders or requirements of Stock Exchange of Thailand. Moreover, it shall comply with requirements about disclosure of transactions and property obtainment of the company and its subsidiaries along with the accounting standard specified by Federation of Accounting professions under the Royal Patronage of His majesty the King.

**Detail Summary of connected transactions of the company and subsidiaries and persons and enterprise that may have conflict of interest.**

For accounting year ending as of 31 December 2019, the company and its subsidiaries had transaction with related company and persons which was considered reasonable with normal commercial purpose by providing products and services for persons and relevant enterprises with reasonable price and comparing it with market price in that business. The normal terms and conditions are detailed as follows

**Detail of Connected Transaction**

*Unit: Million Baht*

<i>List of company</i>	<i>Relationship</i>	<i>Share- holding (%)</i>	<i>Essential description</i>	<i>Connected Transaction value</i>	<i>Necessity and Reasonability</i>
1. P.J. Composite Co., Ltd	B	-	- The company sold products to subsidiary.	0.98	It is normal business transaction of the company. The sale price is market price with normal commercial conditions as same as general customers. The company uses structure of sale price-capital-profit as same as that the company produced and sold products to other customers
	B	-	- The company rents out space to shareholders and directors.	1.57	It is a normal business transaction of the company. Which the rental fee is a reasonable rate and compared with the rental price, which is not lower than the actual price paid by Yuen Yong Foam Industry Company Limited
2. Mr.Kongsak Hemmontharop	B	-	- The company leased land from the committee and shareholders	1.78	It is normal business transaction of the company. Land rental is compared with market price with normal commercial conditions.

Relationship

A = Shareholder and executives    B = Shareholder and committee    C = Subsidiary    D = Shareholder

**Financial Highlights**

Description	Consolidated Financial Statements	
	2018	2019
<b>Statement of income</b> (THB million)		
Sales	2,969.91	2,953.07
<b>Total revenues</b>	<b>2,986.46</b>	<b>3,155.52</b>
Expenses		
Cost of sales	2,597.06	2,472.03
Selling & Administrative expenses	357.36	381.30
Finance cost	38.09	55.44
Total expenses	2,999.32	3,092.86
Profit before income tax expenses	(12.86)	62.66
Income tax expenses <sup>1/</sup>	(1.11)	(0.67)
<b>Profit for the years</b>	<b>(11.75)</b>	<b>63.33</b>
<b>STATEMENT OF FINANCIAL POSITION</b> (THB million)		
Total assets	<b>2,890.60</b>	<b>2,947.04</b>
Total liabilities	<b>1,874.51</b>	<b>1,931.49</b>
shareholders' equity	<b>1,016.09</b>	<b>1,015.56</b>
Total equity attributable to equity holders of the parent company	<b>1,016.09</b>	<b>1,015.56</b>
<b>Financial Ratio</b> <sup>2/</sup>		
<b><u>Liquidity Ratio</u></b>		
Current ratio (times)	<b>0.83</b>	<b>0.76</b>
Quick ratio (times)	<b>0.58</b>	<b>0.47</b>
Account receivable turnover (times)	<b>4.86</b>	<b>4.28</b>
Average account receivable day on hand (days)	<b>74.05</b>	<b>84.16</b>
Inventory turnover (times)	<b>9.16</b>	<b>8.28</b>
Average Inventory day on hand (days)	<b>39.29</b>	<b>43.46</b>
Account payable turnover (times)	<b>4.89</b>	<b>4.71</b>
Average account payable day on hand (days)	<b>73.66</b>	<b>76.51</b>
Cash Cycle (days)	<b>39.69</b>	<b>51.12</b>
<b><u>Profitability Ratio</u></b>		
Gross profit margin (%)	<b>12.55</b>	<b>16.29</b>
Operating profit margin (%)	<b>6.87</b>	<b>10.43</b>
Net profit margin (%)	<b>-0.39</b>	<b>2.01</b>
Return on equity (%)	<b>-1.15</b>	<b>6.23</b>

Description	Consolidated Financial Statements	
	2018	2019
<b><u>Asset Management Ratio</u></b>		
Return on asset (%)	-0.43	2.17
Return on fixed asset (%)	10.01	14.36
Total asset turnover (times)	1.06	1.06
<b><u>Financial Controlling Policy Ratio</u></b>		
Debt to equity ratio (times)	1.84	1.90
Interest coverage ratio (times)	5.26	1.99
Dividend payout ratio (%)	114.05 <sup>4/</sup>	46.31 <sup>5/</sup>

Remark:

- 1/ It is calculated from corporate income tax for the year and impact from expense (revenue), deferred income tax (as disclosed in note 25 to financial statements)
- 2/ Financial Ratio Calculated from manual of Annual Registration Statement (Form 56-1) (Form 69-1) of the Office of the Securities and Exchange Commission (SEC)
- 3/ Summary from separate of Panjawattana Plastic Plc.
- 4/ Interim Dividend The Company's Board of Directors No. 1/2019 dated January 9, 2019 has its resolution to pay for interim dividend at Baht 0.08 per share. The dividend was paid from the retained earnings of Panjawattana Plastic Public Company Limited  
  
Dividend The 2019 Annual General Meeting of Shareholders on 24, April 2019 resolution to non-pay for dividend regarding the 2018 performance
- 5/ Dividend The Company's Board of Directors No. 2/2020 dated March 6, 2020 has its resolution to pay for dividend regarding the 2019 performance as 0.07 baht/share and will be present to 2020 Annual General Meeting of Shareholders on 2020 April 22, 2020

## Management Discussion and Analysis: MD&A

### Overview of business operation and significance changes

In the year 2019, the company's production capacity decreased by 1.62% when compared to the previous year due to the sale of old machinery. The company's capacity utilization decreased by 3.32% as a result of lower sales orders from the lubricant packaging industry due to the shrinking market. In addition, orders for lubricant packaging at the Jiangsu factory China has just begun to have commercial sales in the second half. As a result, capacity utilization is still below the target level. In the milk and yogurt packaging industry and plastic parts in the automotive industry. Production capacity utilization has increased because new products are already being commercially sold.

### Production Capacity and Rate of Total Production Capacity Utilization of the Company (unit : Ton)

	2017	2018	2019
<b>Maximum production capacity (ton)</b>	42,080	43,459	<b>42,753</b>
<b>Percent of growth rate</b>	11.63	3.28	<b>-1.62</b>
<b>Actual output (ton)</b>	21,335	18,936	<b>18,307</b>
<b>Percent of growth rate</b>	1.49	-11.24	<b>-3.32</b>
<b>Percent of production capacity utilization</b>	51.00	44.00	<b>43.00</b>

### Index of Industrial Output of Each Product Related to the Company's Product (Monthly Average Base for 2016)

Description	2017	2018	2019
Ready-to-drink milk	102.17	112.61	<b>118.32</b>
*Benzene Octane 91 (Unleaded)	102.97	95.48	<b>76.02</b>
*Benzene Octane 95 (Unleaded)	101.51	102.76	<b>109.56</b>
*Diesel Fuel	104.94	109.99	<b>100.90</b>
Primary chemical product except fertilizer and Nitrogen compound	115.50	109.77	<b>111.85</b>
Passenger car, truck, bus, etc.	105.35	113.73	<b>107.65</b>

Source: Office of Industrial Economics

\* It reflected the quantity of vehicle usage indicating the quantity of engine oil replacement.

**Income Structure Classified by Geography**

Description	2017		2018		2019	
	Million Baht	Percent of sale	Million Baht	Percent of sale	Million Baht	Percent of sale
Domestic sales	2,417.76	89.71	2,730.70	91.44	2,683.17	85.03
Abroad sales	271.37	10.07	239.21	8.01	269.90	8.55
<b>Gross sales</b>	<b>2,689.13</b>	<b>99.78</b>	<b>2,969.91</b>	<b>99.45</b>	<b>2,953.07</b>	<b>93.58</b>
Project income	-	-	6.93	0.23	187.42	5.94
Other income	5.83	0.22	9.62	0.32	15.03	0.48
<b>Total income</b>	<b>2,694.96</b>	<b>100.00</b>	<b>2,986.46</b>	<b>100.00</b>	<b>3,155.52</b>	<b>100.00</b>

**Income Structure Classified by groups of products**

Description	2017		2018		2019	
	Million Baht	Percent of Growth Rate	Million Baht	Percent of Growth Rate	Million Baht	Percent of Growth Rate
Lubricant packaging	1,475.65	-0.14	1,607.37	8.93	<b>1,342.09</b>	<b>-16.50</b>
Milk and yoghurt milk packaging	337.21	-8.75	357.91	6.14	<b>424.18</b>	<b>18.52</b>
Consumer goods and chemical liquid packaging	203.03	0.80	216.43	6.60	<b>190.06</b>	<b>-12.18</b>
Automotive parts	673.24	-3.97	788.20	17.08	<b>996.74</b>	<b>26.46</b>
<b>Gross sales</b>	<b>2,689.13</b>	<b>-2.20</b>	<b>2,969.91</b>	<b>10.44</b>	<b>2,953.07</b>	<b>-0.57</b>
Project income	0.00	0.00	6.93	100.00	<b>187.42</b>	<b>2,604.47</b>
Other income	5.83	-23.09	9.62	65.18	<b>15.03</b>	<b>56.34</b>
<b>Total income</b>	<b>2,694.96</b>	<b>-2.26</b>	<b>2,986.46</b>	<b>10.82</b>	<b>3,155.52</b>	<b>5.66</b>

From the economic conditions report and industrial production index data mentioned In general, many industries have slowed down, such as the automotive industry group Seen from the passenger car industry growth index decreased by 6.08% due to the economic conditions in Thailand in the year not much growth. Although all carmakers have a sales promotion or the launch of a new car model, however, the level of the domestic car supply demand has not yet grown as planned. However, the company has sales in the automotive parts segment grew by 26.46%, especially the growth from the painting segment due to new products were launch.

Lubricant industry growth rate slows down due to the shrinkage of demand for lubricant packaging due to domestic economic factors causing lubricant packaging sales to drop 16.50% from the previous year.

The ready-to-drink milk industry, which consists of sterilized milk market and other types of ready-to-drink milk, such as soy milk, corn milk, brown rice milk, etc. The ready-to-drink milk production index increased by 5.71% while the company's sales growth increased by 18.52% due to some new products that have been commercially sold since the beginning of the year.



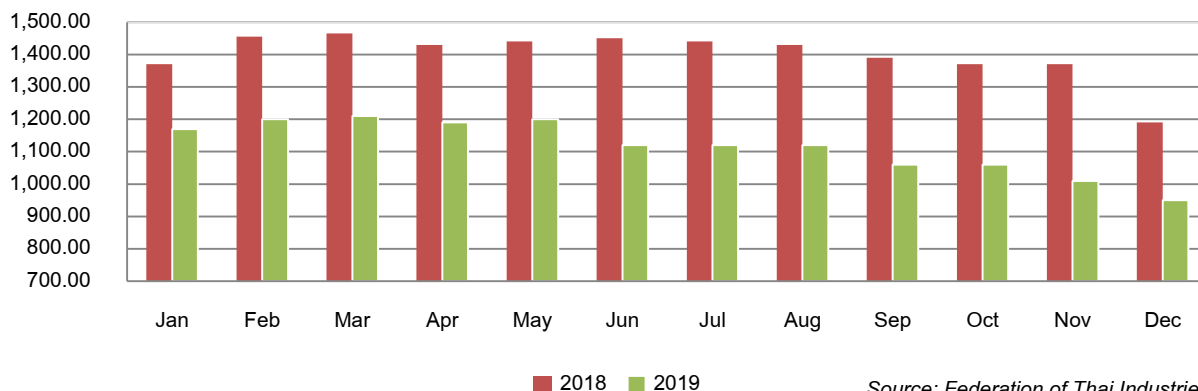
Basic chemical manufacturing industry except fertilizers and nitrogen compounds which grew slightly by only 1.89%, affected by the campaign to cancel the use of chemicals containing paraquat substances resulting in the company's sales in the packaging industry group for consumer products and chemical reagents. The company's sales growth went down 12.18%

### **Performance and profitability**

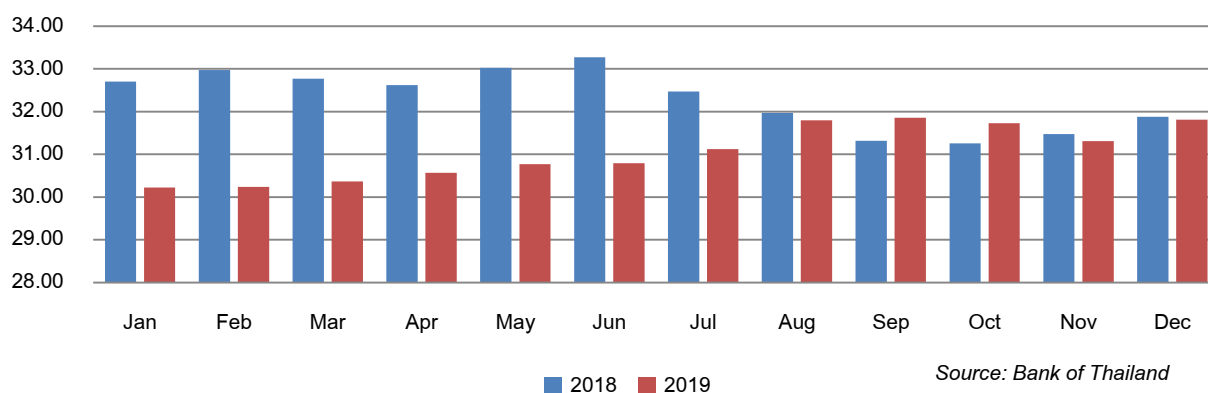
In 2019, the price of HDPE resin, the main raw material of plastic packaging, was lower than 2018 due to the crude oil price in the world market averaging from the previous year. This is due to the supply of oil demand in the world market which has decreased due to the economic slowdown since the beginning of last year. From economic factors such as trade protection measures which are uncertain as of the major economies, political problems between the United States and Iran and the state of war in Syria. In addition, the increase in the oil inventory of OECD groups such as the United States and Canada also caused oil prices to continually decline. However, in the second half of the year, the Thai baht moved continuously, despite the announcement of interest rate cuts. As a result, raw material prices at the end of the year began to fall. Although the selling price of plastic packaging industry products can be adjusted up and down according to the raw material prices. However, the company has considered the price of plastic resins both domestically and internationally and has considered entering forward foreign exchange contracts. To alleviate the effects of currency fluctuations. In this regard, most of the customers in the packaging industry have adjusted the raw material prices by referring to the prices announced by the Federation of Thai Industries. This helps to reduce the risk of fluctuations in raw material costs, which are the main costs.

As mentioned, performance of the Company and its subsidiaries in the year 2019, the Company and its subsidiaries have a total net profit of Baht 63.33 million, an increase of Baht 75.08 million when compared to the previous year. Due to the total revenue increased Baht 169.06 million or 5.66% by the company recognized the revenue from the project worth 187.42 million baht according to the completion method during the year. While the main sales of plastic products decreased slightly due to sales of lubricant packaging industry contracted. However, sales of customers in the automotive parts industry, spray painting plants, including tooling and milk and milk yogurt packaging increased from last year since new products have been commercially sold during the year. Consolidated gross profit margin was at 16.29% or increase from the previous year at 12.55% because the company has better control of the production cost of commercial sales of new products and make the production process more efficient and can reduce losses in many ways. Total net profit margin was 2.01 percent, increased from last year. Total net loss rate was 0.39% due to improved gross profit margin from the previous year. During the year, the Company recognized the employee benefits from the amendment of the post-employee benefits plan in the second quarter as expenses increased in the amount of Baht 11.47 million. In the third quarter, there was also a temporary loss in the beginning of the commercial sales in the Jiangsu factory. As for the overall picture, the ratio of selling and administrative expenses to total sales remained stable. While the financial cost increased from the borrowing to invest in new projects, such as the spray-painting segment, as a medium booth Warehouse and factory building in Jiangsu.

### AVG. Plastic Resin HDPE Price (USD/Ton.)



### Exchange Rate Baht/USD



#### Asset Management Capability

As at 31 December 2019, total consolidated assets of the Company and its subsidiary increased by Baht 56.45 million or 1.95% compared with last year. An increase mainly caused by Property, plant and equipment increased by Baht 100.11 million due to an investment in a medium-sized booth of the painting segment to support new orders during the late of year, the expansion of the building and warehouse at Chonburi branch to support business expansion and to reduce some of the rental expense. In addition, the company invested in machinery and equipment for a new branch in Jiangsu, China. While current assets decreased by Baht 47.77 million, which most of it was the decrease in cash and cash equivalents to pay dividends during the year amount of Baht 45.95 million.

#### Liquidity and Adequacy of the Company's Capital

As at 31 December 2019, the consolidated liabilities of the Company and its subsidiary increased by Baht 56.98 million or 3.04% compare with last year, mainly from an increase in short-term loans to support more working capital. The Company's debt to equity ratio as at 31 December 2019 is 1.90 times (as at 31 December 2018 is 1.84 times)

In the year 2020, even though the business performance tends to be better due to the positive factors in the increased sales of customers, both automotive parts and paint factories, pasteurized milk packaging group which increased from the previous year because new products began to have commercial launch.

The company's management is also aware of liquidity management plan based on the impact of the covid-19 virus outbreak by taking actions include of following up on the customer's order plan closely in order to adjust the production plan in a timely manner to control the production cost, prioritizing the use of investments and expense, considering of cash flow reserve for liquidity in order to be able to continue the business to ensure that the company's strategic plan achieves its goals.

#### Debt Obligation and Management of Off-Balance Sheet Obligation

As at 31 December 2019, the Company and the subsidiaries have had debt obligation and management of off-balance sheet obligation as follows.

(Unit: Million Baht)

Obligation	Total	Maturity			
		Not more than 1 year	More than 1-3 years	More than 3-5 years	More than 5 years
Obligation of Operating Lease	120.42	28.11	54.31	28.81	9.19
Obligation of Asset Purchase	1.33	1.33	-	-	-
Obligation of Other Liabilities – Guarantee Obligation	106.45	106.45	-	-	-
<b>Total</b>	<b>228.20</b>	<b>135.89</b>	<b>54.31</b>	<b>28.81</b>	<b>9.19</b>

#### Factors or Events Affecting Future Financial Position or Overall Operation

<sup>1</sup> According to the forecasts of the Thai economy in 2020, it is expected that the Gross Domestic Product (GDP) will expand by 1.5 - 2.5 percent, with supporting factors from the improvement of domestic demand, Inflation and low interest rates including government measures to monitor revenue such as state welfare cards, moratorium, Debt restructuring, etc., and supporting ongoing expenditures As a result, household spending grew favorably. Eastern Special Economic Zone Development And the issuance of fiscal measures to support domestic investment.

<sup>2</sup> Car production in 2020 is estimated to be 20.50 hundred thousand vehicles, an increase of 2.50% compared to the year 2018, divided into production for domestic sales of approximately 40-45% and production for export approximately 55-60% and the trend of falling oil prices. These are positive factors for the company.

<sup>1</sup> Office of the National Economic Development Board (NEDB)

<sup>2</sup> Office of Industrial Economics (OIE)

However, there are negative factors from the outbreak of the virus, Covid-19. At the beginning of the year, which had a severe impact on the Thai economy in many parts as discussed in the risk factors resulting in overall stagnant consumption. It also causes the baht to fluctuate from the interest policy of both Thailand and abroad.

Therefore, the plan for 2020, the management still considers the impact from external factors especially the effects of the outbreak of the Covid-19 virus to the growth of the domestic economy and the world economy, the impact on the automotive industry and lubricant packaging after the promotion of the automobile industry driven by electric power, drought, floods and natural disasters affecting packaging sales of agrochemicals, including the impact on the foreign trade policy of the United States which tends to use trade, investment and labor protection policies, the stability of the eurozone group that many countries started to have ideas to leave the group. There are both positive and negative factors for the packaging and plastic parts industry for the automotive industry and costs of plastic resin prices and exchange rate fluctuations.

