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## *Message from the Board*



To All Shareholders

In last 2014, Panjawattana Plastic Public Company Limited has strided into the third year to be the listed company in MAI Stock Exchange. The Company has overcome difficulties from variation of economic situation both in domestic and abroad, political problem and variation of manufacturing staple prices both for prior-expectation and occurred out of expectation. The management team, the board and working group have extremely coordinated even though the outcome was below expected target. Nevertheless, work team would like to promise that they will intent and dedicate both body and mind in development and creation to be the industrial leader.

For preparedness into excellency for entry into ASEAN Economic Community in 2016, the Company has expanded our plant of Chon Buri branch during the past 2 years in order to enhance production capacity of automobile parts; and has expanded the scope of new production line in spray painting plant in order to add values of work pieces. If full productivity is used, it will have the opportunity to generate revenue for 600 – 800 million Baht. However, in management of spray painting plant which is a complex work section applying high tech. The investment must be made in part of machineries and equipment as well as personnel with industrial knowledge and expert. The spray painting investment project has been considered as a challenge and turning point of which the Company must utterly attempt to stride over obstacles and enhance future competitive capacity. In part of plant of Samut Sakhon branch, the Company has expanded the plan in order to increase plastic packaging productivity for food industry and has also ordered new machineries for replacement of old unproductive machineries so as to enhance efficiency and reduce production costs.

The Company has targeted in 2015 operating plan for growth and gross profit margin in order to enable to respond maximize shareholder wealth and execute according to policy framework of corporate governance principle

for protection of all stakeholders' interests. The management team has expected that the Company passed zero in 2014 and the Company will be capable to operate improved turnover in 2015 on investment of different project completed in 2014. However, the Company has commenced the production in spray painting section in Q4 of Year 2014. Moreover, the economic overview with visions of several governmental agencies was that Thai economy has likely started having recovery signal and the estimation of production quantity of motor vehicle industry has been likely to be improved when compared with last year.

The Board of Directors and the management together with all of the Company's employees are proud for working. We are prepared in strictly aiming for maximum exploitation for the Company by adhering Good Corporate Governance Principle in accordance with international standard. In 2014, the Company was honored from the Stock of Exchange of Thailand to be granted for Top Corporate Governance Report Awards. We would like to promise to maintain such ideology to be better in order that our Company is continuously excellent in all areas for the step into being the Company with manufacturing standard, good governance management and competitiveness in world level.



(Mr. Satit Hemmondharop)  
Chief Executive Officer



(Dr. Damri Sukhotanang)  
Chairman of the Board



(Mr. Wiwat Hemmondharop)  
Chairman of Executive Board

## Audit Committee Report

To Shareholders of Panjawattna Plastic Public Company Limited

The Audit Committee Members of Panjawattana Plastic Public Company Limited have been experts in accounting, taxation, finance and management. In 2014, Corporate Governance and Audit Committee consists of 3 committee members including below independent directors.

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

All Audit Committee Members have been completely eligible and performed their duties as required the Charter of Audit Committee in consistence with the requirement and good practical guideline for Audit Committee of the Office of Securities and Stock Exchange Commission and Stock Exchange of Thailand.

The Audit Committee independently performed their duties according to the responsibility scope in assigned mission from the Board of Directors in helping the Board of Directors in audit and verification for the Company to have adequate corporate governance so that the Company's operation has been taken place for the shareholders' overall benefits without conflict of interest. The internal control system was adequately available and the executives performed their duties with honesty and responsibility, and in accordance with the Company's policy.

In 2014, the Audit Committee held 5 meetings in total by discussing and exchanging opinions with the executives, internal auditor and auditor in relevant matters, and concluded the essential points in function as follows.

### 1. Accuracy, Completeness and Reliability of Financial Report

The Audit Committee annually and quarterly verified financial statements and consolidated financial statements of the Company and its subsidiaries for Year 2014 by mutually considering from important accounting policy and significant financial report with the auditor and administration, and also giving useful advice as well as suggestion in order to ensure that the Company's prepared financial statement has been reliable and timely with disclosure of financial statement information to be adequate and useful for financial statement users in accordance with the criteria of Stock Exchange of Thailand, Office of Securities and Stock Exchange Commission, and Accounting Standard pursuant to Generally Accepted Accounting Principles.

Moreover, the Audit Committee attended a meeting with the auditor without attendance of the Company's management in order to inquire different issues from audit result of the auditor and

cooperation from management. The auditor had none of extraordinary information or observation from audit, and well cooperation from management or administration of the Company in auditor's function was informed.

## **2. Adequacy of Internal Control System, Risk Management, Good Corporate Governance, and Internal Audit.**

The Audit Committee verified audit result report of Internal Audit Office and of the auditor regarding assessment on internal control system, risk management, good corporate governance, business ethics, anti-corruption measure, and internal process about whistle-blowing receipt and complaint issue receipt to be in line with anti-corruption measure for good corporate governance as well as improvement of such function. The Audit Committee commented that the Company's internal control system was adequate and effective for business.

The Audit Committee considered the independence of Internal Audit Office, functional scope, annual audit program, and considered audit result report, follow-up corrective result according to audit report, suggested the functional development and improvement to be effective, considered appropriateness of budget, number of personnel, personnel development and training plan of Internal Audit Office to be in line with international standard. The Internal Audit Office was regularly discussed without presence of management.

The Audit Committee had the opinion that the Company's internal audit system and information management have been adequate, proper and effective. In addition, audit quality was developed to be in line with internal standard.

## **3. Compliance with Law of Securities and Stock Exchange, Requirement of Stock Exchange and Relevant Laws of the Company's Business**

The Audit Committee verified the Company's operation whether it was in line with Law of Securities and Stock Exchange, the Requirement of Stock Exchange of Thailand, and laws relevant to the Company's business. The change in various criteria affecting the Company's business operation was aware. The Audit Committee had the opinion that the Company has complied with the relevant laws without finding on substantial violation or non-compliance.

## **4. Appropriateness of Auditor, Consideration, Selection and Nomination of Auditor**

The Audit Committee considered and selected the auditor through the consideration on knowledge, experience and work quality of the auditor in last year period. The status of the auditor, substantial restriction, or requirement of Stock Exchange or other relevant agencies in order to ensure that the auditor was truly independent and impartial in function. The independence and performance for Year 2014 as the 6<sup>th</sup> year of audit firm were evaluated. However, the auditor who signed in certifying

financial statements since 2013 was changed. The overall performance was in satisfactory level with adequate independence.

The Audit Committee considered performance of the auditor of Dharmniti Auditing Company Limited and deemed that he or she well comprehended the corporate business, impartially and freely practice his or her occupation, and regularly delivered audited work according to time. They deemed as proper to propose the Board of Directors to request for appointment approval of the Shareholders' Meeting.

1. Mr. Poj Assawasantichai, Certified Public Accountant No. 4891; and/or
2. Mr. Thanawoot Piboonsawat, Certified Public Accountant No. 6699; and/or
3. Miss Salulsit Ardsawang, Certified Public Account No. 7517

of Dharmniti Auditing Company Limited has been the auditor of the Company and its subsidiaries for Year 2015. The accounting audit remuneration for Year 2015 has been determined to be increased from Year 2014 in part of auditing separate financial statements and annual consolidated financial statements, auditing financial statement of subsidiaries, and quarterly verifying such financial statements due to increase in business expansion and increase in the availability of subsidiaries, including audit and certification fee for compliance with the condition of Board of Investment (BOI) License for the amount of money not exceeding Baht 1,835,000. In case of establishment of subsidiaries during the year, audit fee has been determined for not exceeding Baht 100,000 per company. In case of additional audit and certification fee for compliance with the condition of Board of Investment (BOI) License, license audit fee has been Baht 40,000 so as to exclude other expenses such as travelling expense for provincial working, etc.

#### **5. Transactions Possibly Having Conflict of Interest**

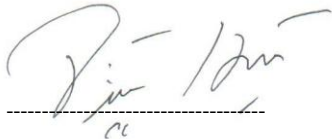
The Audit Committee regularly considered connected transactions or transactions that may have conflict of interest to be in line with laws and regulations as prescribed by Capital Market Supervisory Board and other agencies. The Internal Audit Office monitored and verified primary accuracy, and assigned the auditor to audit such transactions regularly every year.

The Audit Committee had the opinion that the connected transactions being considered have been the transactions within the scope of normal business having general commercial condition, rationality, fairness and maximum benefit to the Company.

#### **6. Function According to the Charter of Audit Committee**

Audit Committee appraised self-performance of Audit Committee by overall appraisal in individual groups for Year 2014. Audit Committee had general opinion that they completely and adequately performed their duties and responsibilities as specified in the Charter of Audit Committee

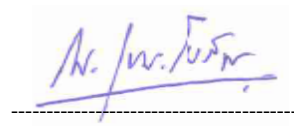
approved by the Board of Directors by applying knowledge, competence and carefulness and circumspection, unlimited freedom in information recognition. The Charter of Audit Committee was reviewed to ensure that the scope of functional duty has been effectively and completely defined according to the assignment of the Board of Directors to be in line with Good Corporate Governance Principle for equitable benefits for stakeholders.



(Miss Charanya Sangsukdee)  
Chairman of Audit Committee



(Assoc. Prof. Dr. Aekkachai Nittayakasetwat)  
Audit Committee



(Mr. Natthawut Khemayotin)  
Audit Committee

## Risk Management Committee Report

To Shareholders of Panjawattana Public Company Limited

Risk Management Committee of Panjawattana Plastic Public Company Limited consists of 5 committee members who are experts in different areas according to below names.

1. 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. Satit Hemmondharop	Risk Management Committee Member
5. Dr. Pirun Hemmondharop	Risk Management Committee Member

Panjawattana Plastic Public Company Limited has realized and foreseen the significance of risk management which is important for business operation. Therefore, it has been defined to be the policy for the Company to assess risk, arrange training to educate the operator who can control the risk of main operation that is an essential part toward business operation whether affects production, sales and management inside the organization. Moreover, the risk management result is reported to the Board of Directors for acknowledgement in order to ensure that it is in line with the determined objectives. In 2014, Risk Management Committee held 3 meetings in total with below significant agenda.

**1. 2014 Annual Risk Management Plan**

Risk Management Committee held the meetings with every work unit of the Company for proposal of risk management plan in order to be considered by Risk Management Committee, and mutually formulated risk management plan.

**2. Risk Assessment**

Risk Management Committee handled the assessment of risk impact toward target achievement in business operation of the Company and its subsidiaries and simultaneously arranged risk level from high to low, assigned the responsible persons in finding preventive and corrective method, and risk impact abatement into acceptable level.

**3. Risk Management**

Risk Management Committee governed risk management to cover all areas such as Strategic Risk, Operation Risk, Regulation Compliance Risk, and Financial Risk.

**4. Monitoring and Supervision on Risk Management**

Risk Management Committee monitored and supervised risk management result for acknowledgement on operating result and review for every 6 months whether determined risk management plan has still been effective enough and proper for internal and external situation of the Company in next 6 months period.



According to aforesaid risk management action plan in last 2014, the Company planned adequate and proper risk management. Even though occurred risk from external factors such as varied raw material prices, and decreased consumption in some industrial groups that cannot be entirely eliminated, however, the Company applied internal management method that resulted in diminished impact to acceptable level.

However, Risk Management Committee intents to determine and manage risk to prevent the occurrence of serious impact toward the Company's action plan for the Company's achievement, for maintaining maximum benefit of the shareholders and people concerned afterward.



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(Assoc. Prof. Dr. Aekkachai Nittayakasetwat)  
Chairman of Risk Management 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.



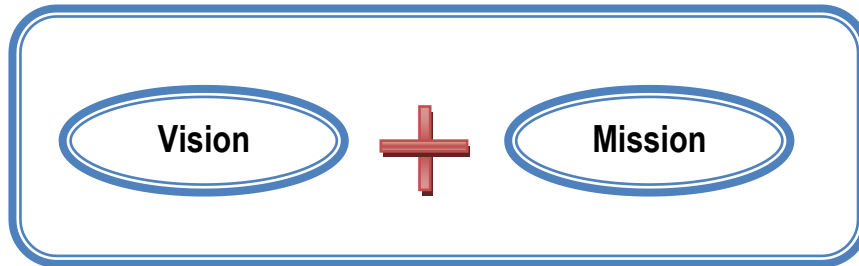
## **Mission:**

“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.”



**Core Value:**



**Generate Partnership**

Relationship...and unity



**Race with Business Dynamism**

Business flow...endless dynamic



**Observe Trustworthiness**

Reliability...sustainably steadfast



**Work of Excellence**

Efficiency... stronghold

Together We **GROW**

## Significant Changes and Developments

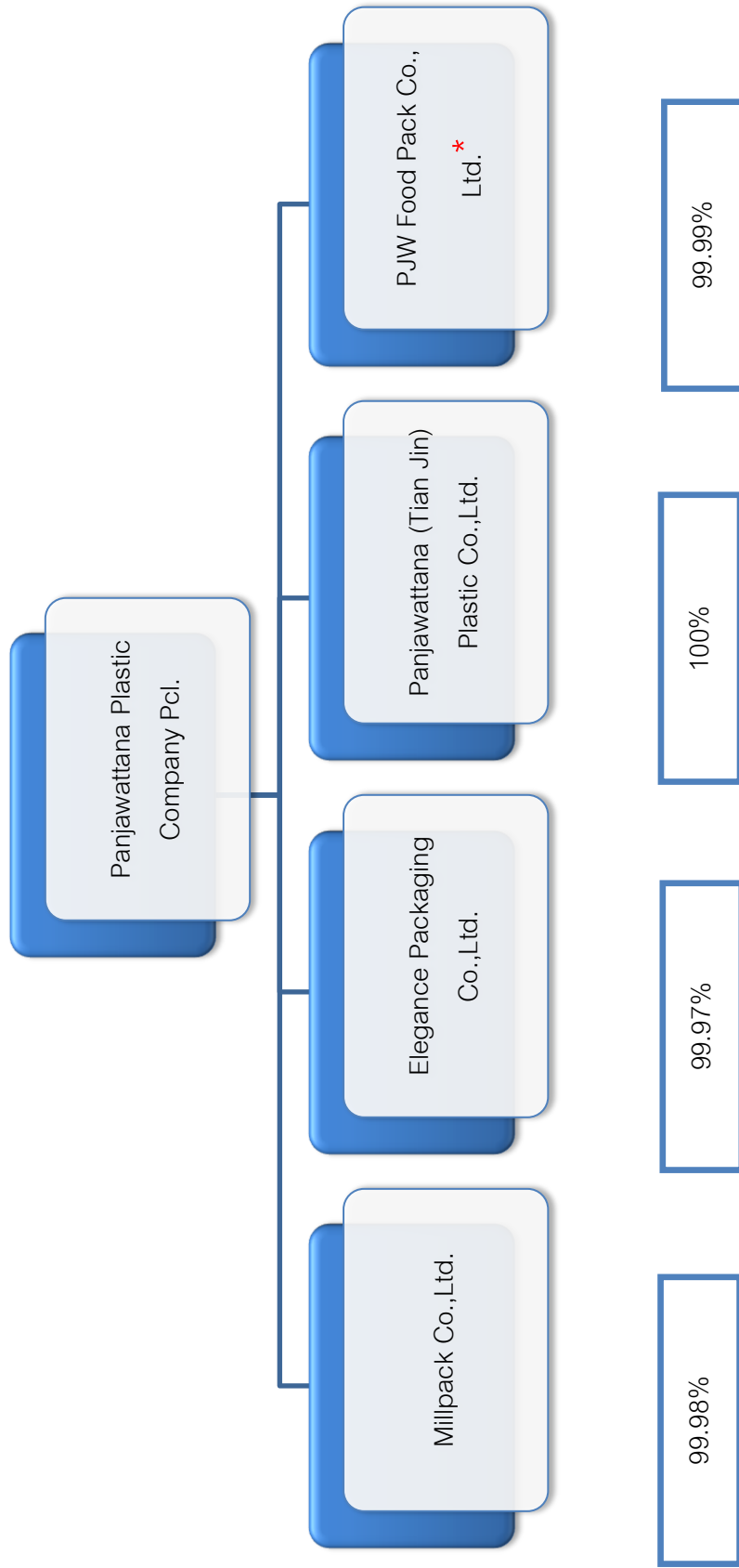
The Company's Significant Changes and Developments in the past 4 years in details are as follows:

Year	Significant Changes and Developments
2011	<ul style="list-style-type: none"> <li>● The company established a subsidiary in People 's Republic of China under the name of Panjawattana (Tian Jin) Plastic Company Limited on 14 February 2011 to produce and sell plastic packages for lubricant for customers in China. The registered capital already called upon payment was USD 900,000.</li> <li>● For the company group restructuring, the company bought shares of other companies , making it become a subsidiary of the current company as follows:             <ul style="list-style-type: none"> <li>- MILLPACK COMPANY LIMITED: 997 shares were bought in total from the former shareholders, THB 2,500 per share, totaling THB 2,492,500 on 1 March 2011</li> <li>- ELEGANCE PACKAGING COMPANY LIMITED: 9,997 shares were bought in total from the former shareholders, THB 100 per share, totaling THB 999,700 on 1 March 2011</li> </ul> </li> <li>● MILLPACK COMPANY LIMITED, Bangkok branch accepted BOI investment support from The Board of Investment of Thailand (BOI) for the benefits of corporate tax and for the foreign machines import tax exception in May 2011.</li> <li>● The company bought additional land at Pin Thong 2 industrial estate for 6-2-70.3 rai to support the growth and expansion in the future. As this additional land was next to the one the company bought at the end of 2009, the total land at Pin Thong 2 industrial estate was 18-2-70.3 rai. The company constructed the new factory on the land bought at the end of 2009 and began the manufacturing in the 4th quarter of 2011. The additional land the company bought later was for the productivity ratio expansion , which the executive team expected to begin the construction in 2013.</li> <li>● In August 2011, the company approved Panjawatana (Tian Jin) Plastic Company Limited to increase the registered capital already called upon payment for USD 1,300,000, causing Panjawatana (Tian Jin) Plastic Company Limited's registered capital already called upon payment to be USD 2,200,000.</li> <li>● At the Uncommon Shareholders' Meeting No. 4/2011 on 4 August 2011, the company increased the registered capital already called upon payment for THB 36 million, consisting of 36,000 common shares, THB 1,000 per share. The shares were offered for sales to the existing shareholders, investors and the company's employees with the price of THB 1,000 per share, leading the company to have registered capital already called upon payment of THB 220 million in total.</li> <li>● In the Uncommon Shareholders' Meeting No. 5/2011 on 5 September 2011, the resolution</li> </ul>

Year	Significant Changes and Developments
	<p>was that the company was to change the value of the shares from THB 1,000 per share to THB 0.50 per share. Moreover, the company was to increase its registered capital from THB 220 million to THB 276 million by oissuing new 112 common shares, THB 0.50 per share company increased the registered capital already called upon payment for THB 36 million, consisting of 36,000 common shares, THB 1,000 per share. 108 million shares were offered for sales to public and 4 million shares to the company's Committee, Executives and employees. The company was also to be convereted to a public company and change its name into Panjawattana Plasic Public Company Limited.</p> <ul style="list-style-type: none"> <li>● The company registered to change itself into a public company and its name into Panjawattana Plasic Public Company Limited on 8 September 2011.</li> <li>● MILLPACK COMPANY LIMITED was approved of the investment support from the Investment Support Committee as per the Investment Support Charter No. 1379(5)/2556. The Committee approved the support on 26 September 2011.</li> <li>● In December 2011, the company approved Millpack Company Limited to increase the registered capital ahead called upon payment for THB 15,000,000, causing Millpack Company Limited to have registered capital ahead called upon payment of THB 30,000,000.</li> <li>● In December 2011, the company requested Thailand Board of Investment for the tax privilege from The Board of Investment of Thailand (BOI) for the benefits of corporate tax and for the foreign machines import tax exception.</li> <li>● MILLPACK COMPANY LIMITED, Samutsakhon branch accepted BOI investment support from The Board of Investment of Thailand (BOI) for the benefits of corporate tax and for the foreign machines import tax exception in December 2011.</li> </ul>
2012	<ul style="list-style-type: none"> <li>● The company was approved of the investment support from the Investment Support Committee as per the Investment Support Charter No. 1745(2)/2555. The Committee approved the support on 16 January 2012.</li> <li>● The company increased the registered capital from THB 220 million to THB 276 million on 3 February 2012.</li> <li>● The company begun trading shares in Stock Exchange of Thailand on 28 February 2012 for the first time.</li> <li>● MILLPACK COMPANY LIMITED was approved of the investment support from the Investment Support Committee as per the Investment Support Charter No. 1882(5)/2555. The Committee approved the support on 3 April 2012.</li> </ul>

Year	Significant Changes and Developments
2013	<ul style="list-style-type: none"> <li>● The company invested in constructing a spray painting and a plastic container factory at Pin Thong 2 industrial estate in Chonburi in order to meet the demand of automobile parts market. They were approved of the investment support from the Investment Support Committee as per the Investment Support Charter No. 1044(2)/2557. The Committee approved the support on 16 October 2013.</li> </ul>
2014	<ul style="list-style-type: none"> <li>● The company established a subsidiary under the name PJW Drink Tech Company Limited on 10 February 2014 to produce and sell non-alcohol beverage with the registered capital of THB 1,000,000 in the beginning.</li> <li>● Increasing the registered capital of Panjawattana (Tian Jin) Plastic from USD 2.2 million to USD 2.5 million.</li> <li>● The company established a subsidiary under the name PJW Food Pack Company Limited on 1 September 2014 to produce and sell food and non-alcohol beverage packaging with the registered capital of THB 20,000,000 in the beginning. The company made the dissolution of PJW Drink Tech Company Limited on 16 December 2014 because of management underneath same group of industrial within PJW Food Pack Company Limited.</li> <li>● The company has awarded the Top Corporate Governance Report Awards 2014 on 27 November 2014</li> </ul>

The Company Group's Shareholding Structure



Note: \* The company's Committee has resolution to establish the company on 14 August 2014

### Overall Picture of the Subsidiaries' Business Performance

	Company	Shareholding Proportion (%)	Products
1.	Millpack Co.,Ltd	99.98	Plastic packages, focusing on lubriant plastic packages for small-and-medium-sized customers
2.	Elegance Packaging Co.,Ltd	99.97	Lubricant bottles' lids.
3.	Panjawattana (Tian Jin) Plastic Company Limited Co.,Ltd	100.00	lubriant plastic packages for customers in People 's Republic of China.
4.	PJW Food Pack Co., Ltd	99.99	Food packaging and Non-alcohol beverages.

### The Relationship with Business Group of the Major Shareholders

Mainly, the companys business has no significant relationship with the business of the major shareholders, except for some property renting transactions of which the details are in Inter-Transaction Management and Governance topic.



## 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 four 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 Tian Jin, 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. Fresh milk and yoghurt milk packaging
3. Consumer goods packaging and Agro chemicals packaging
4. Automotive plastic parts

PJW's revenue structure classified by type of customers, for the years 2012-2014

### Income Structure Classified by Geography

	2012		2013		2014	
	MB	%	MB	%	MB	%
Domestic sales	1,899.76	94.19	1,960.52	92.64	2,148.68	93.40
Abroad sales	110.27	5.47	148.64	7.03	146.23	6.36
<b>Gross sales</b>	<b>2,010.03</b>	<b>99.66</b>	<b>2,109.16</b>	<b>99.67</b>	<b>2,294.91</b>	<b>99.75</b>
Other income	6.92	0.34	7.05	0.33	5.64	0.25
<b>Total income</b>	<b>2,016.95</b>	<b>100.00</b>	<b>2,116.21</b>	<b>100.00</b>	<b>2,300.55</b>	<b>100.00</b>

### Income Structure Classified by groups of products

	2012		2013		2014	
	MB	%	MB	%	MB	%
Lubricant packaging	1,206.70	59.83	1,280.53	60.51	1,364.67	59.32
Milk and yoghurt milk packaging	270.79	13.42	288.59	13.64	326.35	14.18
Consumer goods and chemical liquid	193.78	9.61	246.44	11.64	238.16	10.35
Automotive parts	338.76	16.80	293.60	13.88	365.73	15.90
<b>Gross sales</b>	<b>2,010.03</b>	<b>99.66</b>	<b>2,109.16</b>	<b>99.67</b>	<b>2,294.91</b>	<b>99.75</b>
Other income	6.92	0.34	7.05	0.33	5.64	0.25
<b>Total income</b>	<b>2,016.95</b>	<b>100.00</b>	<b>2,116.21</b>	<b>100.00</b>	<b>2,300.55</b>	<b>100.00</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 fresh 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.



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;

		Panjawattana Plastic Public Co., Ltd.			Milk Pack Co., Ltd.	
					Bangkok Branch	Samutsakhon Branch
Investment Promotion Certificate		1080(10)/2553	1745(2)/2555	1044(2)/2557	1379(5)/2556	1882(5)/2555
Effective Date		April 1, 2010	March 10, 2012	March 28, 2014	October 5, 2011	May 31, 2012
Expiry Date		March 31, 2017	March 9, 2019	March 27, 2021	October 4, 2019	May 30, 2020
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 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

		Panjawattana Plastic Public Co., Ltd.			Milk Pack Co., Ltd.	
					Bangkok Branch	Samutsakhon Branch
3	Exemption/reduction of import duty for machines which are approved by BOI committee	Exempted (must import within July 27, 2012)	Exempted (must import within December 18, 2014)	Exempted (must import within July 7, 2016)	Exempted (must import within September 15, 2015)	Exempted (must import within January 9, 2015)
4	Exemption of withholding tax for dividend paid to the Company's shareholders	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 (1) jointly determination between the Company and its customers before starting of production process; and (2) 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 4 manufacturing plants. The 3 plants are located in Thailand; Bangkok, Samutsakorn province, Chonburi province; and another plant is located in Tienjin, 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 pallets 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**

From Thai economic situation in 2014, Gross Domestic Product (GDP) grew for 0.7% compared with the growth for 2.9% in 2013. The declined growth was due to the decrease in governmental sector investment for 6.1%, decrease in private sector investment for 1.9%, and decrease in production in industrial sector for 1.1% with average capacity utilization at 60.5%, decrease in hotel and construction sector production for 3.8% and 2.1%, respectively. In estimation in 2015, Thai economy tendency will grow for 3.5 – 4.5% with inflation rate in 0.0 – 1.0% and balance on current account for 4.9% of GDP<sup>1</sup>.

Motor vehicle industry in 2014 after ending First Car Measure has still affected domestic car sales and production quantity to be diminished for 23.5% and 39.6%<sup>2</sup>, being the negative factor affecting economic expansion of Thailand. However, domestic car sales information indicated that the adjustment has passed zero in Q2. Total car production quantity for 2014 was at 776,000 cars which was normal sales quantity in 2010 and 2011 before having First Car Measure.

According to the trend of motor vehicle industry in 2015, car sales and production quantity will start returning to grow and support economic expansion again. It has been expected that domestic sales and

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<sup>1</sup> The Office of the National Economic and Social Development Board

<sup>2</sup> The Office of Industrial Economics

production quantity will not below 2.0 million cars and 780,000 cars<sup>1</sup> from overall economic recovery trend and capacity expansion to support liberalization under AEC Framework Agreement on 31 December 2015.

Car Sales and Production Quantity (Source: The Office of Industrial Economics)

(Unit :100,000 cars)	2010	2011	2012	2013	2014
Production	16.29	14.54	24.38	24.26	18.55
(%YOY)	54.74	-10.69	67.65	-0.49	-23.54
Sales of Passenger Cars	7.47	7.20	13.75	12.85	7.76
(%YOY)	45.17	-3.62	90.97	-6.51	-39.63
Sales of Passenger Cars	3.54	3.56	6.83	6.48	3.53
(%YOY)	44.44	0.56	91.81	-5.07	-45.51
Export Quantity	8.73	7.80	10.20	11.11	11.18
(%YOY)	50.34	-10.68	30.81	8.89	0.68

Retail and wholesale sector in 2014 grew for 0.6 % with accelerated growth according to the recovery for the consumption of household sector. The consumer confidence was found in Q4 for 2.3% of growth when compared with Q3 and Q2 that grew for just 0.6% and 0.2%. Most of retail indices increased from previous quarter particularly increase in beverage and food product category for 35.9%, increase in drug for 9.5%, increase in textile for 8.1%, and increase in sales in department stores for 3.9%. However, wholesale index in fuel category expanded for 0.6%, decelerating from 7.8% of growth of last quarter.<sup>3</sup>

The trend of total consumer spending in 2015 has been expected on growth for 3.4%, increasing from 0.7% in 2014. The consumer spending of private sector has been expected on growth for 2.9%, improving from 0.3% in 2014, and the consumer spending of governmental sector has been expected on growth for 5.6%, improving from 2.8% in 2014 according to the acceleration on the governmental sector's disbursement.

From the trend of economic situation as forecasted by several parties including private sector and government sector agencies, it will likely positively affect automobile parts and packaging industries. However, competitive condition has still been continuous from surplus production of private sector that supply quantity has been more than demand quantity that has not yet highly grown. The Company's administration then has developed the product quality and upgraded service and production standard level to be accepted by customers and to maintain the marketing position of the industry for continuously sustainable growth of the organization.

<sup>1</sup> The Office of the National Economic and Social Development Board

## Risk Factors

The Company is aware of the risks and has monitored impacts of the events that may create some risks for its business periodically. To ensure effective and rigorous risk management, the Company has appointed Risk Management Committee and related high executive team to perform the duties in analyzing risk factors and assessing associated risks, and thus to set adequate measures to prevent or manage the risks. The Risk Management Committee will at least submit a semi-annual report to the Audit Committee and the Board of Directors for consideration. The risks that may have significant impacts on the Company are summarized below:

### **1. Risk from variation in raw material prices**

Plastic industry is the one of many industries which receives material impact from oil prices because it relates directly to petroleum industry and petrochemical industry, upstream of plastic manufacturing process. Thus, prices of major raw materials such as PE and PP, the production costs of plastic industry, could be relied on global oil prices which are beyond controlled by the Company. When the raw materials' prices are increased, they will have direct effect on production cost and the Company's performance. Although, the Company is able to negotiate the selling prices adjustment with most of the Company's customers, this process requires some period of time to notify them. As a result, the Company has to responsible for such increased cost for a while.

It is expected that global economic will be recovered in 2014, prospective sign in United State of America trend to increase whereas many countries in European community have not recovered well including China and Japan as the same downtrend side. The oil demand seems to be decreased accordingly finding of shale oil which is a new source; could reduce critical level of oil supply. As a result, oil price is expected to have decreased significantly as well as prices of plastic raw materials will trend to decline in 2015.

Nevertheless the company has risk management policy to protect fluctuated plastic resin price which the company has followed up for raw material price movements on the global market closely, analyzes price trend in each period of time for purchasing plan, and estimates the Company's raw material demand in each period and seeks to plastic resin suppliers in foreign country; so that it can maximize efficiency in management of raw materials purchasing.

## **2. Risk from changing of consumer's trend and behavior**

Eco trend can create more consumers and entrepreneurs' awareness on environmental impact and may also change consumers' behavior to focus on buying eco-friendly products, e.g. selecting of a bio plastic product instead of a 100% plastic product. Bio plastic is a good choice for eco-friendly as it is made from agricultural products with different process from general plastics. Thus, changing in consumers' trend will have some impact to the Company then it prepares itself to handle for all changes.

However, the ratio of bio plastic is less user and higher cost, compared to general plastic, because cost of planting is higher than fossil oil. General plastic not only has advantage of low-cost fossil oil, but also has economy of scale. Moreover, the specification of bio plastic cannot make 100% replacement of general plastic. It require some time for development. As a result, bio plastic is only one choice of consumers and can grow up only in the niche market. However the company has studied and monitored its consumer's behavior trend closely so as to aware ourselves about properly investment period if it has potential market demand.

## **3. Foreign Exchange Risk**

Under uncertainty of global economy and dynamic situation of local economy can cause foreign exchange risk on capital movement for entrepreneurs, both importer and exporter, and affect their performance and business operation capabilities. Although, the Company has not received any impact on exchange rate variation for an exporter, as it is an importer of machine and raw material, Baht depreciation or foreign currency appreciation affect its production cost. Hence, the Company has studied how to prevent foreign exchange risk by monitoring foreign currency movement closely, including study some review about foreign currency movement. In addition, the Company considers entering forward contract, for buying foreign currency in advance under the adequate circumstance, to prevent or reduce loss from changing in currency value.

## **4. New Entry Risk**

As the businesses of plastic packaging and automotive parts require low investment and have simple structure, there are some risks from new entry, including a customer who plans to have its own manufacturing plant to produce plastic package. The ASEAN Economic Community (AEC) also helps to increase the market's freedom and facilitate plant movement, so the number of competitors can be increased easily with more seriousness of price competition.

However, with long-term experience of the Company, together with development of products' quality, there is low risk from new entry. As the Company's customers consider mainly on products' quality rather than low price, thus the Company responds customers' need by supporting product research and development, finding new technology to improve production process for better quality and low cost of products. As a result, the customers can receive good quality product with reasonable price.

#### **5. Global Economic Risk and Uncertainty in Thailand**

Regarding uncertainty of global economic trend, including the economy of U.S. which is expected to have good improvement, there still be some index in showing slightly increase. The other problems are public debts in EU and economic recession in Asia, especially in China, Japan, and India. Economic recession, which has some impacts on economic system of Thailand and SEA, is a risk factor affecting revenue growth of the Company's business regarding investment to support market expansion of automotive parts and packaging industry, i.e. lubricant, milk package, consumer products, and chemical liquid.

Moreover, the political issue in Thailand, political movement of different party has still some effect consumer confidence, As the Company has realized and focused the risks and possible exposures both domestic and international, the Company has risk management with diversified in revenue in each business sectors without concentrated only specific business sectors, such as diversified to milk and consumer product packaging industries which the market growth is more stable, and not volatile from impacted economic factor changes. In addition, the Company has increased in indirect export sales from lubricant packaging, automotive part, and milk packaging to high potential economic growth countries, such as Indonesia, Latin America, and Singapore, expansion of market in abroad by having lubricant packaging manufacture plant in China. The Company also has financial policy management by monitoring the capital structure in debt to equity ratio and debt payment abilities from time to time, in order to have confident that the Company's financial status is strength and sufficient to be able to confront the uncertainty and volatility of economic system in the future.

#### **6. Risk from a lack of long-term contracts**

In the plastic packaging business, sales are usually executed through a short-term agreement of around 1-2 years. In some cases, sales are settled without a contract, but merely through a purchase order, depending on the contracting policy of each customer. As for the segment acquired by the Company through bid competition with other suppliers, the customers will upon expiry of the contract arrange a new round of

supplier selection. Hence, the Company may risk losing this customer segment, if it is not re-selected. Nonetheless, based on the historical records, the Company has been continuously awarded a contract renewal from these customers. Thanks to its good quality products and on time delivery services, and capability to expand production to meet the customers' demand, the customers have all along had trust in the Company.

As regards the automotive parts segment, risk of the termination of the supply contract is very low since the customers will not change a supplier until the end of the product life cycle, which is around 5-7 years or more based on the model and nature of products in each industry. In addition, it takes a long time in quality testing before the customers are confident and agree to place orders for the products. The customers will not shift to other producers insofar as the Company remains able to supply parts that meet the customers' satisfaction. However, the Company has diversified its risk from lack of long-term agreement by contacting customers in various industries and there was not any customer with sales volume more than 30% of total sales.

**7. Risk from major shareholders' group possess the ordinary shares more than 60%**

The major shareholder's company is Hemmondharop's group, which has ordinary shares equal to 66.27% on 18 March 2015 more than 60%. So they have power to dominate and influence in the company at shareholders' meeting except agenda comply with the regulation of company about right vote more than 3 in 4 of shareholders' vote at meeting. Thus the other shareholders have some risk not to enable winning vote for examination and taking balance major shareholder proposal at meeting.

Nevertheless the company has taken balanced control by organization structure including minor committee such as Audit Committee, Risk management Committee, Nomination and Remuneration Committee and Executive Committee. Each committee has authorization and determination obviously.

However the company has appointed four independent directors of whole nine company's directors. Independent directors included Audit Committee three persons and Board of Directors Chairman one person which were 44.44% of taking balance in consideration each agenda for submission to shareholders' meeting approval. Beside the lists are related to directors or major shareholder and everyone who have conflicted in those lists, they cannot vote for approval those lists.

## GENERAL INFORMATION AND OTHER KEY INFORMATION OF THE COMPANY

<b>Company Name</b>	: PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED
<b>Registration Number</b>	: 0107554000208
<b>Authorized Capital</b>	: 552,000,000 ordinary shares at par value of Baht 0.50, total in amount of Baht 276,000,000
<b>Registered Address (Head Office)</b>	: No. 19, 21, Soi Ekkachai 63, Ekkachai Road, Bang Bon Sub-district, Bang Bon District, Bangkok 10150 Telephone Number: 0-2415-1894 Facsimile Number: 0-2415-0951
<b>Samuthsakhon Branch</b>	: 28 Moo 2 Chaimongkol Sub-district, Muang District, Samutsakhon Province 74000 Telephone Number: 0-2150-5988 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: 0-3834-7187-8 Facsimile Number: 0-3834-7189
<b>Homepage</b>	: <a href="http://www.pjw.co.th">www.pjw.co.th</a>
<b>Nature of Business</b>	: Manufacturing and distribution of quality plastic packaging, automotive parts and materials from plastic imitation under the well-known brand for the industry and other consumers
<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. 169
<b>Contact the Audit Committee's Secretary (For complain, notice about corruption clue, and/or infringement of code of conduct and/or good corporate governance)</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>

## GENERAL INFORMATION OF SUBSIDIARIES

<b>Company Name</b>	: MILK PACK COMPANY LIMITED
<b>Authorized Capital</b>	: 12,000 ordinary shares at par value of Baht 2,500 total in amount of Baht 30,000,000
<b>Registered Address</b>	: No. 19, 21, Soi Ekkachai 63, Ekkachai Road, Bang Bon Sub-district, Bang Bon District, Bangkok 10150 Telephone Number: 0-2898-0018 Facsimile Number: 0-2898-0633
<b>Nature of Business</b>	: Manufacturing of plastic packaging, mainly used for lubricant packaging for medium and small customers
<b>Company Name</b>	: ELEGANCE PACKAGING COMPANY LIMITED
<b>Authorized Capital</b>	: 10,000 ordinary shares at par value of Baht 100 total in amount of Baht 1,000,000
<b>Registered Address</b>	: No. 19, 21, Soi Ekkachai 63, Ekkachai Road, Bang Bon Sub-district, Bang Bon District, Bangkok 10150 Telephone Number: 0-2150-5988 Facsimile Number: 0-2150-5987
<b>Nature of Business</b>	: Lubricant Bottle Cap
<b>Company Name</b>	: PANJAWATTANA (TIEN JIN) PLASTIC COMPANY LIMITED
<b>Authorized Capital</b>	: US Dollar 2,500,000 ( <i>Increased Authorized Capital from US Dollar 2,200,000 to US Dollar 2,500,000 in 2014</i> )
<b>Registered Address</b>	: Building no.4, Hongtai Industrial Estate, No. 78 Taihua Road, Tianjin Economic-Technologic Development area, Tianjin, China 300400 Telephone Number: (+86) 22-2532-7703 Facsimile Number: (+86) 22-2532-7723
<b>Nature of Business</b>	: Manufacturing of lubricant packaging for customers in Republic of China



**Company Name** : PJW FOOD PACK COMPANY LIMITED

**Authorized Capital** : 2,000,000 ordinary shares at par value of Baht 10 total in amount of Baht 20,000,000  
*(Registered as the Company on September 1, 2014)*

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

**Nature of Business** : Manufacturing and distributing of food packaging and non-alcohol drinks

#### OTHER REFERENCES

**Securities Registrar** : Thailand Securities Depository Co., Ltd.  
62 Rajadapisek Road, Klongteoy Sub-district, Klongteoy District, Bangkok 10110  
Telephone Number: 0-2229-2888

**Auditor** : Dharmniti Auditing Co., Ltd  
267/1, Pracharat 1 Road, Bang Sue Sub-district, Bang Sue District, Bangkok 10800  
Telephone Number: 0-2587-8080

**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

# BOARD OF DIRECTORS

คณะกรรมการบริษัท



**Dr. Damri Sukhotanang**

- Board Chairman
- Independent Director
- Chairman of Nomination and Remuneration Committee



**Mr. Kongsak Hemmontharop**

- Vice Chairman
- Director



**Assoc. Prof. Dr. Aekkachai Nittayakasetwat**

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



**Mr. Natthawut Khemayotin**

- Independent Director
- Risk Management Committee
- Audit Committee
- Nomination and Remuneration Committee



**Miss Charanya Sangsukdee**

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



**Mrs. Malee Hemmontharop**

- Director
- Executive Committee



**Mr. Wiwat Hemmondharop**

- Director
- Chairman of the Board of Executive Committee
- Nomination and Remuneration Committee



**Mr. Satit Hemmondharop**

- Director
- Executive Committee
- Risk Management Committee



**Dr. Pirun Hemmondharop**

- Director
- Risk Management Committee

## BOARD OF DIRECTORS

### AUDIT COMMITTEE

### RISK MANAGEMENT COMMITTEE

### NOMINATION AND REMUNERATION COMMITTEE

#### Board of Directors

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

#### Audit Committee

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

#### Risk Management Committee

1. Assoc. Prof. Dr. Aekkachai Nittayakasetwat	Chairman
2. Miss Charanya Sangsukdee	Member
3. Mr. Natthawut Khemayotin	Member
4. Mr. Satit Hemmondharop	Member
5. Dr. Pirun Hemmondharop	Member

#### Nomination and Remuneration Committee

1. Dr. Damri Sukhotanang	Chairman
2. Mr. Natthawut Khemayotin	Member
3. Mr. Wiwat Hemmondharop	Member

## Shareholders

### Shareholders Structure

As at December 30, 2014 the Company has paid capital of Baht 276,000,000, divided into 552,000,000 ordinary shares with a par value of Baht 0.50.

As at December 30, 2014, top 10 Company's major shareholders are shown below;

Shareholders' lists			As at December 30, 2014	
			Number of shares	%
<b><u>The Hemmontharops</u></b> <sup>1/</sup>				
1	Mrs. Malee	Hemmontharop	110,382,572	20.00
2	Mr. Kongsak	Hemmontharop	102,086,000	18.49
3	Mr. Wiwat	Hemmondharop	72,154,000	13.07
4	Mr. Satit	Hemmondharop	42,661,428	7.73
5	Dr. Pirun	Hemmondharop	34,316,000	6.22
6	Mr. Charvan	Hemmondharop	4,968,500	0.90
<b>Total</b>			<b>366,568,500</b>	<b>66.41</b>
<b><u>Fund</u></b>				
1	Bualuang Siriphol Corporate Governance		18,095,800	3.28
2	Bualuang Siriphol Corporate Governance RMF		14,592,700	2.64
3	Bualuang Small-Mid Cap RMF		9,860,000	1.79
<b>Total</b>			<b>42,548,500</b>	<b>7.71</b>
<b><u>The Other shareholders in top 10 list</u></b>				
1	Mr. Rachain	Krisaram	7,780,000	1.41
2	Mr. Sunthorn	Sripatchayanan	6,836,600	1.24
<b>Total</b>			<b>14,616,600</b>	<b>2.65</b>
<b><u>Other minor shareholders</u></b>			<b>128,266,400</b>	<b>23.23</b>
<b>Total</b>			<b>552,000,000</b>	<b>100.00</b>

1/ 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, 2014

Name - Surname	Position	Number of shares owned by them (%)		
		01/01/2014	Increased (decreased) during the year	31/12/2014
1. Dr. Damri Sukhotanang	Board Chairman/ Independent Director/Nomination and Remuneration Committee Chairman	0.05%	-	0.05%
2. Mr. Kongsak Hemmontharop	Vice Chairman	18.49%	-	18.49%
3. Mr. Wiwat Hemmondharop	Director/ Chairman of The Board of Executive Directors/Nomination and Remuneration Committee Member	13.07%	-	13.07%
4. Mrs. Malee Hemmontharop	Director/ Vice President/Executive Committee	31.04%	Decreased 11.04%	20.00%
5. Mr. Satit Hemmondharop	Director/ Executive Committee Member/ Chief Executive Officer/ Risk Management Committee Member	1.45%	Increased 6.28%	7.73%
6. Dr. Pirun Hemmondharop	Director/ Risk Management Committee Member	1.45%	Increased 4.77%	6.22%
7. Miss Charanya Sangsukdee	Director/ Independent Director/ Audit Committee Chairman/Risk Management Committee Member	0.05%	-	0.05%
8. Assoc. Prof. Dr. Aekkachai Nittayakasetwat	Director/Independent Director/ Audit Committee Member/ Risk Management Committee Chairman	0.03%	-	0.03%
9. Mr. Natthawut Khemayotin	Director/ Independent Director/ Audit Committee Member/ Risk Management Committee Member/Nomination and Remuneration Committee Member	0.05%	-	0.05%

## 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

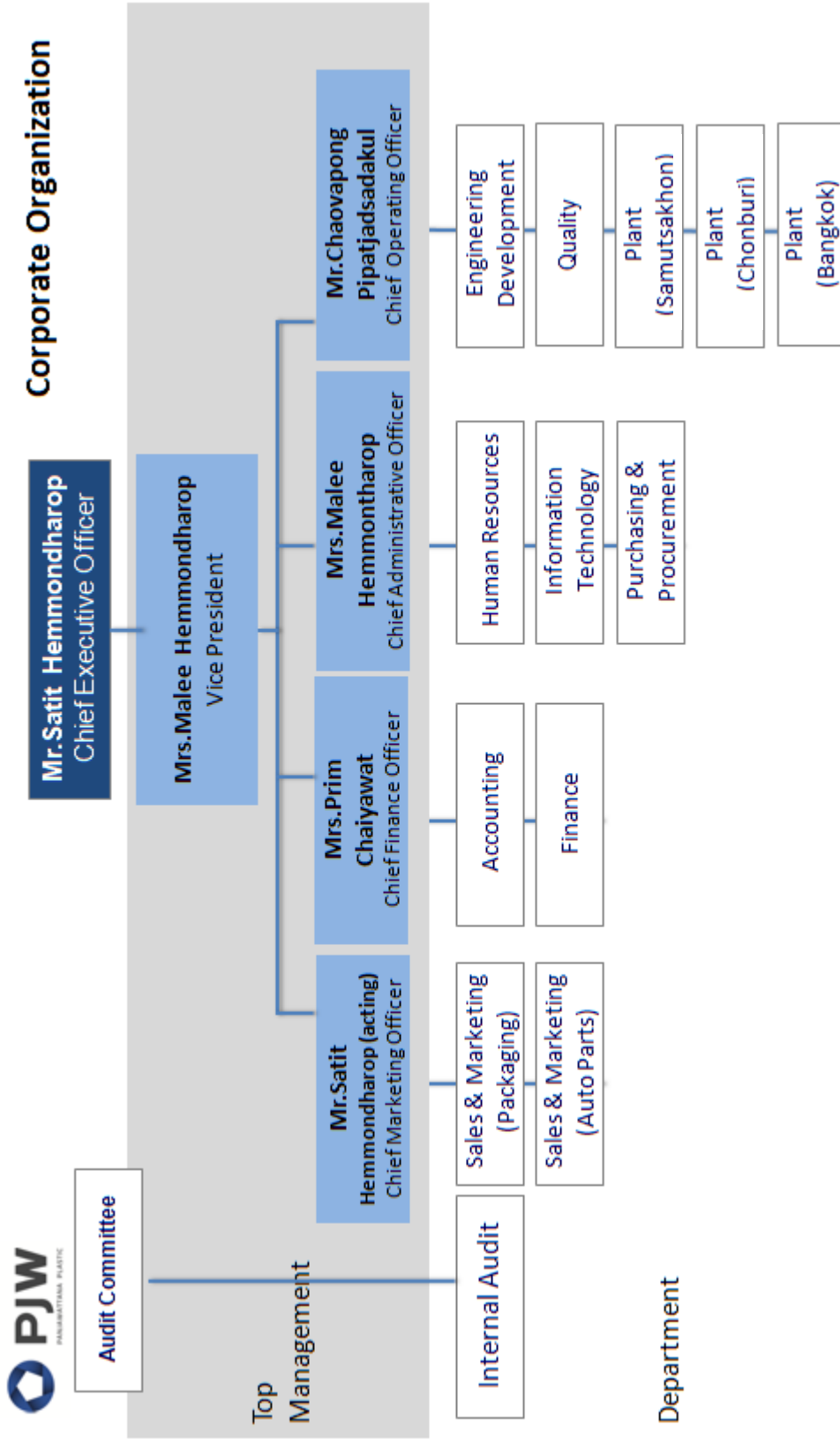
Each subsidiary company has a policy to pay dividend at the rate not less than 50% of net profit after corporate income tax in its company-only financial statements and after legal reserve. However, each subsidiary company may set to pay less than the rate specified in the policy, depending on its operational 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 %
2011	0.37	0.18	-	67.43
2012	0.35	0.15	-	44.81
2013	0.18	0.10	-	54.63
*2014	0.03	-	25 : 1	66.01

*Remark: \*The Company's Board of Directors No. 2/2015 dated March 2, 2014 has its resolution to pay for dividend regarding the 2014 performance as stock dividend amount not over 22.08 million shares at par value 0.5 baht in 25 existing shares per 1 stock dividend, totaling not over 11.04 million baht.*

## Organization Structure



## Organization Structure

PJW organization structure consists of the Board of Directors, the Executive Committee, the Audit Committee, the Risk Management Committee and Nomination and Remuneration Committee. Its executives 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 has to consist of many persons who have different knowledge including industrial skill, finance and accounting skill, business administration skill, legal skill, international trade skill, and Good Corporate Governance skill. The Board of Directors has included independent director at least one-third of total amount members, at least 3 persons are independent director and at least 1 person being woman director. The Company has organized its management structure as follows:

### Board of Directors

As of 31 December 2014, the Board of Directors is composed of nine members below:

<i>No.</i>	<i>Name</i>	<i>Position</i>	<i>BOD's meeting attendance</i>
1.	Dr. Damri Sukhotanang	Board Chairman/Independent Director/Nomination and Remuneration Committee Chairman	6/6
2.	Mr. Kongsak Hemmontharop	Vice Chairman	6/6
3.	Mr. Wiwat Hemmondharop	Director/Chairman of The Board of Executive Directors/Nomination and Remuneration Committee Member	6/6
4.	Mrs. Malee Hemmontharop	Director/Vice President/Executive Committee Member	6/6
5.	Mr. Satit Hemmondharop	Director/Executive Committee Member/Chief Executive Officer/Risk Management Committee Member	6/6
6.	Dr. Pirun Hemmondharop	Director/ Risk Management Committee Member	6/6
7.	Miss Charanya Sangsukdee	Director/Independent Director/Audit Committee Chairman/Risk Management Committee Member	6/6
8.	Assoc. Prof. Dr. Aekkachai Nittayakasetwat	Director/Independent Director/Audit Committee Member/Risk Management Committee Chairman	6/6
9.	Mr. Natthawut Khemayotin	Director/Independent Director/Audit Committee Member/Risk Management Committee Member/Nomination and Remuneration Committee Member	5/6

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 three directors, namely Mr. Wiwat Hemmondharop, Mr. Satit Hemmondharop, and Mrs. Malee Hemmontharop, to co-sign documents with the Company seal affixed.