In addition, the management and the board of directors Considered the emergency plan to deal with the unusual situation of the outbreak of the Covid-19 virus. Including reducing unnecessary investment and controlling expenses Reduce production costs Consideration of cash flow reserve for liquidity in order to be able to continue the business to ensure that the company's strategic plan achieves its goals by using the principles of caution and observing events and external factors that regularly affect the company's operations.

## Report on the Responsibilities of the Board of Directors to Financial Reports

The Board of Directors of Panjawattana Plastic Public Co., Ltd. gives importance to the duties and responsibilities for preparation of the Company's and its subsidiaries' financial statements and financial information appearing in the 2019 Annual Report. The financial statements were prepared in compliance with generally accepted accounting principles, which are identified by Accounting Professions Act B.E. 2004 by using proper and continually practiced accounting policies with meticulous and cautious judgment in preparing the Annual Report with adequate disclosure of significant information in the notes to financial statements, to generate maximum benefits for shareholders and investors.

Furthermore, the Board of Directors has prepared effective and appropriate risk management and internal control systems for reasonable confidence that accounting information records are accurate, complete and adequate for monitoring assets and preventing corruption or nonstandard operations.

On this occasion, the Audit Committee, which consists of independent directors, has performed the duties of directing and reviewing accounting policies, the quality of financial statements and internal control systems with consideration regarding the disclosure of information about related transactions. The opinions of the Audit Committee are disclosed in the Annual Report.

The Board of Directors holds the opinion that the company's overall internal control system is adequate and suitable with capacity for building reasonable confidence that the financial statements for the Company and its subsidiaries for the year ending 31 December 2019 are reliable in accordance with the generally accepted accounting standards.



(Dr. Damri Sukhotanang)  
Chairman of the Board



(Mr. Wiwat Hemmondharop)  
Chairman of Executive Board

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

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**REPORT AND CONSOLIDATED FINANCIAL STATEMENTS  
AND SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

## **INDEPENDENT AUDITOR'S REPORT**

To the Shareholders and Board of Directors of  
Panjawattana Plastic Public Company Limited

### **Opinion**

I have audited the consolidated financial statements of Panjawattana Plastic Public Company Limited, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2019 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and I have audited the separate financial statements of Panjawattana Plastic Public Company Limited (the Company), which comprise the statement of financial position as at December 31, 2019, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of Panjawattana Plastic Public Company Limited, and its subsidiaries as at December 31, 2019, and its consolidated financial performance and its consolidated cash flows for the year then ended and the separate financial position of Panjawattana Plastic Public Company Limited as at December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with Financial Reporting Standards.

### **Basis for Opinion**

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

### **Key Audit Matters**

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

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### **Revenue from sales of goods**

The Company and its subsidiaries is mainly engaged in the manufacture and distribution of packaging and industrial plastic parts. Most of the income comes from the oil industry and the automobile industry. The income is a significant measure of the Company and its subsidiaries's ability to operate. The profit will be impacted due to the increase or decrease in revenue. The slowdown of the economy and the high competition in the related industry caused the risk related to the value and the accuracy and completeness of revenue recognition from the sale of goods.

I have examined the revenue recognition of the Company and its subsidiaries by

- Assessing and testing the Company's IT system and its internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls, and with special consideration given to expanding the scope of the testing of the internal controls which respond to the above risks.

- Applying a sampling method to select sales transactions to assess whether revenue recognition was consistent with the conditions and incoterms, and whether it was in compliance with the Company's policy.

- On a sampling basis, examining supporting documents for actual sales transactions occurring during the year and near the end of the accounting period.

- Checking the balance of revenue from sales in both before and after the end of accounting period.

- Reviewing credit notes that the Company issued after the period-end.

- Performing analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

### **Other Information**

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

My opinion on the financial statements does not cover the other information and I will 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

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

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

\*\*\*\*\*/3



In preparing the consolidated financial statements and separate financial statements, management is responsible for assessing the Group's and the Company'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 and the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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- Evaluate the overall presentation, structure and content of the consolidated financial statements and separate financial statements, including the disclosures, and whether the consolidated financial statements and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

The engagement partner responsible for the audit resulting in this independent auditor's report is Mr.Suwat Maneekanoksakul.

(Mr.Suwat Maneekanoksakul)

Certified Public Accountant

Registration No. 8134

Dharmniti Auditing Company Limited

Bangkok, Thailand

February 24, 2020

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENT OF FINANCIAL POSITION**

**AS AT DECEMBER 31, 2019**

		<u>ASSETS</u>				
		Baht				
		Consolidated financial statements		Separate financial statements		
Note		2019	2018	2019	2018	
<b>Current assets</b>						
	Cash and cash equivalents	5	27,912,092.81	134,920,969.72	7,275,085.37	72,822,523.03
	Short-term loans to a subsidiary	4	-	-	8,993,010.00	-
	Trade and other accounts receivable	4, 6	676,399,807.64	704,406,726.97	675,684,887.31	667,327,846.26
	Inventories	7	316,731,595.94	280,097,969.12	262,832,081.91	243,264,038.58
	Unbilled receivable for project	16	72,049,632.65	-	72,049,632.65	-
	Advance payment for project assets		-	32,912,000.70	-	32,912,000.70
	Other current assets	8	38,847,769.25	27,377,824.34	17,359,872.95	11,813,783.22
	<b>Total current assets</b>		<u>1,131,940,898.29</u>	<u>1,179,715,490.85</u>	<u>1,044,194,570.19</u>	<u>1,028,140,191.79</u>
<b>Non-current assets</b>						
	Long-term loans to a subsidiary	4	-	-	-	9,685,440.00
	Investment in subsidiaries	9	-	-	357,094,758.51	293,786,528.25
	Property, plant and equipment	10	1,721,083,333.50	1,620,970,595.77	1,436,500,325.02	1,375,688,719.11
	Computer software	11	8,224,911.70	6,402,439.01	7,903,840.95	6,088,587.74
	Deferred tax assets	12	6,700,184.41	3,510,570.31	7,239,244.92	4,075,962.47
	Other non-current assets	13	79,093,143.77	79,999,185.65	59,838,839.56	63,854,371.26
	<b>Total non-current assets</b>		<u>1,815,101,573.38</u>	<u>1,710,882,790.74</u>	<u>1,868,577,008.96</u>	<u>1,753,179,608.83</u>
	<b>Total assets</b>		<u><u>2,947,042,471.67</u></u>	<u><u>2,890,598,281.59</u></u>	<u><u>2,912,771,579.15</u></u>	<u><u>2,781,319,800.62</u></u>

Notes to financial statements form an integral part of these statements.

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENT OF FINANCIAL POSITION (CONT.)**

**AS AT DECEMBER 31, 2019**

LIABILITIES AND SHAREHOLDERS' EQUITY

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<b>Current liabilities</b>					
Bank overdrafts and short-term loans from financial institutions	14	864,677,285.36	642,442,163.29	741,341,673.35	547,975,226.71
Trade and other accounts payable	4,15	448,162,578.64	602,538,473.07	552,301,356.91	641,528,375.30
<b>Current portion of long-term liabilities</b>					
- Long-term loans	18	161,300,722.85	143,002,346.50	151,073,999.95	129,919,202.54
- Liabilities under financial lease contracts	19	2,919,210.26	2,828,010.39	2,919,210.26	2,828,010.39
Accrued corporate income tax		1,805,390.20	341,886.80	-	-
Revenue received in advance for project	16	-	31,026,485.57	-	31,026,485.57
Other current liabilities	17	5,267,871.05	3,075,091.70	3,792,016.15	1,962,329.04
<b>Total current liabilities</b>		<b>1,484,133,058.36</b>	<b>1,425,254,457.32</b>	<b>1,451,428,256.62</b>	<b>1,355,239,629.55</b>
<b>Non-current liabilities</b>					
Long-term loans	18	380,229,499.66	390,862,956.31	360,958,236.12	380,696,000.11
Liabilities under financial lease contracts	19	4,614,265.92	4,653,809.35	4,614,265.92	4,653,809.35
Provision employee benefit liabilities	20	62,494,355.00	53,731,150.68	58,451,857.00	50,359,685.08
Other non-current liabilities		15,000.00	5,000.00	15,000.00	5,000.00
<b>Total non-current liabilities</b>		<b>447,353,120.58</b>	<b>449,252,916.34</b>	<b>424,039,359.04</b>	<b>435,714,494.54</b>
<b>Total liabilities</b>		<b>1,931,486,178.94</b>	<b>1,874,507,373.66</b>	<b>1,875,467,615.66</b>	<b>1,790,954,124.09</b>

Notes to financial statements form an integral part of these statements.

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENT OF FINANCIAL POSITION (CONT.)**

**AS AT DECEMBER 31, 2019**

**LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)**

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Shareholders' equity					
Share capital					
Authorized share capital					
574,080,000 ordinary shares of Baht 0.50 each		287,040,000.00	287,040,000.00	287,040,000.00	287,040,000.00
Issued and fully paid-up share capital					
574,079,945 ordinary shares of Baht 0.50 each		287,039,972.50	287,039,972.50	287,039,972.50	287,039,972.50
Premium on share capital		338,128,000.00	338,128,000.00	338,128,000.00	338,128,000.00
Retained earnings					
Appropriated					
Legal reserve	21	28,703,997.25	28,703,997.25	28,703,997.25	28,703,997.25
Unappropriated		393,787,647.50	371,453,964.33	390,553,034.02	343,766,634.34
Other components of equity					
Differences on the fixed assets acquired under common control company	10	-	-	(7,121,040.28)	(7,272,927.56)
Deficits from business combination under common control company		3,086,493.16	3,086,493.16	-	-
Differences from translation of foreign entity		(35,189,817.68)	(12,321,519.31)	-	-
Total equity attributable to equity holders of the parent company		1,015,556,292.73	1,016,090,907.93	1,037,303,963.49	990,365,676.53
Non - controlling interests		-	-	-	-
Total shareholders' equity		1,015,556,292.73	1,016,090,907.93	1,037,303,963.49	990,365,676.53
Total liabilities and shareholders' equity		2,947,042,471.67	2,890,598,281.59	2,912,771,579.15	2,781,319,800.62

Notes to financial statements form an integral part of these statements.

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<b>Revenues</b>					
Sales	4, 28, 31	2,953,068,383.45	2,969,907,024.15	2,718,759,501.10	2,774,809,868.77
Project income	28, 31	187,416,916.12	6,931,385.13	187,416,916.12	6,931,385.13
Dividend income	22	-	-	90,577,350.00	43,073,179.00
Other income	4, 31	15,038,757.01	9,625,032.67	15,737,074.34	13,076,100.59
<b>Total revenues</b>		<b>3,155,524,056.58</b>	<b>2,986,463,441.95</b>	<b>3,012,490,841.56</b>	<b>2,837,890,533.49</b>
<b>Expenses</b>					
Cost of sales	4	2,472,031,983.36	2,597,056,735.87	2,392,318,476.16	2,471,361,002.48
Cost of project		184,084,094.05	6,806,355.18	184,084,094.05	6,806,355.18
Selling expense		103,613,912.58	109,248,069.57	97,503,958.61	104,398,273.13
Administrative expenses	4	277,688,453.15	248,115,354.81	210,440,187.29	199,942,067.86
Finance cost		55,444,699.65	38,094,638.09	44,036,165.70	34,099,340.85
<b>Total expenses</b>		<b>3,092,863,142.79</b>	<b>2,999,321,153.52</b>	<b>2,928,382,881.81</b>	<b>2,816,607,039.50</b>
Profit (Loss) before income tax expenses		62,660,913.79	(12,857,711.57)	84,107,959.75	21,283,493.99
Income tax expenses	25, 30	(667,865.73)	(1,112,683.33)	(2,671,673.67)	(2,188,957.27)
Profit (Loss) for the years		63,328,779.52	(11,745,028.24)	86,779,633.42	23,472,451.26
<b>Other comprehensive income</b>					
<b>Item that may be reclassified subsequently to profit or loss</b>					
Differences on the fixed assets acquired under common control company		-	-	151,887.28	122,032.53
Differences from translation of foreign entity		(22,868,298.37)	(10,900,850.71)	-	-
<b>Transactions that will not be reclassified into profit or loss</b>					
Actuarial gains - net of tax		4,953,869.25	-	5,933,081.86	-
<b>Other comprehensive income for the years</b>		<b>(17,914,429.12)</b>	<b>(10,900,850.71)</b>	<b>6,084,969.14</b>	<b>122,032.53</b>
<b>Total comprehensive income for the years</b>		<b>45,414,350.40</b>	<b>(22,645,878.95)</b>	<b>92,864,602.56</b>	<b>23,594,483.79</b>
<b>Earnings per share</b>					
Basic earnings per share (Baht per share)	27	0.11	(0.02)	0.15	0.04
Weighted average number of ordinary share (share)		574,080,000	574,080,000	574,080,000	574,080,000
<b>Other comprehensive income per share</b>					
Basic earnings per share (Baht per share)		0.08	(0.04)	0.16	0.04
Weighted average number of ordinary share (share)		574,080,000	574,080,000	574,080,000	574,080,000

Notes to financial statements form an integral part of these statements.

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2019**

		Baht										
		Consolidated financial statement										
	Note	Equity holders of the parent company					Total				Non - controlling	Total
		Issued and paid-up share capital	Premium on share capital	Legal reserve	Retained earnings	Unappropriated	Deficits from business combination under common control	Other components of equity	Differences from translation of foreign entity	equity attributable to equity holders of the parent company	interests	shareholders' equity
Balance as at January 1, 2018		287,039,972.50	338,128,000.00	28,703,997.25	383,209,813.57		3,086,493.16	(1,420,668.60)	1,038,747,607.88	-	1,038,747,607.88	
Dividend	22	-	-	-	(10,821.00)	-	-	-	(10,821.00)	-	(10,821.00)	
Total comprehensive income for the year		-	-	-	(11,745,028.24)	-	-	(10,900,850.71)	(22,645,878.95)	-	(22,645,878.95)	
Balance as at December 31, 2018		287,039,972.50	338,128,000.00	28,703,997.25	371,453,964.33		3,086,493.16	(12,321,519.31)	1,016,090,907.93	-	1,016,090,907.93	
Dividend	22	-	-	-	(45,948,965.60)	-	-	-	(45,948,965.60)	-	(45,948,965.60)	
Total comprehensive income for the year		-	-	-	63,328,779.52	-	-	(22,868,298.37)	40,460,481.15	-	40,460,481.15	
Actuarial losses		-	-	-	4,953,869.25	-	-	-	4,953,869.25	-	4,953,869.25	
Balance as at December 31, 2019		287,039,972.50	338,128,000.00	28,703,997.25	393,787,647.50		3,086,493.16	(35,189,817.68)	1,015,556,292.73	-	1,015,556,292.73	

Notes to financial statements form an integral part of these statements.

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONT.)**  
**FOR THE YEARS ENDED DECEMBER 31, 2019**

	Baht						
	Separate financial statement						
	Issued and paid-up share capital	Premium on share capital	Legal reserve	Retained earnings	Unappropriated	Differences on the fixed assets acquired under common control company	Total
Balance as at January 1, 2018	287,039,972.50	338,128,000.00	28,703,997.25	320,294,183.08	(7,394,960.09)		966,771,192.74
Total comprehensive income for the year	-	-	-	23,472,451.26	122,032.53		23,594,483.79
Balance as at December 31, 2018	287,039,972.50	338,128,000.00	28,703,997.25	343,766,634.34	(7,272,927.56)		990,365,676.53
Dividend	-	-	-	(45,926,315.60)	-		(45,926,315.60)
Total comprehensive income for the year	-	-	-	86,779,633.42	151,887.28		86,931,520.70
Actuarial losses	-	-	-	5,933,081.86	-		5,933,081.86
Balance as at December 31, 2019	287,039,972.50	338,128,000.00	28,703,997.25	390,553,034.02	(7,121,040.28)		1,037,303,963.49

Note

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Notes to financial statements form an integral part of these statements.



**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF CASH FLOWS**

**FOR THE YEARS ENDED DECEMBER 31, 2019**

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<b>Cash flows from operating activities :</b>				
Profit (Loss) for the years	63,328,779.52	(11,745,028.24)	86,779,633.42	23,472,451.26
Reconciliations of profit for the years to net cash provided by (used in) operating activities :				
Allowance for doubtful accouts (reversal)	(5,844,594.66)	6,032,139.31	(5,887,344.71)	6,032,139.31
Allowance for declining in value of inventories (reversal)	(229,764.44)	(578,122.83)	(697,456.16)	(224,131.85)
Depreciation and amortization	189,917,843.29	178,830,507.66	158,577,546.71	153,382,705.26
Amortization of mold	17,898,965.75	15,361,603.21	17,441,503.50	15,361,603.21
Unrealize (gain) loss on exchange rate	251,014.04	3,254,677.79	943,444.04	179,288.27
(Gain) loss on sales of fixed assets	1,140,579.55	895,542.66	1,081,148.01	895,542.66
Loss on write off fixed assets and computer software	1,531,099.98	20,472,189.43	2,400,806.09	477,615.34
Loss from impairment of asset	717,818.83	-	-	-
Provision for employee benefit	18,892,867.00	8,045,231.00	16,280,357.00	7,645,976.00
Dividend income	-	-	(90,577,350.00)	(43,073,179.00)
Interest expenses	55,444,699.65	38,094,638.09	44,036,165.70	34,099,340.85
Income tax expenses	(667,865.73)	(1,112,683.33)	(2,671,673.67)	(2,188,957.27)
Profit provided by operating activities before changes in operating assets and liabilities	342,381,442.78	257,550,694.75	227,706,779.93	196,060,394.04
(Increase) decrease in operating assets				
Trade and other accounts receivable	33,588,856.79	(165,592,117.14)	62,777,902.39	(179,893,883.98)
Inventories	(36,403,862.38)	(26,693,360.89)	(18,870,587.17)	(35,039,667.50)
Costs waiting to be recognized under Unbilled income project agreement	(72,049,632.65)	-	(72,049,632.65)	-
Advance payment for project assets	32,912,000.70	(32,912,000.70)	32,912,000.70	(32,912,000.70)
Other current assets	(10,526,628.27)	(11,146,674.00)	(3,671,416.52)	1,550,915.86
Other non-current assets	(38,738,892.67)	(29,245,482.80)	(35,171,940.60)	(28,860,610.76)
Increase (decrease) in operating liabilities				
Trade and other accounts payable	(159,477,844.79)	146,353,762.38	(93,402,141.05)	160,859,716.70
Revenue received in advance for project	(31,026,485.57)	31,026,485.57	(31,026,485.57)	31,026,485.57
Other current liabilities	2,192,779.38	(638,417.15)	1,829,687.11	(1,205,070.96)
Other non-current liabilities	10,000.00	(15,000.00)	10,000.00	(15,000.00)
Cash provided by (used in) operating activities	62,861,733.32	168,687,890.02	71,044,166.57	111,571,278.27
Paid to employee benefit	(5,568,902.81)	(1,178,770.00)	(3,772,876.00)	(1,178,770.00)
Payment of corporate income tax and withholding income tax	(1,608,452.21)	(4,051,572.32)	(1,874,673.21)	(2,023,280.08)
Net cash provided by operating activities	55,684,378.30	163,457,547.70	65,396,617.36	108,369,228.19

Notes to financial statements form an integral part of these statements.