## 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.

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

1. Have power and responsibility for performance according to the laws, objectives and Articles of Association of the Company, as well as the resolutions of the shareholders' meetings, with adherence to "The Best Practices for Directors of Listed Company" as stipulated by the SET;
2. Make available the balance sheet and profit and loss statements at end of the Company accounting period that have been audited and certified by external auditors and propose to the annual general meeting of the shareholders;
3. Jointly determine vision and mission of the Company in order to correspond the goals;
4. Determine goals, directions, policies, business plans and budget of the Company; monitor and supervise the performance and administration of the Executive Committee to ensure that it is effectively and efficiently in accordance with the policies, plans and budget. The Executive Committee also has the duties to monitor and ensure that the Company has complied with the law on securities and exchange, notifications of the Capital Market Supervisory Board, and the rules and regulations of the SET, such as connected transactions, acquisition and disposal of assets or other laws relevant to the Company's business;
5. Consider and have power to determine organization structure, appoint Executive Committee, Chief Executive Officer and other sub-committee as appropriate, and determine the scope of duties of Executive Committee, Chief Executive Officer and sub-committees. 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.

6. Prepare an Annual Report and take responsibility for preparation and disclosure of duly audited financial statements to reflect the Company's financial position and operational performance in the previous year, and present them to the annual general meeting of shareholders for their approval;
7. Ensure that the business ethics and code of conducts for the management and the employees have been made available in writing and acknowledged by the management and the employees. The Board shall earnestly monitor compliance with the code of conducts;
8. Determine and set out a risk management policy; ensure adequacy of system or procedures for risk management by setting out appropriate measures and controls to mitigate impacts on the business operations;
9. The Board may authorize one or more than one directors or any other person to act on its behalf under supervision of the Board, or may delegate power to the person within a specified timeframe as the Board deems it appropriate. The Committee may revoke, withdraw, change or correct that authorization as 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 Directors

1. Be responsible on behalf of leader of directors regarding conducting, monitoring and managing each minor committee to achieve determined succession plan.
2. Being on behalf of president in shareholders' meeting.
3. Being right to vote make a final decision when the vote of the board of directors equally result in conclusion.

## Executives

As of 31 December 2014, the Company has ten executive members from The Meeting of the Board of Directors No.5/2014 held on 14 August 2014. The purpose of reorganization is to reinforce the business operation:

<i>No.</i>	<i>Name</i>	<i>Position</i>
1.	Mr. Satit Hemmondharop	Chief Executive Officer Chief Marketing Officer (Acting)
2.	Mrs. Malee Hemmontharop	Vice President Chief Administrative Officer
3.	Mrs. Prim Chaiyawat	Chief Financial Officer
4.	Mr. Chaovapong Pipatjadsadakul	Chief Operating Officer
5.	Miss Thitima Tantiwuthikul	Marketing Director – Samutsakhon Branch
6.	Mr. Asda Keawrax	Marketing Director – Chonburi Branch
7.	Mr. Seksan Sinbunluekul	Research and Development Director
8.	Miss Penchan To-Barameekul	Operating Director - Chonburi Branch
9.	Mrs. Kannika Janejunporn	Operating Director –Samutsakhon Branch
10.	Mrs. Nichaluk Muanphuak	Quality Assurance Director

### 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 which will be assigned to the management team for further action;
5. Oversee and follow up the performance of the executives; give advice on rectifications 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 in an amount not more than Bt. 15 million per item and not exceed the budget endorsed by the Board of Directors;
8. 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**

At the 8/2011 meeting of the Board of Directors on 18 August 2011, the meeting appointed Mrs. Prim Chaiyawat as the Company Secretary in accordance with Section 89/15 of the Securities and Exchange Act 1992 as amended by the Securities and Exchange Act No.4, 2008 with the following scope of duties and responsibilities.

1. Provide basic advice to the Board of Directors concerning compliance with the laws, rules, regulations and the Company's Articles of Association, and monitor correct practices regularly;
2. Be responsible for disclosing Company information in line with the regulations and requirements of the SET and the Office of Securities and Exchange Commission;
3. Prepare and maintain the following documents;
  - 3.1 Registration of the Company's directors;
  - 3.2 Invitation letters to the Directors meeting and minutes of the meetings;
  - 3.3 Invitation letters to shareholders for meeting and minutes of the shareholders' meeting;
  - 3.4 Company's annual reports;
  - 3.5 Reports of conflicts of interest of Directors and executives.

4. Handle other task according to the Securities of Exchange Commission announcement.

#### Directors' and Executives' Remuneration

##### Directors' remuneration

##### a) Monetary Remuneration

The company has considered the directors' remuneration by properly comparison referring similar segment business with company. The 2014 Annual General Meeting of Shareholders on 23 April 2014 set out remuneration rates for the directors of the Company as follows.

1. Meeting allowance
  - Board Chairman Bt. 25,000 / meeting
  - Audit Committee Chairman Bt. 15,000 / meeting
  - Risk Management Committee Chairman Bt. 15,000 / meeting
  - Directors, Audit Committee members and Risk Management Committee Members Bt. 10,000/ meeting
2. Monthly remuneration for independent directors Bt. 10,000 /month
3. Bonus of Directors exclude who directors are responsible in Executive Committee Chairman and Members Total amount not over Bt. 1,000,000.-

Monetary Remuneration for the Directors of the Company in 2014 is detailed below.

Name	Remuneration (Baht)					
	Board of Director Meeting allowance	Audit Committee Meeting allowance	Risk Management Committee Meeting allowance	Monthly remuneration of Independent Director	Bonus	Total (Baht)
1.Dr. Damri Sukhotanang	150,000	-	-	120,000	250,000	520,000
2. Mr. Kongsak Hemmontharop	60,000	-	-	-		60,000
3.Mr. Wiwat Hemmondharop	60,000	-	-	-		60,000
4.Mrs. Malee Hemmontharop	60,000	-	-	-		60,000
5.Mr. Satit Hemmondharop	60,000	-	30,000	-		90,000
6.Dr. Pirun Hemmondharop	60,000	-	30,000	-		90,000
7.Miss Charanya Sangsukdee	60,000	75,000	30,000	120,000	200,000	485,000
8.Assoc. Prof. Dr. Aekkachai Nittayakasetwat	60,000	50,000	45,000	120,000	200,000	475,000
9.Mr. Natthawut Khemayotin	50,000	40,000	30,000	120,000	200,000	440,000
<b>Total</b>	<b>620,000</b>	<b>165,000</b>	<b>165,000</b>	<b>480,000</b>	<b>850,000</b>	<b>2,280,000</b>

b) Other remuneration

- The Company has provided the Directors & Officers Liability Insurance (D&O) for the directors

Executives

a) Monetary Remuneration

The Company paid remuneration, i.e. salaries and bonuses for the executives as detailed below:

	2014	
	Persons	Remuneration (Baht)
Salary and Bonus	11 <sup>1</sup>	27,958,042.03
Provident Fund	11 <sup>1</sup>	1,352,410.00

Remark: <sup>1</sup> Including ten executives and Chairman of The Board of Executive Directors

b) Other remuneration

- The Company has provided the healthy insurance and the private vehicle for top management.

The Company does not have other remuneration policy such as common stock, bond and other securities to remunerate all directors and executives.

Employees

As at December 31, 2014, the Company and its subsidiaries had total numbers of employees of 1,479 persons (exclude management 10 persons), categorized as follows;

Key functions	Number of Employees (persons)
Office and Administration	116
Marketing and Research & Development	69
Operation and Operation Management	1,294
<b>Total</b>	<b>1,479</b>

● Employee Compensations

In 2013 and 2014, the Company had number of employees of 1,261 persons and 1,479 persons respectively and paid for employees' compensation in the amount of Baht 284.04 Million and Baht 364.97 Million respectively. The compensations were paid in terms of salary, overtime payment, allowance, bonus, depository amount to Social Security and Compensation Fund, etc.

- **Provident Fund**

The Company has established a provident fund, managed by SCB Asset Management Co., Ltd., since August 25, 2011 and changed to Kasikorn Asset Management Co, Ltd. since June 27, 2014 for the objectives to build up morale of employees and for long-term engagement of employees.

- **Other Compensation**

The Company has provided the health insurance for upward management level and Engineer.

- **Human Resource Development Policy**

The Company has the policy to develop its employees at all levels by providing them knowledge and skill training. With many training courses provided to the employees according to their responsibilities and skills, both in-house training and external training, the Company expects that our employees will have high competency and create high performance to the Company.

## Good Corporate Governance

The company realizes and sees importance of effective, above-board and checkable management systems that can ensure every relevant party and cause the business grow sustainably under ethics and related laws. Therefore, the company specifies effective business control policy to upgrade existing operation so that it will have clear standard system and be spread to all-level company staffs. This is to create real business control culture. The company accepts guidelines of good corporate governance in 2549 specified by the Stock Exchange of Thailand to be the guideline for practices in which Committee, executives and staffs of Panjawattana Plastic PCL have always strictly followed and operated. In previous year, there was no situation that was not followed such policy. Guidelines of practice are as follows;

### Section 1 The Rights of Shareholders

*Principle: Shareholders have right of ownership controlled by the company by appointing committee to work for them and have right to make a decision about significant changes of the company so shareholders should be promoted to use their own rights.*

The company realizes and see importance of fundamental rights of shareholders as an investor and as a company owner such as trading or transferring shares, being a part of company's profit division, receiving enough information of the company, attending a meeting to vote in shareholders' meeting to appoint and relieving committee, appointing an auditor and subjects affecting the company such as dividend allocation, specifying or revising regulations and Memorandum of Association, capital addition or reduction and special list approval along with questioning and expressing opinions in matters informed by the committee or even asking for agreement in shareholders' meeting etc.

#### 1. Shareholders' meeting arrangement

- 1.1. The company takes care of and supports every shareholder who can be major and minor shareholders, institutional investors or foreign shareholders to participate in the meeting.
- 1.2. The company assigns Thailand Securities Depository (Thailand) Co., Ltd which is registrar of the company to deliver invitation letter to shareholders so that they can have time to study information in advance at least 7 days before the meeting day or according to the law. Then it will publicize



meeting appointment in newspaper at least 3 days consecutively before the meeting day. It will be advertised for a period of three consecutive days.

- 1.3. Give details of date, time, place and agenda with explanation and reasons for each proposed agenda identified in invitation letter of ordinary and extraordinary shareholders' meeting in attached agenda and do not take any actions that will limit a chance of shareholders to Study Company's information.
- 1.4. The company facilitates shareholders to use rights in joining the meeting and fully vote and do not take any actions that will limit a chance of participating in the meeting of shareholders.
- 1.5. The company always gives a chance to all shareholders to propose subjects that can be an advanced agenda during October- December every year and submits questions related to advance annual shareholders' ordinary meeting by informing shareholders through news system of the Stock Exchange of Thailand including announces principles and identifies clear procedures on [www.pjw.co.th](http://www.pjw.co.th) in section of Investor Relation.
- 1.6. In case shareholders cannot participate in the meeting by themselves, the company gives a chance to allow shareholders authorize independent committee or anybody to be their substitute in the meeting by using one of proxy types the company sends with letter of invitation.
- 1.7. Before the meeting day, the company gives a chance to shareholders to submit opinions, suggestion, query about agendas in advance before the meeting day by informing shareholders through news system of the Stock Exchange of Thailand as well as notifying principles and identifying clear procedures on [www. Pjw.co.th](http://www.Pjw.co.th) in section of Investor Relation.

## 2. Operation in shareholders' meeting day

- 2.1. The company supports company board, executives and relevant institutes as well as auditors to participate in shareholders' meeting in harmony.
- 2.2. The company use barcode system for registration and point counting so that the meeting operation can be quickly, accurately and precisely done. The company also allows shareholders to register in advance before the meeting at least 1 hour and extends the registration time until before considering the last agenda and there are company staffs waiting for reception and facilitation.

- 2.3. In meeting, the company gives a chance to shareholders equally to express opinions, suggestion or query in every agenda freely before making a resolution in any agendas. However, in shareholders' meeting, there will be relevant committee and executives participating in to answer all questions and there will be the record of major query and opinion in minutes so that shareholders can audit and the president at meeting should properly allocate the time.
  - 2.4. In the meeting for committee election, the company allows shareholders to vote one by one and that they have right to elect the representative seen qualified to act as the committee to protect their own interest. This will cause variety and the representative is real shareholder's substitute.
  - 2.5. The company provides independent personnel to count the vote in ordinary and extraordinary shareholders' meeting and reveal the result at the meeting as well as record in the minutes.
3. **Minutes making and shareholders' meeting resolution exposure.**
- 3.1. the company provides minutes record by explaining the procedures of vote counting and result revelation at the meeting before starting as well as gives a chance to shareholders to issue the point or make a query, records query-answer and vote result in each agenda to show if shareholders agree, reject or make no vote including record committee name list that is at the meeting or absent.
  - 3.2. The company will inform resolution final report through website of the Stock Exchange of Thailand and website of the company on the same day the meeting is arranged or latest by 9.00 a.m. of next working day and deliver the minutes of shareholder's meeting to the Stock Exchange of Thailand within 14 days as well as publish the minutes on company's website.

## Section 2 The Equitable Treatment of Shareholders

***Principle:** Every shareholder of both executive and non-executive shareholders including foreign shareholders should be equally and fairly treated. Minor shareholders who are encroached should have opportunity to get compensation.*

### 1. Giving details before shareholders' meeting

- 1.1. The company will inform the shareholders' meeting schedule and agenda along with company committee's opinion on website of the Stock Exchange of Thailand at least 28 days before the meeting day.

- 1.2. The company informs all shareholders regulations used in shareholders' meeting, procedures of voting as well as rights of voting in each type of shares by identifying in letter of invitation and before the meeting starts.
  - 1.3. The company makes a letter of invitation for meeting and documents used in meeting in Thai and English for foreign shareholders.
- 2. Right protection for minor shareholders**
- 2.1. The company has policy to create equality for every shareholder especially minor ones by giving a chance to minor shareholders to propose agenda in ordinary shareholder's meeting and names of people who are qualified to take a position of committee in advance before the meeting day with details for consideration and/or qualification and acceptance of those who are nominated during October- December every year by informing shareholders through mews system of the Stock Exchange of Thailand and announce the principle and identify clear procedures on company's website in section of investor relation. The company will screen truly beneficial agenda and select qualified people via audit committee before offering to company committee for taking into account and specifying in agenda.
  - 2.2. The company also has policy not to add agenda in meeting without notification in advance so that shareholders can study the information of agenda before making a decision.
- 3. Internal data usage prevention**
- 3.1. The company supervises internal data usage strictly to prevent gaining benefit for personal or others' usage from internal data so that it would be fair to every stakeholder. The company specifies the way to store company's internal data and the way to prevent using internal data for personal benefit in form of written directives as well as specifies that committee, executives and all staffs must not trade company's property by using secrets and/or internal data and/or conduct any juristic acts by using secrets and/or company's internal data that can lead to damages to the company directly or indirectly. Furthermore, committee, executives and staffs who are in institute that receives the company's internal data must not use such data before it is publicly revealed and do not allow people who are involved in internal data trade company's property by themselves, spouse, and immature child, no matter it is direct or indirect trade (Such as nominee via personal fund) within a

month before quarter and annual financial budget is exposed and after such data is revealed at least 3 days.

- 3.2. The company informs data to the committee and executives about duty of company property possession that must be reported and also penalty according to the Securities and Exchange Act B.E. 2535 and according to specification of the Stock Exchange of Thailand and in case the committee or executives trade company's property, they must report property holding in the company of themselves, spouse and immature child according to section 59 of the Securities and Exchange Act B.E. 2535 within 3 working days and inform The Office of The Securities and Exchange Commission for further publicity . The company secretary must inform the change of company property possession of committee and executives directly to the Broad of Directors every quarter period.
- 3.3. The company has policy to specify the disciplinary action for those who exploit others by using internal data or revealing it that causes damage to the company by punishing depending on severity such as verbal warning, written warning, probation along with layoff, termination of being staff by dismissal or layoff etc.

#### 4. Stake holding of the committee

- 4.1. The company holds practice principle to shareholders equally and specifies the guideline of stake holding management clearly that is checkable especially transactions between the company and relevant stakeholders.
- 4.2. When such case happens, stakeholders must report the company immediately and do not consider or vote in such matter including specify the guideline not to allow committee or executives who are stakeholders or relevant participate in making a decision procedures to consider such transactions. To vote in company committee meeting, committee who are in interest in any matters will have no right to vote in such then.

### Section 3 The Role of Stakeholders

*Principle: Stakeholders should be well treated by the company according to the right in relevant laws with process that promotes collaboration between companies and stakeholders to build up prosperity, financial stability and business sustainability.*

## 1. Policy of treatment toward stakeholders

The company sees the importance of all stakeholder's right no matter they are internal stakeholders such as shareholders, executives and staffs or external stakeholders such as creditor, customer, opponent, government, society and community etc. The company realizes that supporting and opinions from all stakeholders will be beneficial to operate and develop company business. Therefore, the company will follow related law and regulations so that stakeholders' right will be well treated.

Besides, to run the company business, we are aware of all parties of stakeholders, political right, universal human right, not to infringe intellectual property and giving precedence to environmental and social responsibility according to following guidelines

Shareholders : Treat shareholders equally and also maintain their benefit and do not take any actions that infringe or deprive shareholders' rights as well as determine to build up highest satisfaction to shareholders by considering sustainable company's growth to add value and provide a reasonable return continually including persist in business principle of good corporate governance.

Staff : Treat employees equally and fairly in terms of opportunities, remuneration, welfare and potential development. Every employee is considered a precious resource and a major factor to drive the organization to be successful. Therefore, we determine to develop the organization to be organization of learning to support the culture and work environment including promote teamwork and staff competency to have progression and career stability and also work with conscious of safety and environment consideration as well as give confidence in quality of life and safety in work and also maintain work environment and listen to opinions and suggestion of all-level staff equally and fairly.

Customer : Determine to build up satisfaction and confidence to customers, care and take responsibility for them by customers must receive good product/service with quality, safety and reasonable price according to the standard including strictly follow the terms and agreements with customers and also upgrade

the standard of product and service continually, maintain good relationship and sustain with them seriously and regularly along with not to exploit customers' data for company and related party's benefit.

Trade partner and creditor : Be aware of fairness and equality by not taking an advantage and be honest to run the business with maintaining joint benefit with trade partner and creditor by following the law and rules mutually specified. Have ethics to run the business, do not ask, receive or pay any corrupted benefit with trade partners as well as follow terms strictly and treat creditor fairly including repay in time. Care collateral and other conditions under the contract correctly and in accordance with good corporate governance principles by having advance trade partner and creditor report if we cannot follow the obligations in contract and mutually find the solution.

Opponent : Treat commercial opponents in accordance with universal principle under the law about trade competition practices and follow the rule equally and do not discourage others to join business competition. Do not defame trade opponents by framing, blaming and attacking them without facts or taking any unfair actions.

Government : Give precedence to transparency and consider honesty in transaction with agents or government to avoid the operation that may affect improper action that is against good governance principle including resist on any bribery to government officials for facilitation or business benefit of the company.

Community, society and environment : Have policy to run business with responsibility for community, society and environment in terms of safety, quality of life, and natural resources preservation. Promote using energy efficiently and realize quality of life in community and society including consider business operation that may affect environment, performance and decision. Any actions of the company must be ensured that products and business operation of the company are correct and in accordance with regulations and standards including training

and promote staffs to have conscious mind and responsibility to community, society and environment and suitably participate in activities with community where the company run business.

## 2. Prevention and anti-corruption

The company has measures for anti-corruption and specifies the principle in codes of conduct. Give precedence to transparency and consider honesty in transactions with agents or institutes to avoid any operation that may affect improper actions that are against good governance principle including resist any bribery to officials for facilitation and business benefit for the company and there is the highest disciplinary action for those who take such actions.

Measures of anti-corruption consist of

- Policy of anti-corruption
- Policy of political support
- Policy of receiving giving presents, properties or any benefits
- Policy of informing clue or complaint

## 3. Informing clue and complaint

The company has policy to protect those who inform clues of making mistake by holding the principle of equality and justice including focuses on good relationship in organization as priority. Therefore, staffs who conduct petition and those who are related to petition done by good intention definitely bring about great benefit for the company and staffs. So, staffs who conduct petition, staff who testify, give details, fact or are a witness for petition and staffs who consider petition, when doing with good intention, though it will cause complication to the company, will have warranty from the company that they will not be laid off, punished or taken any actions that lead to bad consequence for them. The company will care and consider with fairness to maintain good labor environment.

The company will provide channels for shareholders and stakeholders who can indicate the clue or petition as follows

1. By e-mail by sending it to audit and corporate governance committee

Email: [auditcommittee@pjw.co.th](mailto:auditcommittee@pjw.co.th) or Secretary to the Audit Committee and Corporate Governance.

Email: ac-secretary@pjw.co.th to present to audit committee and corporate Governance to investigate and report to company committee.

2. By post by sending letter to Audit committee and Corporate Governance of Panjawattana Plastic PCL, 28 Moo. 2, Rama 2 Road Chaimongkon sub-district, Mueng District Samutsakorn 74000

Anyhow, to inform clue or petition requires polite words and clear truth or behavior that can be checked. Those who inform clues or petitions can be sure that considering clue or petition will be done transparently and fairly and every step is under the supervision of audit committee and corporate governance for any data that are supposed to be kept in secret.

#### Section 4 Disclosure and Transparency

***Principle:** Disclose important data that is related to the company of both financial and non-financial data correctly, completely, timely, with transparency via ways that can easily access to data and it is equal and reliable.*

The company committee gives precedence to disclosing data correctly, completely, timely and transparently of both financial and general data according to principles of the Office of Securities and Exchange Commission and the Stock Exchange of Thailand along with other data that affects the price of company's property. All has an effect on decision process of investors and stakeholders of the company. The company has a policy to publish company's information to shareholders, investors and public through methods and media of data revelation of the Stock Exchange of Thailand.

The company makes a website so that every group of stakeholders can access company's data by revealing principle and practices of good governance according to law, regulations and order of the Stock Exchange and The Office of The Securities and Exchange Commission. Disclosing annual report, financial budget, policy of Corporate Governance and code of conduct, shareholders' meeting, and information of the Stock Exchange of Thailand, news from publication, disclosing data about committee, executives and structure of company's business group.

The company provides the institute of investor relation to be the channel of contact, giving information such as arranging analyzer meeting and press release of company's turnover and presents data to both domestic and international investors. The company participated in Opportunity Day to enumerate data about business and company operation quarterly and yearly and makes newsletter to report the turnover to



mass media. Besides, the company also joins activity with market supporting Thai investors and company's visit.

Company's committee will be responsible for company's financial budget and financial information appeared in annual report. Such financial budget is made according to the accounting standard that is generally certified in Thailand by choosing suitable accounting policy and always practicing including discloses complete data in financial budget. For this, audit committee will audit quality of financial report and internal control system as well as discloses enough essential data in notes to financial budget and reports to company committee.

## Section 5 Responsibilities of the Board of Directors

***Principle:** - Board has importance in business governance for highest benefit of the company*

*- Board is responsible for performance toward shareholders and is independent from management section.*

### 1. Committee structure

Company committee consists of people who have ability and experience that can promote benefit to the company by playing a great role to specify policy and overall image of the organization including govern, audit and evaluate the company operation so that it follow the plan as well as run the company business so that it accords with law, regulations and shareholders' meeting resolution with honesty, morality and code of conduct for business operation including govern the management to reach the goal and guideline that are set and lead to highest benefit to the company and shareholders.

Committee structure of the company consists of independent committee more than 1/3 of all committee that will balance voting to take matters into account and there are audit committees that are 3 independent committees.

Nowadays, there are 9 company committees consisting of 5 committees that are representative of major shareholders (3 out of 9 people take position of executives and/or position of executive committee) and 4 independent committees (3 from 4 take position as audit committee and the another are the Board of Directors chairman). Anyhow, the number of company independent committee follows principles specified by the Office of Securities and Exchange Commission for at least 1/3 of all committee and the duration of taking a position

for each committee is not over 9 years so that also accompany with Good Corporate Governance. However they will re-appoint in the independent committee when the board of directors resolve them proper performance and ability.

As company regulations specifies that in annual ordinary meeting, the committee must retire for at least 1/3 by rate. If number of committee cannot be divided into 3 parts, the number of committee that is most approximate to one-third must retire from work. For committee to retire in first year and second year after incorporation randomization is used but for years later, the committee who has taken the position for the longest time must retire. However, committee who retires may be chosen to retake a position.

Furthermore, company committee also appoints sub-committee consisting of management committee, audit and corporate governance committee, risk management committee to do particular duties and propose issues for company committee to take it into account or acknowledge. Sub-committee has right to do duties specified in duty of each party of sub-committee.

Company committee has a policy that a committee chairman and chief executive officer must not be the same person so as to clarify responsibility during specifying policy of governance and regular job management. Anyhow, the company divides duty and responsibility between company committee and executives clearly to balance the operation. Company committee do a duty specifying policy and governing executive's performance in policy level while the executive supervises the company in terms as in the specified policy by the committee chairman and chief executive officer is not the same person.

To lead to effective corporate governance practice, company committee specifies policy about numbers of company where each committee must take position of company committee not over 5 companies and chief executive officer of the company can take a position of committee in not over 5 companies by excluding subsidiaries. Anyhow, it must be agreed by company committee.

Anyhow, company committee appoints company secretary to give advice about laws and regulations that committee should know and supervise business of company committee as well as coordinate to follow the resolution of committee and other duties and responsibilities following principles specified in law of securities and exchange.

## 2. Role, duty and responsibility of committee

Company committee considers and agrees with important subjects about company operation such as review of vision and mission, strategy, financial target, risk, work plan and budget at least every five years including govern management section to work following policy and plan effectively and efficiently.

### ○ *Duty allocation between policy specification and regular work management*

Company committee has considered allocating duties and responsibilities to specify policy of corporate governance and regular work management clearly. The committee chairman and chief executive officer are elected by company committee. The committee chairman is not the same person of chief executive officer and is a leader with roles to make a decision about company policies which are the result of company committee meeting that consider and specify business goal with management section. They also leads the meeting of company committee effective and efficient by supporting every committee to participate in meeting and freely express their opinions as well as acts as the president in the meeting of company's shareholders. Anyhow, the committee chairman does not supervise daily work but gives support and advices for business operation of management section through chief executive officer regularly while chief executive officer is responsible for company supervision under the authority assigned by company committee (details of duties and responsibilities of chief executive officer are disclosed in topic of structure of management)

### ○ *Policy of Corporate Governance*

The company provides a policy of corporate governance in written which is approved at the meeting of company committee. For this, the committee will provide and revise policy and follow such policy regularly. The company communicates with all employees in company so that they will understand good corporate governance in the same way to promote everyone to follow such policy.

And after the company's committee meeting 1/2556 on 20th February 2556, there's a resolution approving that audit committee is changed into audit and corporate governance committee having roles to promote, study, improve, evaluate and revise principle of corporate governance and code of conduct so that it will be updated and in accordance with principle of the Stock Exchange of Thailand and The Office of Securities and Exchange Commission of Thailand.

○ *Codes of Conduct*

The company committee holds correct and fair business operation by having a policy to specify codes of conduct in written so that it will be used and disclosed to employees executives and committees as guidelines to show intention of running business transparently with justice and responsibility to stakeholders, society and environment by training and internal communication in many forms. Such code of conduct will reflect the value and guidelines that every employee should practice and should follow specified code of conduct in terms of respecting and following the law, stake holding and conflict on benefit, internal data using and confidentiality, control and audit system, receiving and giving presents, properties or any benefits, intellectual property, information technology and communication , rights and neutrality in politics, treatment to employees and responsibility to stakeholders.

Anyhow, the company announces and informs employees executives and committees to acknowledge and practice strictly including following such guidelines.

○ *Conflict on Benefit*

The company committee will specify policy about conflict on benefit with principle that to do business activities must do for highest benefit of the company and should avoid any actions that causes conflict on benefit. Committee, executive and employees must revise and disclose antagonizing beneficial list to the company to know about relationship or its connection in such list. For considering transactions, those who are related to considered list must not participate in taking into account and have no authority to approve such transaction including making a list for suitability consideration by using price and terms as if they make a list with third parties.

The audit committee will present company's committee related list and the list with benefit conflict which is punctiliously considered and follow regulations of the Stock Exchange of Thailand as well as they will disclose it in annual report and form of annual data list ( form 56-1) also.

Company's committee and executives which include spouse and immature child, when company's property possession is changed, must immediately inform the company and report the change of holding to the Office of Securities and Exchange commission according to section 59 in Securities and Exchange Act B.E. 2535 within 3 days since the day of purchasing, selling or transferring including not allow committee, executive or institute that receives internal data expose the data to any irrelevant people and buy company

property within a month before the financial budget will be publicly revealed and after the publicity at least 3 days. This is to prevent not to misuse internal data.

- *Internal control system*

Company committee gives precedence to governance and internal control of both executive level and operation level with efficiency. Anyhow, internal control system is important mechanism that will offer confidence to management section suitably to mitigate the risk on business that will make business operation effective with appropriate resource allocation and achieving the set goal. This can prevent property not to leak, lose, or be from undesirable corruption. It also helps the financial report reliable and personnel follow the law and regulations and protect investment of shareholders. Therefore, the company specifies duty and authority of officer and executive about any subjects in written clearly. There's a supervision of utilizing company's property and assigns duty separately for officer, controller and evaluate separately so that it will be balanced and audits with each other appropriately.

The company committee assigns audit committee to be responsible for checking up suitability and efficiency of internal control system provided by executive section including make and revise control system of operation, financial report, following regulations, policy and operation governance as well as manage risks and give precedence to advance warning signal and abnormal list.

The Internal Audit Office audits and evaluates data of both financial and non-financial data regularly. It also evaluates sufficiency of internal control system at least once a year to make sure that the system can continue with efficiency including checks up following regulations in organization to ensure that the company follows regulations and rules of the laws completely and supports good corporate governance of the company by directly reporting audit result to audit committee

- *Risk Management*

The company committee sees the importance of risk management and takes responsibility to specify risk management policy of overall organization, estimate the risk and manage risk of the organization to manage it until it is in acceptable level. In present, the company appoints risk management committee so that risk management is effective according to the specified policy under the condition that if any risks can be an obstacles to business operation not to achieve planned target, the company must have measures to manage these risks including promote and motivate everyone to build up work culture that they realize importance of

risk, understand cause of risk and resolution such as improving operation process and using resources suitably as well as use tools to prevent or mitigate the risk that possibly occurs. However, for purpose to prevent and mitigate damages and vice versa, such orderly performance will cause the company gain benefit from opportunity of new businesses that can add value to the organization.

○ *Report of Committee*

The company committee takes responsibility for financial budget of the company by assigning audit committee audit financial report and supervises making financial report so that it will have good quality and be accurate according to accounting standard that is generally accepted. Significant data of the company will be exposed clearly and sufficiently by having accounting section and/or auditors joining the meeting and presents the financial report to the company committee quarterly. The company committee will be responsible for company's financial budget including financial information (report responsibility of committee for financial report) appeared in annual report. Such financial report is made according to accounting standard certified and audited by company auditors. To expose significant information of both financial and non-financial data is based on facts completely and regularly.

**3. committee meeting**

Committee will schedule the meeting in advance every year so that the committee can allocate the time and can join the meeting in every 3 months and there may be additional meeting if necessary by having clear agenda. The company will deliver documents of agenda in advance at least 5 working days before the meeting so that the company committees have time to study information well before the meeting except there's an urgent necessity and there will be minutes recording and certified report document storing to be the reference that is checkable. Besides, the company will make operation result report to committee every month so that the committee can govern management section performance continually and timely.

In meeting, company committee chairman and chief executive officer mutually specify the agenda and consider matters in company committee meeting by giving a chance to each committee to propose any subjects that will be taken into account as the agenda.

To take any matters into account, the company committee chairman who is the president in the meeting will allow committee to freely give opinions by sometimes, there might be chief executive officer joining the meeting to give additional information and details as an involved person as well as to perceive the policy

directly so that everyone can perform effectively. However, to vote at the meeting, company committee will accept the major votes by each committee has only one vote and the company specifies the minimum amount of quorum while the committee that will vote must not be at least 2 out of 3 of all committee. If stakeholders do not join the meeting and/or do not vote in each agenda, if the score is the same, the president of the meeting will make another vote to have a final result.

Every committee has right to audit meeting documents and other important documents and if independent committee or audit committee has any doubts, other committee and executive section of the company must take an action to make all doubts clear quickly and completely as much as possible.

In case the committees disagree with the resolution, they can ask the company secretary to record the objection in the minutes or submit the letter of objection to company committee.

In each company committee meeting, the company secretary will join the meeting to record the minutes and submit to company committee chairman for consideration to sign his name for verification and then propose it in the meeting for acknowledgement in next meeting including store data or documents related to the meeting for convenient and easy reference. Normally, all company committee will participate in the meeting every time except the case of necessary clause that will be informed in advance before the meeting. Furthermore, company committee, supposed in policy, that are not executive are able to arrange the meeting if necessary to discuss issues about management of interest without executive section and inform chief executive officer to acknowledge the result of the meeting.

#### **4. Payment**

The company has as policy to pay compensation for committee and executive in suitable level by realizing the operation result of the company and accordance with the same business/industry including suitability with duty and responsibility of each committee or executive by being in form of committee payment and/or salary and bonus.

The company is aware of paying executive's compensation so that it will be in suitable level by it is the competitive rate in the same business group so as to take care and maintain quality executive. The executives who are assigned more duty and responsibility will receive compensation that is reasonable to more assigned duties and responsibilities.

## 5. Committee and executive development

Committee has a policy to promote and facilitate the training and education for relevant committee in business supervision system of the company such as committee, audit committee and executive etc. It is for continual performance improvement and to arrange the factory visit at least once a year and promote opinion exchange between committee and chief executive officer and in case there's a change with committee or new committee, management sector will provide documents and information that are beneficial to new committee's performance including arrange business introduction and business operation guideline of the company for new committee.

## 6. Self- evaluation of committee

Company Committee provides self-evaluation of whole group, sub-evaluation and individual evaluation once a year to revise the previous performance and utilize it as the information for management so that the improvement will be much effective by using self-evaluation form of the committee of the Stock Exchange of Thailand.

For both whole group and individual performance evaluation, criteria that are specified are as follows

### 1. Performance evaluation for the whole group of committee

- Structure and qualification of committee
- Role, duty, and responsibility of committee
- Committee's meeting
- Committee performance
- Relation with management department
- Self-improvement and executive development

### 2. Performance evaluation for individual committee

- Committee qualification
- Role, duty and responsibility of committee
- Committee performance
- Relation with management department
- Self-improvement of committee



For each topic, there will be sub-topic that committee can give a point and these points will be calculated to find the mean to be the score of whole committee and for individual assessment, it will be crossed evaluation by each committee evaluates another 3 committees and the score will be found the mean. The result will be score of each committee.

#### **7. Chief executive officer performance evaluation**

Company committee provides chief executive officer performance evaluation every year to consideration suitable payment and incentives by using work assessment form of CEO of the Stock Exchange of Thailand.

#### **8. Succession plan making**

Company committee arrange succession plan of executives to have executives with enough intellectuality to do duties as follows

- 1) Company committee provides potential development for executive plan.
- 2) Company committees are those who specify knowledge, ability and experience of each position to select the executives who are qualified and can succeed to each position.
- 3) Chief executive officer assesses practice and knowledge of executives who have needed ability to make individual develop plan.

Chief executive officer revises and concludes the result of making succession plan for position of chief executive officer regularly and reports to company committee once a year.

### **Board Committee**

The Board of Directors is composed of the persons who are knowledgeable, competent and have experience in the areas that support the development of the Company's business. The Board plays an important role in supervising, inspecting and evaluating the results of operations of the Company in compliance with the set plan, as well as running the business in compliance with the law, regulations and resolutions of the shareholders' meeting. The Board is obligated to ensure honesty and morality under the code of conduct of the business, and to oversee the administration conducted by the management according the set goals and directions for the Company's and shareholders' maximum benefits. One-third of the Board of Directors is represented by independent directors with the purpose of check and balance for voting on matters for consideration. The Committee has been instituted consisting of a woman director.

## Audit Committee

As of 31 December 2014, there are three Audit Committee members as follows:

No.	Name	Position	Meeting Attendance (5 times)
1.	Miss Charanya Sangsukdee	Chairman of Audit Committee	5/5
2.	Assoc. Prof. Dr. Aekkachai Nittayakasetwat	Audit Committee Member	5/5
3.	Mr. Natthawut Khemayotin	Audit Committee Member	4/5

Mrs. Chayanisa Boonmee acts as Secretary to the Audit Committee.

The Audit Committee members are knowledgeable and have sufficient experience to perform the duties of reviewing the accuracy and adequacy of the Company's financial reporting.

### Term of office

1. Audit Committee Chairman 3 years
2. Audit Committee Member 3 years

Upon completion of the term of service, the Audit Committee Chairman and members may be re-appointed. Furthermore they can terminate before completion of the term of service as follows:

1. Resignation
2. The lack of audit committee qualification
3. Retirement by the board of directors resolution

When the Audit Committee chairman or member needs to resign before the completion of the term of service, they have to inform the board of directors in writing letter at least thirty days. In the case of vacancy out of the completion of period, the Audit Committee has to appoint someone who has proper qualification not over three months since the validated date of resignation. Then they have only continued the existing period of former member.

### Scope of duties and responsibilities of the Audit Committee:

1. Review and ensure the accuracy and adequacy of the Company's financial reporting;
2. Review and make certain that the Company's internal control and internal audit systems are proper and effective, determine the independence of its internal audit unit, and approve the appointment, transfer and dismissal of head of the internal audit unit or any other unit concerned with internal audit function;

3. Advice and recommend of the budget and amount of staff within internal audit department presenting to executive committee's approval.
4. Review the good corporate governance development procedure continuously and advice essential issues and promote the topic of corporate governance in the meeting of the board of directors frequently.
5. Review the risk management procedure consistent with efficient and effective standard and cooperate with management team finding solution of evaluation and protection of all risk and corruption.
6. Cooperate with the risk management committee and related team recommending the result and progress of risk management report.
7. Review and make sure that the Company complies with the law on securities and exchange, the SET's regulations and the laws relevant to its business;
8. Consider, select, and nominate an independent person to serve as the Company's auditor and propose remuneration for such person, as well as participate in a meeting with the auditor, without presence of the management, at least once a year;
9. Consider any connected transaction or transaction prone to a conflict of interest to ensure that it conforms to the relevant laws and the SET regulations and that it is a reasonable transaction with the utmost benefit to the Company;
10. Prepare a report of the Audit Committee, duly signed by the Audit Committee Chairman, for publishing in the Company's Annual Report, containing at least the following details:
  - (a) Opinion on the accuracy, completeness and reliability of the Company's financial report;
  - (b) Opinion on the adequacy of the Company's internal control system;
  - (c) Opinion on the Company's compliance with the law on securities and exchange, the SET regulations or the laws relevant to its business;
  - (d) Opinion on the suitability of the auditor;
  - (e) Opinion on the transaction with a possible conflict of interest;
  - (f) Number of the Audit Committee meetings held and attendance by individual Audit Committee members;
  - (g) Opinion or observation received by the Audit Committee from its performance of duties in accordance with the Charter; and
  - (h) Other transactions that should be notified to the shareholders and the general investors within the scope of duties and responsibilities designated by the Board of Directors.

11. Conduct the notification of wrongful act in the case of stakeholders notice illegal, violation of policy, break of regulation and infamous ethic so that the notification has not effect badly and unfairness with informer and the process of investigation are freedom;
12. Control in case of special investigation intensively;
13. Report the Board of Directors when the Audit Committee discovers or suspects any of the following transactions or acts which might have a material effect on the Company's financial position and business performance, for further rectification within the period of time deemed appropriate by the Audit Committee:
  - (a) A transaction involving a conflict of interest;
  - (b) A fraud or irregular practice or material error in relation to the internal control activities; and
  - (c) A violation of the law on securities and exchange, the SET regulations or the laws relevant to the Company's business.
14. Perform any other act as assigned by the Board of Directors, with the approval of the Audit Committee;

In the outlines above of duties and responsibilities of the Audit Committee which is responsible for the duties of The Board of Directors directly. And The Board of Directors is responsible for the managing of company acts on third party outside company.

#### Risk Management Committee

As of 31 December 2014, there are five Risk Management Committee members as follows:

No.	Name	Position	Meeting Attendance (3 time)
1.	Assoc. Prof. Dr. Aekkachai Nittayakasetwat	Chairman of Risk Management Committee	3/3
2.	Miss Charanya Sangsukdee	Risk Management Committee Member	3/3
3.	Mr. Natthawut Khemayotin	Risk Management Committee Member	3/3
4.	Mr. Satit Hemmondharop	Risk Management Committee Member	3/3
5.	Dr. Pirun Hemmondharop	Risk Management Committee Member	3/3

Mrs. Prim Chaiyawat acts as Secretary to the Risk Management Committee.

### Term of office

The Risk Management Committee has the period of position each three years. If when they retire, they may reappoint in this position. The Risk Management Committee shall report to the Board of Directors and have power, duties and responsibilities as assigned by the Board.

### Scope of duties and responsibilities of the Risk Management Committee

1. Defined risk management policy and risk management framework including the company's overall risk management plan, risk management report covering the various risks affecting the company's business and operations such as financial risk, investment risk both domestic and international, business risk in competitive and changing environment, political risk, reputation risk and fraud risk etc.
2. Monitoring and evaluating of risk management policies and programs continuously for the effective and efficient system.
3. Reviewing risk management policies and programs according to the change of the impact of internal and external factors
4. Reviewing and updating as appropriate and in accordance with the charter of the business environment and / or the rules and regulations of the relevant authorities to the board of directors.
5. Authority to appoint working group or more employee and hire external specialist as necessary for risk management team to provide an effective risk management and to prevent the risk exposure effectively.
6. Performing any other act in related risk management assigned by the board of directors.

### Remuneration and Nomination Committee

As of 31 December 2014, the Company's Remuneration and Nomination Committee consisted of 3 committees under the following list of the Remuneration and Nomination Committee, position holding information and meeting attendance detail in 2014.

No.	List	Position	Meeting Attendance (1 Time)
1.	Dr.Damri Sukhotanang	Chairman of Remuneration and Nomination Committee	1/1
2.	Mr.Natthawut Khemayotin	Remuneration and Nomination Committee Member	1/1
3.	Mr. Wiwat Hemmondharop	Remuneration and Nomination Committee Member	1/1

Whereas Mr. Wassapon Phawattanapong is the Secretary of Remuneration and Nomination Committee.

## Position Holding Term of Remuneration and Nomination Committee Member

The position holding term of Remuneration and Nomination Committee Member is 3 years per term. The Remuneration and Nomination Committee Member who retires by rotation may be re-selected to enter for holding the position. The Remuneration and Nomination Committee is directly responsible for the Board of Directors with authority and responsibility assigned from the Board of Directors.

## Authority and Responsibility of Remuneration and Nomination Committee

### 1.1 Nomination

- 1.1.1 Consider structure, size and element of the Committee to be proper for organization and changing environment of business operation.
- 1.1.2 Formulate nomination criteria, policy and method for the Company's director, subcommittee members, and the Company's Chief Executive Officer to be consistent with organizational structure.
- 1.1.3 Determine the qualification of director and consider on selection of the proper candidate who is nominated to be the director in case that the position is vacant, and/or the director is due for his or her position holding term, and/or additionally appointed, for proposal to the Board of Directors to consider and approve before proposing to the Meeting of Shareholders for consideration on approval and appointment to be the Company's director.
- 1.1.4 Give the opportunity to sub-shareholders to nominate the candidate to be nominated as the Company's director before Annual Meeting of Shareholders.
- 1.1.5 Arrange the succession plan of Chief Executive Officer Position to be available under regular review.

### 1.2 Remuneration Determination

- 1.2.1 Determine nomination policy and structure and other monetary benefits and non-monetary benefits to the Company's directors and Chief Executive Officer with criteria that is clear, fair and proper to duty and responsibility, and consider on comparison of remuneration rate of other companies in the same or similar industry with the Company in order to be proposed to the Board of Directors for consideration on approval and/or proposal to the Meeting of Shareholders for consideration on approval.

### 1.3 Other Duties and Responsibilities

- 1.3.1 Appoint regular advisor and/or employ advisor of specific project in order to provide operating advice according to duty and responsibility in proper and necessary case. Remuneration and Nomination Committee can consider on determination of remuneration for advisor with the Company's expense as necessary and proper.

1.3.2 Review and revise the Charter of Remuneration and Nomination Committee to be consistent with the situation; and propose to request for approval to the Board of Directors.

1.3.3 Conduct any other functions related to nomination and remuneration for director and Chief Executive Officer as assigned by the Board of Directors.

#### Executive Committee

As of 31 December 2014, there are three Executive Committee members as follows:

No.	Name	Position
1.	Mr. Wiwat Hemmondharop	Chairman of Executive Committee
2.	Mr. Satit Hemmondharop	Executive Committee Member
3.	Mrs. Malee Hemmontharop	Executive Committee Member

Mrs. Prim Chaiyawat acts as Secretary to the Executive Committee.

#### Term of office

Executive Committee members have a term of service for three years. The retiring members may be re-elected for another term. The Executive Committee shall report to the Board of Directors and have power, duties and responsibilities as assigned by the Board.

#### Scope of duties and responsibilities of the Executive Committee:

The Executive Committee has power, duties and responsibilities in managing the day-to-day conduct and administration of company business, setting out policies, business plans, budgets, management structure and managerial powers of the Company, criteria for business conducts in accordance with the economic conditions for submitting to the Board of Directors for consideration and approval and/or endorsement, as well as monitoring the company performance according to the policies of the Board. Scope of duties and responsibilities of the Executive Committee are outlined below.

1. Administer the business of the Company according to the objectives, rules, policies, regulations, requirements, directives and resolutions of the meetings of the Board of Directors and/or the shareholders;
2. Examine and screen the proposals submitted by the management, determine organization structure, policies, directions and strategies for the business operations, business expansion, financial plans, budgets, human resource management, investment in information technology for proposing to the to the Board of Directors for its endorsement;

3. Appoint a sub-committee and/or working group to conduct the operations or manage the Company, assign their powers, duties and responsibilities including oversee their performing of duties in accordance with the goals and policies;
4. Monitor the Company performance and ensure that the operations are efficient, of high quality in compliance with the goals and policies set out by the Board;
5. Consider the annual budget proposals submitted by the management before proposing to the Board of Directors for consideration and approval;
6. Have power to approve the expenditure for normal business conduct in amount not exceeding 30 million Baht per item, but not more than the budget endorsed by the Board of Directors;
7. Approve the expenditure for major investment as stated in the annual budget paper as the Board of Directors may assign, or as the Board may have approved in principle;
8. Have power to approve borrowing, acquisition for credits or any loans for a period not over 5 years in amount not exceeding Bt.30 million per item, but not more than the budget endorsed by the Board of Directors. In the case of using the Company's assets as collateral, approval must be sought from the Board of Directors;
9. Consider signing of contract relating to the Company's performing normal business conduct under the terms not over 8 years in amount not exceeding Bt. 100 million per item, but not more than the budget approved by the Board of Directors;
10. Determine organization structure and power in management, including appointment, employment, transfer, termination, wages, remuneration, and bonuses for the directors of department or equivalent and higher except the Chief Executive Officers;
11. Have power to authorize one or more than one person to perform any act under supervision of the Executive Committee, or for that person to have power as the Executive Committee deemed it appropriate within a specified timeframe, of whom the Board has the authority to revoke, withdraw, change or correct as appropriate;
12. Perform any other act as assigned by Board of Directors on a case by case basis.

The Executive Committee's authorization of powers and responsibilities must not be made in the manner that empowers the authorized person to approve transactions that he/she or other person may be involved in 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 Executive Committee has no authority to approve the said matter. Hence, the Committee 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.

#### Selection of Directors and Executives

- **Independent director**

At least one-third of the members of the Board of Directors shall be independent directors.

The Board of Directors or the meeting of shareholders (as the case may be) shall appoint independent directors as members of the Board of Directors. The Company has the policy to appoint at least one-third of the members of the Board of Directors from independent directors and there shall be three independent directors sitting in the Board.

The criteria and procedures for appointing independent directors are according to the criteria and procedures for appointing the Board of Directors. General qualifications of the persons nominated as independent director shall be considered from qualifications and prohibitive characteristics as prescribed in the Public Limited Companies Act and the Securities and Exchange Act, including relevant notifications, rules and/or regulations. The independent directors must hold education degree, expertise, working experience and other suitable qualifications for consideration and appointment by the meeting of the shareholders. In the case that any independent director has vacated the office before his completion of term of service, the Board of Directors may appoint qualified independent director in replacement. The person appointed as replacing director may take office for the remaining period of the director he replaces.

The Board of Directors set out qualifications of independent directors as follows;

- 1) Not own shares exceeding 1% of total shares with voting right in the Company, the parent company, the Company's subsidiaries, associated companies, major shareholders or persons with controlling power including shareholding of that independent director's related persons;
- 2) Not get involved in management as a director, either in the past or at present, not be an employee or corporate advisor receiving a regular salary, or having controlling power of the Company, subsidiaries, associated or related companies, or a major shareholders or persons with controlling power, except having retired from such work for not less two years before being appointed as an independent director;
- 3) Not relate by blood or by law such as being parents, spouse, siblings and children, including children's spouse of the executives or a major shareholder of the Company, person with controlling power, or person who will be nominated as an executive or person with controlling power of the Company or its subsidiaries

- 4) Have no business relationship with the Company, subsidiaries, associated, a major shareholder of the Company, person with controlling power, in the manner that may obstruct the exercise of independent judgment; not being, either in the past or at present, a major shareholder, or person with controlling power of the person who has business relationship with the Company, subsidiaries, associated, or a major shareholder, or person with controlling power of the Company, except having retired from such work for not less two years before being appointed as an independent director;
- 5) Not be, either in the past or at present, an auditor of the Company, subsidiaries, associated, or a major shareholder, or person with controlling power of the Company; not being a major shareholder, person with controlling power or partner of an audit company to which the auditor of the Company, subsidiaries, associated, or a major shareholder, or person with controlling power of the Company is attached, except having retired from such work for not less two years before being appointed as an independent director;
- 6) Not be, either in the past or at present, a provider of professional services which shall include legal advisory service or financial adviser whose service fees are more than Bt. two million per year obtainable from the Company, subsidiaries, associated, a major shareholder, or person with controlling power of the Company. It shall include the major shareholder, person with controlling power or partner of that provider of professional service, except having not involved in such manner for not less than two years before being appointed as an independent director;
- 7) Not be a director appointed to represent the director of the Company, major shareholder, or shareholders having related with the Company's major shareholders;
- 8) Not operate the same business which is competitive with the businesses of the Company or its subsidiaries, or not be a major partner in partnership company, or a director involved in management, an employee or corporate advisor receiving a regular salary, or holds more than 1.0% shares of total shares with voting right in other company which operate the same business which is competitive with the businesses of the Company or its subsidiaries;
- 9) Not employ any other characteristics which make him incapable of expressing views independently concerning the Company's business operations.