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF CASH FLOWS (CONT.)**

**FOR THE YEARS ENDED DECEMBER 31, 2019**

	Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<u>Cash flows from investing activities :</u>				
Cash received (piad) for investment in subsidiaries	-	-	(63,308,230.26)	(64,756,979.95)
Cash received for short-term loans to a subsidiary	-	-	-	9,754,380.00
Cash received from dividend	-	-	35,391,150.00	43,073,179.00
Cash received from sales of fixed assets	3,065,699.62	7,446,030.57	1,321,956.01	7,446,030.57
Cash paid for purchase of fixed assets	(272,712,029.38)	(235,887,818.79)	(202,727,400.98)	(132,463,579.53)
Cash paid for deposit from purchase of fixed assets	(1,294,650.00)	(35,049,078.75)	(1,294,650.00)	(23,040,618.80)
Cash paid for purchare of computer software	(3,302,654.28)	(618,510.00)	(3,222,056.00)	(618,510.00)
Net cash used in investing activities	<u>(274,243,634.04)</u>	<u>(264,109,376.97)</u>	<u>(233,839,231.23)</u>	<u>(160,606,098.71)</u>
<u>Cash flows from financing activities :</u>				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	222,235,122.07	278,858,187.54	193,366,446.64	234,350,250.96
Cash received paid from short-term loans from a subsidiary	-	-	-	(1,000,000.00)
Cash received from long-term from financial institution	151,665,285.96	92,111,564.64	132,000,000.00	86,443,124.64
Cash paid for long-term loans to financial institution	(144,000,366.26)	(198,135,783.26)	(130,582,966.58)	(182,041,122.94)
Cash paid for dividend	(45,948,965.60)	(10,821.00)	(45,926,315.60)	-
Cash paid for liabilities under financial lease contract payable	(2,951,986.55)	(2,876,394.85)	(2,951,986.55)	(2,876,394.85)
Cash paid for interest expenses	(55,444,699.65)	(37,401,976.09)	(43,010,001.70)	(33,453,590.85)
Net cash provided (used) by financing activities	<u>125,554,389.97</u>	<u>132,544,776.98</u>	<u>102,895,176.21</u>	<u>101,422,266.96</u>
Differences from translation of foreign entity	(14,004,011.14)	(7,727,463.73)	-	-
Net increase (decrease) in cash and cash equivalents	(107,008,876.91)	24,165,483.98	(65,547,437.66)	49,185,396.44
Cash and cash equivalents, at beginning of the year	<u>134,920,969.72</u>	<u>110,755,485.74</u>	<u>72,822,523.03</u>	<u>23,637,126.59</u>
Cash and cash equivalents, at end of the year	<u><u>27,912,092.81</u></u>	<u><u>134,920,969.72</u></u>	<u><u>7,275,085.37</u></u>	<u><u>72,822,523.03</u></u>
<u>Supplemental disclosure of cash flows information :-</u>				
Cash and cash equivalents consisted of				
Deposits from purchase of fixed assets, paid in the previous period	23,040,618.80	28,530,160.50	23,040,618.80	17,471,758.88
Account payable from purchase fixed asset - other companies	(5,113,593.52)	(3,621,505.85)	(4,186,765.82)	(2,883,203.29)
Liabilities under financial lease contracts	3,003,642.99	6,581,249.69	3,003,642.99	6,581,249.69
Other receivable increase from accrued dividend	-	-	55,186,200.00	-
Disposal of assets not received	-	-	11,646,011.94	-

Notes to financial statements form an integral part of these statements.

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

1. GENERAL INFORMATION

(a) Legal status and address

The Company was registered to be a limited company on November 30, 1987.

The Company was registered to be a public company on September 8, 2011.

The address of its registered office is as follows :

19, 21 Soi Ekachai 63, Ekachai Road, Kwang Bangbon, Khet Bangbon, Bangkok 10150, Thailand.

As at December 31, 2019 and 2018, the operating branches are as follows :

No.	Branch	Address
1	Samuthsakhon	28 Moo 2 Chaimongkol Subdistrict, Muang District, Samuthsakhon Province 74000, Thailand.
2	Bangkok	19, 21 Soi Ekachai 63, Ekachai Road, Kwang Bangbon, Khet Bangbon, Bangkok 10150, Thailand.
3	Chonburi	150/62 Moo 9 NongKham Subdistric, Sriracha District, Chonburi Province 20110, Thailand.

(b) Nature of the Company's business

The Company's main businesses are manufacturer and distributor of packaging for consumer product, agro chemical, automotive parts and materials from plastic imitation.

(c) On February 24, 2012, the Company had received the permission to list their common stocks in the Stock Exchange of Thailand (MAI). Securities trading is start on February 28, 2012.

2. CRITERIA FOR THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENT

(a) This consolidated financial statement has included the financial statement of Panjawattana Plastic Public Company Limited and its subsidiaries, as well as the mutually controlled entity or has the significant influence as follows:

Company	Type	Location	Shareholding ratio (Percentage of registered shares amount)	
			2019	2018
<b>Subsidiaries:-</b>				
Millpack Co., Ltd.	Manufacturer and distribution of packaging	Bangkok	99.98%	99.98%
Elegance Packaging Co., Ltd.	Trading of lid and plastic resins	Bangkok	99.97%	99.97%
Plastech lab Co.,Ltd.	Provide service to check the amount/standards of all goods and inspect all types of measurement tools.	Samuthsakhon	99.99%	99.99%
Panjawatana (Tianjin) Plastic Co., Ltd.	Manufacturer and distribution of packaging	Tianjin (China)	100.00%	100.00%
Panjawatana (Jiangsu) Plastic Co., Ltd.	Manufacturer and distribution of packaging	Jiangsu (China)	100.00%	100.00%

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2019**

- (b) The Company has included the financial statement of subsidiaries and the mutually controlled entity or has the significant influence in the consolidated financial statement since the acquisition date (date that the Company has authority to control the subsidiaries and the mutually controlled entity or has the significant influence) to the date that the Company has ended its authority to control the subsidiaries and the mutually controlled entity or has the significant influence.
- (c) The financial statement of the subsidiaries and the mutually controlled entity or has the significant influence has been prepared by adoption of significant accounting policies the same as the financial statement of the Company.
- (d) Assets and liabilities as specified in the financial statement of the subsidiaries, which established in foreign countries, are converted into Thai Baht at the date of exchange rate specified in statement of financial position. For converted revenues and expenses into Thai baht by using monthly average exchange rates and difference from the conversion have been shown in transaction of “Differences from translation of foreign entity” in shareholders’ equity.
- (e) The remaining balances for significant transactions between the Company and its subsidiaries and the mutually controlled entity or has the significant influence have been deleted from the consolidated financial statement.

**3. SIGNIFICANT ACCOUNTING POLICIES**

**3.1 Basis for preparation of the financial statements**

The financial statements have been prepared in accordance with the accounting standards prescribed by Thai Accounts Act enunciated under the Accounting Profession Act B.E.2547 by complying with the financial reporting standards. The presentation of the financial statements has been made in compliance with the Notification of the Department of Business Development, the Ministry of Commerce, re : the financial statements presentation for public limited company, issued under the Accounting Act B.E.2543.

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

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from such financial statements in Thai language.

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2019**

3.2 Financial reporting standards that became effective in the current year

During the year, the Company and its subsidiaries have adopted the revised (revised 2018) and new financial reporting standards and interpretations, which are effective for fiscal years beginning on or after January 1, 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

3.3 Financial reporting standards that will become effective in the future

During the year, the Federation of Accounting Professions issued a number of the revised and new financial reporting standards, interpretations and the accounting guidance, which are effective for fiscal years beginning on or after January 1, 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. Except, the new standard involves changes to key principles, as summarized below.

**Financial reporting standards related to financial instruments:**

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

Financial Reporting Standards:

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Accounting standard:

TAS 32 Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

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

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
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TFRS 16 Leases

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

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

The management of the Company and its subsidiaries are currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

3.4 Recognition of revenues and expenses

Sale of goods

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

Project income

Project income is referred to work completion steps by measuring the ratio from cost construction completed to the present compared with total estimated construction cost multiplied by revenue including project according to the agreement.

Service income

The service income from providing other services is recognized when service is sundered under agreements or issue invoice.

Interest income

Interest income on the accrued basis by consider the effective rate.

Other income and expense

The Company and its subsidiaries recognized other incomes and expenses based on the accrual basis.

3.5 Cash and cash equivalents

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

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
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3.6 Trade accounts receivable

Trade accounts receivable and other accounts receivable are stated at their invoice value less allowance for doubtful accounts (if any).

Trade accounts receivable are stated at the net realizable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally base on collection experiences and analysis of the debtor aging.

3.7 Inventories

Inventories are stated at cost in the first in - first out method or at the lower of cost and net realizable value.

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

Cost comprises all cost of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in progress, cost includes an appropriate share of overheads based on normal operating capacity.

The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties, transportation charges and other direct costs incurred in acquiring the inventories less all trade discounts, allowances or rebates.

An allowance is made for all deteriorated, damaged, obsolete and slow-moving inventories.

Mold cost paid by the Company incurred by hiring outside suppliers. Normally, the Company jointed with customers to design a mold instruction. The Company shall transfer mold costs to cost of sales when they are delivered and accepted by customers.

3.8 Mold for amortization

Mold for amortization is used to manufacture goods for customers. The Company is paying for the mold and later charged customers based on agreed number of pieces produced and sold to such customers. The Company will amortized the cost of mold to be the cost of sales according to items produced and sold to customers which is determined base on the estimated number of production unit can be made available throughout the usage period as agreed between the parties.

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
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3.9 Investment in subsidiaries

Subsidiaries are entities over which the Company has the power to control their financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The financial statements of the subsidiaries are consolidated from the date the Company exercises control over the subsidiaries until the date that control power ceases.

Investments in subsidiaries are stated at cost net from allowance on impairment (if any) in the separate financial statements.

3.10 Property, plant and equipment

Property is stated at cost less impairment loss (if any).

Plant and equipment are stated at cost less accumulated depreciation and impairment loss (if any).

The initial perception value

Cost of property, plant and equipment comprises the purchase price including import duty, tax on non-refundable and other direct costs associated with providing the property is in good condition to be valid for the purpose (e.g. the cost of site preparation, the initial cost of transportation and storage, cost of installation, fees visual life, estimated expenditure on transport and dispose of or demolish, location and restoration after the required assets) of trade discounts and taxes are to be returned must be deducted from the purchase price.

Remaining value at the disabled

The Company and its subsidiaries have estimated remaining value at the disabled machine, some plant and equipment. The value of the remaining 10 percent of the cost of the first to acquire property.

Depreciation

Depreciation are computed from cost less remaining value by the straight-line method based on the estimated useful lives of each asset. The estimated useful lives and remaining value at the disabled of the assets are as follows :-

	years	Residual value at disabled date
Plant	20, 30	No
Improvement on building	5, 10	No
Support machine system	5, 10	10% of Cost Price
Machinery and equipment	3, 5, 10, 15	10% of Cost Price
Office equipment	5	10% of Cost Price
Vehicle	5, 7, 10	Market value



**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
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The Company and its subsidiaries do not charge for depreciation of property and assets under construction and installation.

Repair and maintenance are charged to the statements of comprehensive income during the period incurred. The cost of significant improvement is recorded in the book value of assets if it is probable that the improvements will enable them to benefit returns over the use of the benefits without improving the assets acquired. Major renovations are depreciated over the remaining useful life of the related assets.

Gains and losses on sales of fixed assets is the difference between the sale amount of fixed assets and the book values. The gains and losses account is presented under the statements of comprehensive income.

The Company and its subsidiaries recognize the interest expense arose from construction in progress as capitalized to be cost of property.

Estimated costs of asset decommission, removal and renovation have to be included as asset costs and subject to annual depreciation.

The depreciation charge has to be determined separately for each significant part of an asset, when each of components has material cost compare to total cost of such asset.

The Company and its subsidiaries have to review the residual value and useful life of assets base on consistency basis.

3.11 Borrowing costs

Borrowing costs directly attributed to the acquisition or construction of an asset that necessarily takes long time to put in ready to use or available for sale state are capitalized as part of the cost of the respective asset until that asset condition is ready for its intended use. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs arising from such borrowing

3.12 Intangible assets

Intangible assets are stated at cost less amortization and net loss on impairment (if any).

Amortization

Amortization recorded as an expense in the statements of comprehensive income calculated by the straight - line basis period is expected to receive economic benefits of each type of intangible assets. Long expected economic benefits are listed below.

	years
Computer software	5, 10

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS (CONT.)**

**DECEMBER 31, 2019**

3.13 Impairment of assets

The Company and its subsidiaries have auditor the impairment of assets for property, plant and equipment and other assets whenever events indicate that the carrying value of an asset exceeds its recoverable amount. (net selling price or value lone use of that asset whichever is higher)

In case that the carrying value of an asset exceeds its recoverable amount, the Company and its subsidiaries will recognize the impairment losses in the statements of comprehensive income. The impairment losses shall be reversed when impairment indications moved or declined no longer exists or still going down but recorded in other income account.

3.14 Employee Benefits

Short-term employment benefits

The Company and its subsidiaries recognize salary, wage, bonus and contributions to social security fund and provident fund as expenses when incurred.

Post-employment benefits (Defined contribution plans)

The Company and its subsidiaries have jointed with its employees to establish 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.

Post-employment benefits (Defined benefit plans)

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

The obligation under the defined benefit plan is calculated based on the actuarial principles by a qualified independent actuary using the projected unit credit method. Such estimates are made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and inflation rate.

Actuarial gains and losses for post-employment benefits of the employees are recognized immediately in other comprehensive income as apart of retain earning.

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
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3.15 Foreign currency transactions

Items included in the financial statements of each entity in the Company and its subsidiaries are measured using Thai Baht. The consolidated financial statement are presented in Thai Baht.

Transactions denominated in foreign currencies during the year are translated into Baht at the rates of exchange ruling on the transaction dates. Realized gains and losses on foreign exchange transactions are recognized in the statements of comprehensive income as incurred. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated into Baht at the exchange rates ruling at that date. Unrealized gains and losses on exchange are recognized in the statements of comprehensive income when incurred.

The statements of comprehensive income and cash flows of foreign entities are translated into the Company and its subsidiaries' reporting currency at the average exchange rates for the year and financial position report are translated at the exchange rates ruling on the financial position report date and shareholders' equity is translated at the rates prevailing on the transaction date.

3.16 Finance lease

Leases of assets that substantially transfer to the Company and its subsidiaries all the rewards and risks of ownership of assets and that the Company and its subsidiaries intends to exercise the option of the leases to purchase the assets at the expiration of the lease term, are accounted for as finance leases. At the inception of a finance lease, the cost of the asset is recorded together with the obligation, excluding the interest element, to pay future rentals. Finance charges are charged to the current period operations at the effective rate of interest.

3.17 Operating lease

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under an operating lease are recognized as expense on a straight-line basis over the lease term.

3.18 Earnings per share

Basic earnings per share is calculated by dividing profit for the year by the weighted average number of ordinary shares in issue during the year.

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
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3.19 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.

3.20 Income tax

Income tax comprises current income tax and deferred tax.

Current tax

The Company records income tax expense, (if any), based on the amount currently payable under the Revenue Code at the income tax rates 20% of profit before income tax, after adding back certain expenses which are non-deductible for income tax computation purposes, and less certain transactions which are exemption or allowable from income tax.

Deferred tax

Deferred tax assets and liabilities are provided on the temporary differences between the carrying amount and the tax bases of assets and liabilities at the end of the reporting period. Changes in deferred tax assets and liabilities are recognized as deferred tax income or deferred tax expense which are recognized in the profit or loss except to the extent that it relates to items recognized directly in shareholders' equity or in other comprehensive income.

The deductible temporary differences are recognized as deferred tax assets when it is probable that the Company will have future taxable profit to be available against which the deferred tax assets can be utilized. The taxable temporary differences on all taxable items are recognized as deferred tax liabilities.

Deferred tax assets and liabilities are measured at the tax rates that the Company and its subsidiaries expect to apply to the period when the deferred tax assets are realized or the deferred tax liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2019**

At the end of each reporting period, the carrying amount of deferred tax assets are reviewed and reduced the value when it is probable that the Company will have no longer the future taxable profit that is sufficient to be available against which all or some parts of deferred tax assets are utilized.

Deferred tax assets and deferred tax liabilities are offset when there is the legal right to settle on a net basis and they relate to income taxes levied by the same tax authority on the same taxable entity.

Thus, the Company offsets deferred tax assets and deferred tax liabilities for presentation in the statement of financial position, rather than presenting them separately.

3.21 Significant accounting judgements and estimates

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

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Allowance for declining in value of inventory

The determination of allowance for declining in the value of inventory, requires management to make judgements and estimates of the loss expected to occur. The allowance for decline in net realizable value is estimated based on the selling price expected in the ordinary course of business less selling expense. The provision for obsolete slow-moving and deteriorated inventory, is estimated based on the approximate useful life of each type of inventory. The allowance for diminution in value of inventory as determined is compared with the original balance in the books of account and the increase or decrease in the allowance for diminution in value of inventory will be recognized as cost of sales in statement of comprehensive income.

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
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Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement in evaluating the conditions and details of the agreement whether significant risk and rewards of ownership of the leased asset has been transferred.

Property, plant and equipment and Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review the estimated useful lives and residual values when there are any changes.

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

Deferred tax assets

Deferred tax assets are recognized for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimated future taxable profits.

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
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4. TRANSACTIONS WITH RELATED PERSON AND RELATED COMPANIES

The Company has transactions with its related person and related companies. The significant related transactions shown in this financial statement are applied by normal prices of business which are based on general marketing price or inter - company contract price, in case of unable to refer to any market price.