Independent directors shall examine and declare their independency at least once a year, which will be attached to the Directors Profile Report at year-end in line with the submission of Annual Disclosure Statement Form (Form 56-1) and the Annual Report of the Company.

- **Board of Directors and Chief Executive Officer**

The meeting of The Board of Directors No.6/2014, held on November 12, 2014 resolved to appoint the Nomination and Remuneration Committee. In the selection of qualified persons to take office as directors or executives, it has set up a selection procedures by which the major shareholders, and/or representatives of each group of the major shareholders, professionals in related fields, directors, independent directors and executives of the Company jointly propose name list of persons who possess qualifications, experience, and potentiality with emphases on those who have skills and experience necessary for the Company's business. The following qualifications will be taken into consideration.

- 1) Have qualifications in accordance with the Public Limited Companies Act, the Securities and Exchange Act, regulations of the Securities and Exchange Commission and SET, and the Company's corporate governance policies;
- 2) Have knowledge, expertise, and experience in various fields that will benefit and add value to the Company's operations;
- 3) Have characteristics that will support and promote the corporate governance in order to add value to the Company; perform duties with accountability, care and loyalty and fully committed to the work.

The selection and appointment of directors shall be in accordance with the Articles of Association of the Company. The appointed directors must be endorsed by the meeting of the shareholders. The resolution of the meeting shall be made by majority votes of the shareholders who are present and have voting right.

1. The Board of Directors is composed of not less than five directors appointed by the meeting of the shareholders. Not less than half of the total directors shall have residence in the Kingdom.
2. The meeting of the shareholders shall elect directors according to the following criteria and methods:
  - i. Each shareholder has the number of votes equal to the number of shares held;
  - ii. Each shareholder may use his or her votes to elect one or more directors. If many directors are to be elected, he or she must use all of his or her votes. He or she may not divide his or her votes among more than one candidate at any one time.
  - iii. Candidates with the greatest number of votes and all runners up are elected directors, based on the number of directors needed at that time. In the event that the

last director position to be filled is met with more than one qualified candidate winning equal numbers of votes, the Chairman of the meeting is the final arbiter.

3. 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. In 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.

4. Any director desiring to resign shall submit his/her resignation letter to the Company. The resignation shall take effect on the date of submission.

The director who resigned under paragraph one may inform the Registrar under the law on public company of his/her resignation.

5. In the case where the directors retire due to reasons other than a retirement by rotation, the Board may select and propose names of qualified persons not having prohibited qualifications according to the law on public company limited and the securities and exchange law as a replacement at the next Board meeting. Except when the remaining terms of the directors are less than two months, the person appointed as replacing director may take office for the remaining period of the director he replaces.

The Board's resolution under paragraph one must consist of votes made by not less than three-fourths of the existing directors.

6. The annual general meeting of shareholders has the right to terminate directorship of any director before his completion of term of service by not less than three-fourths votes of the shareholders who attend the meeting in person and have the rights to vote, and hold total shares of not less than half of the shares held by the shareholders who are present at the meeting and have the rights to vote.

- **Audit Committee Members**

The Board of Directors or the shareholders' meeting (as the case may be) shall appoint at least three members of the Audit Committee to perform the duties of the Company's Audit Committee. Each member must be an independent director and not be a director assigned by the Board of Directors to make decisions in business operations of the Company, subsidiaries, associated, a major shareholder, or person with controlling power of the Company. He/she shall not be a director of the Company, parent company, subsidiaries and subsidiaries of the same level in particular a listed company. Members of the

Audit Committee must be qualified in accordance with the law on securities and exchange including notifications, rules and/or regulations of the SET that set out qualifications and scope of work of the Audit Committee.

There shall be at least one member of the Audit Committee who has knowledge and experience in accounting and/or finance in order to review and judge the reliability of the financial statements and the ability to perform other duties as member of the Audit Committee.

- **Executives**

The Company has the policy to select its executives from persons who possess knowledge, ability and experience relevant to the business. Selection shall be in accordance with the human resource management regulation. Approval must be sought from the Board of Directors/or the Board's authorized persons.

The Nomination and Remuneration Committee selected and collected its executives from persons who possess knowledge, ability and experience to deserve being Chief Executive Officer for presenting the Board of Directors' approval. The Board of Directors is empowered to select a Chief Executive Officer. Appointment of the Chief Executive Officer must be approved by the Board. The Chief Executive Officer is empowered to recruit and appoint persons who possess knowledge, ability and experience relevant to the business as the Company's employees. However, an appointment of the chief or responsible person for internal audit and control must receive prior endorsement from the Audit Committee.

#### **Position Holding in other Companies of the Director and Top Executive**

The Company has determined the policy of position holding in other companies of the Company's director (including Chief Executive Officer) to be consistent with good practical guideline determined or advised by different governing agencies such as Stock Exchange of Thailand that stipulated that the director of the listed company should hold the director position in the listed companies for not over than 5 companies since excessive number of position holding as the Company's director may affect the functional efficiency of the director. Therefore, the Board of Directors considers on defining number of listed companies that each director shall hold the positions for not over than 5 companies without exception.

In addition, the Company has also determined internal practice guideline in holding any posts in other companies for director. The director shall inform in advance before assuming other positions in the Company and organizations to Audit Committee that considers the appropriateness and consistency with the criteria. The Company's Secretary acts in informing the post holding of each director for the Board

of Directors' acknowledgement. The information of position holding in other companies shall be disclosed for shareholders' acknowledgement in Annual Report. For position holding as the director in the Company or other organizations of the Company's top executive from Vice Chief Executive Officer and over (including Chief Executive Officer), the Company determines the requirement to get approval from the Board of Directors.

### Development and Promotion of Executive and Director's Knowledge

The Board of Directors has duty to promote and facilitate the people concerned in the Company's business governance system such as director, audit director, executive and the Company's secretary to enter to continuously and regularly get training and seminar in courses or participate in different activities organized by Thai Institute of Directors, Stock Exchange of Thailand, the Office of Securities and Stock Exchange Commission or independent organizations in order to reinforce knowledge which is useful for function. The Company prescribes the requirement of the director to get training for knowledge development for at least once a year.

In development of the director's knowledge, the course in relation to skill and knowledge reinforcement in the aspect still lacked by each director according to the appraisal from Board Skill Matrix. The Company's secretary coordinates with director and executive to inform and publicize these training courses.

#### Training course details of Directors, Executive and Company's Secretary during 2014

Name	Position	Date of Training	Curriculum	Institute of Training
Mr. Natthawut Khemayotin	Independent Director/ Audit Committee/Risk Management Committee/Nomination and Remuneration Committee	Nov. (1 day)	Survey of Directors' Remuneration Report 2014	Thai Institute of Directors
Mr. Wiwat Hemmodharop	Director/Executive Committee Chairman/ Risk Management Committee/ Nomination and Remuneration Committee	Nov. ( 2 days)	Chartered Director Class (CDC) Class 8/2014	Thai Institute of Directors

Name	Position	Date of Training	Curriculum	Institute of Training
Mrs. Prim Chaiyawat	Chief Finance Officer/ Company's Secretary	Jul. ( 2 days)	Principal Law and related regulation of Listed Company Program Class 11/2014	Thai Listed Companies Association
		Jun. ( 2 days)	Company Secretary Training Program Class 29/2014	Thai Listed Companies Association

### Operating Governance of Subsidiaries

The Board of Directors is maximally responsible for business management and the Company's operation as well as the management of the subsidiaries to be always in line with the Company's goals. The Board of Directors is also responsible for formulating visions and strategies in operating the Company and its subsidiaries, and governing and controlling the management for operation according to the determined policy as well as accurately and sufficiently reporting financial report and general information and determining operating follow-up and audit policy of the subsidiaries to be consistent with relevant laws. Internal Audit Office as well as the Company's Secretary Office jointly perform the duty of this part.

### Treatment of Insider Information

The Company has set rules and regulations enforcing directors, executives, employees and contract employees to keep the Company's secret and internal information confidential. They are prohibited from disclosing the Company's secret or internal information for their own or other persons' benefits, either directly or indirectly, and whether or not any benefits will be given to them. They are also prohibited from trading or transferring the Company's securities using the secret and/or insider information, and/or conducting any juristic act, by using the secret and/or insider information that may cause damage to the Company either directly or indirectly. Directors, executives, employees and contract employees who have access to the Company's insider information must not make use of that information that has not yet been disclosed to the public. All persons concerned are also prohibited from trading the Company's shares within one month before quarterly and annual financial statements are publicly disclosed and after publicly disclosed already at least 3 days. These rules are also applicable to the spouse and under-aged children of the directors, executives and employees.

Besides, the Company has notified the directors and executives about the duty to report their holding of PJW shares, and the holding of PJW shares by their spouse and under-aged children, as well as any

changes thereof, to the Office of the Securities and Exchange Commission pursuant to Section 59 and the penalties under Section 275 of the Securities and Exchange Act, B.E. 2535 (1992).

The Company has set disciplinary penalty in case of any person's use of internal information for personal benefits, or disclosure thereof that may cause damage to the Company. The penalty for violation of or failure to comply with the regulations may range from verbal warning, written warning, probation, or termination of employment by dismissal, removal or discontinuation of employment, as the case may be.

#### **Auditors' remuneration**

In the year 2014, the Company and its subsidiaries paid the auditor's remuneration to Dharmniti Auditing Co., Ltd. as following details;

Auditors' remuneration	Financial Year 2014
1. Auditing fee	1,645,000
2. Other service charges and expenses	-
<b>Total</b>	<b>1,645,000</b>

The above nominated auditors do not have any relationship or interest with or in the Company or any of its executives, major shareholders or their affiliates.



## Report of Compliance with Good Corporate Governance Principle

To Shareholders of Panjawattana Plastic Public Company Limited

The Company has realized on the significance of good corporate governance that will affect sustainable growth of the Company in long run. The Board of Directors of Panjawattana Plastic Public Company has appointed Corporate Governance Committee consisting of Miss Jaranya Saengsukdee to be the Chairman of the Committee, Assoc. Prof. Dr. Ekkachai Nittayakasetwat and Mr. Natthawoot Kemayothin as the director to build confidence to all parties of stakeholders such as shareholders, employees, customers, business partners and creditors, competitors of governmental sectors, environmental and social community.

In 2014, Corporate Governance Committee held 5 meetings to follow up the operation according to good corporate governance development plan. The main points were summarized as follows.

- Supervise the Company to continuously operate and comply with Good Corporate Governance Principle, Business Ethics, and Anti-Corruption Measure as prescribed.
- Continuously oversee the compliance with action plan and policy guideline for environmental and social responsibility in 2013 both in part of Head Office and Branch for activity operations including the following.
  - Summer Buddhist Novice Ordination Activity for study of youth on Buddhism dharmic principle, good culture, tradition and custom, useful spending of leisure, encourage of Thai youth to be healthy in emotion, mind, intellect, moral and ethical, resulting in positive impact to the community.
  - Blood Donation Activity for Thai Red Cross so that National Blood Center can utilize the donated blood in medical profession in order to further help fellowmen.
  - Project for Recruitment of Samut Sakhon Technical Institute's Student to Get Training in Bilateralism for giving the opportunity to the bilateralism students to enter to learn/study working process, know teamwork with others in actual working life, and for experience reinforcement and skill development that are necessary for future working.
  - Lent Candle Parade Activity at Wat Kaew Mongkol, Kalong Sub-district, Meuang District, Samut Sakhon Province for promotion, inheritance and conservation of local culture and tradition.
- Review Good Corporate Governance Policy, Business Operation Ethics and Anti-Corruption Policy of the Company to be up to date and consistent with practical guideline of Stock Exchange of

Thailand and governing agency. Anyhow, the update and addition of ethics and relevant policies in writing have included below essential points.

- Define the Company Secretary to quarterly report the change in securities holding of the director and executive to Board of Directors' Meeting.
  - Arrange the environmental training to the employees in order to promote the employees to have conscious and responsibility toward community, society and environment.
  - Define the Board of Directors to regularly perform the review and approval on vision and mission, strategy, financial target, risk program, and budget for at least every 5 years.
- Disseminate and communicate ethics and corporate governance policy through various means such as new employee orientation, email, publicizing board, and CG weekly activity arrangement to promote every branch of the Company's employees to endeavor to grasp in such policy.

From the Company's strict compliance with Good Corporate Governance Principle, relevant policies as well as continuous development and improvement, it affected the Company to be granted for Good Corporate Governance Award as follows.

- SET Award of Top Corporate Governance Report Awards for 2014 was organized by Stock Exchange of Thailand
- The overall score of evaluation result from the survey result on Good Corporate Governance of listed companies for 2014 was in "4 Stars Level (Very Good)" criteria which was organized by Thai Institute of Directors (IOD).
- The quality evaluation result of Annual General Meeting of Shareholders was in "4 Level" criteria in the project of quality evaluation on holding 2014 Annual General Meeting (AGM) of Shareholders which was organized by Thai Investors Association.



(Miss Charanya Sangsukdee)

Chairman of Good Corporate Governance

## Corporate Social Responsibilities: CSR

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Panjawattana Plastic Public Company Limited (“Company” or “PJW”) has determination to develop the organization following sustainable development solution by giving precedence and holding to Good Corporate Governance

Company’s Committee and board of directors along with employees have intention to maintain growth rate by focusing on sustainable growth and holding policy given by risk management committee as well as allocating returns to stakeholders according to business ethics of the company and determine to develop the company as the innovation and quality organization in plastic molding industry to elevate standard of manufacturing until becoming World Class Manufacturer and growing sustainably in the future with following operation policy.

**“We will deliver standard product by using production resource for ultimate benefit”**

### *Policy and Overall Image*

#### 1. Fair Operation

The company realizes and gives precedence to efficient, transparent and auditable management system to ensure all relevant and sustain business growth under operation with ethics following applicable law. The company has specified policy of good corporate governance with principles and guidelines corresponding to good governance of Stock Exchange of Thailand and suggestion of Thai Institute of Director to upgrade the existing operation for clear standard including Code of Conduct in writing communicated to committee, executives and employees to acknowledge and practice continually through training and internal communication in various formats to show intention to operate business with fairness, transparency along with responsibility to stakeholders, being aware of society and environment that reflect trend, value and guidelines of practice that all employees shall comply with specified ethics to strengthen culture of real good corporate governance.

#### 2. Anti-Corruption Campaign

The company has an anti-corruption policy by making as writing guidelines of practice and stipulating principles in business ethics of the company that has been reviewed and approved by the company's committee. The committee, board of directors and all employees in the company, subsidiary including the people relevant to the operation comply with anti-corruption measures strictly. The company gives precedence to transparency and recognize integrity to transact with officers to avoid operations that possibly affect inappropriate action and is contrary to good corporate governance including oppose corruption and bribery with

official for facilitation or business benefit of the company along with determine ultimate disciplinary punishment for employees who take such actions. Nevertheless, to specify anti-corruption policy, the company has determined framework as follows

- Policy of anti-corruption
- Policy of Political Support
- Policy of Receiving Gift, Asset or Any Benefit
- Policy of Claiming criminal offence or Complaint along with Protection to the Informer

**Moreover, the company has operated to prevent involvement to fraud and corruption as follows**

1. The company communicates with committee, board of directors and employees to execute every operation in scope of applicable law strictly or if the mistake occurs in operation as a result of negligence and ignorance, they shall be punished by the government without bustling to be acquitted.
2. Providing channels to report in case violation or corruption are sighted for further correction to be suitable and transparent along with reporter protection measure

Nevertheless, details and operation relevant to prevention of involvement in anti-corruption are published on website of the company, [www.pjw.co.th](http://www.pjw.co.th), under the topic of corporate governance

### 3. Human Right Respect

The company supports and respects human right protection not allowing the business of the company to violate human right promotes to monitor compliance with regulations of human right in business of the company and motivates following principles of human rights as universal standard and responsibility of the business related to human right also covers affiliated company and trade partners

The company gives essential information to employees and representatives to acknowledge real condition of the business and organization supporting discussion/ cooperation between employer and employees including representatives to develop quality of life work and respect rights of expressing opinions of employees that covers independence to give opinions without interruption through media as well as provides channels of communication to listen to opinions of stakeholders freely.

The company provides work system that emphasizes on safety and sanitation in workplace such as having pollution-free system that possibly occur during operation and providing clean workplace for safety as a result of both accident and sickness.

#### 4. Fair Treatment to Labor

The company has a policy to treat employee equally and fairly in terms of opportunity, returns, welfare and potential development by recognizing that every person is valuable resource and an essential factor to drive the organization to be successful. Therefore, the company has determination to develop the organization as the learning center promoting culture and work environment, supporting teamwork, promoting ability and knowledge development to be advanced and stables in careers and work with consciousness of safety and recognize environment along with ensure quality of life and safety in workplace as well as maintain work environment, listen to opinions and suggestion from employees in every level equally and freely with following policy and practices

- 1) No forcing labor and not supporting child labor
- 2) Treating to employees politely and respecting dignity of human and fundamental rights equally
- 3) Giving fair and suitable returns depending on knowledge, ability and performance of each employee
- 4) Positioning and transferring along with giving rewards and punishing employees who take actions with honesty based on knowledge, capacity and suitability of that employee
- 5) Maintaining work environment to be safe to life and health of employees
- 6) Promoting, supporting, training and developing knowledge, capacity of employees thoroughly and regularly
- 7) Listening to opinions and suggestion based on professional knowledge of each employee
- 8) Complying with the law and regulations relevant to employee strictly
- 9) Avoiding any unfair actions to employees and giving chances to employees to petition troubles as a result of unfairness to be corrected.

#### 5. Consumer Responsibility

The company is determined to satisfy and ensure customers so that they receive good product/service with quality and safety in reasonable price and following the standard as the company realizes that customers receive good and standard product/service will be to give confidence to consumers and they can increase income and the company follows terms and condition toward customers and standardizes product and service continually, maintains good and sustainable relationship with customers seriously and regularly including not using information of customers for benefit of the company and the relevant. Previously, the company has held and practiced following standard strictly and that the company has been universally certified as follows

ISO 9001 is quality management system to ensure that the manufacturer or service provider has established and maintained quality management system with same standard with objectives to respond needs of customers. Such standard is related to designing, producing and providing service that can be implemented with every type of business in every industry. The company needs to realize and specify targets clearly including principles of management system efficiently by achieving set target.

- **Good Manufacturing Practice: GMP** Necessary principle or specification for production and control so that the manufacturers comply with and can produce safe food with following 6 contents
    1. Hygiene of location and building
    2. Tool and machines and equipment
    3. for production
    4. Sanitation
    5. Maintenance and Cleaning
    6. Personnel
  - **Hazard Analysis Critical Control Point: HACCP** means analyzing danger and crisis control is a concept related to hazard prevention measure in each step of operation by having scientific procedures that is to study danger and find the way to prevent along with monitor to ensure that such prevention measure is always effective.
6. **Community, Society and Environment Responsibility**

The company has a policy to operate business with responsibility to community, society and environment in terms of safety, quality of life and natural resources preservation by promoting using energy effectively and realizing quality of life of the community and society along with recognizing operation that has impact on environment. Any actions, operation and decision of the company must ensure that product and business operation of the company is correct and corresponding to rules, regulation or standard along with promoting employees to have consciousness and responsibility for community, society and environment including cooperation in activities with the community in which the company has operated business.

Nevertheless, the company promotes the community to have a chance to access necessary medical service and use more medical equipment. The company has donated money to the local public hospital annually so that the hospitals can buy modern medical equipment.

Although, the production of the company does not have impact on environment as plastic remainders can be recycled, the company realizes importance of environment and establishes environment management system to mitigate the impact on environment and improve it continually. The executives and

employees are determined to follow the policy and previously activities with framework and guidelines of practice included

- The company received **ISO 14001:2004 Standard** that is related to environment management and practice and this guarantees that environment care system as a result of production of the company that covers every area of the company has been evaluated by independent inspector.
- The company has operated in accordance with law associated with environment by providing environmental inspection such as air quality, sound, heat, light, quality of water drained from the factory etc. and the result passed the criteria stipulated by law.
- The company has researched, studied and developed product and manufacturing technology including designing products to have lighter weight to reduce volume of using plastic pellet and in some cases, they are to co-work with customers, educational institutions and government sector

#### 7. Innovation and Propagation

- In production process, if there are wastes and quality problems as a result of defect in production, the company has established Project team to analyze problems and causes and find the solution to prevent recurrence to be corresponding to main target of the company to deliver quality product by using existing resources for ultimate benefit and can extend the result to solve the same problem in institutes and /or subsidiaries by registering and making as documents for further study for the relevant.
- The company emphasizes on **TPM-5** that has objectives for every employee to participate and work effectively that can increase capacity of machines, reduce production cost and support environment in workplace by setting up a small group to do Kaizen activities to find the defect and time wasted for work for continuous improvement.

The aim of this activity is that “malfunction of machines, waste and accident goes zero” and to implement seriously in every institute of the company and implant as value that TPM-5 is a part of working not just periodic activity. This would make resources of the company used for utmost benefit and the company can reduce unnecessary expense and has long-term sustainable growth.

- From situation of current global warming, the company realizes such problem and cooperates with education institutions to research and develop techniques to use plastic bottles containing lubricating oil or milk bottles to be reused including design products to be durable by using less plastic pellet to reduce global warming.
- The company is determined to maintain and reduce problems of environment by recognizing as responsibility of all employees to participate in environment preservation by having many

activities such as giving correct knowledge about environment to employees, publishing and stimulating conscious mind with an activity that the executives meet employees once a week, environmental policy sign is attached clearly and readably, the project of waste separation with correct disposal, and establishing environment institute to monitor, prevent and resolve pollution and reduce energy use etc.

- The company operates business according to sustainable development guideline by determining to develop and introduce innovation of technological application for production by installing Punching System to reduce manual product decoration and it is the way to reduce sickness from Trigger Finger Disorder and installing Robot to reduce labors to collect products from machine and packaging to relieve exhaustion and reduce chances of sickness and accident from working so, employees are happier to work.

### Operation and Report

To operate activities of the company, there is to evaluate expectation of stakeholders with the company in terms of both internal and external factors, current and future situation or chances to have multi-dimension risk. The company realizes that perspective and opinions of stakeholders will make the company understand clearly and completely and it can use to plan and operate to prevent risk and mitigate negative result that possibly occurs in the future

Stakeholder	Channel of Communication	Issue of Responsibility
Shareholder	<ul style="list-style-type: none"> <li>- Annual General Meeting</li> <li>- Annual Report</li> <li>- Company Visit</li> <li>- Investor Relation</li> <li>- Opportunity Day</li> <li>- Phone Call</li> <li>- Roadshow</li> <li>- Notice of SET</li> <li>- Website</li> </ul>	<ul style="list-style-type: none"> <li>- Stable Financial Status</li> <li>- Return from Investment</li> <li>- Continual Growth of the company</li> <li>- Good Risk Management</li> <li>- Transparent and auditable Operation</li> <li>- Good Corporate Governance</li> <li>- Anti-Corruption</li> </ul>
employee	<ul style="list-style-type: none"> <li>- Meeting Attendance</li> <li>- Broadcasting</li> <li>- Morning Talk</li> <li>- Complaining Box</li> <li>- PR Board</li> </ul>	<ul style="list-style-type: none"> <li>- Stability in life and progression in work</li> <li>- Fair welfare</li> <li>- Environment, Hygiene and Safety in Work</li> <li>- Evaluation and Return Payment and fair and equal treatment</li> </ul>



Stakeholder	Channel of Communication	Issue of Responsibility
	<ul style="list-style-type: none"> <li>- Electronics Mail</li> <li>- Labor Relation</li> </ul>	
Customer	<ul style="list-style-type: none"> <li>- Site Visit</li> <li>- Complaint Accept</li> <li>- Electronics Mail</li> <li>- Phone Call</li> <li>- Conference</li> <li>- Website</li> </ul>	<ul style="list-style-type: none"> <li>- Standard product quality that increases sale for customers</li> <li>- Punctual Product Delivery</li> <li>- Good service with Service mind</li> <li>- Complying with agreement</li> </ul>
Trade partner and Creditor	<ul style="list-style-type: none"> <li>- Selection and Procurement</li> <li>- Annual Meeting</li> <li>- Electronics Mail</li> <li>- Phone Call</li> <li>- Website</li> <li>- Dealer Evaluation</li> <li>- Suggestion</li> </ul>	<ul style="list-style-type: none"> <li>- Following agreement</li> <li>- Payment in specific time</li> <li>- Guarantee Security Care</li> <li>- Honesty and fairness in operation</li> <li>- Mutual Benefit Maintenance</li> </ul>
Opponent	<ul style="list-style-type: none"> <li>- Membership in organizations, associations</li> <li>- Meeting and Sharing Experience</li> </ul>	<ul style="list-style-type: none"> <li>- Not preventing to compete in business</li> <li>- Treating fairly under applicable laws</li> <li>- Not ruining fame, flaming or attacking without fact</li> </ul>
Government	<ul style="list-style-type: none"> <li>- Membership in organizations and associations</li> <li>- Activity Participation</li> <li>- Giving Data</li> <li>- Website ของบริษัท</li> </ul>	<ul style="list-style-type: none"> <li>- Following law strictly</li> <li>- Anti-corruption and good corporate governance</li> <li>- National Economic Promotion</li> <li>- Complying with principles of supervisory unit such as SET, SEC etc.</li> </ul>
Community, society and Environment	<ul style="list-style-type: none"> <li>- Activity Participation and Support</li> <li>- Public Relation through Community Leader</li> <li>- Contribution</li> <li>- Complaining Accept</li> <li>- Phone Call</li> </ul>	<ul style="list-style-type: none"> <li>- Developing community and society including overall economy</li> <li>- Environment, occupational health and safety management</li> <li>- Listening to complaint</li> <li>- Supporting community activity</li> </ul>

### *Business Operation that affects Social Responsibility*

The company has guidelines of operation to ensure that trends and targets of sustainable development is corresponding to economic, social and environmental change and meets expectation of stakeholders so that growth and development is effective and efficient and it can be concluded as follows

#### Economic Operation

In 2014, the company had overall operation in term of economy that can share economic values to stakeholders as follows

Unit: million Baht

List	value*
Profit from sale drives the economy	2,294.91
Net Profit (loss) to add value for shareholders	35.83
Salary and wage for Employees **	364.97
Taxes paid to government for national development ***	10.79

\* Data from consolidated financial statement OF THE COMPANY IN 2014

\*\* Salary, wage, welfare, provident fund and social security

\*\*\* Corporate Income Tax, Local maintenance Tax, property tax, sign tax and withholding Tax

#### Society and Community Operation

The company realizes importance of being together with the community and society by having framework to help society and community to promote good relationship, cooperation and support organization's operation from the community and society, compromise conflicts, mitigate severity of problems that may possibly occur in the future, creating understanding, and be a model for community. The activities would be recognized in term of organizational benefit, community and social development and that the community would have confidence and trust to the organization strengthening business relation and being a part of success and sustainability.

In 2014, the company has operated activities for social and community benefit as follows

- *Project of Samutsakhon Vocational College Student internship in Bilateral System* to give a chance for bilateral students to learn and study work process and get to know how to work in team for real work and to enhance experience and develop skills necessary for future works.

The company realizes that skillful and experienced personnel are essential factors to drive the business of the organization for long-term and sustainable growth, the company starts making this project to emphasize on developing students who are the nation's future as skillful personnel to work as a professional and supporting them to have income that can relieve burden of their family and reduce unemployment rate. When they finish curriculum, the company gives a chance to them to be employed at the company immediately.



- Blood Donation to Thai Red Cross so that National Blood Service Center can use donated blood for medical benefit to save life of humanity.



- Summer Novice Ordination for youths to study Buddhism, culture and custom and it is the way to spend free time for benefit that can promote Thai youths to have intellectual, mental and emotional completeness with morality and good ethics that would be good for the community.



- Candle Pageant at Wat Kaew Mongkol, Kalong Sub-district, Muang, Samutsakorn to promote and heritage local tradition and culture



- Elder Care Activity at Banglamung Elder House to support necessary stuff in daily life and show love and warmth to elder people with no relatives



## Environmental Operation

The company has a policy to operate business with responsibility and safety in quality of life and environmental preservation that can promote using energy effectively by realizing life quality of the community and society along with operation that has impact on environment. Any practices, decisions, and operations of the company shall be ensured that products and business operation of the company are correct and corresponding to rules, regulations and standards along with promoting employees to have conscious and responsibility for community, society and environment.

Previous years, the company has operated the project of reducing energy use in 2014 with measures to reduce leaked pressurized air, reduce input temperature, use LED lights instead of Fluorescent 36 W., use motor suitable for Load, revise Power Factor etc. it can reduce 546,480.27 kWh./year or 306,575.43 kg.CO<sub>2</sub>/year CO<sub>2</sub>

The company realizes importance of environment, it established environment management system to mitigate environmental impact and improve environment. All executives and employees are determined to comply with such policy and previously, the company has operated with following framework and guidelines

- The company has received ISO 14001:2004 standard which is related to environmental management and practice so this is to guarantee that environment care as a result of company's production covering every area in the company has been assessed by independent inspectors.
- The company has operated in according to law associated with environment by providing environment monitor such as air quality, noise, heat, light quality of water drained from the factory and the result passed standard stipulated by law .

Although production process of the company is non-pollutant that affects environment as the plastic remainders from work cut can be recycled as an assembly of materials for reproduction.

However, the company recognizes importance of impact on safety, occupational health and environment of employees, ecosystem, the relevant and community nearby the factory with policy of Occupational Health and Safety as follows

- Executives give precedence to and are determined to create and develop management system for safety, occupational health and environment in work
- Safety, occupational health and environment in work area a part of working and they are duty and responsibility of all employees

- Providing standard of practices corresponding to law, universal standard and other specifications relevant to safety, occupational health and environment in work including improving overall operation
- Providing safe environment in work to control, improve and prevent hazards as a result of company's operation along with promoting safe practices and cooperation from all employees to prevent and report accidents, incidents and work status and harmful condition for incessant development and to prevent possible dangers of all employees and the relevant.
- Providing measures and plans to monitor and control occupational health to prevent sickness from work and promoting all employees and the relevant to have good health and hygiene.
- Developing human resource by promoting, supporting, giving knowledge and building up attitude along with conscious mind in terms of safety, occupational health and environment in work for all employees and the relevant sufficiently.
- Supporting resources in terms of personnel time and budget suitably and sufficiently.
- Cooperating for safety in work and holding it as one of criteria to assess performance

#### **Guideline of Practice**

- The company has specific institute to control and drive operation according the plan of occupational health and safety and appoints Occupational Health and Safety Committee (OHSC) with meeting at least once a month to suggest guidelines of defect resolution of analyzing and evaluating risks as well as monitoring progress of operation
- The company has operated in term of occupational health to evaluate risk to recognize level of risks to health of the practitioners to ensure that they are managed health risk with health checkup depending on risks.
- The company provides welfares for all employees to have annual health checkup by professional doctor and nurse crew from the hospital to check up and consult the employees.

The company provides projects and activities to promote safety culture in work such as exhibition of safety week, safety motto contest and Safety Talk in every week of working etc.

## Control Environment and Risk Management

### Control Environment

The company has been aware of the good internal control system management concerning the company's efficient operation system. Therefore, the company organizes the inspection committee to collate the company's internal control system, to assess properly and efficient, and to collate the operation's operation system to be compliant with securities, stock exchange, Stock Exchange's criteria, and law relating to the company's business.

The inspection committee always has a meeting together at least every quarter regarding financial statements, collation of the correct financial reports, which is appropriately disclosed, relating transactions or transactions in conflict with benefit in compliance with the law, Stock Exchange's criteria, and the Capital Market Commission, and the collation of the company's proper and appropriate internal control system and internal inspection system.

Regarding the committee meeting of 2/2015 on March 2, 2015, the committees including three people assessed the company's internal control system by gaining information from questioning the management, assessment provided by the management, inspection committee's reports. The assessment of internal control system focused on five sections as below

- 1) Control Environment
- 2) Risk Assessment
- 3) Control Activities
- 4) Information & Communication
- 5) Monitoring Activities

The company's committee concluded that the control environment is effective, sufficient, and appropriate. The risk manage is operated properly by having adequate staff to operate the systems efficiently. Moreover, the company also provides control environment concerning monitoring the operation of subsidiary in order to protect assets of company and subsidiary from the improper or unauthorized use of committee or management. The monitoring properly covers doing a business transaction with a person who has conflict or relation.

The company provides the internal inspection unit on the purpose of monitoring and assessment of control environment of all operation systems to assure that the company's operation system meets in term of company's objectives and to be confident to achieve company's goals efficiently and effectively. The company's business operation is based on the control environment appropriate and sufficient with business operations, supporting cooperate governance, and supporting the inspection committee to work most



efficiently and effectively. The control environment is compliant with The Professional Practice Standards of Internal Auditing defined by The Institute of Internal Auditors: IIA.

According to the inspection committee's meeting of 3/2014 on August 14, 2014, Mrs. Chayanisa Boonmee was appointed the Chief of company's internal inspection. Mrs. Chayanisa clearly understands the company's business activities and operations. Hence, she is well qualified for the position appointed, so that the consideration and approval of appointment/removal/relocation of the Chief of internal inspection unit must be approved by the inspection committee with the consideration of the candidate's qualifications.

However, the company's committee is aware that a control environment is not able to completely guarantee the damage causing from a mistake. But it can prevent or assure of its efficiency within properness.

### **Risk Management**

Panjawattana Plastic Public Company Limited is aware and focuses on the importance of risk management. The company lays the foundation of risk management according to the standard of Committee of Sponsoring Organization of the Treadway Commission : COSO. Moreover, the risk management is used appropriately and acceptably for the purpose of achievement of objectives, strategies, obligations, and visions as the company specifies. The risk management is the key factor of work operation to accomplish the goals, to prevent damage, and to reduce mistake happened in operation management. Therefore, the management seriously takes precedence over it. The company's committee appoints risk management committee consisting of five people to manage company's risks closely. This also includes the announcement of risk management and preparing company's manual of risk management.

Hence, to make understanding of risk management process all levels in company's group and to obey as the organization's culture towards all staff working for the company, the company provides risk management manual to be guidance for staff to operate a risk. It becomes major key to help all business units in the organization to accomplish objectives/goals and to succeed in work operation. These will lead to generate value added and the growth of the company permanently. Moreover, it can be able to adapt with the work operation of both a big project through a small project. The risk management is aware of the mistake and will provide prevention plan of risks as better than solving after happening, which wastes money and resources unnecessarily.



## RELATED TRANSACTION

The transaction between Company and its subsidiaries and other related persons who may have conflict of interests can be summarized as follows.

For the year ended December 31, 2014, the Company and its subsidiaries have transactions with related person and related companies as disclosed by the auditor in the notes to financial statements. The Company's Board of Directors has reviewed and considered that all related transactions shown in this financial statement are applied by normal prices of business which are based on general marketing price and normal business conditions. The details of transactions are shown below.

### Details of related transaction

*Unit: Million Baht*

	<i>Company's Name</i>	<i>Nature of Relationship</i>	<i>Shareholding by the company (%)</i>	<i>Significant transaction</i>	<i>Value</i>
1.	C.C.H. Packaging Co., Ltd.	D	-	- Purchasing of products	0.923
2.	PJ Composite Co., Ltd.	B	-	- Selling of products	3.293
3.	Mr. Pirun Hemmondharop	B	-	- Consultant fee	0.700
2.	Mr. Kongsak Hemmontharop	B	-	- Land rental	1.613

### Nature of Relationship

A = Shareholders and executives   B = Shareholders and directors   C = Subsidiaries   D = Shareholders

### The need and appropriateness of the related transactions

In 2014, the Company has made some transactions; i.e. product sale, property rental, providing loan, accounting service, purchasing of corrugated box, selling of plastic container, consultant fee and land rental from directors and shareholders; with related person and related company. Such transactions are needed and appropriate to be used for the Company's and its subsidiaries' liquidity and working capital. Regarding the purchase price of corrugated box and the land rental fee, they are identified suitably based on market price and general business conditions. The consultant fee from shareholders and directors was standard company's employment rate policy.

The Audit Committee has reviewed the above related transactions and considered that they have necessity and appropriateness, including provision some benefits to the Company.

### Measures or Procedures regarding Related Transactions

In 2014, the conduct of related transactions have been approved by the Audit Committee with due regard to the Company's best interests.

The Company's related transactions with persons who may have conflict of interest or persons with beneficial interests, either at present or in the future, shall be subject to opinion or recommendation by the Audit Committee as to the necessity and appropriateness of such transactions. In case the Audit Committee has no expertise in examining the related transactions, an independent expert or the auditor of the Company may be engaged to give opinion thereon to support the decision of the Board of Directors and/or the Audit Committee and/or the shareholders, as the case may be. Persons with possible conflict of interest or with beneficial interest are not entitled to vote on the related transactions.

In case where the Company provides loans to, or borrows loans from, related companies or persons, including provision of loan guarantee or placing of Company assets as collateral for loans or other liabilities of the related companies or persons, the Company must submit the project to the Audit Committee to seek its opinion as to the necessity and reasonableness of the transaction, amount, liabilities, tenor, and interest rate as well as relevant financial costs, before proposing the matter to the Board of Directors for its approval. The Board will consider the criteria, conditions and justifications of the transaction taking into account the appropriateness of the tenor and the financial costs. Directors with beneficial interest in the transaction have to abstain from voting on and are not entitled to attend the meeting for consideration of the transaction.

#### **Policy and Trends of Related Transactions**

The Company will maintain the transaction of procuring corrugated boxes from related companies on reasons of convenience in making contacts and the fact that the procurement is at market price and based on normal business conditions. Rent of land from directors and shareholders will also be maintained because the factory of Milk Pack Co., Ltd. is located on such land with rental contract made at a reasonable rate. Consultant fee from shareholders and directors will also be maintained because the contract has low risk to be canceled by consultant and the hire rate was standard company's employment rate policy.

For future related transaction that may involve conflicts of interest, the Board of Directors shall comply with the law on securities and exchange, and rules, notifications, ordinance or requirements of the Stock Exchange of Thailand, together with requirements regarding disclosure of information on related transactions and acquisition or disposal of assets of the Company and its subsidiaries, as well as the generally accepted accounting standards set out by the Institute of Certified Accountants and Auditors of Thailand.

## Financial Highlights

### Consolidated Financial Statements

Consolidated Financial Statements comprise statement of financial position, statement of comprehensive income, and statement of cash flow for the years ended December 31, 2012, 2013, and 2014, which have been audited by the auditor as per the following details.

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

#### Statement of Financial Position

	Consolidated Financial Statements					
	As at December 31, 2012		As at December 31, 2013		As at December 31, 2014	
	Million Baht	%	Million Baht	%	Million Baht	%
<b><u>Current assets</u></b>						
Cash and cash equivalents	63.61	4.37	50.93	2.51	122.29	5.13
Trade accounts receivable	316.69	21.78	388.78	19.14	341.20	14.31
Inventories - net	148.94	10.24	172.94	8.52	277.95	11.66
Other current assets	33.29	2.29	74.78	3.68	114.87	4.82
<b>Total current assets</b>	<b>562.53</b>	<b>38.68</b>	<b>687.43</b>	<b>33.85</b>	<b>856.31</b>	<b>35.92</b>
<b><u>Non-current assets</u></b>						
Property, plant and equipment - net	865.58	59.51	1,313.13	64.66	1,463.96	61.40
Computer software - net	6.46	0.44	7.53	0.37	8.92	0.37
Assets under deferred income tax	6.74	0.46	-	-	-	-
Other non-current assets	13.16	0.91	22.81	1.12	54.97	2.31
<b>Total non-current assets</b>	<b>891.94</b>	<b>61.32</b>	<b>1,343.47</b>	<b>66.15</b>	<b>1,527.85</b>	<b>64.08</b>
<b>Total assets</b>	<b>1,454.47</b>	<b>100.00</b>	<b>2,030.90</b>	<b>100.00</b>	<b>2,384.16</b>	<b>100.00</b>

## PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## Statement of Financial Position (cont.)

	Consolidated Financial Statements					
	As at December 31, 2012		As at December 31, 2013		As at December 31, 2014	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Current liabilities</b>						
Bank overdrafts and short-term loans from financial institutes	45.34	3.12	331.99	16.35	437.29	18.34
Trade accounts payable	262.35	18.04	220.97	10.88	440.61	18.48
Current portion of long-term liabilities						
- Long-term loans	45.28	3.11	110.76	5.45	122.08	5.12
- Liabilities under financial lease contracts	16.04	1.10	10.95	0.54	7.92	0.33
Accrued corporate income tax	11.89	0.82	2.41	0.12	0.73	0.03
Accrued expenses	49.66	3.41	58.74	2.89	60.92	2.56
Other current liabilities	16.44	1.13	27.20	1.34	82.67	3.47
<b>Total current liabilities</b>	<b>447.00</b>	<b>30.73</b>	<b>763.02</b>	<b>37.57</b>	<b>1,152.23</b>	<b>48.33</b>
<b>Non-current liabilities</b>						
Long-term loans	90.81	6.24	291.68	14.36	278.99	11.70
Liabilities under financial lease contracts	18.94	1.30	13.46	0.66	6.30	0.26
Provision employee benefit liabilities	18.09	1.25	20.75	1.02	24.95	1.05
Liabilities under deferred income tax	12.08	0.83	7.00	0.34	6.06	0.25
Other non-current liabilities	0.03	0.00	0.02	0.00	0.03	0.00
<b>Total non-current liabilities</b>	<b>139.95</b>	<b>9.62</b>	<b>332.89</b>	<b>16.39</b>	<b>316.33</b>	<b>13.27</b>
<b>Total liabilities</b>	<b>586.95</b>	<b>40.35</b>	<b>1,095.92</b>	<b>53.96</b>	<b>1,468.56</b>	<b>61.60</b>

## PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## Statement of Financial Position (cont.)

	Consolidated Financial Statements					
	As at December 31, 2012		As at December 31, 2013		As at December 31, 2014	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Shareholders' equity</b>						
Authorized ordinary shares	276.00	18.98	276.00	13.59	276.00	11.58
Issued and fully paid-up share capital	276.00	18.98	276.00	13.59	276.00	11.58
Premium on share capitals	338.13	23.25	338.13	16.65	338.13	14.18
Appropriated retained earnings	22.18	1.52	27.23	1.34	27.60	1.16
Unappropriated retained earnings	220.47	15.16	277.33	13.66	257.24	10.79
<b>Other components of equity</b>						
Differences on the fixed assets acquired under common control company	-	-	-	-	-	-
Deficits from business combination under common control company	3.09	0.21	3.09	0.15	3.09	0.13
Differences from translation of foreign entity	2.76	0.19	8.39	0.41	8.81	0.37
<b>Total equity attributable to equity holders of the parent company</b>	<b>862.63</b>	<b>59.31</b>	<b>930.17</b>	<b>45.80</b>	<b>910.87</b>	<b>38.21</b>
Non - controlling interests	4.89	0.34	4.81	0.24	4.73	0.20
<b>Total shareholders' equity</b>	<b>867.52</b>	<b>59.65</b>	<b>934.98</b>	<b>46.04</b>	<b>915.60</b>	<b>38.40</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,454.47</b>	<b>100.00</b>	<b>2,030.90</b>	<b>100.00</b>	<b>2,384.16</b>	<b>100.00</b>

## PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## Statements of comprehensive income

	Consolidated Financial Statements					
	As at December 31, 2012		As at December 31, 2013		As at December 31, 2014	
	Million Baht	%	Million Baht	%	Million Baht	%
<u>Revenues</u>						
Sales revenue	2,010.03	99.66	2,109.16	99.67	2,294.91	99.75
Other income	6.92	0.34	7.05	0.33	5.64	0.25
<b>Total revenues</b>	<b>2,016.95</b>	<b>100.00</b>	<b>2,116.21</b>	<b>100.00</b>	<b>2,300.55</b>	<b>100.00</b>
<u>Expenses</u>						
Cost of sales	1,588.62	78.76	1,719.46	81.25	1,959.73	85.19
Selling expense	60.13	2.98	75.96	3.59	83.97	3.65
Administrative expenses	120.22	5.96	143.30	6.77	185.24	8.05
Finance cost	16.82	0.83	17.40	0.82	32.12	1.40
<b>Total expenses</b>	<b>1,785.79</b>	<b>88.53</b>	<b>1,956.12</b>	<b>92.44</b>	<b>2,261.05</b>	<b>98.28</b>
Profit before income tax expenses	231.16	11.47	160.09	7.56	39.50	1.72
Income tax expenses	28.35	1.41	15.47	0.73	4.09	0.18
<b>Profit for the years</b>	<b>202.81</b>	<b>10.06</b>	<b>144.62</b>	<b>6.83</b>	<b>35.41</b>	<b>1.54</b>
<u>Other comprehensive income</u>						
Differences on the fixed assets acquired under common control company	-	-	-	-	-	-
Deficits from business combination under common control	-	-	-	-	-	-
Differences from translation of foreign entity	(1.25)	(0.06)	5.63	0.27	0.42	0.02
<b>Total comprehensive income for the years</b>	<b>201.56</b>	<b>9.99</b>	<b>150.25</b>	<b>7.10</b>	<b>35.83</b>	<b>1.56</b>
<u>Profit attributable to</u>						
Equity holders of the parent company	202.91	10.06	144.71	6.84	35.49	1.54
Non - controlling interests of the subsidiary	(0.09)	(0.00)	(0.09)	(0.00)	(0.08)	(0.00)
<u>Total comprehensive income attributable to</u>						
Equity holders of the parent company	201.65	10.00	150.34	7.10	35.91	1.56
Non - controlling interests of the subsidiary	(0.09)	(0.00)	(0.09)	(0.00)	(0.08)	(0.00)

## PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## Statements of Cash Flows

Statements of Cash Flows (Unit : Million Baht)	Consolidated financial statements		
	2012	2013	2014
<b>Cash flows from operating activities</b>			
Profit for the years	202.81	144.62	35.41
Reconciliations of profit for the years to net cash provided by (used in) operating activities:			
Allowance for doubtful in account receivables	-	-	0.12
Allowance for declining in value of inventories	0.10	1.62	4.51
Depreciation and amortization	76.98	97.45	125.02
Amortization of mold	3.53	6.79	4.89
(Gain) loss on exchange rate	(0.01)	0.78	(0.07)
(Gain) loss on sales of fixed assets	(0.82)	0.15	(0.13)
Loss on write off fixed assets	0.01	3.11	0.92
Provision for employee benefit	3.05	3.06	4.20
Interest expenses	16.82	17.40	32.12
Income tax expenses	28.35	15.46	4.09
<b>Profit provided by operating activities before changes in operating assets and liabilities</b>	<b>330.82</b>	<b>290.44</b>	<b>211.09</b>
<b>(Increase) decrease in operating assets</b>			
Trade accounts receivable and other account receivable	(10.94)	(72.08)	47.53
Inventories	(25.36)	(25.62)	(109.51)
Other current assets	0.99	(34.62)	(36.05)
Mold for amortization	(3.67)	(9.24)	(30.61)
Other non-current assets	(1.67)	(7.20)	(6.44)
<b>Increase (decrease) in operating liabilities</b>			
Trade accounts payable and other accounts payable	(29.74)	(56.14)	247.66
Accrued expense	9.65	9.09	2.17
Other current liabilities	(0.35)	10.76	55.48
<b>Cash provided by (used in) operating activities</b>	<b>269.73</b>	<b>105.38</b>	<b>381.33</b>

## PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## Statements of Cash Flows (cont.)

Statements of Cash Flows (Unit : Million Baht)	Consolidated financial statements		
	2012	2013	2014
Payment of employee benefit liabilities	-	(0.40)	-
Payment of corporate income tax and withholding income tax	(35.30)	(23.29)	(6.70)
<b>Net cash provided by (used in) operating activities</b>	<b>234.43</b>	<b>81.69</b>	<b>374.63</b>
<u>Cash flows from investing activities :</u>			
Cash paid dividend to non-controlling interest	-	-	-
Cash received from non-controlling interest on paid-up share capital	-	-	-
Cash received from dividend from non-controlling interest	-	-	-
Cash paid for non-controlling interests	-	-	-
Cash received from sales of fixed assets	4.38	0.40	0.29
Cash paid for purchase of fixed assets	(259.97)	(517.59)	(285.87)
Cash paid for deposit from purchase of fixed assets	(9.89)	(16.75)	(20.80)
Cash paid for purchase of computer software	(2.78)	(2.62)	(2.85)
<b>Net cash provided by (used in) investing activities</b>	<b>(268.26)</b>	<b>(536.56)</b>	<b>(309.23)</b>
<u>Cash flows from financing activities :</u>			
Increase (decrease) in bank overdrafts and short-term loans from financial institutes	(146.07)	286.65	105.31
Cash received from increase in share capital	394.13	-	-
Increase (decrease) in short-term loans from related person-net	-	-	-
Cash received from long-term from financial institutes	62.68	321.46	106.63
Cash paid for long-term loans	(152.85)	(55.11)	(108.00)
Cash paid for dividend	(55.16)	(82.80)	(55.21)
Cash paid for liabilities under financial lease contract payable	(38.78)	(16.24)	(11.07)
Cash paid for interest expenses	(16.82)	(17.40)	(32.12)
<b>Net cash provided by (used in) financing activities</b>	<b>47.13</b>	<b>436.56</b>	<b>(5.53)</b>
Differences from translation of foreign entity	(2.48)	5.63	0.42
<b>Net increase in cash and cash equivalent</b>	<b>10.82</b>	<b>(12.68)</b>	<b>71.36</b>
Cash and cash equivalents, at beginning of the year	52.79	63.61	50.94
<b>Cash and cash equivalents, at end of the year</b>	<b>63.61</b>	<b>50.93</b>	<b>122.29</b>



Important Financial ratio table

	Consolidated financial statements		
	2012	2013	2014
<b><u>Liquidity Ratio</u></b>			
Current ratio (times)	1.26	0.90	0.74
Quick ratio (times)	0.85	0.58	0.40
Account receivable turnover (times)	6.48	6.00	6.30
Average account receivable day on hand (days)	55.55	60.00	57.11
Inventory turnover (times)	11.65	10.68	8.69
Average Inventory day on hand (days)	30.89	33.70	41.41
Account payable turnover (times)	6.31	7.12	5.92
Average account payable day on hand (days)	57.02	50.60	60.77
Cash Cycle (days)	29.42	43.11	37.76
<b><u>Profitability Ratio</u></b>			
Gross profit margin (%)	20.97	18.75	14.81
Operating profit margin (%)	12.29	8.39	3.11
Net profit margin (%)	10.05	6.83	1.54
Return on equity (%)	33.61	16.05	3.83
<b><u>Asset Management Ratio</u></b>			
Return on asset (%)	15.36	8.30	1.60
Return on fixed asset (%)	36.15	21.66	11.17
Total asset turnover (times)	1.53	1.21	1.04
<b><u>Financial Controlling Policy Ratio</u></b>			
Debt to equity ratio (times)	0.66	1.17	1.60
Interest coverage ratio (times)	14.74	10.20	2.23
Dividend payout ratio (%)	37.98	32.66	38.17

## Analysis of Management

### Overview of Business Operation and Significant Changes

In 2014, the Company continuously expanded its investments from 2013 both in operation in part of spray painting plant expansion, order placement of machineries to support the expansion of yogurt and milk packaging production part, capital increase in China to support the order placement of machineries for expansion of lubricating oil packaging part, order placement of machineries for replacement of life ending old machines, and order placement of spare parts and equipment for more effective improvement of machineries. In addition, the new subsidiaries were also established to support beverage packaging part expansion.