Relationship conditions :

Name	Country	Relationship
Subsidiaries:-		
Millpack Co., Ltd.	Thailand	Share and management
Elegance Packaging Co., Ltd.	Thailand	Share and management
Plastech lab Co.,Ltd.	Thailand	Share and management
Panjawatana (Tianjin) Plastic Co., Ltd.	Tianjin (China)	Share and management
Panjawatana (Jiangsu) Plastic Co., Ltd.	Jiangsu (China)	Share and management
Other related parties:-		
P.J. Composite Co., Ltd.	Thailand	Share and director
Mr. Kongsak Hemmontharop	Thailand	Share and director
Mr. Pirun Hemmontharop	Thailand	Share and director

Significant transactions with related person and related companies show in this interim financial statement are applied by normal price of business which are based on general marketing price or inter-company contract price incase of on able to refer to any market price are as follows :

Transaction in statement of comprehensive income	Relationship
Sale	Market price less discount
Gain on sales of fixed assets	Mutual agreed price
Interest income	As agreed in the agreement
Other income	Mutual agreed price
Purchase of goods	Market price less discount
Rental and service expenses	Mutual agreed price
Administration expenses	Mutual agreed price
Professional fee	Mutual agreed price
Interest expense	As agreed in the agreement

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS (CONT.)**

**DECEMBER 31, 2019**

Significant transactions with related companies for the years ended December 31, 2019 and 2018 are as follows :

Transaction	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Sale				
Subsidiaries:-				
Millpack Co., Ltd.	-	-	17,175	22,796
Elegance Packaging Co., Ltd.	-	-	51,133	55,399
Other related parties:-	-	-		
P.J. Composite Co., Ltd.	978	1,745	978	1,745
	<u>978</u>	<u>1,745</u>	<u>69,286</u>	<u>79,940</u>
Interest income				
Subsidiaries:-				
Panjawattana (Tianjin) Plastic Co., Ltd.	-	-	375	463
Dividend income				
Subsidiaries:-				
Millpack Co., Ltd.	-	-	90,577	42,073
Elegance Packaging Co., Ltd.	-	-	-	1,000
	<u>-</u>	<u>-</u>	<u>90,577</u>	<u>43,073</u>
Other income				
Subsidiaries:-				
Millpack Co., Ltd.	-	-	3,680	3,680
Elegance Packaging Co., Ltd.	-	-	540	540
Plastech lab Co., Ltd.	-	-	528	528
	<u>-</u>	<u>-</u>	<u>4,748</u>	<u>4,748</u>
Purchase of goods				
Subsidiaries:-				
Millpack Co., Ltd.	-	-	489,676	508,103
Elegance Packaging Co., Ltd.	-	-	82,027	132,416
Plastech lab Co., Ltd.	-	-	-	3,440
Panjawattana (Tianjin) Plastic Co.,Ltd.	-	-	-	13,235
	<u>-</u>	<u>-</u>	<u>571,703</u>	<u>657,194</u>
Rental and service expenses				
Subsidiaries:-				
Millpack Co., Ltd.	-	-	107	-
Plastech lab Co., Ltd.	-	-	5,419	3,894
Other related parties:-				
Mr. Kongsak Hemmontharop	1,781	1,781	-	-
	<u>1,781</u>	<u>1,781</u>	<u>5,526</u>	<u>3,894</u>
Interest expense				
Subsidiaries:-				
Plastech lab Co.,Ltd.	-	-	-	1
Remuneration for executive				
Short-term benefit	62,712	59,732	62,712	59,732
Benefit after leaving the Company	2,205	1,637	2,205	1,637
Other long-term benefit	-	-	-	-
Total	<u>64,917</u>	<u>61,369</u>	<u>64,917</u>	<u>61,369</u>



**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
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Outstanding balances with related companies as at December 31, 2019 and 2018 are as follows:

	Thousand Baht			
	Consolidated financial statement		Separate financial statement	
	2019	2018	2019	2018
Short-term loans to				
Subsidiaries:-				
Panjawatana (Tianjin) Plastic Co., Ltd.	-	-	8,993 *	- *
Long-term loans to				
Subsidiaries:-				
Panjawatana (Tianjin) Plastic Co., Ltd.	-	-	-	9,685 **
Trade and other account receivable				
Subsidiaries:-				
Millpack Co., Ltd.	-	-	57,835	7,252
Elegance Packaging Co., Ltd.	-	-	13,113	15,051
Plastech lab Co., Ltd.	-	-	200	186
Panjawatana (Tianjin) Plastic Co., Ltd.	-	-	1,524	1,683
Panjawattana (Jiangsu) Plastic Co., Ltd.	-	-	14,460	-
Other related parties:-				
P.J. Composite Co., Ltd.	1,660	1,719	1,660	1,719
	<u>1,660</u>	<u>1,719</u>	<u>88,792</u>	<u>25,891</u>
Trade and other account payable				
Subsidiaries:-				
Millpack Co., Ltd.	-	-	180,519	136,334
Elegance Packaging Co., Ltd.	-	-	35,261	40,855
Panjawatana (Tianjin) Plastic Co., Ltd.	-	-	-	13,235
Plastech lab Co.,Ltd.	-	-	6,530	125
	<u>-</u>	<u>-</u>	<u>222,310</u>	<u>190,549</u>

\* Short-term loans to a subsidiary have mutual loan agreement at the amount of USD 300,000 (Baht 8.99 million) with a term of 1 year and carries interest rate at 4.00% per annum.

\*\* Long-term loans to a subsidiary have mutual loan agreement at the amount of USD 300,000 (Baht 9.69 million) with a term of 3 years and carries interest rate at 4.00% per annum.

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
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Lease agreement with subsidiaries and other related parties

A local subsidiary has entered into the lease for land to be location of the factory from the related parties (Mr.Kongsak Hemmontharop) for three years, starting from January 1, 2011 with the rental fee Baht 103,320.00 per month. On October 4, 2011, the contract renewal with the rental fee Baht 134,960.00 per month and contract renewal for 3 more years. On January 1, 2017, the contract renewal with the rental fee Baht 148,456.00 per month and contract renewal for 3 more years.

On January 1, 2020, the subsidiary has entered into the lease for land and building for three years with the rental fee Baht 651,300.00 per month.

The Company had entered into the lease for factory to Millpack Company limited (subsidiary) for three years, starting on January 1, 2016 - December 31, 2018 and rental rate of Baht 628,000 per month. And in July 2016, the Company had adjusted the lease due to the reduction in the lease are a starting July 1,2016 with the rental and service fee Baht 270,000 per month.

The Company had entered into the lease and service for factory to Plastech Lab Company Limited (subsidiary) for three years, starting on January 1, 2017 - December 31, 2019 and rental rate of Baht 44,040 per month. The contract renewal is every 3 years.

The Company had entered into a sublease and service agreement for the building and office space that the company had rented to PJ Composite Company Limited (related). The rate of rental and service fees is Baht 157,500 per month, with 2 years and 7 months period from July 1, 2019 - February 1, 2022.

As at December 31, 2019, its subsidiaries have commitments to pay the property as outstanding contract as follows:

	Thousand Baht	
	Consolidated financial statements	Separate financial statements
<u>Paid within</u>		
1 year	7,186	-
More than 1 year but not over 5 years	-	-

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
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5. CASH AND CASH EQUIVALENT

Cash and cash equivalents consisted of :-

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash in hand	437	658	400	190
Cash at banks - current account	22,204	111,357	1,614	71,738
Cash at banks - savings account	5,271	22,906	5,261	894
Total	<u>27,912</u>	<u>134,921</u>	<u>7,275</u>	<u>72,822</u>

Savings accounts earned floating interest rates according to announcement the interest rate of the bank.

6. TRADE AND OTHER ACCOUNTS RECEIVABLE

Trade and other accounts receivable consisted of :-

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade accounts receivable				
-third parties	583,725	593,438	513,803	542,499
-related parties	675	1,719	14,409	20,449
	<u>584,400</u>	<u>595,157</u>	<u>528,212</u>	<u>562,948</u>
<u>Less</u> Allowance for doubtful accounts	(481)	(6,326)	(439)	(6,326)
Trade accounts receivable, net	<u>583,919</u>	<u>588,831</u>	<u>527,773</u>	<u>556,622</u>
Other accounts receivable				
-third parties	194	5,739	194	1,984
-related parties	985	-	19,197	5,442
	<u>1,179</u>	<u>5,739</u>	<u>19,391</u>	<u>7,426</u>
<u>Less</u> Allowance for doubtful accounts	(22)	(144)	(22)	(144)
Other accounts receivable, net	<u>1,157</u>	<u>5,595</u>	<u>19,369</u>	<u>7,282</u>
Deposit paid to mold	32,998	77,410	32,998	77,410
Deposit	12,991	219	2,263	219
Prepaid expenses	5,003	10,261	4,685	5,245
Dividend receivable	-	-	55,186	-
Advance payment	3,187	1,037	1,328	891
Deferred supplies	29,741	17,510	29,741	16,904
Other	7,404	3,544	2,342	2,755
	<u>91,324</u>	<u>109,981</u>	<u>128,543</u>	<u>103,424</u>
	<u>676,400</u>	<u>704,407</u>	<u>675,685</u>	<u>667,328</u>

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2019**

Trade accounts receivable as at December 31, 2019 and 2018 classified by aging are as follows:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Not yet due	435,914	349,924	378,670	356,833
Overdue				
Less than 3 months	147,159	228,627	148,595	189,940
3 - 6 months	581	3,881	201	3,450
6 - 12 months	622	12,432	622	12,432
More than 12 months	124	293	124	293
	<u>584,400</u>	<u>595,157</u>	<u>528,212</u>	<u>562,948</u>

The movement of allowance for doubtful accounts of trade accounts receivable during the years were as follow:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Allowance for doubtful accounts- beginning	6,326	174	6,326	174
<u>Add</u> Increase within years	840	6,353	798	6,353
<u>Less</u> Decrease within years	(6,685)	(201)	(6,685)	(201)
Allowance for doubtful accounts- ending	<u>481</u>	<u>6,326</u>	<u>439</u>	<u>6,326</u>

## 7. INVENTORIES

Inventories consisted of :-

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Raw materials	107,342	102,292	86,610	86,127
Finished goods	84,456	94,017	57,713	78,533
Work in process	29,369	38,215	25,560	34,517
Supplies	35,784	32,707	31,831	30,350
Mold	74,808	29,261	74,808	29,260
Goods in transit	2,521	1,385	2,521	1,385
	<u>334,280</u>	<u>297,877</u>	<u>279,043</u>	<u>260,172</u>
<u>Less</u> Allowance for diminution at net realizable value	<u>(17,548)</u>	<u>(17,779)</u>	<u>(16,211)</u>	<u>(16,908)</u>
Inventories - net	<u>316,732</u>	<u>280,098</u>	<u>262,832</u>	<u>243,264</u>

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2019**

The movement of allowance for diminution at net realizable value during the years were as follow:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Allowance for diminution at net realizable				
value - beginning	17,779	18,357	16,908	17,132
<u>Add</u> Reserve within years	5,191	1,194	4,829	1,548
<u>Less</u> Transferred out within years	(5,422)	(1,772)	(5,526)	(1,772)
Allowance for diminution at net realizable				
value - ending	<u>17,548</u>	<u>17,779</u>	<u>16,211</u>	<u>16,908</u>

**8. OTHER CURRENT ASSETS**

Other current assets consisted of : -

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Withholding tax receivable	6,270	4,331	6,147	4,272
Undue input tax	3,764	3,818	3,573	3,670
Revenue Department receivable	28,814	18,111	7,640	3,872
Prepaid corporate income tax	-	1,118	-	-
Total	<u>38,848</u>	<u>27,378</u>	<u>17,360</u>	<u>11,814</u>

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS (CONT.)**

**DECEMBER 31, 2019**

**9. INVESTMENT IN SUBSIDIARIES**

Investment in subsidiaries consist of company's ordinary share as follows:-

Name	Paid up share capital (Thousand Baht)			2018	2019	2018	2019	2018	2019	Separate financial statement			
	2019	2018	2017							(%)	Equity method (Thousand Baht)	Cost method present in statements of financial position (Thousand Baht)	2018
<b>In Thailand</b>													
1. Millpack Co., Ltd.	30,000	30,000		99.98	99.98	79,551	76,337	29,993	29,993	29,993	29,993	90,591	42,073
2. Elegance Packaging Co., Ltd.	1,000	1,000		99.97	99.97	2,336	772	999	999	999	999	-	1,000
3. Plastech lab Co., Ltd.	20,000	20,000		99.99	99.99	18,496	16,034	20,000	20,000	20,000	20,000	-	-
<b>In Foreign</b>													
4. Panjawatana (Tianjin) Plastic Co., Ltd.	178,038	178,038		100.00	100.00	160,238	171,269	178,038	178,038	178,038	178,038	-	-
4. Panjawatana (Jiangsu) Plastic Co., Ltd.	128,065	64,757		100.00	100.00	74,322	52,081	128,065	128,065	64,757	64,757	-	-
						<u>334,943</u>	<u>316,493</u>	<u>357,095</u>	<u>293,787</u>	<u>90,591</u>	<u>43,073</u>		

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2019**

Investment during the year

Year 2018

According to the Board of Directors' Meeting No.3/2018 dated March 8, 2018, it has a resolution to establish a new subsidiary namely Panjawatana Plastic (Jiangsu) Co., Ltd. Jiangsu Province, China. The Company has been registered on April 26, 2018 with the registered capital of USD 5,000,000. The Company has partially paid the investment in such subsidiary as follow:

On June 1, 2018 in the amount of USD 1,000,000 in the amount of Baht 32,176,979.95.

On September 18, 2018, the company has paid more investment amounted USD 500,000 in the amount of Baht 16,310,000.00.

On October 8, 2018, the company has paid more investment amounted USD 500,000 in the amount of Baht 16,270,000.00.

Year 2019

Investment in Panjawatana (Jiangsu) Plastic Co., Ltd.

On January 15, 2019 the Company has paid investment amounted USD 500,000 in the amount of Baht 16,298,780.00.

On March 22, 2019 the Company has paid investment amounted USD 500,000 in the amount of Baht 16,144,673.67.

From July 1, 2019 to August 29, 2019, the Company had paid investment amounted of USD 900,000.00 in the amount of Baht 27,846,486.59.

On November 1, 2019 the Company has paid investment amounted USD 100,000 in the amount of Baht 3,018,290.00.

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2019

10. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consisted of :-

	Thousand Baht				Balance as at December 31, 2019
	Consolidated financial statements				
	Balance as at December 31, 2018	Movement during the year			
	Addition	Deduction	Transfer in (Transfer out)		
<u>At cost</u>					
Land	110,332	160	-	-	110,492
Plant and office building	315,868	5,342	-	88,682	409,892
Improvements on building	117,532	22,852	(382)	9,489	149,491
Support machine system	344,641	3,591	(1,163)	35,992	383,061
Machinery and equipment	1,545,335	114,752	(14,856)	82,586	1,727,817
Office equipment	59,060	13,489	(1,914)	2,889	73,524
Vehicles	79,440	3,858	(2,216)	-	81,082
Equipment in progress	85,244	139,826	-	(221,113)	3,957
Total	2,657,452	303,870	(20,531)	(1,475)	2,939,316
<u>Less Accumulated depreciation</u>					
Plant and office building	85,388	11,295	-	-	96,683
Improvements on building	53,483	10,464	(284)	-	63,663
Support machine system	143,934	27,925	(723)	-	171,136
Machinery and equipment	669,863	130,153	(12,554)	-	787,462
Office equipment	39,105	6,305	(1,599)	-	43,811
Vehicles	35,225	2,299	(1,108)	-	36,416
Total	1,026,998	188,441	(16,268)	-	1,199,171
Allowance for impairment of asset	-	(718)	-	-	(718)
Differences from translation of					
foreign entity	(9,483)				(18,344)
Property, plant and equipment - net	1,620,971				1,721,083



**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2019**

Thousand Baht					
Consolidated financial statements					
	Balance as at	Movement during the year			Balance as at
	December 31, 2017	Addition	Deduction	Transfer in (Transfer out)	December 31, 2018
<u>At cost</u>					
Land	110,029	-	-	303	110,332
Plant and office building	310,645	5,223	-	-	315,868
Improvements on building	108,115	4,787	-	4,630	117,532
Support machine system	335,161	7,958	(1,065)	2,587	344,641
Machinery and equipment	1,423,489	104,039	(31,446)	49,253	1,545,335
Office equipment	53,859	5,300	(441)	342	59,060
Vehicles	74,532	8,153	(3,245)	-	79,440
Equipment in progress	22,046	131,918	(11,605)	(57,115)	85,244
Total	<u>2,437,876</u>	<u>267,378</u>	<u>(47,802)</u>	<u>-</u>	<u>2,657,452</u>
<u>Less Accumulated depreciation</u>					
Plant and office building	74,916	10,472	-	-	85,388
Improvements on building	43,827	9,656	-	-	53,483
Support machine system	118,597	26,185	(848)	-	143,934
Machinery and equipment	560,104	122,897	(13,147)	9	669,863
Office equipment	33,538	5,935	(359)	(9)	39,105
Vehicles	34,301	2,414	(1,490)	-	35,225
Total	<u>865,283</u>	<u>177,559</u>	<u>(15,844)</u>	<u>-</u>	<u>1,026,998</u>
Differences from translation of					
foreign entity	<u>(6,339)</u>				<u>(9,483)</u>
Property, plant and equipment - net	<u><u>1,566,254</u></u>				<u><u>1,620,971</u></u>

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2019**

	Thousand Baht					
	Separate financial statements					
	Balance as at	Movement during the year				Balance as at
	December 31, 2018	Addition	Deduction	Transfer in (Transfer out)		December 31, 2019
<u>At cost</u>						
Land	110,332	160	-	-	110,492	
Plant and office building	296,535	4,572	-	90,156	391,263	
Improvements on building	113,370	4,914	(381)	9,489	127,392	
Support machine system	331,237	2,889	(1,163)	35,983	368,946	
Machinery and equipment	1,244,204	73,235	(26,458)	17,040	1,308,021	
Office equipment	55,250	10,387	(1,823)	2,889	66,703	
Vehicles	79,210	3,858	(2,216)	-	80,852	
Equipment in progress	26,297	132,943	-	(155,557)	3,683	
Total	<u>2,256,435</u>	<u>232,958</u>	<u>(32,041)</u>	<u>-</u>	<u>2,457,352</u>	
<u>Less Accumulated depreciation</u>						
Plant and office building	71,278	11,294	-	-	82,572	
Improvements on building	50,469	8,574	(284)	-	58,759	
Support machine system	135,978	26,926	(722)	-	162,182	
Machinery and equipment	551,180	102,378	(13,420)	-	640,138	
Office equipment	36,803	5,720	(1,531)	-	40,992	
Vehicles	35,038	2,279	(1,108)	-	36,209	
Total	<u>880,746</u>	<u>157,171</u>	<u>(17,065)</u>	<u>-</u>	<u>1,020,852</u>	
Property, plant and equipment - net	<u><u>1,375,689</u></u>				<u><u>1,436,500</u></u>	

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS (CONT.)**

**DECEMBER 31, 2019**

	Thousand Baht					
	Separate financial statements					
	Balance as at	Movement during the year				Balance as at
	December 31, 2017	Addition	Deduction	Transfer in (Transfer out)		December 31, 2018
<u>At cost</u>						
Land	110,029	-	-	303	110,332	
Plant and office building	296,535	-	-	-	296,535	
Improvements on building	103,953	4,787	-	4,630	113,370	
Support machine system	321,766	7,958	(1,065)	2,578	331,237	
Machinery and equipment	1,155,521	59,376	(15,297)	44,604	1,244,204	
Office equipment	50,471	4,864	(427)	342	55,250	
Vehicles	74,302	8,153	(3,245)	-	79,210	
Equipment in progress	10,138	68,616	-	(52,457)	26,297	
Total	<u>2,122,715</u>	<u>153,754</u>	<u>(20,034)</u>	<u>-</u>	<u>2,256,435</u>	
<u>Less Accumulated depreciation</u>						
Plant and office building	60,806	10,472	-	-	71,278	
Improvements on building	41,169	9,300	-	-	50,469	
Support machine system	111,667	25,159	(848)	-	135,978	
Machinery and equipment	460,450	99,251	(8,530)	9	551,180	
Office equipment	31,563	5,596	(347)	(9)	36,803	
Vehicles	34,156	2,373	(1,491)	-	35,038	
Total	<u>739,811</u>	<u>152,151</u>	<u>(11,216)</u>	<u>-</u>	<u>880,746</u>	
Property, plant and equipment - net	<u><u>1,382,904</u></u>				<u><u>1,375,689</u></u>	

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2019**

Depreciation for the years ended December 31, 2019 and 2018 consist of :

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cost	181,515	170,552	150,834	145,505
Administration expense	6,926	7,007	6,337	6,646
Depreciation for the year	<u>188,441</u>	<u>177,559</u>	<u>157,171</u>	<u>152,151</u>

As at December 31, 2019 and 2018, the Company has the difference from the purchase of assets in the same entity group in total amount of Baht 7,121,040.28 and Baht 7,272,927.56, respectively. The Company has recorded the difference between purchase price and selling price from the purchase of property, plant and equipment from Panjawattana Marketing Company Limited in the account "Differences on fixed assets acquired under common control company" which separately shown in the shareholders' equity.

As at December 31, 2019 and 2018, the Company and its subsidiaries have total fixed assets at cost of Baht 350.83 million and Baht 313.87 million, respectively, the depreciation of total fixed assets are already calculated until full useful life but are still in use.

Land and buildings which acquired as above, some have mortgaged as collateral for loans granted by local commercial banks as discussed in Note 14 and 18.