However, the Company's overall operation has still been affected from several external factors both in part of domestic economic growth and high variation in raw material prices. According to Thai economic situation report, Gross Domestic Product or GDP in 2014, the economic growth was at 0.7% compared with GDP in 2013 that was at 2.9%<sup>1</sup>. Particularly, total domestic car sales quantity from 1.285 million cars in 2013 declined to remain 0.776 million cars, and in 2014, it declined for 39.6%. However, ready for drink milk manufacture industry was increasingly expanded with production quantity in 2013 for 0.292 million tons, increasing to be 0.315 million tons and in 2014, it increased for 7.9%<sup>2</sup>. The overview on figures of industrial manufacture indices of each product relevant to the Company's products and the overview on figures of structure of the Company's revenue component and the part of productivity expansion have been included as follows.

### Indices of Industrial Output of Individual Products Relevant to the Company's Products (Monthly Average Base for 2001)

Products	2012	2013	2014
Ready for Drink Milk	236.40	276.10	298.01
*Gasolene Octane 91 (Unleaded)	181.27	79.21	78.52
*Gasolene Octane 95 (Unleaded)	14.97	50.52	44.29
*High Speed Diesel Oil	195.49	197.57	182.44
Primary Chemical Product except Fertilizer and Nitrogen Compounds	118.19	125.55	122.31
Body Cleaning Product, Home Product and Chemical	246.66	253.63	248.77
Passenger Car, Truck and Bus, etc.	519.58	526.85	408.15

Source: The Office of Industrial Economics.

\* Reflected vehicle use quantity displaying the quantity of engine oil replacement quantity.

<sup>1</sup> The Office of the National Economic and Social Development Board

<sup>2</sup> The Office of Industrial Economics

**Revenue Structure and Growth Rate in Each Year Classified According to Product Group**

	Year 2012		Year 2013		Year 2014	
	Million Baht	Percent of Growth Rate	Million Baht	Percent of Growth Rate	Million Baht	Percent of Growth Rate
Lubricating Oil Package	1,206.7	14.15	1,280.53	6.12	1,364.6	6.57
Yogurt and Milk Package	270.79	22.47	288.59	6.57	326.35	13.08
Chemical Solution and Consumer Product Package	193.78	9.71	246.44	27.18	238.16	(3.35)
Automobile Parts	338.76	82.78	293.60	(13.33)	365.73	24.56
<b>Total Revenues from Sales</b>	<b>2,010.0</b>	<b>22.55</b>	<b>2,109.16</b>	<b>4.93</b>	<b>2,294.9</b>	<b>8.81</b>
Other Revenues	6.92	97.15	7.05	1.88	5.64	(0.20)
<b>Total Revenues</b>	<b>2,016.9</b>	<b>22.71</b>	<b>2,116.21</b>	<b>4.92</b>	<b>2,300.5</b>	<b>8.71</b>

**Structure of Revenue Classified According to Geography**

	Year 2012		Year 2013		Year 2014	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Revenue from Domestic Sales	1,899.76	94.19	1,960.52	92.64	2,148.68	93.40
Revenue from Foreign Sales	110.27	5.47	148.64	7.03	146.23	6.36
<b>Total Revenues from Sales</b>	<b>2,010.03</b>	<b>99.66</b>	<b>2,109.16</b>	<b>99.67</b>	<b>2,294.91</b>	<b>99.75</b>
Other Revenues	6.92	0.34	7.05	0.33	5.64	0.25
<b>Total Revenues</b>	<b>2,016.95</b>	<b>100.00</b>	<b>2,116.21</b>	<b>100.00</b>	<b>2,300.55</b>	<b>100.00</b>

**Total Capacity and Capacity Utilization Rate of the Company**

	Year 2012	Year 2013	Year 2014
Maximum Capacity (ton)	27,615	31,250	37,023
Percent of Growth Rate	24.7	13.2	18.5
Actual Output (ton)	17,352	18,175	18,268
Percent of Growth Rate	14.5	4.7	0.5
Percent of Capacity Utilization Rate	62.8	58.2	49.0

From aforesaid economic situation report and information of industrial output indices, the Company's overall operation in yogurt and milk packaging product group, and chemical solution and consumer product packaging have been in the direction consistent with the change in industrial output indices in individual relevant products. The Company's sales volumes for yogurt and milk packaging products increased for 13% due to production expansion for export and domestic sales.

In part of automobile parts group which has been the Company's important product group, the sales volume grew higher than the industrial indices in the same individual products as the result in the group of motor vehicle parts products, the Company expanded the part of motor vehicle parts production at Chon Buri Plant since the end of 2012, and continued in 2013-2014 by constructing expanded plant building and placing the machinery orders to support the sales volume for new models of products. The production line of spray painting plant was commenced in Q4 of Year 2014. In part of lubricating oil packaging group, it has been mainly derived from the increase in revenue from adjustment of product selling price according to higher cost structure of raw material for approximately 5%, and it has been partly from increased sales volume of China with more customer purchase orders.

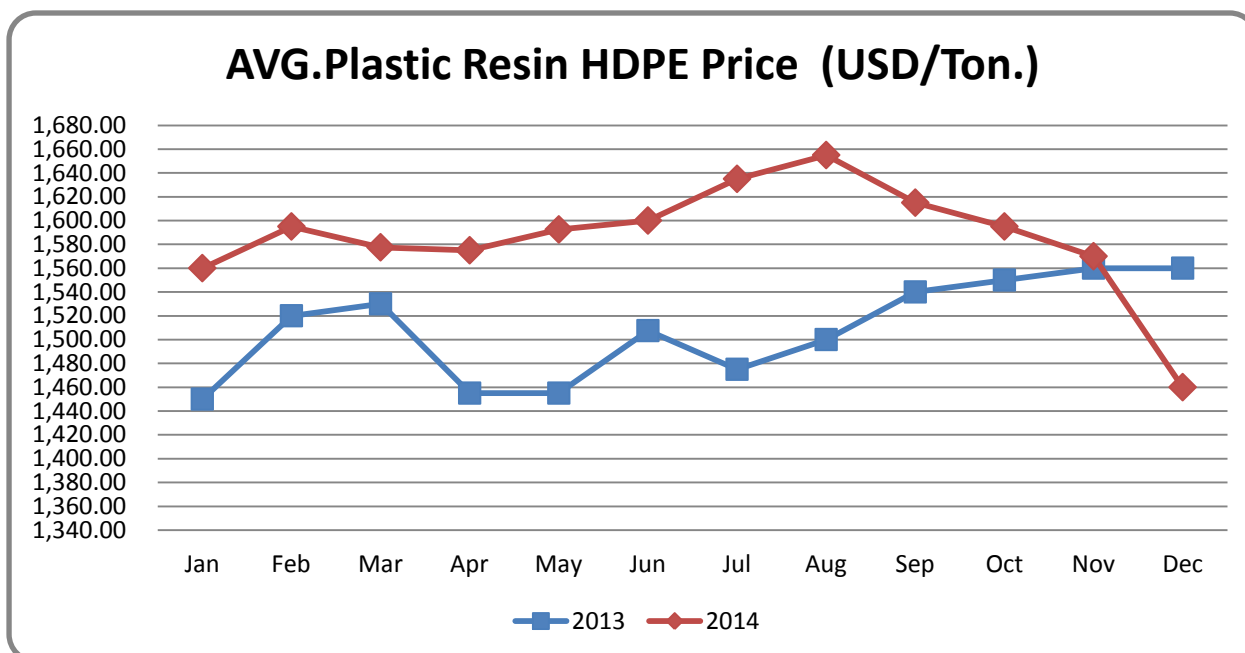
In productivity expansion, the Company placed the orders and invested in machineries in part of spray painting plant with increased capacity of big injector to support the works for new models of customers, and placed the orders of machineries to support yogurt and milk packaging parts with increased purchase orders. However, such order placement of machineries to support test and development of product prior-commercial manufacture of products that will be begun in 2015 will cause the Company's capacity utilization increased a little bit when compared with the increase of expanded capacity to support different work sections. However, the management has expected that capacity will start to be significantly increased in the second half of the Year 2015.

From domestic economic situation with revenue of Gross Domestic Product having reduced direction and impact from variations in foreign exchange and raw material price, it resulted in 2015, the Company will aim for revenue expansion with support from remaining capacity without increase in investment and focus in part of consideration on raw material cost impact by searching for import markets of foreign raw materials. However, in part of foreign exchange variation, the Company's policy is to prevent risk by entry to make forward contract of exchange rate with commercial banks. In part of consideration on new investment, the Company will carefully consider in part of project uncertainty and estimation of cash flow to be proposed to the Risk Management Committee's Meeting for consideration on approval. Nevertheless, from expansion on spray painting plant and new model part as well as increase in foreign exchange and raw material price, it has been necessary for the Company to have more working capital from investment in inventory and raw material with higher price costs and in part of molds and higher deposit of mold costs to support new models launched in 2015-2016.

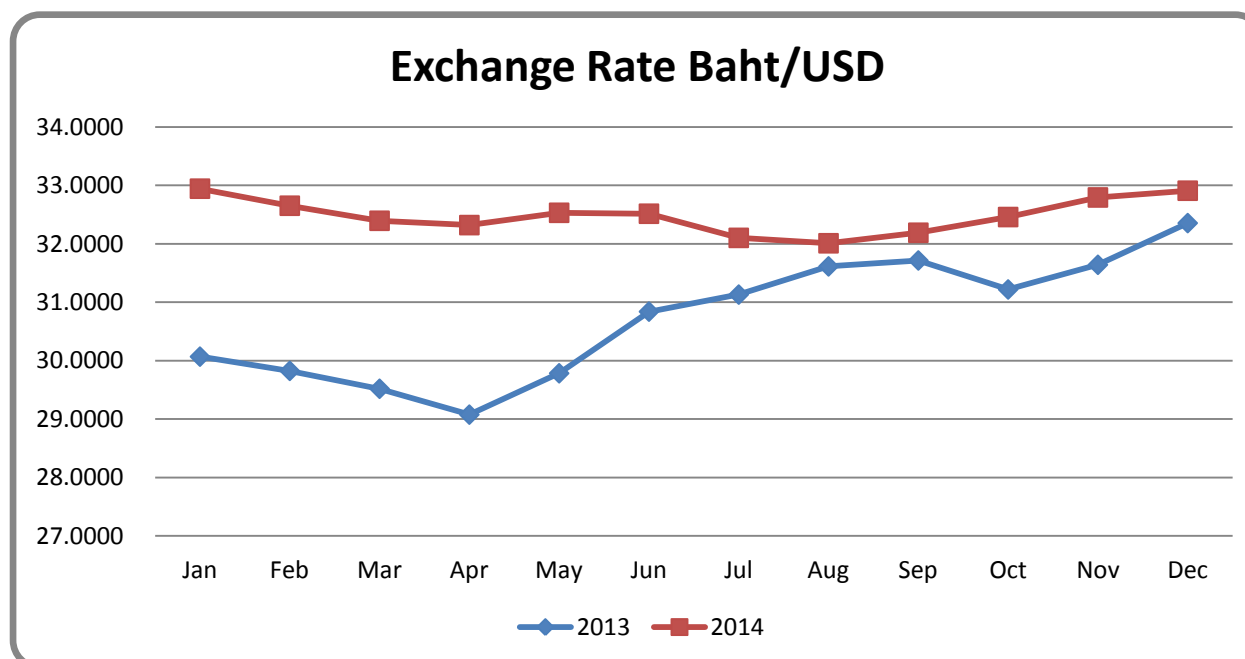
#### **Overall Operation and Profitability**

From market price situation of raw oil that has been higher adjusted as well as impact of devalued Thai Baht value, it caused thermoplastics price of 2014 adjusted to be higher when compared with last year. However, in 2013, the average for the whole year was 1,508.54 USD/ton and in 2014, the average for the whole year was 1,585.83 USD/ton, estimated to be 5.1%. According to the devaluation of foreign exchange rate for Baht and USD value of money, in 2013, the average was 30.7319 Baht/USD that was devalued. In

2014, the average was 32.4841 Baht/USD, estimated to be 5.7%. The impact from both factors affected the staple prices such as thermoplastics and other imported raw materials, resulting in higher cost of sales when compared with last year to be between 10.0 – 12.0%. Even though the Company could adjust cost prices of raw materials with some customers, but there were obstacles in the matter of time in the requirement of contract and negotiation with customers. The Company still needed to undertake high costs in a certain period of time.



Source : The Federation of Thai Industries



Source: Bank of Thailand

In addition, in part of increased investment expansion, the Company and its subsidiaries undertook higher depreciation expense for approximately 28 million Baht, estimated to be 29% of last year expenses. The operating costs were considerably increased in part of spray painting and automobile parts work sections. In part of start-up for test and trial of new product samples as well as increased interest paid burden, little increase in sales volume could not cover increased cost and fixed expense. However, the management has expected that it has had to take about 2-3 years so that sales volume can be generated at break-even point of fixed costs. From impact from external factor of economic condition and raw material costs and impact from internal factor with higher operating costs on new investment expansion, the overall operations of the Company and its subsidiaries in last year declined both in part of Gross Profit Margin from 18.5% to be 14.6%, net profit margin from 6.9% to be 1.5%, and Return on Equity and Return of Assets significantly decreased in 2014. The management and the Board of Directors considered and periodically executed for correction and improvement of production efficiency and arrangement of cost reduction project to be available.

#### **Asset Management Ability**

In 2014, the Company and its subsidiaries had increased assets for 353.3 million Baht that were the increase in part of net lands, buildings and equipment for 150.8 million Baht, increase in inventory for 105.0 million Baht, increase in cash and cash equivalents for 71.4 million Baht, increase in current assets and other assets for 40.1 million and 32.2 million, respectively.

In 2013, the Company extended the investments in buildings and machineries for approximately 544.23 million Baht. Most of them were the investments in Chon Buri Plant for production line extension of automobile parts in part of spray painting plant and new machineries with large-sized work pieces production capacity. The revenue was stated to be recognized in Q4 of Year 2014. During 2014, the Company extended the investment in buildings and machineries for 280.13 million Baht. It was the improvement and addition of warehouse building and extension of clean room work section, as well as order placement of machineries to support the increasing capacity in the group of yogurt and milk packaging and automobile parts industries as the part of investment in continuous project and investment expansion of Year 2013. It also included the investment in new machineries for replacement of old machines and improvement of machineries and auxiliary equipment and molds in order to enhance production efficiency and decrease management and quality cost.

Inventory of the Company and its subsidiaries increased due to product manufacture and raw material reserves in the end of the year to support the sales of products of spray painting plant, investment in mold-type products to support new models, as well as higher product costs from impact of raw material prices and foreign exchange rates. However, the Company considered on the matter of reserve provision for allowance of product price decrease affected from such higher costs according to the policy and Generally Accepted Accounting Principles.

Most of increased cash and cash equivalents, and current assets and other assets were the increase in molds, and advanced deposits of mold costs during development to support new models. However, it has been expected that the revenue from sales of molds can be recognized one after another in 2015-2016. Most of increased cashes were bank deposits of China for reserve in payment of machinery costs imported in the end of 2014 and the beginning of 2015.

In 2014, The Company and its subsidiaries had reduced account receivables as the result in the end of 2013 period that the political gathering impact was arisen. This resulted in the problem on entry to work by some customers of the Company and its subsidiaries in risky zone and request for debt payment postponement, causing higher considerable account receivables amount in 2013. However, 90% of the Company's account receivables included first-rate customers with good turnover, transnational companies, and also one of the leaders of different industries. Previously, the Company has never confronted with problem of collections for problematic debts or bad debts. Moreover, in the framework of credit management policy, the Company considered and classified the types of credits and credit lines to each customer and reviewed every year.

#### **Liquidity and Adequacy of the Company's Investment Fund**

In 2014, according to the impact from increasing adjusted thermoplastics price and the impact from foreign exchange as well as higher operating cost from expansion on spray painting plant work section and manufacture preparation and product development to support new models, it was necessary for the Company to spend more working capital. This caused the Company and its subsidiaries to have higher short-term loans from the use of overdraft line and promissory notes, and trust receipt loan for 105.3 million Baht and higher credit from trade account payable for 219.6 million Baht, and increase in short-term debts as the support in part of work section expansion condition with operating cost that has not yet generated worthwhile sales volume and in part of higher cost of raw material prices. In 2014, the Company asked for relaxation on maintaining financial ratios according to the condition of loan contracts with commercial banks. The Company's management has expected that in 2015, political situation that has started to be eased up and economic deflation problem with steady signal, as well as customer investments in 2014 that will start to have purchase orders in 2015, and the direction of raw material price with declining price trend according to oil price, the Company and its subsidiaries can better enhance more revenues and increase profitability in 2015.

### Obligation in Debts and Management of Off-Balance Sheet Obligation

As of 31 December 2014, the Company's obligation in debts and management of off-balance sheet obligation as follows (Unit: Million Baht).

Obligation	Total	Due for Term of Payment			
		Not over than 1 Year	Over than 1-3 Years	Over than 3-5 Years	Over than 5 Years
Obligation in Long-Term Debts	401.07	121.03	210.68	69.35	-
Obligation in Financial Lease Contract	14.22	7.92	6.30	-	-
Obligation in Operating Lease Contract	3.52	1.90	1.62	-	-
Obligation in Asset Purchase	43.90	43.90	-	-	-
Obligation in Other Debts – Guaranty Obligation	115.05	115.05	-	-	-
Total	577.76	289.80	218.61	69.35	-

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

From impact of external factor both in part of world and domestic economic growth rate, cost of thermoplastics price and variation of foreign exchange as well as impact of internal factor in part of cost for expansion and commencement of work section of spray painting plant and automobile parts business, including yogurt and milk packaging that has had not much increment of sales volume. These have been entirely the obstacles and caused overall operations of the groups of the Companies to be declined in 2014.

According to 2015 Action Plan, from Thai economic situation expectation report in 2015, GDP will grow for 3.4%<sup>1</sup> whereas the consumer spending of private sector will grow for 2.9% from 0.3% in last year, and estimated domestic car production quantity was passed zero point in last year. From such expectation, the Company has had positive factor with opportunity to generate increased sales from investment project of the customers both in motor vehicle industry and yogurt and milk packaging using existing capacity rate. In part of selling cost with declining trend from raw oil price in 2015, it was expected that world market price will be in the range of 50 – 60 USD per Barrel. This resulted in thermoplastics price to be lower level than in 2014. Thus, in 2015, the Company's management has expected that profitability will be improved more than last year from such positive factor. In part of decrease in negative impact of internal and external factors, the management and the Board of Directors formed working group to operate different projects in order to reduce cost and manage operation risk and liquidity management risk which have been the part of working group for the part of risk management works according the formulated framework of the Risk Management Committee and of the Board of Directors in part of corporate governance.

<sup>1</sup>The Office of the National Economic and Social Development Board



## 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 2014 Annual Report. The financial statements were prepared in compliance with generally accepted accounting principles, which are identified by Accounting Professions Act B.E. 2547 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 2014 are reliable in accordance with the generally accepted accounting standards.



(Dr. Damri Sukhotanang)

Chairman of of the Board of Directors



(Mr. Wiwat Hemmondharop)

Chairman of the Board of Executive Directors

**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, 2014**

## **REPORT OF THE AUDITOR**

To The Shareholders and Board of Directors of  
PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED

I have audited the accompanying consolidated financial statements of PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES, which comprise the consolidated statement of financial position as at December 31, 2014, and the consolidated statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended and the accompanying financial statements of PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED which comprise the statement of financial position as at December 31, 2014, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the 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.

### **Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

\*\*\*\*\*/2

**Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES as at December 31, 2014, and the consolidated financial performance and its consolidated cash flows for the year then ended and the financial position of PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED as at December 31, 2014, and the financial performance and its cash flows for the year then ended in accordance with the Financial Reporting Standards.

(Mr. Pojana Asavasontichai)  
Certified Public Accountant  
Registration No. 4891

Dharmniti Auditing Company Limited  
Bangkok, Thailand  
March 2, 2015  
2015/117/0269

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

**STATEMENT OF FINANCIAL POSITION**

**AS AT DECEMBER 31, 2014**

		<u>ASSETS</u>				
		Baht				
		Consolidated financial statements		Separate financial statements		
		As at December	As at December	As at December	As at December	
Note		31, 2014	31, 2013	31, 2014	31, 2013	
<b>Current assets</b>						
	Cash and cash equivalents	3.4, 5	122,293,002.60	50,935,438.85	58,747,860.86	25,877,226.26
	Trade and other accounts receivable	3.5, 4, 6	341,203,650.38	388,767,743.59	339,830,013.43	363,205,312.33
	Inventories	3.6, 7	277,947,912.55	172,945,465.51	252,026,214.82	153,654,678.90
	Other current assets	8	114,869,415.91	74,777,815.10	102,082,809.02	67,173,526.76
	<b>Total current assets</b>		<b>856,313,981.44</b>	<b>687,426,463.05</b>	<b>752,686,898.13</b>	<b>609,910,744.25</b>
<b>Non-current assets</b>						
	Investment in subsidiaries	3.8, 9	-	-	127,394,769.70	97,286,807.20
	Property, plant and equipment	3.9, 10	1,463,962,273.85	1,313,129,377.36	1,319,985,862.95	1,191,058,215.75
	Computer software	3.11, 11	8,919,847.77	7,533,482.61	8,693,224.96	7,240,724.71
	Other non-current assets		54,965,187.24	22,807,354.32	45,173,291.36	14,851,259.33
	<b>Total non-current assets</b>		<b>1,527,847,308.86</b>	<b>1,343,470,214.29</b>	<b>1,501,247,148.97</b>	<b>1,310,437,006.99</b>
	<b>Total assets</b>		<b>2,384,161,290.30</b>	<b>2,030,896,677.34</b>	<b>2,253,934,047.10</b>	<b>1,920,347,751.24</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, 2014**

LIABILITIES AND SHAREHOLDERS' EQUITY

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		As at December 31, 2014	As at December 31, 2013	As at December 31, 2014	As at December 31, 2013
<b>Current liabilities</b>					
Bank overdrafts and short-term loans from financial institutions	13	437,293,353.10	331,987,626.88	429,566,905.10	331,987,626.88
Trade and other accounts payable	4	440,613,128.68	220,974,689.82	453,777,069.65	225,076,246.47
<b>Current portion of long-term liabilities</b>					
- Long-term loans	15	122,078,448.62	110,756,123.63	114,559,437.89	104,904,000.00
- Liabilities under financial lease contracts	16	7,918,895.87	10,946,711.56	7,918,895.87	10,083,640.43
Accrued corporate income tax		733,234.16	2,414,214.12	-	1,604,101.17
Accrued expenses		60,918,144.99	58,746,093.52	57,298,843.10	54,436,648.98
Other current liabilities	14	82,673,372.05	27,199,433.47	73,004,562.04	21,822,424.13
<b>Total current liabilities</b>		<b>1,152,228,577.47</b>	<b>763,024,893.00</b>	<b>1,136,125,713.65</b>	<b>749,914,688.06</b>
<b>Non-current liabilities</b>					
Long-term loans	15	278,990,270.38	291,684,078.43	263,070,815.00	275,105,739.89
Liabilities under financial lease contracts	16	6,304,706.05	13,456,487.73	6,304,706.05	13,456,487.73
Provision employee benefit liabilities	17	24,951,447.00	20,747,773.00	23,152,127.00	19,186,254.00
Deferred tax liabilities	12	6,057,853.93	6,985,298.48	6,085,505.05	5,122,227.84
Other non-current liabilities		30,000.00	21,175.41	30,000.00	21,175.41
<b>Total non-current liabilities</b>		<b>316,344,277.36</b>	<b>332,894,813.05</b>	<b>298,643,153.10</b>	<b>312,891,884.87</b>
<b>Total liabilities</b>		<b>1,468,562,854.83</b>	<b>1,095,919,706.05</b>	<b>1,434,768,866.75</b>	<b>1,062,806,572.93</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, 2014**

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

		Baht			
		Consolidated financial statements		Separate financial statements	
		As at December	As at December	As at December	As at December
Note		31, 2014	31, 2013	31, 2014	31, 2013
Shareholders' equity					
Share capital					
Authorized share capital					
	552,000,000 ordinary shares of Baht 0.50 each	276,000,000.00	276,000,000.00	276,000,000.00	276,000,000.00
Issued and fully paid-up share capital					
	552,000,000 ordinary shares of Baht 0.50 each	276,000,000.00	276,000,000.00	276,000,000.00	276,000,000.00
	440,000,000 ordinary shares of Baht 0.50 each				
	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	27,600,000.00	27,234,391.48	27,600,000.00	27,234,391.48
	Unappropriated	257,243,013.86	277,329,998.00	185,119,792.50	223,959,679.40
Other components of equity					
Differences on the fixed assets acquired under common					
	control company	-	-	(7,682,612.15)	(7,780,892.57)
Deficits from business combination under					
	common control company	3,086,493.16	3,086,493.16	-	-
	Differences from translation of foreign entity	8,814,005.86	8,390,461.06	-	-
Total equity attributable to equity holders					
	of the parent company	910,871,512.88	930,169,343.70	819,165,180.35	857,541,178.31
	Non - controlling interests	4,726,922.59	4,807,627.59	-	-
Total shareholders' equity					
		915,598,435.47	934,976,971.29	819,165,180.35	857,541,178.31
Total liabilities and shareholders' equity					
		2,384,161,290.30	2,030,896,677.34	2,253,934,047.10	1,920,347,751.24