As at December 31, 2019 and 2018, the Company and its subsidiaries have insured for insurance against loss for protection of these fixed assets, such as, vehicles in the rate of hundred percent, buildings and constructions located in Bangkok, Chonburi and Samutsakhon province and assets of the factory located in Bangkok, Samutsakhon, Chonburi province and Tianjin (China). Most beneficiaries are lenders from financial institutions and leasing companies. For Tianjin (China), the beneficiary is the subsidiary in China.

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2019**

11. COMPUTER SOFTWARE

Computer software consisted of:-

	Thousand Baht				
	Consolidated financial statements				
	Balance as at December 31, 2018	Movement during the year			
	Addition	Deduction	Transfer in (Transfer out)		
<u>At cost</u>					
Computer software	22,204	3,303	-	-	25,507
(Less) Accumulated amortization	(15,676)	(1,477)	-	-	(17,153)
Differences from translation of foreign entity	(126)				(129)
Intangible assets - net	<u>6,402</u>				<u>8,225</u>

	Thousand Baht				
	Consolidated financial statements				
	Balance as at December 31, 2017	Movement during the year			
	Addition	Deduction	Transfer in (Transfer out)		
<u>At cost</u>					
Computer software	21,585	619	-	-	22,204
(Less) Accumulated amortization	(14,404)	(1,272)	-	-	(15,676)
Differences from translation of foreign entity	(96)				(126)
Intangible assets - net	<u>7,085</u>				<u>6,402</u>

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2019

	Thousand Baht				
	Separate financial statements				
	Balance as at	Movement during the year			Balance as at
	December 31, 2018	Addition	Deduction	Transfer in (Transfer out)	December 31, 2019
<u>At cost</u>					
Computer software	21,452	3,222	-	-	24,674
(Less) Accumulated amortization	(15,363)	(1,407)	-	-	(16,770)
Intangible assets - net	<u>6,089</u>				<u>7,904</u>

	Thousand Baht				
	Separate financial statements				
	Balance as at	Movement during the year			Balance as at
	December 31, 2017	Addition	Deduction	Transfer in (Transfer out)	December 31, 2018
<u>At cost</u>					
Computer software	20,833	619	-	-	21,452
(Less) Accumulated amortization	(14,132)	(1,231)	-	-	(15,363)
Intangible assets - net	<u>6,701</u>				<u>6,089</u>

	Thousand Baht			
	Consolidated financial statement		Separate financial statement	
	2019	2018	2019	2018
Amortization for the year	1,477	1,272	1,407	1,231

12. DEFERRED TAX ASSETS AND DEFERED TAX LIABILITIES

Deferred tax assets and deferred tax liabilities as follows:-

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Deferred tax assets	16,645	14,468	16,528	14,290
Deferred tax liabilities	(9,945)	(10,957)	(9,289)	(10,214)
Net	<u>6,700</u>	<u>3,511</u>	<u>7,239</u>	<u>4,076</u>

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS (CONT.)**

**DECEMBER 31, 2019**

Changes in deferred tax for the year ended December 31, 2019 and 2018 are summarized as follows:-

	Thousand Baht				
	Consolidated financial statements				
	Balance as at	Revenue (expenses) during the year			Balance as at
	December 31, 2018	In profit or loss	In other comprehensive income		December 31, 2019
Deferred tax assets:					
Trade account receivable	1,188	(1,177)	-	11	
Inventories	2,987	17	-	3,004	
Property, plant, and equipment	2,470	369	-	2,839	
Provisions for employee benefits	7,823	2,575	393	10,791	
Total	<u>14,468</u>	<u>1,784</u>	<u>393</u>	<u>16,645</u>	
Deferred tax liabilities:					
Property, plant, and equipment	(10,957)	1,012	-	(9,945)	
Total	<u>(10,957)</u>	<u>1,012</u>	<u>-</u>	<u>(9,945)</u>	
Net	<u>3,511</u>			<u>6,700</u>	

	Thousand Baht				
	Consolidated financial statements				
	Balance as at	Revenue (expenses) during the year			Balance as at
	December 31, 2017	In profit or loss	In other comprehensive income		December 31, 2018
Deferred tax assets:					
Trade account receivable	375	813	-	1,188	
Inventories	3,277	(290)	-	2,987	
Property, plant, and equipment	2,243	227	-	2,470	
Provisions for employee benefits	7,054	769	-	7,823	
Total	<u>12,949</u>	<u>1,519</u>	<u>-</u>	<u>14,468</u>	
Deferred tax liabilities:					
Property, plant, and equipment	(11,197)	240	-	(10,957)	
Total	<u>(11,197)</u>	<u>240</u>	<u>-</u>	<u>(10,957)</u>	
Net	<u>1,752</u>			<u>3,511</u>	

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2019

	Thousand Baht				
	Separate financial statements				
	Balance as at	Revenue (expenses) during the year			Balance as at
	December 31, 2018	In profit or loss	In other comprehensive income		December 31, 2019
Deferred tax assets:					
Trade account receivable	1,188	(1,177)	-	11	
Inventories	2,987	17	-	3,004	
Property, plant, and equipment	2,470	369	-	2,839	
Provisions for employee benefits	7,645	2,538	491	10,674	
Total	14,290	1,747	491	16,528	
Deferred tax liabilities:					
Property, plant, and equipment	(10,214)	925	-	(9,289)	
Net	(10,214)	925	-	(9,289)	
	4,076			7,239	

	Thousand Baht				
	Separate financial statements				
	Balance as at	Revenue (expenses) during the year			Balance as at
	December 31, 2017	In profit or loss	In other comprehensive income		December 31, 2018
Deferred tax assets:					
Trade account receivable	375	813	-	1,188	
Inventories	3,277	(290)	-	2,987	
Property, plant, and equipment	2,243	227	-	2,470	
Provisions for employee benefits	6,899	746	-	7,645	
Total	12,794	1,496	-	14,290	
Deferred tax liabilities:					
Property, plant, and equipment	(10,907)	693	-	(10,214)	
Net	(10,907)	693	-	(10,214)	
	1,887			4,076	



**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2019**

13. OTHER NON-CURRENT ASSETS

Other non-current assets consisted of :-

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Deposit from purchase of fixed assets	2,691	35,049	1,294	23,041
Mold amortized	41,043	24,923	38,267	24,466
Long-term deferred material	9,790	5,517	9,790	5,517
Deferred expense-long term	9,289	10,634	9,289	10,632
Deposit for lease agreement	16,280	3,876	1,199	198
<b>Total</b>	<b>79,093</b>	<b>79,999</b>	<b>59,839</b>	<b>63,854</b>

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

Bank overdraft and short-term loans from financial institutions consist of :

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Overdraft	62,804	1,486	58,869	-
Promissory notes	644,400	502,981	525,000	410,000
Trust receipt	157,473	137,975	157,473	137,975
<b>Total</b>	<b>864,677</b>	<b>642,442</b>	<b>741,342</b>	<b>547,975</b>

As at December 2019 and 2018, the Company and its subsidiaries have bank overdraft and short-term loans from financial institution with 7 local commercial bank and 2 foreign commercial bank.

The overdraft and short-term loan lines are secured by mortgage of property and construction of the Company and company's machinery as well as the benefits from property insurance for using as collateral for credit limit. (see note 10).

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS (CONT.)**

**DECEMBER 31, 2019**

**15. TRADE AND OTHER ACCOUNTS PAYABLE**

Trade and other accounts payable consist of :-

	Thousand Baht			
	Consolidated financial statement		Separate financial statement	
	2019	2018	2019	2018
Trade accounts payable - third parties	283,886	442,542	184,796	300,457
- subsidiaries	-	-	222,310	190,424
Total	283,886	442,542	407,106	490,881
Account payable for asset purchase	15,987	10,933	15,060	10,873
Deposit received to mold	50,711	70,101	50,711	70,101
Accrued expenses	88,373	69,370	73,452	63,434
Other payable - third parties	9,098	9,408	4,279	5,985
- subsidiaries	-	-	-	125
Accrued dividend	108	46	94	46
Other	-	138	1,599	83
Total trade and other account payable	448,163	602,538	552,301	641,528

**16. REVENUE RECEIVED IN ADVANCE FOR PROJECT**

Revenue received in advance for project consisted of :-

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Project cost to present	190,890	6,806	190,890	6,806
Realized profit to present	3,458	125	3,458	125
Project cost incurred adjusting with realized profit to present	194,348	6,931	194,348	6,931
(Less) Annuity charged form employer	(122,299)	(37,957)	(122,299)	(37,957)
Revenue received in advance for project	72,049	(31,026)	72,049	(31,026)

**17. OTHER CURRENT LIABILITIES**

Other current liabilities consisted of :-

	Thousand Baht			
	Consolidated financial statement		Separate financial statement	
	2019	2018	2019	2018
Withholding tax payable	1,367	2,016	1,245	1,923
Revenue Department payable	3,582	969	2,228	-
Undue output vat	319	90	319	39
Total	5,268	3,075	3,792	1,962

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2019**

18. LONG-TERM LOANS

Long-term loans consist of :-

Loans	Thousand Baht			
	Consolidated financial statements			
	Balance as at December 31, 2018	Increase	Decrease	Balance as at December 31, 2019
1. Baht 60.80 million	800	-	(800)	-
2. Baht 41.00 million*	13,647	-	(7,457)	6,190
3. Baht 48.00 million	26,442	-	(8,760)	17,682
4. Baht 40.00 million	7,314	-	(7,314)	-
5. Baht 200.00 million	146,560	-	(40,080)	106,480
6. Baht 80.00 million	68,030	-	(15,960)	52,070
7. Baht 225.00 million	179,232	-	(45,768)	133,464
8. Baht 80.00 million	80,000	-	(9,000)	71,000
9. Baht 94.40 million	-	94,400	-	94,400
10. Baht 5.60 million	-	5,600	(376)	5,224
11. Baht 32.00 million	-	32,000	-	32,000
12. Baht 13.70 million	1,620	-	(1,610)	10
13. Yuan 6.00 million	7,979	-	(4,755)	3,224
14. Yuan 2.00 million	2,241	-	(1,832)	409
15. Yuan 5.00 million	-	19,665	-	19,665
<u>Less deferred loan fee</u>	-	-	-	(288)
Total	533,865	151,665	(143,712)	541,530
<u>Less payment due within one year</u>	(143,002)	-	-	(161,301)
Net	390,863	-	-	380,229

Loans	Thousand Baht			
	Separate financial statements			
	Balance as at December 31, 2018	Increase	Decrease	Balance as at December 31, 2019
1. Baht 60.80 million	800	-	(800)	-
2. Baht 41.00 million	2,237	-	(2,237)	-
3. Baht 48.00 million	26,442	-	(8,760)	17,682
4. Baht 40.00 million	7,314	-	(7,314)	-
5. Baht 200.00 million	146,560	-	(40,080)	106,480
6. Baht 80.00 million	68,030	-	(15,960)	52,070
7. Baht 225.00 million	179,232	-	(45,768)	133,464
8. Baht 80.00 million	80,000	-	(9,000)	71,000
9. Baht 94.40 million	-	94,400	-	94,400
10. Baht 5.60 million	-	5,600	(376)	5,224
11. Baht 32.00 million	-	32,000	-	32,000
<u>Less deferred loan fee</u>	-	-	-	(288)
Total	510,615	132,000	(130,295)	512,032
<u>Less payment due within one year</u>	(129,919)	-	-	(151,074)
Net	380,696	-	-	360,958

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2019**

As at December 31, 2019, there is a loan from 3 local Commercial banks and 1 foreign Commercial bank (loan amount Baht 1,125.70 million and Yuan 8.00 million) which consists of :-

Loan amount	Installment	Each	First installment	Note
1 Baht 60.80 million	60	1,000,000.00	January 31, 2014	
2 Baht 41.00 million				
Baht 10.80 million	70	135,000.00	April 30, 2015	
Baht 30.20 million	70	504,000.00	January 31, 2016	
Baht 26.20 million	60	435,000.00	April 30, 2016	Subsidiary is borrower transfer from amount of Baht 30.20 million
3 Baht 48.00 million				
Baht 10.11 million	77	800,000.00	November 30, 2015	During 2016, the principal repayment has been changed
		168,500.00	March 31, 2016	
Baht 37.89 million	60	631,500.00	May 31, 2017	
4 Baht 40.00 million				
Baht 32.77 million	60	670,000.00	November 30, 2015	
5 Baht 200.00 million	60	3,340,000.00	September 30, 2017	
6 Baht 80.00 million				
Baht 73.56 million	60	1,330,000.00	March 31, 2018	
Baht 6.44 million				
7 Baht 225.00 million	60	3,814,000.00	January 31, 2018	
8 Baht 80.00 million	9	9,000,000.00	December 31, 2019	(Six-month = 1 installment)
9 Baht 94.40 million	60	1,580,000.00	January 31, 2020	
10 Baht 5.60 million	60	94,000.00	September 30, 2019	
11 Baht 32.00 million	9	3,600,000.00	September 30, 2019	(Six-month = 1 installment)
12 Baht 13.70 million				Subsidiary
Baht 6.85 million	60	114,000.00	January 31, 2015	
Baht 5.60 million	60	114,000.00	February 28, 2015	
13 Yuan 6 million				Overseas subsidiary
Yuan 3.44 million	12	286,418.75	August 21, 2016	(three-month = 1 installment)
Yuan 1.20 million	13	92,307.69	December 21, 2018	
14 Yuan 2.00 million				
Yuan 0.85 million	9	94,886.67	January 10, 2018	Overseas subsidiary
15 Yuan 5.00 million	13	350,595.47	March 21, 2020	Overseas subsidiary

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2019**

The loans facilities mentioned above are secured in full amounts by land and building of the Company and by machineries of the Company and its subsidiary and its insurance benefits. (see note 10)

The loans facilities have interest rates set by bank.

The Company has to comply with the conditions as specified in the significant agreements by referencing the separate financial statements as follows:

conditions	conditions in agreements
The Company shall maintain its debt to equity (D/E ratio) at the ratio not exceeding	2.0 times

**19. LIABILITIES UNDER FINANCIAL LEASE CONTRACT**

Liabilities under financial lease contract is asset lease that the Company recorded the accounting followed by finance lease method and it consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Within one year	3,237	3,139	3,237	3,139
After one year but not over five years	4,759	4,848	4,759	4,848
Total minimum payments	7,996	7,987	7,996	7,987
<u>Less</u> deferred interest	(463)	(505)	(463)	(505)
Total minimum payment - net	7,533	7,482	7,533	7,482
<u>Less</u> current portions	(2,919)	(2,828)	(2,919)	(2,828)
Net	4,614	4,654	4,614	4,654

As at December 31, 2019 and 2018, the Company and its subsidiaries have vehicles and machinery long-term lease agreements in the form of finance lease with local leasing companies, totally 1 places with 13 contracts and 15 contracts, respectively. The total amounts of the contacts value are of Baht 7,778,251.06 (excluding of VAT) and Baht 13,202,907.15 (excluding of VAT), respectively. the Company and its subsidiaries has to practice by following the conditions and specifications as specified in the agreement.

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2019**

20. Employee benefit obligations

As at December 31, 2019 and 2018, the Company and its subsidiaries have defined benefit obligations as follow:-

The statements of financial position

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Defined benefit obligations Beginning balance	53,731	46,172	50,360	43,247
Actuarial gain	(4,560)	-	(5,442)	-
Past service costs and interest				
- change a considered a post employment plan amendment	11,473	-	10,608	-
Current service costs and interest	7,420	8,738	6,698	8,292
Benefits paid by the plan	(5,070)	(1,179)	(3,772)	(1,179)
Defined benefit obligations at Ending balance	<u>62,494</u>	<u>53,731</u>	<u>58,452</u>	<u>50,360</u>

Expense recognized in statement of comprehensive income

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Include in profit or loss:	11,473	-	10,608	-
Current service costs				
Cost of sales	3,127	2,945	2,632	2,556
Administrative expenses	987	3,463	835	3,453
Management and directors' benefit expenses	2,205	1,637	2,205	1,637
	<u>6,319</u>	<u>8,045</u>	<u>5,672</u>	<u>7,646</u>
Interest on obligation	1,101	693	1,026	646
Total	<u>7,420</u>	<u>8,738</u>	<u>6,698</u>	<u>8,292</u>

Principal actuarial assumptions at the reporting date

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Discount rate	1.71%, 1.75%, 1.55%	1.71%, 1.75%, 1.55%	1.55%	1.55%
Salary increase rate	3%	3%	3%	3%
Employee turnover rate	5 - 18%	5 - 18%	10 - 46%	10 - 46%
Employee turnover rate	7 - 85%	7 - 85%	10 - 85%	10 - 85%
Disability rate	5% of	5% of	5% of	5% of
	Thai's Mortality Rate (2008)	Thai's Mortality Rate (2008)	Thai's Mortality Rate (2008)	Thai's Mortality Rate (2008)

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2019**

Sensitivity analysis

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2019 and 2018 are summarized below:

	Thousand Baht			
	2019		2018	
	1% increase	1% decrease	1% increase	1% decrease
Discount rate	(2,465)	2,725	(2,124)	2,349
Salary increase rate	2,951	(2,720)	3,554	(3,257)
Turnover rate	(2,683)	1,455	(2,282)	1,172

	Separate financial statement ( Thousand Baht )			
	2019		2018	
	1% increase	1% decrease	1% increase	1% decrease
Discount rate	(2,230)	2,460	(1,909)	2,103
Salary increase rate	2,673	(2,468)	3,234	(2,974)
Turnover rate	(2,427)	1,305	(2,053)	1,012

On April 5, 2019, the Labour Protection Act has been enacted in the Royal Gazette. The Labour Protection Act includes a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of 20 years or more, receives severance payment of 400 days of wages at the most recent rate, which is increased from the current maximum rate of 300 days. This Act shall come into force after the expiration of thirty days from the enacted date in the Royal Gazette onwards. This change is considered a post-employment benefits plan amendment. The effect of the change is recognized past service costs as expenses in the income statement.

During the year 2019, long-term interest rate has significantly reduced that affected the discount rate assumed by the actuarial would be 1.55%. to 1.01%. The Company and its subsidiaries have considered to record the increase of employee benefit obligations in the amount of Baht 2.81 million (the Company : Baht 2.34 million) and to recognize the past service costs in other comprehensive income at the same amount. For the sensitivity analysis data above, it may have some changes as stated. However, the Company and its subsidiaries are in the process of reassessing the employee benefits by the actuarial.

21. LEGAL RESERVE

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorized capital. The legal reserve is not available for dividend distribution.

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2019**

22. ALLOCATION OF RETAINED EARNINGS

Parent Company

Year 2019

According to the Board of Directors Meeting' No. 1/2019 dated January 9, 2019, it has approved to pay the interim dividends to the Company's shareholders at Baht 0.08 per share, totalling not over Baht 45,926,395.60, from the retained earnings of the promoted business which was exempt from corporate income tax at Baht 0.07 per share and from the net profit of the non-promoted business under the tax rate enforcement of 20 percent of the net profit at Baht 0.01 per share. The dividend payment is on February 7, 2019.

Subsidiaries

Year 2019

According to the Extraordinary General Meeting of Shareholders' No.1/2019 of Millpack Co., Ltd. (a subsidiary) on August 27, 2019, which has approved the resolution to pay the dividend from unappropriated retained earnings as at December 31, 2018 at Baht 2,950.00 per share, at the total amount of Baht 35,400,000.00 without setting any additional legal reserve as the company has set the legal reserve not less than 10% of the registered capital. Payment will be made on August 31, 2019.

According to the Extraordinary General Meeting of Shareholders' No.2/2019 of Millpack Co., Ltd. (a subsidiary) on December 27, 2019, which has approved the resolution to pay the dividend from unappropriated retained earnings as at September 30, 2018 at Baht 4,600.00 per share, at the total amount of Baht 55,200,000.00 without setting any additional legal reserve as the company has set the legal reserve not less than 10% of the registered capital. Payment will be made on March 31, 2020.

Year 2018

According to the Extraordinary General Meeting of Shareholders' No.1/2018 of Millpack Co., Ltd. (a subsidiary) on September 27, 2018, which has approved the resolution to pay the dividend from unappropriated retained earnings as at December 31, 2017 at Baht 2,667.00 per share, at the total amount of Baht 32,004,000.00 without setting any additional legal reserve as the company has set the legal reserve not less than 10% of the registered capital. Payment will be made on October 26, 2018.

According to the Extraordinary General Meeting of Shareholders' No. 1/2018 of Elegance Packaging Co., Ltd. (a subsidiary) on September 27, 2018, which has approved the resolution to pay the dividend from unappropriated retained earnings as at December 31, 2017 at Baht 100 per share, at the total amount of Baht 1,000,000.00 without setting any additional legal reserve as the company has set the legal reserve not less than 10% of the registered capital. Payment will be made on October 26, 2018.

According to the Extraordinary General Meeting of Shareholders' No.2/2018 of Millpack Co., Ltd. (a subsidiary) on December 26, 2018, which has approved the resolution to pay the dividend from unappropriated retained earnings as at December 31, 2017 at Baht 840.00 per share, at the total amount of Baht 10,080,000.00 without setting any additional legal reserve as the company has set the legal reserve not less than 10% of the registered capital. Payment will be made on December 28, 2018.



**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2019**

23. PROVIDENT FUND

The Company and subsidiaries have set up a Provident Fund which is contributory by employees and the Company. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

Provident funds' expense for the years ended December 31, 2019 and 2018 are as follow:-

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Provident funds' expense	6,690	6,742	6,412	6,436

24. CREDIT LIMIT

As at December 31, 2019 the Company and its subsidiaries have many credit limits with seven financial intuitions.

	Credit limit	Increase (Decrease)	Used	Expired	Remaining credit limit
Overdrafts (million Baht)	85.80	-	(61.33)	-	24.47
Current loan (million Baht)	1,029.00	20.00	(744.12)	-	304.88
Long-term loan (million Baht)	788.50	(0.56)	(787.94)	-	-
Guarantee (million Baht)	327.00	-	(117.01)	-	209.99
Forward contract (million Baht)	192.00	-	(22.48)	-	169.52
Standby L/C (million Baht)	80.00	56.80	(98.19)	(11.41)	27.20
Total (million Baht)	2,502.30	76.24	(1,831.07)	(11.41)	736.06
Forward contract (million USD)	12.00	-	(0.21)	-	11.79
Current loan (million RMB)	12.00	10.00	(14.69)	-	7.31
Long-term loan (million RMB)	8.00	1.00	(6.61)	(1.95)	0.44

This credit secured by the mortgage company's land (Please see note 10) and giving beneficiary of sum insured of the company's fixed assets to the financial intuitions.

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2019**

25. TAX EXPENSE (INCOME)

25.1 Major components of tax expense (income)

For the years ended December 31, 2019 and 2018 consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Income tax expense (income) shown in profit or loss :				
Current tax expense:				
Income tax expense for the year	2,128	646	-	-
Deferred tax expense (income):				
Changes in temporary differences relating to the original recognition and reversal	(2,796)	(1,759)	(2,672)	(2,189)
Total	(668)	(1,113)	(2,672)	(2,189)

25.2 A numerical reconciliation between tax expense (income) and the product of accounting profit multiplied by the applicable tax rate

For the years ended December 31, 2019 and 2018 which are summarized as follows:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Accounting profit (loss) for the year	62,661	(12,858)	84,108	21,283
The applicable tax rate (%)	20%	20%	20%	20%
Tax expense (income) at the applicable tax rate	12,532	(2,572)	16,822	4,257
Reconciliation items:				
Tax effect of expenses that are not deductible in determining tax profit:				
- Expenses not allowed as expenses in determining taxable profit	3,249	5,831	2,915	3,368
Tax effect of income or profit that are not required in determining taxable profit:				
- Exemption of non-taxable dividend income	-	-	(18,115)	(8,615)
- The exemption of profit of the promoted business (BOI)	(26,841)	(17,388)	(8,932)	(10,030)
- Expense for tax deductible	(1,388)	(1,122)	(1,388)	(1,122)
Unrecognized tax losses on deferred tax assets	12,977	13,901	6,256	10,303
Others	(1,197)	237	(230)	(350)
Total reconciliation items	(13,200)	1,459	(19,494)	(6,446)
Total tax expense (income)	(668)	(1,113)	(2,672)	(2,189)

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2019

25.3 A numerical reconciliation between the average effective tax rate and the applicable tax rate

For the years ended December 31, 2019 and 2018 are summarized as follows:

	Consolidated financial statements			
	2019		2018	
	Tax amount (Thousand Baht)	Tax rate (%)	Tax amount (Thousand Baht)	Tax rate (%)
Accounting profit (loss) before tax expense for the year	62,661		(12,858)	
Tax expense (income) at the applicable tax rate	12,532	20.00	(2,572)	(20.00)
Reconciliation items	(13,200)	(21.07)	1,459	11.35
Tax expense (income) at the average effective tax rate	<u>(668)</u>	<u>(1.07)</u>	<u>(1,113)</u>	<u>(8.65)</u>

	Separate financial statements			
	2019		2018	
	Tax amount (Thousand Baht)	Tax rate (%)	Tax amount (Thousand Baht)	Tax rate (%)
Accounting profit (loss) before tax expense for the year	84,108		21,283	
Tax expense (income) at the applicable tax rate	16,822	20.00	4,257	20.00
Reconciliation items	(19,494)	(23.18)	(6,446)	(30.29)
Tax expense (income) at the average effective tax rate	<u>(2,672)</u>	<u>(3.18)</u>	<u>(2,189)</u>	<u>(10.29)</u>

26. EXPENSE BY NATURE

Expense by nature has significant transaction for the years ended December 31, 2019 and 2018 are as follows:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Changes in finished goods and work in progress	18,417	(5,833)	29,777	(10,525)
Purchases of finished goods	128,808	138,669	569,249	597,698
Used raw material and wasteful supply	1,368,728	1,382,346	943,620	989,806
Expenses for employees	526,996	481,720	471,909	449,309
Depreciation and amortization	189,918	178,831	158,578	153,382

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2019**

27. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing profit (loss) for the year by weighted average number of ordinary shares that issued and paid during the year after adjusting the number of ordinary shares to reflect the impact of the stock dividend. The prior year's basic earnings per share has been recalculated as if the stock dividend had been distributed at the beginning of the earliest year reported.

		Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Profit (loss) for the year of ordinary share's shareholders	(Thousand Baht)	63,329	(11,745)	86,780	23,472
Weighted average number of ordinary share	(Thousand Share)	574,080	574,080	574,080	574,080
Basic earnings per share	(Baht per share)	0.11	(0.02)	0.15	0.04
		Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Comprehensive income for the years of ordinary share's shareholders	(Thousand Baht)	45,414	(22,646)	92,865	23,594
Weighted average number of ordinary share	(Thousand Share)	574,080	574,080	574,080	574,080
Basic earnings per share	(Baht per share)	0.08	(0.04)	0.16	0.04

28. PROPOSAL OF FINANCIAL INFORMATION CLASSIFIED BY SEGMENT

The company group has presented the financial information by the operating segment in the primary format for reporting. Operating segment is based on the system of management and internal reporting structure that is reported to the highest decision-making authority for the operation of the company group as the basis for determining the segment.

Assets, revenues and results of operations of the segment are directly related to the segment or can be reasonably allocated to the segment.

Regarding segment information for evaluating the results of operations and allocation of resources for the management, the company group evaluates the capability of operation by the gross margin rate.

Reported segments

The company group presents the main business segments as follows:

- Segment 1    Plant - Samuthsakhon
- Segment 2    Plant - Chonburi
- Segment 3    Plant - Bangkok
- Segment 4    Plant - Tianjin (China)
- Segment 5    Plant - Jiangsu (China)
- Segment 6    Business trading segment

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2019**

Thousand Baht

Consolidated financial information

	Industrial in Thailand						Industrial in China			Trading in Thailand		Elimination		Total	
	Samuthsakhon		Bangkok		Chonburi		Total		2019		2018		2019		2018
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018			
For the year ended December 31															
Revenues															
- External customers	1,250,265	1,228,568	138,295	171,307	1,261,964	1,296,810	2,696,685	248,720	214,893	53,824	58,329	-	-	2,953,068	2,969,907
- Group	67,618	78,189	171,076	204,231	13,737	6,746	289,166	-	-	123,763	192,925	(376,194)	(482,091)	-	-
Revenues from project															
- External customers	187,417	6,931	-	-	-	-	6,931	-	-	-	-	-	-	187,417	6,931
Total	1,505,300	1,313,688	309,371	375,538	1,275,701	1,303,556	2,992,782	248,720	214,893	177,587	251,254	(376,194)	(482,091)	3,140,485	2,976,838
Segment gross profit	210,682	138,728	43,241	40,053	185,495	172,156	350,937	45,293	17,250	3,533	3,970	3,875	818	484,369	372,975

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2019**

Major customer

Revenues from the major customer of the Company and its subsidiaries's industrial and trading segment in Thailand represent approximately Baht 743.35 million for the year 2019 (Baht 1,172 million for the year 2018) of the Company and its subsidiaries's total revenues.

29. LONG-TERM LEASE AND SERVICE AGREEMENT

As at December 31, 2019, the Company and its subsidiaries have long-term lease agreements as follows:

- 29.1 The Company has entered into factory and service agreement with a local company for 2 years and 11 months, starting from March 1, 2019 - February 1, 2022 with the service fee Baht 500,000 per month.
- 29.2 The Company has entered into the lease for factory buildings and service with a company in China (Jiangsu), starting from March 1, 2018 - February 28, 2021 with the rental and service fee in Baht 1,093,618.68 per month (equal Yuan 250,050, referred to exchange rate 4.3736 Baht per Yuan at December 31, 2018) and starting from March 1, 2021 - February 28, 2023 with the rental and service fee in Baht 1,241,257.20 per month (equal Yuan 283,806.75, referred to exchange rate 4.3736 Baht per Yuan at December 31, 2018)

As at December 31, 2019, the Company and its subsidiaries have commitments to pay the property asset and service rental fee under the outstanding contract as follows:

	Thousand Baht	
	Consolidated	Separate
	financial statements	financial statements
<u>Paid within</u>		
1 year	28,109	6,000
More than 1 year but not over 5 years	83,116	8,000
More than 5 years	9,190	-

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**

**DECEMBER 31, 2019**

**30. RIGHTS AND BENEFITS UNDER THE INVESTMENT PROMOTION ACT**

	PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED					Millpack Co., Ltd. (Subsidiary)	
	1080(10)/2553	1745(2)/2555	1044(2)/2557	58-2011-0-00-1-0	58-2010-0-00-1-0	Bangkok Branch	Samutsakhon Branch
Promotional Certificate no.	28 Dec. 2009	16 Jan. 2012	15 Oct. 2013	17 Mar. 2015	23 Mar. 2015	1379(5)/2556	1882(5)/2555
Date of granted the promotional certificate	28 Dec. 2009	16 Jan. 2012	15 Oct. 2013	17 Mar. 2015	23 Mar. 2015	26 Sep. 2011	3 Apr. 2012
The promotional investment in the business : For produce plastic packaging and plastic parts for various industries							
Exercise Benefits							
1. Exempt from corporate income tax on profit derived from the operation that has been promoted started from the first day of realizing sales and/or services income.	7 years	7 years	7 years	7 years	7 years	8 years	8 years
2. Exempt from corporate income tax for the dividends derived from profits from the business which has been promoted	5 years	5 years	5 years	5 years	5 years	5 years	5 years
3. Exemption/Deduction of import duty tax for machines	Exemption under Section 28	Exemption under Section 28	Exemption under Section 28	Exemption under Section 28	Deduction under Section 28	Exemption under Section 28	Exemption under Section 28

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS (CONT.)**

**DECEMBER 31, 2019**

**31. THE OPERATIONS OF COMPANY AND ITS SUBSIDIARIES**

The Company and its subsidiaries have revenue from domestic sales which separating the part that have been promoted in investment and part that not be promoted in investment for the years ended December 31, 2017 and 2016 as follows:

	Thousand Baht					
	Consolidated financial statements					
	2019			2018		
Business that have been promoted in investment (Note 30)	Business that not be promoted in investment	Total	Business that have been promoted in investment (Note 30)	Business that not be promoted in investment	Total	
Revenue						
Sales	439,217	2,513,851	2,953,068	780,569	2,189,338	2,969,907
Project income	-	187,417	187,417	-	6,931	6,931
Other Revenues	1,013	14,026	15,039	1,230	8,395	9,625
Total Revenues	<u>440,230</u>	<u>2,715,294</u>	<u>3,155,524</u>	<u>781,799</u>	<u>2,204,664</u>	<u>2,986,463</u>

	Thousand Baht					
	Separate financial statements					
	2019			2018		
Business that have been promoted in investment (Note 30)	Business that not be promoted in investment	Total	Business that have been promoted in investment (Note 30)	Business that not be promoted in investment	Total	
Revenue						
Sales	439,217	2,279,543	2,718,760	780,521	1,994,289	2,774,810
Project income	-	187,417	187,417	-	6,931	6,931
Dividend income	-	90,577	90,577	-	43,073	43,073
Other Revenues	934	14,803	15,737	1,130	11,946	13,076
Total Revenues	<u>440,151</u>	<u>2,572,340</u>	<u>3,012,491</u>	<u>781,651</u>	<u>2,056,239</u>	<u>2,837,890</u>

**32. FINANCIAL INSTRUMENTS**

Financial instruments are any contract that enables the financial assets of a business and financial liabilities or equity increased at the same time.

Risk Associated with Financial Instruments, which are significant and management policies of the Company and its subsidiaries are as follows:

Credit risk

The credit risk that related to account receivable of the Company and its subsidiaries are rather low because the Company and its subsidiaries have carefully policy in giving credit by considering from the ability in repayment. The number may have lost most in giving credit of the Company and its subsidiaries will be equal to the book value of receivables in the statement of financial position.



**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2019**

Interest rate risk

The Company and its subsidiaries have interest rate risk because they have short - term and long-term loan from financial institutions. The risk from interest rate occurred from fluctuations in market interest rates in the future, which will affect the results of operations and cash flows of them. The Company and its subsidiaries' risk of interest rates mainly related to loans from local commercial banks because the majority of mentioned financial liabilities are categorized in short term type and interest rates fluctuate according to market rate. Therefore, the Company and its subsidiaries do not use derivative instruments to prevent such risk.

Liquidity risk

Liquidity risk might occur from the fact that the Company and its subsidiaries are unable to sell financial assets in a timely manner with a price close to fair value. The Company and its subsidiaries might have liquidity risk as appeared in the company's statement of financial position, if the company and its subsidiaries cannot ask for bill payments from the accounts receivable of them to keep up with the payment of commercial debt.

Financial Assets of the Company and its subsidiaries comprises of cash and bank deposit and the accounts receivable which has liquidity and able rapidly change to money present in fair value.

Foreign currency risk

The Company and its subsidiaries have foreign currency risk due to having trade accounts payable for purchases of goods and machineries in foreign currency as follows:

As at December 31, 2019, it has outstanding foreign currency liability as follows:

Consolidated financial statement		
Currency	Liability	Average selling exchange rate As at December 31, 2019 (Baht per foreign currency)
USD	323,803.55	30.3443
EUR	97,268.91	33.8630
JPY	1,800,600.00	0.279208
CNY	118,289.98	4.3691

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2019**

As at December 31, 2018, it has outstanding foreign currency liability as follows:

Separate financial statement		
Currency	Liability	Average selling exchange rate As at December 31, 2018 (Baht per foreign currency)
USD	524,165.82	32.6148
EUR	15,998.62	37.4884
JPY	2,789,600.00	0.29696
CNY	2,884,909.98	4.7838

As at December 31, 2019, the Company has foreign currency forward contract for purchases of inventories from China are as follows :

Currency	Contract	Bought amount	Contractual rate (Baht)
USD	7	1,467,120	29.91-30.43

As at December 31, 2018, the Company has foreign currency forward contract for purchases of inventories form oversea are as follow :

Currency	Contract	Bought amount	Contractual rate (Baht)
USD	7	1,352,128	32.17-32.83

**Fair Value of Financial Instruments**

Fair Value is the amount of money that the buyer and seller agree to exchange financial Instruments together, while both parties are knowledgeable and willing to exchange and able to independently negotiate price in the form of non-association. The fair value derives from the market value or discounted cash flows.

Most financial assets and liabilities of the Company and its subsidiaries have book value approximate to the fair value.

**33. INTEREST RATE SWAP CONTRACTS**

As at December 31, 2019, the Company has interest rate swap with financial institution for hedge interest rate exposure of long-term debts for Baht currency totaling Baht 200 million. All counterparties agree to pay the interest and the notional amount according to terms and conditions of the contracts.

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS (CONT.)**

**DECEMBER 31, 2019**

34. FUND MANAGEMENT

The objective of company' significant fund management is to provide appropriate financial structures and maintain the ability to continuously operate.

35. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in the liabilities arising from financing activities for the years ended December 31, 2019 and 2018 are as follows:

	Consolidated financial statements (Thousand Baht)				
	Balance as at December 31, 2018	Cash flows Increase (decrease)*	Non-cash transaction Increase Translation on exchange rate		Balance as at December 31, 2019
Increase (decrease) in bank overdrafts and					
short-term loans from financial institutions	642,442	222,235	-	-	864,677
Long-term from financial institution	533,865	7,665	-	-	541,530
Liabilities under a finance lease agreement	7,482	(2,952)	3,003	-	7,533
<b>Total</b>	<b>1,183,789</b>	<b>226,948</b>	<b>3,003</b>	<b>-</b>	<b>1,413,740</b>

	Consolidated financial statements (Thousand Baht)				
	Balance as at December 31, 2017	Cash flows Increase (decrease)*	Non-cash transaction Increase Translation on exchange rate		Balance as at December 31, 2018
Increase (decrease) in bank overdrafts and					
short-term loans from financial institutions	363,584	278,858	-	-	642,442
Long-term from financial institution	639,890	(106,025)	-	-	533,865
Liabilities under a finance lease agreement	3,777	(2,876)	6,581	-	7,482
<b>Total</b>	<b>1,007,251</b>	<b>169,957</b>	<b>6,581</b>	<b>-</b>	<b>1,183,789</b>

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**

**DECEMBER 31, 2019**

	Separated financial statements (Thousand Baht)				Balance as at December 31, 2019
	Balance as at December 31, 2018	Cash flows Increase (decrease)*	Non-cash transaction		
			Increase	Translation on exchange rate	
Increase (decrease) in bank overdrafts and					
short-term loans from financial institutions	547,975	193,367	-	-	741,342
Long-term from financial institution	510,615	1,417	-	-	512,032
Liabilities under a finance lease agreement	7,482	(2,952)	3,003	-	7,533
Total	<u>1,066,072</u>	<u>191,832</u>	<u>3,003</u>	<u>-</u>	<u>1,260,907</u>
	Separated financial statements (Thousand Baht)				Balance as at December 31, 2018
	Balance as at December 31, 2017	Cash flows Increase (decrease)*	Non-cash transaction		
			Increase	Translation on exchange rate	
Increase (decrease) in bank overdrafts and					
short-term loans from financial institutions	313,625	234,350	-	-	547,975
Short-term loans from a subsidiary	1,000	(1,000)	-	-	-
Long-term from financial institution	606,213	(95,598)	-	-	510,615
Liabilities under a finance lease agreement	3,777	(2,876)	6,581	-	7,482
Total	<u>924,615</u>	<u>134,876</u>	<u>6,581</u>	<u>-</u>	<u>1,066,072</u>

**36. COMMITMENTS AND CONTINGENT LIABILITIES**

As at December 31, 2019, the Company had commitments and contingent liabilities as follows:

- 36.1 The Company and its subsidiary granted two local banks to issue a letter of guarantee for electricity consumption in factory in the amount of Baht 18.66 million.
- 36.2 The Company granted the main bank lender to issue a letter of guarantee for its sale contract with the contractor in the amount of Baht 106.35 million.
- 36.3 The company and its subsidiary had obligation that was agreed to acquire assets in the amount of Baht 1.33 million.
- 36.4 On August 31, 2018, a plastic molding subcontractor of the Company filed a lawsuit against the Company for damages totaling Baht 13,535,524.00 (including interest at the rate of 7.5% per annum) Subsequently, on November 7, 2018, the Company filed a complaint with the court and proceeded with the counterclaim. The claim is Baht 196,848,039.00 (inclusive of interest at the rate of 7.5% per annum). However, on May 21, 2019, both parties entered into a compromise agreement in front of the court that the defendant made payment to the plaintiff in the amount of 6,500,000 baht on the agreement date. The plaintiff and the defendant agreed that the contract in accordance with the indictment in the case terminated, no claiming for damages and taking any further lawsuits. Therefore, the court judged that this case was finalized in accordance with the compromise agreement. The Company recorded this payment according to the compromise agreement in the statements of comprehensive income

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2019**

37. RECLASSIFICATION

Certain amounts in the financial statements for the year ended December 31, 2018 have been reclassified to conform to the current period classification in the financial statements for the year ended December 31, 2019 with no effect to the previously reported net income or shareholders' equity.

Consolidated financial statement (Thousand Baht)			
	Before reclassification	Addition (deduction)	After reclassification
<u>STATEMENT OF FINANCIAL POSITION</u>			
<u>AS AT DECEMBER 31, 2018</u>			
Trade and other account receivable	686,897	17,510	704,407
Inventories	303,125	(23,027)	280,098
Other non-current assets	74,481	5,517	79,998
<u>STATEMENT OF CASH FLOWS</u>			
<u>FOR THE YEAR ENDED DECEMBER 31, 2018</u>			
Trade and other account receivable	(158,488)	(7,104)	(165,592)
Inventories	(38,799)	12,106	(26,693)
Other non-current assets	(24,244)	(5,002)	(29,246)

Separate financial statement (Thousand Baht)			
	Before reclassification	Addition (deduction)	After reclassification
<u>STATEMENT OF FINANCIAL POSITION</u>			
<u>AS AT DECEMBER 31, 2018</u>			
Trade and other account receivable	650,424	16,904	667,328
Inventories	265,685	(22,421)	243,264
Other non-current assets	58,337	5,517	63,854
<u>STATEMENT OF CASH FLOWS</u>			
<u>FOR THE YEAR ENDED DECEMBER 31, 2018</u>			
Trade and other account receivable	(173,396)	(6,498)	(179,894)
Inventories	(46,540)	11,500	(35,040)
Other non-current assets	(23,859)	(5,002)	(28,861)

38. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Board of Directors of the Company on February 24, 2020.

## Directors, Executives, Company's Secretary and Head of Internal Audit profile

### ● Directors

#### 1. Dr. Damri Sukhotanang

<b>Position</b>	Board Chairman / Independent Director / Nomination and Remuneration Committee Chairman
<b>Age</b>	70 years
<b>Education</b>	- Bachelor's degree in Chemical Technology (Hon.), Faculty of Science, Chulalongkorn University - Master's degree in Ceramic Engineering, University of Missouri at Rolla, U.S.A. - Doctoral degree in Ceramic Engineering, University of Missouri at Rolla, U.S.A. - Diploma, National Defense College, Class 44 - Certificate, Senior Executive Courses Class 14, Office of Civil Service Commission
<b>Training Courses</b>	Thai Institute of Directors - Financial Statement for Director (FSD) Class 20/2013 - Director Certification Program (DCP) Class DCP70/2006
<b>Work Experiences</b>	- 2014–Present Board Chairman/ Independent Director/Nomination and Remuneration Committee Chairman : Panjawattana Plastic Plc. - 2009 – Present Audit Committee member/ Independent Director : Siam Steel Service Center Plc. - 2011–2014 Board Chairman/ Independent Director : Panjawattana Plastic Plc. - 2008 - 2009 Permanent Secretary Ministry of Industry

#### Current job positions in any listed company

<b>Listed company</b>	1 company as follows; - Audit Committee member/ Independent Director : Siam Steel Service Center Plc.
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<b>Non-listed company</b>	2 company as follows; 1. Chairman of Audit Committee / Director : Thai Auto Tool and Die Co.,Ltd. 2. Board Chairman : Mahachai Foods Co.,Ltd.
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**In any companies which may result in a conflict of interest with the Company** -None-

<b>First Appointment</b>	2011 15, July
<b>Term of office</b>	8 years
<b>Percentage of shares at December 31, 2019</b>	Ordinary shares 260,000 shares, representing 0.05 percent
<b>Trading shares in 2019</b>	-None-
<b>Percentage of shares of spouse and minors (as at December 31, 2019)</b>	-None-
<b>Having the following parent relationship with Directors and Executives</b>	-None-
<b>Direct and indirect interests in the Company or in the relevant subsidiaries</b>	-None-

<b>Meeting attendance in 2019</b>	Board of Directors	6/6
	Nomination and Remuneration Committee	1/1

## 2. Mr. Kongsak Hemmontharop

<b>Position</b>	Director / Vice Chairman	
<b>Age</b>	80 years	
<b>Education</b>	- Primary School, Sawang Wittaya School	
<b>Training Course</b>	Thai Institute of Directors - Director Accreditation Program Class 90/2011	
<b>Work Experience</b>	- 2011 – Present	Vice Chairman : Panjawattana Plastic Plc.
	- 2010 – Present	Director : Mill Pack Co., Ltd.
	- 2003 – Present	Director : Elegance Packaging Co., Ltd.
	- 1987 – 2011	Director : Panjawattana Plastic Co., Ltd.
<b>Current job positions in any listed company</b>		
<b>Listed company</b>	- None	
<b>Non-listed company</b>	2 Companies as follows ; 1) Mill Pack Co., Ltd. 2) Elegance Packaging Co., Ltd.	
<b><u>In any companies which may result in a conflict of interest with the Company</u></b>	-None-	
<b>First Appointment</b>	2011 1, March	
<b>Term of office</b>	9 years	
<b>Percentage of shares at 2019 31, December</b>	Ordinary shares 88,241,747 shares, representing 15.37 percent	
<b>Trading shares in 2019</b>	Transfer (out) Ordinary shares 7,927,692	
<b>Percentage of shares of spouse and minors (as at December 31, 2019)</b>	Ordinary shares 101,725,566 shares, representing 17.72 percent	
<b>Having the following parent relationship with Directors and Executives</b>	- Husband of Mrs. Malee Hemmontharop - Father of Mr. Wiwat, Mr. Satit, Mr. Pirun Hemmondharop	
<b>Direct and indirect interests in the Company or in the relevant subsidiaries</b>	-None-	
<b>Meeting attendance in 2019</b>	Board of Directors	6/6

## 3. Mrs. Malee Hemmontharop

<b>Position</b>	Director / Executive Committee Member / Vice Chief Executive Officer
<b>Age</b>	76 years
<b>Education</b>	- Primary School, Ban Paew Wittaya School

<b>Training Courses</b>	Thai Institute of Directors
	- Director Accreditation Program Class 90/2011
<b>Work Experience</b>	- 2017–Present Director/ Vice Vice Chief Executive Officer / / Executive Committee : Panjawattana Plastic Plc.
	- 2018–Present Director : Panjawattana (Jiangsu) Plastic Co.Ltd.
<b>Work Experience</b>	- 2013–2017 Director/ Vice Vice Chief Executive Officer / Chief Administrative Officer / Executive Committee : Panjawattana Plastic Plc.
	- 2011–2013 Director / Vice Chief Executive Officer : Panjawattana Plastic Plc.
	- 2014–Present Director : Plastech Lab Co., Ltd. (Old Name : PJW Food Pack Co., Ltd.)
	- 2014-2015 Director : PJW Drinktech Co., Ltd.
	- 2011–Present Director : Elegance Packaging Co., Ltd.
	- 2011–Present Director : Panjawattana Plastic (Tianjin) Co., Ltd.
	- 2011–Present Director : PCP Marketing Co., Ltd.
	- 1990–Present Director : Mill Pack Co., Ltd.

**Current job positions in any listed company**

<b>Listed company</b>	- None
<b>Non-listed company</b>	6 Companies as follows ;
	1. PJW Food Pack Co., Ltd.
	2. Elegance Packaging Co., Ltd.
	3. Panjawattana Plastic (Tianjin) Co., Ltd.
	4. PCP Marketing Co., Ltd.
	5. Mill Pack Co., Ltd.
	6. Panjawattana (Jiangsu) Plastic Co.Ltd.

**In any companies which may result in a conflict of interest with the Company** -None-

<b>First Appointment</b>	2011 1, March
<b>Term of office</b>	9 years
<b>Percentage of shares at 2019 31, December</b>	Ordinary shares 101,725,566 shares, representing 17.72 percent
<b>Trading shares in 2019</b>	-None-
<b>Percentage of shares of spouse and minors (as at December 31, 2019)</b>	Ordinary shares 88,241,747 shares, representing 15.37 percent
<b>Having the following parent relationship with Directors and Executives</b>	- Spouse of Mr. Kongsak Hemmontharop - Mother of Mr. Wiwat, Mr. Satit, Mr. Pirun Hemmondharop
<b>Direct and indirect interests in the Company or in the relevant subsidiaries</b>	- None
<b>Meeting attendance in 2019</b>	Board of Directors 6/6



#### 4. Mr. Wiwat Hemmondharop

<b>Position</b>	Director / Risk Management Committee Member / Nomination and Remuneration Committee Member / Chairman of the Board of Executive Directors
<b>Age</b>	54 years
<b>Education</b>	<ul style="list-style-type: none"> <li>- Bachelor's degree in Economics, Thammasat University</li> <li>- Master's degree in Business Administration, National Institute of Development Administration</li> <li>- Master's degree in Marketing (English program), Thammasat University</li> </ul>
<b>Training Courses</b>	<p>The Federation of Thai Industries</p> <ul style="list-style-type: none"> <li>- Business Revolution and Innovation Network Corporate Innovation Class 2/2019</li> </ul> <p>National Defence College of Thailand</p> <ul style="list-style-type: none"> <li>- Diploma, National Defence College, The Joint State - Private Sector Course Class 2019</li> </ul> <p>RISE (Regional Corporate Innovation Accelerator)</p> <ul style="list-style-type: none"> <li>- Corporate Innovation Summit 2019</li> </ul> <p>Thailand Management Association</p> <ul style="list-style-type: none"> <li>- TMA Discovery Day 2018</li> </ul> <p>Thai Institute of Directors</p> <ul style="list-style-type: none"> <li>- IOD Director Briefing Class 1/2018</li> <li>- Financial Statements for Director (FSD) Class 33</li> <li>- Chartered Director Class (CDC) Class 2014</li> <li>- Director Certification Program Class 32/2003</li> </ul> <p>Capital Market Academy</p> <ul style="list-style-type: none"> <li>- CMA-GMS Class of 2018 Program</li> <li>- Business Revolution and Innovation Network (BRAIN Class 2)</li> <li>- Capital Market Academy Leader Program Class 24/2017</li> </ul> <p>The Securities Exchange of Thailand</p> <ul style="list-style-type: none"> <li>- Thailand CG Forum : Governance as a driving force for business sustainability</li> </ul>
<b>Work Experience</b>	<ul style="list-style-type: none"> <li>- 2015–Present      Director / Risk Management Committee Member Nomination and Remuneration Committee Member / Chairman of the Board of Executive Directors : Panjawattana Plastic Plc.</li> <li>- 2018–Present      Director : Panjawattana (Jiangsu) Plastic Co.Ltd.</li> <li>- 2014–Present      Director : Plastech Lab Co., Ltd. (Old Name : PJW Food Pack Co., Ltd.)</li> <li>- 2014–2015          Director / Nomination and Remuneration Committee Member / Chairman of the Board of Executive Directors : Panjawattana Plastic Plc.</li> <li>- 2014–2015          Director : PJW Drinktech Co., Ltd.</li> <li>- 2011– Present      Director : Panjawattana Plastic (Tianjin) Co., Ltd.</li> <li>- 2011–2013          Director / Chairman of the Board of Executive Directors : Panjawattana Plastic Plc.</li> <li>- 2010–Present      Director : Mill Pack Co., Ltd.</li> <li>- 2010–Present      Director : Thammanamai Health Cuisine Co., Ltd</li> </ul>

<b>Work Experience</b>	- 2008–Present	Director : Composite Marketing Co., Ltd. (Old Name : Panjawattana Marketing Co., Ltd.)
	- 2005–Present	Director : Pan Asia Chemical Co., Ltd.
	- 2004–2010	Director : Elegance Packaging Co., Ltd.
	- 1987–2011	Director : Panjawattana Marketing Co., Ltd.

**Current job positions in any listed company**

**Listed company** -None-

**Non-listed company** 7 Companies as follows ;

1. Plastech Lab Co., Ltd.
2. Mill Pack Co., Ltd.
3. Panjawattana Plastic (Tianjin) Co., Ltd.
4. Composite Marketing Co., Ltd.
5. Thammanamai Health Cuisine Co., Ltd
6. Pan Asia Chemical Co., Ltd.
7. Panjawattana (Jiangsu) Plastic Co.Ltd.

**In any companies which may result in a conflict of interest with the Company** -None-

<b>First Appointment</b>	1987 30, November
<b>Term of office</b>	32 years
<b>Percentage of shares at 2019 31, December</b>	Ordinary shares 71,868,660 shares, representing 15.52 percent
<b>Trading shares in 2019</b>	Purchase Ordinary shares 2,463,300
<b>Percentage of shares of spouse and minors (as at December 31, 2019)</b>	Ordinary shares 6,050,000 shares, representing 1.05 percent
<b>Having the following parent relationship with Directors and Executives</b>	- Son of Mr. Kongsak and Mrs. Malee Hemmontharop - Elder brother of Mr. Satit, Mr. Pirun Hemmondharop
<b>Direct and indirect interests in the Company or in the relevant subsidiaries</b>	-None-
<b>Meeting attendance in 2019</b>	Board of Directors 6/6 Nomination and Remuneration Committee 1/1 Risk Management Committee <sup>1/</sup> 2/2

## 5. Mr. Satit Hemmondharop

<b>Position</b>	Director / Executive Committee Member / Risk Management Committee Member/ Chief Executive Officer /Chief Marketing Officer (acting)
<b>Age</b>	52 years
<b>Education</b>	- Bachelor's degree in Commerce and Accountancy, Thammasat University - Master's degree in Marketing (English program), Thammasat University - Diploma, Human Resource Management, Sasin Graduate Institute of Business Administration of Chulalongkorn University
<b>Training Courses</b>	Digital Economy Promotion Agency - The Leadership for Digital Transformation Thailand (Digital CEO) Class 1

<b>Training Courses</b>	Thai Institute of Directors
	- Successful Formulation Execution of Strategy (SFE) Class 29/2017
	- Risk Management Committee Program (RMP) Class 2/2013
	- Role of the Compensation Committee Class 11/2011
	- Director Certification Program Class 121/2011
	- Purposefully Designing a winning culture
	- Laws vs Business Practice – An Insider’s view

<b>Work Experience</b>	- 2014–Present	Director/Executive Committee Member/Risk Management Committee Member/ Chief Executive Officer / Chief Marketing Officer (acting): Panjawattana Plastic Plc.
	- 2011–2014	Director/Executive Committee Member/Risk Management Committee Member/ Chief Executive Officer : Panjawattana Plastic Plc.
	- 2014–Present	Director : Plastech Lab Co., Ltd. (Old Name : PJW Food Pack Co., Ltd.)
	- 2014–2015	Director : PJW Drinktech Co., Ltd.
	- 1996–Present	Director : Mill Pack Co., Ltd.
	- 2003 – 2011	Managing Director : Panjawattana Marketing Co., Ltd.
	- 1993 - 2003	General Manager : Panjawattana Marketing Co., Ltd.
	- 1991 - 1993	Production Manager : Panjawattana Marketing Co., Ltd.

**Current job positions in any listed company**

<b>Listed company</b>	- None
<b>Non-listed company</b>	2 Companies as follows ;
	1. Mill Pack Co., Ltd.
	2. Plastech Lab Co., Ltd.

**In any companies which may result in a conflict of interest with the Company** -None-

<b>First Appointment</b>	1992 9, October
<b>Term of office</b>	27 years
<b>Percentage of shares at 2019 31, December</b>	Ordinary shares 32,661,428 shares, representing 5.69 percent
<b>Trading shares in 2019</b>	-None-
<b>Percentage of shares of spouse and minors (as at December 31, 2019)</b>	-None-
<b>Having the following parent relationship with Directors and Executives</b>	- Son of Mr. Kongsak and Mrs. Malee Hemmontharop - Younger brother of Mr. Wiwat/ Elder brother of Mr. Pirun Hemmondharop
<b>Direct and indirect interests in the Company or in the relevant subsidiaries</b>	-None-
<b>Meeting attendance in 2019</b>	Board of Directors 6/6 Risk Management Committee 2/2

## 6. Dr. Pirun Hemmondharop

<b>Position</b>	Director / Risk Management Committee / Vice Chief Executive Officer / Chief Administrative Officer
<b>Age</b>	46 years
<b>Education</b>	<ul style="list-style-type: none"> <li>- Bachelor's degree in Industrial Engineering, Sirindhorn International Institute of Technology, Thammasat University</li> <li>- Master's degree in Engineering Management, University of Missouri-Rolla</li> <li>- Doctoral degree in Engineering Management, University of Missouri-Rolla</li> </ul>
<b>Training Courses</b>	<p>The Federation of Thai Industries</p> <ul style="list-style-type: none"> <li>- Executive program in Digitalization Industry of Thailand (EDIT Class 2)</li> </ul> <p>Thai Institute of Directors</p> <ul style="list-style-type: none"> <li>- Director Accreditation Program Class 90/2011</li> <li>- Director Certification Program Class 150/2011</li> <li>- Director Breakfast Talk Class 2/2011</li> <li>- Financial Statements for Director Class 13/2011</li> </ul> <p>Thai Listed Companies Association</p> <ul style="list-style-type: none"> <li>- TLCA Executive Development Program Class 13/2014</li> </ul> <p>Federation of Accounting Professions</p> <ul style="list-style-type: none"> <li>- Risk Management (Advance) Class 2/2016</li> <li>- Risk Management (Standard) Class 2/2016</li> </ul> <p>King Prajadhipok's Institute</p>
<b>Training Courses</b>	<ul style="list-style-type: none"> <li>- Diploma, Public Economics for executive Class 11/2013</li> </ul> <p>Thammasat University</p> <ul style="list-style-type: none"> <li>- Thammasat Leadership Program (TLP) Class 5</li> </ul>
<b>Work Experience</b>	<ul style="list-style-type: none"> <li>- 2017 -Present Director / Risk Management Committee / Vice Chief Executive Officer / Chief Administrative Officer : Panjawattana Plastic Plc.</li> <li>- 2018--Present Director : Panjawattana (Jiangsu) Plastic Co.Ltd.</li> <li>- 2018--Present Director : Saeng Satta Co., Ltd</li> <li>- 2013 -2017 Director / Risk Management Committee : Panjawattana Plastic Plc.</li> <li>- 2013 -Present Director : Composite Holding Co., Ltd.</li> <li>- 2011 -Present Director : Elegance Packaging Co., Ltd.</li> <li>- 2011 -Present Director : PJ Composite Co., Ltd.</li> <li>- 2011 -Present Director : Panjawatna (Tianjin) Co., Ltd.</li> <li>- 2010 -Present Director : Thammanamai Health Cuisine Co., Ltd</li> <li>- 2011 -2013 Director / Executive Committee Member/ Vice President/ Chief Operating Officer and Supply Chain - Samutsakhon Branch : Panjawattana Plastic Plc.</li> <li>- 2008 -2011 Chief Operating Officer / Chief Human Resource Officer : Panjawattana Plastic Plc.</li> <li>- 2004-2008 Director, Course Director, Master's degree in Management : College of Management, Mahidol University</li> </ul>

**Current job positions in any listed company**

**Listed company** -None-

**Non-listed company** 7 Companies as follows ;

1. Panjawatna (Tianjin) Co., Ltd.
2. Elegance Packaging Co., Ltd.
3. PJ Composite Co., Ltd.

**Non-listed company**

4. Composite Holding Co., Ltd.
5. Thammanamai Health Cuisine Co., Ltd
6. Panjawattana (Jiangsu) Plastic Co.Ltd.
7. Saeng Satta Co., Ltd

**In any companies which may result in a conflict of interest with the Company** -None-

**First Appointment** 2011 28, January

**Term of office** 9 years

**Percentage of shares at 2019 31, December** Ordinary shares 35,688,640 shares, representing 6.22 percent

**Trading shares in 2019** -None-

**Percentage of shares of spouse and minors (as at December 31, 2019)** -None-

**Having the following parent relationship with Directors and Executives**

- Son of Mr. Kongsak and Mrs. Malee Hemmontharop
- Younger brother of Mr. Wiwat and Mr. Satit Hemmondharop

**Direct and indirect interests in the Company or in the relevant subsidiaries** -None-

**Meeting attendance in 2019**

Board of Directors	6/6
Risk Management Committee	2/2

## 7. Miss Charanya Sangsukdee

**Position** Director / Independent Director / Chairman of Audit Committee / Risk Management Committee Member

**Age** 55 years

**Education**

- Bachelor's degree in Management Science, Sukhothaimathirath Open University
- Master's degree in Business Administration, Kasetsart University
- Mini Master of Management Program NIDA, University of California at Berkeley, USA

**Training Courses**

- Thai Institute of Directors
- Financial Statements for Director Class 33/2017
- Board Matters & Trends Class 3/2017
- Audit Committee Forum Class 1/2016
- Family Business Governance for Sustainability Class 2/2015
- Anti-Corruption for Executive Program Class 14/2015
- Anti-Corruption: The Practical Guide Class 16/2015
- Monitor the system of Internal Control and Risk Class 7/2009
- Monitor of the Quality of Financial Reporting Class 9/2009

<b>Training Courses</b>	- Monitor the Internal Audit Function Class 6/2009
	- Monitor Fraud Risk Management Class 1/2009
	- Director Certification Program Class 96/2007
	- Audit Committee Program Class 27/2009
	- Director Accreditation Program Class 62/2007
<b>Work Experience</b>	- 2011–Present Director / Independent Director / Chairman of Audit Committee / Risk Management Committee Member : Panjawattana Plastic Plc.
	- 1997–Present Managing Director : Tax Specialist Co., Ltd.
	- 1996–Present Managing Director : Bangkok Training Center Co., Ltd.
	- 2007-2011 Audit Committee member / Independent Director : Group Lease Plc.
	- 2006-2011 Audit Committee member/Independent Director : Globlex Holding Management Plc

**Current job positions in any listed company**

**Listed company** -None-

**Non-listed company** 2 Companies as follows ;

1. Tax Specialist Co., Ltd.
2. Bangkok Training Center Co., Ltd.

**In any companies which may result in a conflict of interest with the Company** -None-

<b>First Appointment</b>	2011 28, January
<b>Term of office</b>	9 years
<b>Percentage of shares at 2019 31, December</b>	Ordinary shares 260,000 shares, representing 0.05 percent
<b>Trading shares in 2019</b>	-None-
<b>Percentage of shares of spouse and minors (as at December 31, 2019)</b>	-None-
<b>Having the following parent relationship with Directors and Executives</b>	-None-
<b>Direct and indirect interests in the Company or in the relevant subsidiaries</b>	-None-
<b>Meeting attendance in 2019</b>	Board of Directors 6/6
	Audit Committee 4/4
	Risk Management Committee 2/2

**8. Assoc. Prof. Dr. Aekkachai Nittayakasetwat**

<b>Position</b>	Director / Independent Director
	Audit Committee member / Chairman of Risk Management Committee
<b>Age</b>	55 years
<b>Education</b>	- B.Sc.(Chemical Engineering), Chulalongkorn University
	- Master's degree in Financial Management, National Institute of Development Administration
	- Doctoral degree in Finance, University of Mississippi

<b>Training Courses.</b>	Thai Institute of Directors : - Certificate of Attendance Director Certification Program Class 24/2017 - Certificate of Attendance Risk Management Program for Corporate Leaders Class 9/2017 - Certificate of Attendance Compensation Survey Class 1/2011 - Certificate of Attendance Risk Management Committees Program Class 2/2013 - Certificate of Attendance Role of the Compensation Committee Class 12/2011 - Certificate of Attendance Director Accreditation Program (DAP) Class 35/2005
<b>Work Experiences</b>	- 2011 – Present      Audit Committee member/Independent Director/Chairman of Risk Management Committee Panjawattana Plastic Plc. - 2011 – Present      Director/ Audit Committee member Stars Microelectronics (Thailand) Plc. - 2010 – Present      Independent Director/ Chairman of Audit Committee : UAC Global Public Company Limited (Old Name : Universal Adsorbents & Chemicals Plc.) - 2009 – Present      Director and Audit Committee member GT Wealth Management Co., Ltd. - 2008 – Present      Director/ Audit Committee Member Getabec Co., Ltd - 2006 – Present      Independent Director/ Audit Committee member TRC Construction Co., Ltd. - 2007 – 2010          Dean Faculty of Business Administration National Institute of Development Administration - 2004 – 2006          Deputy Dean Faculty of Business Administration National Institute of Development Administration
<b>Current job positions in any listed company</b>	
<b>Listed company</b>	- UAC Global Plc. - Stars Microelectronics (Thailand) Plc. - TRC Construction Plc. - Getabec Plc.
<b>Non-listed company</b>	1 Companies as follows ; 1) GT Wealth Management Co., Ltd
<b><u>In any companies which may result in a conflict of interest with the Company</u></b>	
<b>First Appointment</b>	2011 28, January
<b>Term of office</b>	9 years
<b>Percentage of shares at 2019 31, December</b>	Ordinary shares 156,000 shares, representing 0.03 percent
<b>Trading shares in 2019</b>	-None-
<b>Percentage of shares of spouse and minors (as at December 31, 2019)</b>	-None-
<b>Having the following parent relationship with Directors and Executives</b>	-None-
<b>Direct and indirect interests in the Company or in the relevant subsidiaries</b>	-None-
<b>Meeting attendance in 2019</b>	Board of Directors                      6/6 Audit Committee                              4/4 Risk Management Committee              2/2

**9. Mr. Natthawut Khemayotin**

<b>Position</b>	Director / Independent Director / Audit Committee member / Risk Management Committee member / Nomination and Remuneration Committee member	
<b>Age</b>	51 years	
<b>Education</b>	<ul style="list-style-type: none"> <li>- Bachelor's degree in Commerce and Accountancy, Thammasat University</li> <li>- Master's degree in Business Administration, University of Dallas, Irving, Texas</li> </ul>	
<b>Training Courses</b>	Thai Institute of Directors <ul style="list-style-type: none"> <li>- Driving Strategic Success with IT Governance (ITG) Class 3/2016</li> <li>- Remuneration Survey Reporting 2014</li> <li>- Risk Management Committee Program (RMP) Class 2/2013</li> <li>- Director Certification Program Class 70/2006</li> </ul>	
<b>Work Experience</b>	<ul style="list-style-type: none"> <li>- 2014-Present Director / Independent Director / Audit Committee member / Risk Management Committee member / Nomination and Remuneration Committee member : Panjawattana Plastic Plc.</li> <li>- 2011–2014 Director / Independent Director / Audit Committee member / Risk Management Committee member : Panjawattana Plastic Plc.</li> <li>- 2013–Present Managing Director : North Caribbean Inter Trade Co., Ltd.</li> <li>- 2004–Present Managing Director : Nu Na Co., Ltd.</li> <li>- 2005–2009 Managing Director : Globlex Holding Management Plc</li> <li>- 2002–2005 Assistant Director, The Board of Directors Bureau : Seamico Securities Plc.</li> <li>- 2001–2002 Senior Officer, Investment Banking Department : Thai Military Bank Plc.</li> </ul>	

**Current job positions in any listed company**

**Listed company** - None

**Non-listed company** 2 Companies as follows ;

1. Nu Na Co., Ltd.
2. North Caribbean Inter Trade Co., Ltd.

**In any companies which may result in a conflict of interest with the Company** -None-

<b>First Appointment</b>	2011 28, January								
<b>Term of office</b>	9 years								
<b>Percentage of shares at 2019 31, December</b>	Ordinary shares 260,000 shares, representing 0.05 percent								
<b>Trading shares in 2019</b>	-None-								
<b>Percentage of shares of spouse and minors (as at December 31, 2019)</b>	-None-								
<b>Having the following parent relationship with Directors and Executives</b>	-None-								
<b>Direct and indirect interests in the Company or in the relevant subsidiaries</b>	-None-								
<b>Meeting attendance in 2019</b>	<table> <tr> <td>Board of Directors</td> <td>6/6</td> </tr> <tr> <td>Audit Committee</td> <td>4/4</td> </tr> <tr> <td>Risk Management Committee</td> <td>2/2</td> </tr> <tr> <td>Nomination and Remuneration Committee</td> <td>1/1</td> </tr> </table>	Board of Directors	6/6	Audit Committee	4/4	Risk Management Committee	2/2	Nomination and Remuneration Committee	1/1
Board of Directors	6/6								
Audit Committee	4/4								
Risk Management Committee	2/2								
Nomination and Remuneration Committee	1/1								



● **Executives, Company's Secretary**

**1. Mrs. Prim Chaiyawat**

<b>Position</b>	President of Financial Officer/ Company's Secretary
<b>Age</b>	44 years
<b>Education</b>	<ul style="list-style-type: none"> <li>- Bachelor's degree in Commerce and Accountancy, Thammasat University</li> <li>- Master's degree in Business Administration, Kasetsart University</li> </ul>
<b>Training Courses</b>	<p>Thai Institute of Directors</p> <ul style="list-style-type: none"> <li>- Anti-Corruption the Practical Guide Class 36/2017</li> <li>- Audit Committee Program Class 37/2011</li> <li>- Monitoring Fraud Risk Management Class 6/2011</li> <li>- Effective Minute Taking Class 19/2011</li> <li>- Company Secretary Program Class 37/2010</li> <li>- Monitor of the Quality of Financial Reporting Class 9/2009 +</li> </ul> <p>Dharmniti Seminar and Training Company Limited</p> <ul style="list-style-type: none"> <li>- Thai Financial Reporting Standards No.15</li> </ul> <p>Department Of Industrial Promotion</p> <ul style="list-style-type: none"> <li>- Coaching For Logistics and Supply Chain Network</li> </ul> <p>Institute of Information and Communication Technology for Industries</p> <ul style="list-style-type: none"> <li>- Smart Factory for Industry 4.0</li> </ul> <p>Thai Listed Companies Association</p> <ul style="list-style-type: none"> <li>- Principal Law and related regulation of Listed Company Program Class 11/2014</li> <li>- Company Secretary Training Program Class 29/2014</li> </ul> <p>The Federation of Accounting Professions Under The Royal Patronage of His Majesty the King</p> <ul style="list-style-type: none"> <li>- Inspector feelings with AI technology and Block chain</li> <li>- Tell the story of fraud and Thai Financial Reporting Standards Class 1/2019</li> <li>- Data Analytics for Internal Auditor Class 2/2019</li> <li>- Accountant for Taxation (Class 104)</li> <li>- Accountant for Taxation (Class 105)</li> <li>- Principle Cyber security Fundamentals</li> <li>- TFRS 2018 Class 2/18 (Class 702)</li> <li>- Principle Internal Audit by J-SOX</li> <li>- Technical work flows Class 3</li> <li>- Technical work flows Class 4</li> <li>- Risk Management (Advance) Class 2/2016</li> <li>- Risk Management (Standard) Class 2/2016</li> <li>- Anti-Corruption in Organization Class 5</li> <li>- Consolidated Financial Management</li> <li>- Beyond Treasury Management</li> </ul> <p>Other</p> <ul style="list-style-type: none"> <li>- CFO Innovation Forum (CFO Innovation)</li> <li>- Certificate of Merger and Acquisition Analysis : Thailand Securities Institute</li> </ul>

<b>Training Courses</b>	- Certificate of Provision Raise Funds by Bond Issue : Thai BMA
	- Management Communication : Sasin Business English
	- Thailand CG Forum : Governance as a driving force for business sustainability : The Securities Exchange of Thailand
	- Draft Transfer Pricing Law : PWC
<b>Work Experience</b>	- 2014–Present      President of Financial Officer/ Company's Secretary : Panjawattana Plastic Plc.
	- 2011–2014      Finance Director/ Company's Secretary : Panjawattana Plastic Plc.
	- 2008–2011      Finance Director/ Company's Secretary : Panjawattana Plastic Co., Ltd.
<b>Work Experience</b>	- 2006–2007      Accounting Manager : Panjawattana Plastic Co., Ltd.
	- 2003–2006      Chief, Budget and Finance Section : Panjawattana Plastic Co., Ltd.
	- 2001–2002      Senior Tax Auditor Ernst & Young Corporate
	- 1997–2001      Senior Auditor Ernst & Young Office Limited

**Current job positions in any listed company**

**Listed company** -None-

**Non-listed company** -None-

**In any companies which may result in a conflict of interest with the Company** -None-

**First Appointment** -None-

**Term of office** -None-

**Percentage of shares at 2019 31, December**      Ordinary shares 340,000 shares,  
representing 0.06 percent

**Trading shares in 2019** -None-

**Percentage of shares of spouse and minors (as at  
December 31, 2019)** -None-

## 2. Mr. Seksan Sinbanluekul

<b>Position</b>	Chief Product Engineer and Development Officer
<b>Age</b>	46 years
<b>Education</b>	- Bachelor's degree in Plastic Technology, Rajamangala University of Technology
<b>Work Experience</b>	- 2016–Present      Chief Product Engineer and Development Officer : Panjawattana Plastic Plc.
	- 2011–2016      Research and Development Director : Panjawattana Plastic Plc.
	- 1996–2011      Research and Development Director : Panjawattana Plastic Co., Ltd.

**Current job positions in any listed company**

**Listed company** -None-

**Non-listed company** -None-

**In any companies which may result in a conflict of interest with the Company** -None-

**First Appointment** -None-

**Term of office** -None-



**Percentage of shares at 2019 31, December**

Ordinary shares 364,000 shares,  
representing 0.06 percent

**Trading shares in 2019**

-None-

**Percentage of shares of spouse and minors (as at  
December 31, 2019)**

-None-

● **The person supervising accounting**

**1. Miss Jittrapa Sirisumphan**

<b>Position</b>	Senior Accounting Manager
<b>Age</b>	37 years
<b>Education</b>	- Master of Science in Finance (English program), Faculty of Commerce and Accountancy, Chulalongkorn University - Bachelor of Business Administration, major in Accounting , Faculty of Commerce and Accountancy, Thammasat University)
<b>Training Courses</b>	Continuous training in accounting
<b>Work Experience</b>	2016–Present Senior Accounting Manager : Panjawattana Plastic Plc. 2014-2016 Business Planning Analyst manager: Alcon Laboratories (Thailand) Co.,Ltd. 2013-2014 Business Planning Analyst : Alcon Laboratories (Thailand) Co.,Ltd. 2012-2013 Accounting Manager : KSK Insurance (Thailand) PCL. 2011-2012 Audit Manager : Pricewaterhousecoopers ABAS Co.,Ltd. 2005-2011 Assistance Auditor : Pricewaterhousecoopers ABAS Co.,Ltd.

**Current job positions in any listed company**

**Listed company** -None-

**Non-listed company** -None-

**In any companies which may result in a conflict of interest with the Company** -None-

**First Appointment** -None-

**Term of office** -None-

**Percentage of shares at 2019 31, December** -None-

**Trading shares in 2019** -None-

**Percentage of shares of spouse and minors (as at December 31, 2019)** -None-

● **Head of Internal Audit**

**1. Miss Supattra Nitjaya**

<b>Position</b>	Head of Internal Audit
<b>Age</b>	31 years
<b>Education</b>	- Bachelor's Degree in Industrial Management Program, Dhurakij Pundit University
<b>Training Courses</b>	Federation of Accounting Professions under the Royal Patronage of His Majesty the King - Fraud Relation Basic Technology - Risk Assessment Method for Internal Audit Planning Entis Management - Successful Leaderships and Supervisory Skills Technique The Institute of Internal Auditors of Thailand (IIAT) - Compliance and Compliance Audit The Stock Exchange of Thailand - Key mechanisms for regulating and creating business value added. - Corporate Social Responsibility Management For sustainable development. The Securities and Exchange Commission, Thailand - Thailand's Investment Governance Code.
<b>Work Experience</b>	- 2015–Present      Head of Internal Audit : Panjawattana Plastic Plc. - 2014–2015      Internal Audit Officer : Panjawattana Plastic Plc. - 2013–2014      Qsys Auditor : Marine Gold Products Co., Ltd. - 2011–2013      Engineering Officer : : Index Interfern Co., Ltd.

**Current job positions in any listed company**

<b>Listed company</b>	-None-
<b>Non-listed company</b>	-None-
<b><u>In any companies which may result in a conflict of interest with the Company</u></b>	-None-
<b>First Appointment</b>	-None-
<b>Term of office</b>	-None-
<b>Percentage of shares at 2019 31, December</b>	-None-
<b>Trading shares in 2019</b>	-None-
<b>Percentage of shares of spouse and minors (as at December 31, 2019)</b>	-None-



**Directors and Executives with Controlling Power**

Name	Panjawattana Plastic Plc. Position	Subsidiaries				
		Mill Pack Co., Ltd. : MPC	Elegance Packaging Co., Ltd. : EPC	Panjawattana Plastic (Tianjin) Co., Ltd. : PJT	Plastech Lab Co., Ltd. : PTL	Panjawattana Plastic (Jiangsu) Co.Ltd. : PJJ
1. Dr. Damri Sukhotanang	Board Chairman / Independent Director	-	-	-	-	-
2. Mr. Kongsak Hemmontharop	Director	Director	Director	-	-	-
3. Mr. Wiwat Hemmontharop	Director / Chairman of the Board of Executive Directors	Director	-	Director	Director	Director
4. Mrs. Malee Hemmontharop	Director / Vice Chief Executive Officer	Director	Director	Director	Director	Director
5. Mr. Satit Hemmontharop	Director / Chief Executive Officer	Director	-	-	Director	-
6. Dr. Pirun Hemmontharop	Director / Vice Chief Executive Officer / Chief Administrative Officer	-	Director	Director	-	Director
7. Miss Charanya Sangsukdee	Chairman of Audit Committee / Independent Director	-	-	-	-	-
8. Assoc. Prof. Dr. Aekkachai Nittayakasetwat	Independent Director	-	-	-	-	-
9. Mr. Natthawut Khemayotin	Independent Director	-	-	-	-	-
10. Mrs. Prim Chaiyawat	Chief Financial Officer/ Company's Secretary	-	-	-	-	-
11. Mr. Seksan Sinbuntuekul	Chief Product Engineer and Development Officer	-	-	-	-	-

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