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, 2014**

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Revenues	3.3				
Sales	4, 28, 29	2,294,907,790.31	2,109,161,488.86	2,148,592,359.01	1,962,343,537.37
Dividend income	19	-	-	44,988,498.84	-
Other income	4, 28, 29	5,642,882.26	7,048,826.46	7,487,929.77	8,506,935.18
Total revenues		<u>2,300,550,672.57</u>	<u>2,116,210,315.32</u>	<u>2,201,068,787.62</u>	<u>1,970,850,472.55</u>
Expenses	3.3				
Cost of sales	4	1,959,727,996.41	1,719,465,119.93	1,900,025,760.19	1,635,954,877.13
Selling expense		83,966,709.94	75,964,332.09	80,656,320.05	73,386,610.55
Administrative expenses	4	185,235,824.56	143,295,964.48	172,134,115.54	130,536,204.47
Finance cost		32,121,700.69	17,397,463.83	30,564,193.01	16,242,817.24
Total expenses		<u>2,261,052,231.60</u>	<u>1,956,122,880.33</u>	<u>2,183,380,388.79</u>	<u>1,856,120,509.39</u>
Profit before income tax expenses		39,498,440.97	160,087,434.99	17,688,398.83	114,729,963.16
Income tax expenses	3.20, 23, 29	4,089,620.43	15,464,035.07	963,277.21	13,686,796.88
Profit for the years		<u>35,408,820.54</u>	<u>144,623,399.92</u>	<u>16,725,121.62</u>	<u>101,043,166.28</u>
Other comprehensive income					
Differences on the fixed assets acquired under common control company		-	-	98,280.42	345,414.99
Differences from translation of foreign entity		423,544.80	5,627,483.79	-	-
Other comprehensive income for the years		<u>423,544.80</u>	<u>5,627,483.79</u>	<u>98,280.42</u>	<u>345,414.99</u>
Total comprehensive income for the years		<u><u>35,832,365.34</u></u>	<u><u>150,250,883.71</u></u>	<u><u>16,823,402.04</u></u>	<u><u>101,388,581.27</u></u>

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



**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF COMPREHENSIVE INCOME (CONT.)**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

		Baht			
		Consolidated financial statements		Separate financial statements	
Note		2014	2013	2014	2013
Profit attributable to					
	Equity holders of the parent company	35,489,525.54	144,711,714.34	16,725,121.62	101,043,166.28
	Non - controlling interests of the subsidiary	(80,705.00)	(88,314.42)	-	-
		<u>35,408,820.54</u>	<u>144,623,399.92</u>	<u>16,725,121.62</u>	<u>101,043,116.28</u>
Total comprehensive income attributable to					
	Equity holders of the parent company	35,913,070.34	150,339,198.13	16,823,402.04	101,388,581.27
	Non - controlling interests of the subsidiary	(80,705.00)	(88,314.42)	-	-
		<u>35,832,365.34</u>	<u>150,250,883.71</u>	<u>16,823,402.04</u>	<u>101,388,581.27</u>
Earnings per share		3.17, 25			
Basic earnings per share					
	Profit attributable to equity holders of the parent company	<u>0.06</u>	<u>0.26</u>	<u>0.03</u>	<u>0.18</u>

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, 2014**

Baht

	Note	Equity holders of the parent company							Non - controlling interests	Total shareholders' equity
		Issued and paid-up share capital	Retained earnings		Other components of equity			Total equity attributable to equity holders of the parent company		
			Premium on share capital	Legal reserve	Unappropriated unappropriated	Deficits from business combination under common control	Differences from translation of foreign entity			
Balance as at January 1, 2013		338,128,000.00	22,182,233.16	220,467,171.98	3,086,493.16	2,762,977.27		4,895,942.01	867,522,817.58	
Legal reserve	18	-	5,052,158.32	(5,052,158.32)	-	-	-	-	-	
Dividend	19	-	-	(82,796,730.00)	-	-	-	-	(82,796,730.00)	
Total comprehensive income for the year		-	-	144,711,714.34	-	5,627,483.79	-	(88,314.42)	150,250,883.71	
Balance as at December 31, 2013		338,128,000.00	27,234,391.48	277,329,998.00	3,086,493.16	8,390,461.06		4,807,627.59	934,976,971.29	
Legal reserve	18	-	365,608.52	(365,608.52)	-	-	-	-	-	
Dividend	19	-	-	(55,210,901.16)	-	-	-	-	(55,210,901.16)	
Total comprehensive income for the year		-	-	35,489,525.54	-	423,544.80	-	(80,705.00)	35,832,365.34	
Balance as at December 31, 2014		338,128,000.00	27,600,000.00	257,243,013.86	3,086,493.16	8,814,005.86		4,726,922.59	915,598,435.47	

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, 2014**

Baht

	Note	Issued and paid-up share capital	Premium on share capital	Retained earnings		Differences on the fixed assets acquired under common control company	Total
				Legal reserve	unappropriated		
Balance as at January 1, 2013		276,000,000.00	338,128,000.00	22,182,233.16	210,765,401.44	(8,126,307.56)	838,949,327.04
Legal reserve	18	-	-	5,052,158.32	(5,052,158.32)	-	-
Dividend	19	-	-	-	(82,796,730.00)	-	(82,796,730.00)
Total comprehensive income for the year		-	-	-	101,043,166.28	345,414.99	101,388,581.27
Balance as at December 31, 2013		276,000,000.00	338,128,000.00	27,234,391.48	223,959,679.40	(7,780,892.57)	857,541,178.31
Legal reserve	18	-	-	365,608.52	(365,608.52)	-	-
Dividend	19	-	-	-	(55,199,400.00)	-	(55,199,400.00)
Total comprehensive income for the year		-	-	-	16,725,121.62	98,280.42	16,823,402.04
Balance as at December 31, 2014		276,000,000.00	338,128,000.00	27,600,000.00	185,119,792.50	(7,682,612.15)	819,165,180.35

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, 2014**

	Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<u>Cash flows from operating activities :</u>				
Profit for the years	35,408,820.54	144,623,399.92	16,725,121.62	101,043,166.28
Reconciliations of profit for the years to net cash provided by (used in) operating activities :				
Allowance for doubtful accounts	123,585.00	-	123,585.00	-
Allowance for declining in value of inventories	4,508,948.62	1,620,173.84	4,075,869.93	1,378,813.58
Depreciation and amortization	125,022,642.26	97,451,879.77	110,113,682.71	83,526,395.14
Amortization of mold	4,891,444.34	6,794,482.32	4,891,444.34	6,751,340.71
(Gain) loss on exchange rate	(67,029.28)	774,533.75	(125,806.19)	805,934.89
(Gain) loss on sales of fixed assets	(133,601.95)	150,755.88	(133,601.95)	150,755.88
Loss on write off fixed assets	915,416.40	3,105,913.02	915,416.40	3,105,913.02
Provision for employee benefit	4,203,674.00	3,054,375.00	3,965,873.00	2,760,177.00
Interest expenses	32,121,700.69	17,397,463.83	30,564,193.01	16,242,817.24
Income tax expenses	4,089,620.43	15,464,035.07	963,277.21	13,686,796.88
Profit provided by operating activities before changes in operating assets and liabilities	211,085,221.05	290,437,012.40	172,079,055.08	229,452,110.62
(Increase) decrease in operating assets				
Trade and other accounts receivable	47,532,988.43	(72,077,621.29)	23,344,194.12	(54,943,294.19)
Short-term loans to related person and related companies	-	-	-	10,331,682.00
Inventories	(109,511,395.66)	(25,623,659.38)	(102,447,405.85)	(24,506,497.11)
Other current assets	(36,050,125.42)	(34,622,767.98)	(34,051,528.31)	(34,775,589.77)
Mold for amortization	(30,611,948.28)	(9,234,566.60)	(30,611,948.28)	(9,234,566.60)
Other non-current assets	(6,437,328.98)	(7,202,720.24)	(4,601,528.09)	(5,142,880.44)
Increase (decrease) in operating liabilities				
Trade and other accounts payable	247,663,987.24	(56,140,741.27)	253,908,673.37	(42,049,344.19)
Accrued expense	2,172,051.47	9,088,462.23	2,862,194.12	8,323,488.87
Other current liabilities	55,482,763.17	10,755,740.74	51,190,962.50	7,951,309.03
Cash provided by (used in) operating activities	381,326,213.02	105,379,138.61	331,672,668.66	85,406,418.82
Paid to employee benefit	-	(396,600.00)	-	(396,600.00)
Payment of corporate income tax and withholding income tax	(6,698,044.94)	(23,292,071.23)	(1,604,101.17)	(23,715,352.30)
Net cash provided by operating activities	374,628,168.08	81,690,467.38	330,068,567.49	61,294,465.92

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, 2014**

	Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<u>Cash flows from investing activities :</u>				
Cash paid for investment in subsidiaries	-	-	(30,107,962.50)	-
Cash received from sales of fixed assets	292,922.18	403,533.66	292,922.18	403,533.66
Cash paid for purchase of fixed assets	(285,870,376.06)	(517,586,950.10)	(249,533,765.35)	(475,980,578.39)
Cash paid for deposit from purchase of fixed assets	(20,798,330.00)	(16,756,854.61)	(14,265,890.00)	(13,408,136.05)
Cash paid for purchase of computer software	(2,851,584.70)	(2,618,560.74)	(2,814,084.70)	(2,618,560.74)
Net cash used in investing activities	<u>(309,227,368.58)</u>	<u>(536,558,831.79)</u>	<u>(296,428,780.37)</u>	<u>(491,603,741.52)</u>
<u>Cash flows from financing activities :</u>				
Increase (decrease) in bank overdrafts and short-term loans				
from financial institutions	105,305,726.22	286,645,346.48	97,579,278.22	286,645,346.48
Cash received from long-term from financial institution	106,627,713.00	321,460,414.00	99,777,713.00	302,060,414.00
Cash paid for long-term loans	(107,999,196.06)	(55,106,236.70)	(102,157,200.00)	(49,144,000.00)
Cash paid for dividend	(55,210,901.16)	(82,796,730.00)	(55,199,400.00)	(82,796,730.00)
Cash paid for liabilities under financial lease contract payable	(11,068,421.86)	(16,240,482.40)	(10,205,350.73)	(13,755,493.11)
Cash paid for interest expenses	(32,121,700.69)	(17,397,463.83)	(30,564,193.01)	(16,242,817.24)
Net cash provided (used) by financing activities	<u>5,533,219.45</u>	<u>436,564,847.55</u>	<u>(769,152.52)</u>	<u>426,766,720.13</u>
Differences from translation of foreign entity	423,544.80	5,627,483.79	-	-
Net increase (decrease) in cash and cash equivalents	71,357,563.75	(12,676,033.07)	32,870,634.60	(3,542,555.47)
Cash and cash equivalents, at beginning of the year	50,935,438.85	63,611,471.92	25,877,226.26	29,419,781.73
Cash and cash equivalents, at end of the year	<u>122,293,002.60</u>	<u>50,935,438.85</u>	<u>58,747,860.86</u>	<u>25,877,226.26</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	16,756,854.61	9,891,989.10	13,408,136.05	3,202,795.10
Account payable from purchase fixed asset - other companies	27,992,222.41	13,963,248.71	25,653,265.44	20,076,312.14
Liabilities under financial lease contracts	888,824.49	5,661,222.26	888,824.49	5,661,222.26

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, 2014**

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, 2014 and 2013, 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 13, 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)	
			2014	2013
<b>Subsidiaries:-</b>				
Millpack Co., Ltd.	Manufacturer and distribution of packaging	Bangkok	99.98%	99.98%
Elegance Packaging Co., Ltd.	Trading of lid	Bangkok	99.97%	99.97%
Panjawatana (Tianjin) Plastic Co., Ltd.	Manufacturer and distribution of packaging	Tianjin (China)	100.00%	100.00%
PJW Drinktech Co., Ltd.	Manufacturer and distribution of non-alcohol beverage The Company is dissolved (in the liquidation process)	Samuthsakhon	99.98%	-

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2014**

Company	Type	Location	Shareholding ratio	
			(Percentage of registered shares amount)	
			2014	2013
PJW Foodpack Co., Ltd.	Manufacturer and distribution of packaging for food and beverage and manufacture and distribution of non-alcohol beverage	Samuthsakhon	99.99%	-
<u>A combination of entities or business under comer control :-</u>				
Panjawatana Marketing Co., Ltd	Manufacturer (Dorment)	Bangkok	-	-

- (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 for Publicly Accountable Entities. 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.

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2014**

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.

3.2 Accounting standards effective for using in current year

The Federation of Accounting Professions (FAP) has issued Notifications to mandate the use of the accounting standards and financial reporting standards revised 2012, and the new issued of accounting standards interpretations and financial reporting standards interpretations of which they are effective for using in the periods beginning on or after January 1, 2014, as follows.

TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rate
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Venture
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible assets
TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economics
TFRIC 10	Interim Financial Reporting and Impairment



**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2014**

TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers
TSIC 15	Operating Leases - Incentives
TSIC 27	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosure
TSIC 32	Intangible Assets - Web Site Costs

The management of the Company believes that these accounting standards do not have any significant impact on the financial statements for when they are initially applied.

3.3 Recognition of revenues and expenses

Sale of goods

Sale of goods are recognized upon delivery and the significant risks and rewards of ownership of the goods have passed to the buyer. And the Company and its subsidiaries will not recognized the revenues, if the management retains either continuing managerial involvement or effective control over the goods sold or unable to measured reliably on the amount of revenues and its costs or having uncertainty on return of the goods sold.

Interest income

The Company and its subsidiaries recognized 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.

3.4 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.

3.5 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.

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

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

**DECEMBER 31, 2014**

3.6 Inventories

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

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.

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

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.

3.7 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.

3.8 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.

3.9 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).

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

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

**DECEMBER 31, 2014**

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 :-

	<u>years</u>	<u>Residual value at disabled date</u>
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

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.

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2014**

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.

3.10 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

3.11 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.

	<u>years</u>
Computer software	5, 10

3.12 Impairment of assets

The Company and its subsidiaries reviews 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. The review is made for individual assets or for the cash-generating unit.

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. And this impairment losses shall be reversed to be an other income, when impairment indications moved or declined.

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2014**

3.13 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.

3.14 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.

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2014**

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.

**3.15 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.

**3.16 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.

**3.17 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.

**3.18 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.

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2014**

3.19 The Use of Discretion and Critical Accounting Estimates

In preparation of financial statements in conformity with generally accepted accounting standards in Thailand, the management has to use discretion and estimation regarding matters that are uncertain as always. Because it affects to the amount of the revenues, expenses, assets and liabilities and information shown in notes to financial statements relating to assets and liabilities that may arise. The actual result might be different from estimated number. The Use of Discretion and Critical Estimates are as follows:

3.19.1 Lease

In considering the type of lease that it is operating lease or finance lease, the management has used discretion in assessing the conditions and details of the contract in order to determine whether the company has transferred or transferred the risks and benefits of the leased assets.

3.19.2 Allowance for doubtful accounts receivable

In estimating the allowance for doubtful accounts receivable, it requires management to use discretion in the estimate of losses expected to arise from the inability to receive repayment from each debtor by taking into payment history, age of outstanding debts, and financial position as at that moment.

3.19.3 Property, plant and equipment, and depreciation

In calculating the depreciation of plant and equipment, the management is required to estimate the useful life and salvage value when stop using the equipment and has to review the useful life and salvage value if such change occurs.

In addition, the management requires reviewing impairment of property, plant and equipment in each period and record the impairment loss if expected that the recoverable amount which will be recovered are lower than book values of assets. In this regard, management is required to use discretion relating to the expected income and expenses in the future relating to the assets.

3.19.4 Intangible Assets

In recording and measurement of software at the date of acquisition, as well as tested for impairment in the future, the management requires estimating cash flows expected to be received in the future from the assets or units of the assets that generate cash, as well as choose the appropriate discount rate to calculate the present value of those cash flows.

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2014**

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.

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. The Company reclassified deferred tax assets and deferred tax liabilities items in the financial statements for the year ended December 31, 2013 in order to conform to the presentation in the financial statements for the year 2014.



**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2014**

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
Panjawatana (Tianjin) Plastic Co., Ltd.	Tianjin (China)	Share and management
PJW Drinktech Co., Ltd.	Thailand	Share and management
PJW Foodpack Co., Ltd	Thailand	Share and management
A combination of entities or business under common control:-		
Panjawatana Maketing Co., Ltd.	Thailand	Share and management
Other related parties:-		
C.C.H. Packaging Co., Ltd.	Thailand	Share
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
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

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2014**

Significant transactions with related companies for the years ended December 31, 2014 and 2013 are as follows :

Transaction	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Sale				
Subsidiaries:-				
Millpack Co., Ltd.	-	-	2,400	4,153
Elegance Packaging Co., Ltd.	-	-	47,208	44,218
Other related parties:-				
P.J. Composite Co., Ltd.	3,293	-	3,293	-
	<u>3,293</u>	<u>-</u>	<u>52,901</u>	<u>48,371</u>
Interest income				
Subsidiaries:-				
Panjawattana (Tianjin) Plastic Co., Ltd.	-	-	-	141
	<u>-</u>	<u>-</u>	<u>-</u>	<u>141</u>
Other income				
Subsidiaries:-				
Millpack Co., Ltd.	-	-	1,880	1,930
Elegance Packaging Co., Ltd.	-	-	360	360
	<u>-</u>	<u>-</u>	<u>2,240</u>	<u>2,290</u>
Purchase of goods				
Subsidiaries:-				
Millpack Co., Ltd.	-	-	157,142	147,115
Other related parties:-				
C.C.H. Packaging Co., Ltd.	923	1,312	923	1,312
	<u>923</u>	<u>1,312</u>	<u>158,065</u>	<u>148,427</u>
Rental and service expenses				
Subsidiaries:-				
Millpack Co., Ltd.	-	-	72,863	49,575
Other related parties:-				
Mr. Kongsak Hemmontharop	1,620	1,620	-	-
	<u>1,620</u>	<u>1,620</u>	<u>72,863</u>	<u>49,575</u>
Professional fee				
Other related parties:-				
Mr. Pirun Hemmontharop	700	-	700	-
	<u>700</u>	<u>-</u>	<u>700</u>	<u>-</u>
Remuneration for executive				
Short-term benefit	30,238	41,916	30,238	41,916
Benefit after leaving the Company	1,352	790	1,352	790
Other long-term benefit	-	-	-	-
Total	<u>31,590</u>	<u>42,706</u>	<u>31,590</u>	<u>42,706</u>

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2014**

Outstanding balances with related companies as at December 31, 2014 and 2013 are as follows:

	Thousand Baht			
	Consolidated financial statement		Separate financial statement	
	2014	2013	2014	2013
Trade and other account receivable				
Subsidiaries:-				
Millpack Co., Ltd.	-	-	1,479	1,428
Elegance Packaging Co., Ltd.	-	-	9,871	8,626
Other related parties:-				
P.J. Composite Co., Ltd.	1,613	-	1,613	-
	<u>1,613</u>	<u>-</u>	<u>12,963</u>	<u>10,054</u>
Trade and other account payable				
Subsidiaries:-				
Millpack Co., Ltd.	-	-	38,301	36,416
Other related parties:-				
C.C.H. Packaging Co., Ltd.	-	9	-	9
	<u>-</u>	<u>9</u>	<u>38,301</u>	<u>36,425</u>

**5. CASH AND CASH EQUIVALENT**

Cash and cash equivalents consisted of :-

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash in hand	627	366	580	320
Cash at banks - current account	118,450	49,148	54,952	24,136
Cash at banks - savings account	3,216	1,421	3,216	1,421
Total	<u>122,293</u>	<u>50,935</u>	<u>58,748</u>	<u>25,877</u>

Savings accounts earned floating interest rates according to announcement the interest rate of the bank.

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

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

**DECEMBER 31, 2014**

**6. TRADE AND OTHER ACCOUNTS RECEIVABLE**

Trade and other accounts receivable consisted of :-

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<u>Related Companies</u>				
Not yet due	1,613	-	10,681	8,826
Overdue				
Less than 3 months	-	-	797	-
3 - 6 months	-	-	-	-
6 - 12 months	-	-	-	-
More than 12 months	-	-	-	-
	1,613	-	11,478	8,826
<u>Third parties</u>				
Not yet due	252,619	251,768	248,396	220,206
Overdue				
Less than 3 months	85,483	131,926	76,983	127,871
3 - 6 months	304	4,960	304	4,960
6 - 12 months	969	114	969	114
More than 12 months	340	-	340	-
	339,715	388,768	326,992	353,151
Total	341,328	388,768	338,470	361,977
<u>Less</u> Allowance for doubtful accounts	(124)	-	(124)	-
Trade accounts receivable, net	341,204	388,768	338,346	361,977
Other accounts receivable				
<u>Related Company</u>	-	-	1,484	1,228
Trade and other accounts receivable, net	341,204	388,768	339,830	363,205

**7. INVENTORIES**

Inventories consisted of :-

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Finished goods	85,802	62,407	71,673	51,173
Work in process	36,182	20,251	31,893	17,652
Raw material	78,278	54,187	71,080	50,018
Supplies	10,969	6,887	9,806	5,175
Mold	75,187	32,063	75,187	32,063
Goods in transit	138	1,249	138	1,249
	286,556	177,044	259,777	157,330
<u>Less</u> Allowance for diminution at net realizable value	(8,608)	(4,099)	(7,751)	(3,675)
Inventories - net	277,948	172,945	252,026	153,655

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2014**

The movement of allowance for diminution at net realizable value during the years were as follow:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Allowance for diminution at net realizable value - beginning	4,099	2,479	3,675	2,296
<u>Add</u> Reserve within years	4,686	1,735	4,076	1,379
<u>Less</u> Transferred out within years	(177)	(115)	-	-
<u>Less</u> Write off within years	-	-	-	-
Allowance for diminution at net realizable value - ending	<u>8,608</u>	<u>4,099</u>	<u>7,751</u>	<u>3,675</u>

**8. OTHER CURRENT ASSETS**

Other current assets consisted of : -

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Deposit from the acquisition of assets	20,798	16,757	14,266	13,408
Deposit paid to mold	63,313	37,233	63,313	37,233
Other current assets	30,758	20,788	24,504	16,533
Total	<u>114,869</u>	<u>74,778</u>	<u>102,083</u>	<u>67,174</u>

**9. INVESTMENT IN SUBSIDIARIES**

Investment in subsidiaries consist of company's ordinary share as follows:-

Name	Paid up share capital (Thousand Baht)		(%)		Equity method (Thousand Baht)		Separate financial statement	
							Cost method present in statements of financial position (Thousand Baht)	
	2014	2013	2014	2013	2014	2013	2014	2013
<b><u>In Thailand</u></b>								
1. Millpack Co., Ltd.	30,000	30,000	99.98	99.98	100,405	85,644	29,993	29,993
2. Elegance Packaging Co., Ltd.	1,000	1,000	99.97	99.97	820	4,249	999	999
3. PJW Drinktech Co., Ltd.	250	-	99.98	-	235	-	250	-
4. PJW Foodpack Co., Ltd.	2,000	-	99.99	-	19,737	-	20,000	-
<b><u>In Foreign</u></b>								
5. Panjawatana (Tianjin) Plastic Co., Ltd.	76,153	66,295	100.00	100.00	94,511	78,507	76,153	66,295
					<u>215,708</u>	<u>168,400</u>	<u>127,395</u>	<u>97,287</u>

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2014**

- 9.1 According to the Minutes of the Board of Director's Meeting No. 1/2014 held on January 15, 2014, it has been approved to increase the capital in Panjawattana (Tianjin) Plastic Co.,Ltd. (subsidiary) at the amount of USD 300,000.- (approximate Baht 10 million). The Company has paid on January 23, 2014.
- 9.2 According to the Minutes of the Board of Director's Meeting No. 1/2014 held on January 15, 2014, it has been approved to establish new subsidiary in Thailand, PJW Drinktech Co.,Ltd., for the manufacturer and distributor of non-alcoholic beverages with registered capital Baht 1 million. The Company is a wholly owned 99.98 percent of the paid-up capital and has paid the investment by 25 percent of the paid-up capital (Baht 249,992.50) on January 21, 2014.  
Subsequently, according to the Minutes of the Extraordinary Shareholders' Meeting No. 1/2014 of PJW Drinktech Co., Ltd. held on December 4, 2014, it has been approved to dissolve the company. As at December 31, 2014, it is in the liquidation process.
- 9.3 According to the Minutes of the Board of Director's Meeting No. 5/2014 held on August 14, 2014, it has been approved to establish new subsidiary in Thailand, PJW Foodpack Co., Ltd., for the manufacturer and distributor the packaging of foods and beverages with registered capital Baht 20 million. The Company is a wholly owned 99.99 percent of the paid-up capital and has fully paid-up capital (Baht 19,999,970) on October 28, 2014.  
Subsequently, according to the Minutes of the Extraordinary Shareholders' Meeting No. 1/2014 of PJW Foodpack Co., Ltd. held on December 11, 2014, it has been approved the PJW Foodpack Co., Ltd., for the manufacture and distributor to non-alcoholic beverage.

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2014**

10. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consisted of :-

	Thousand Baht					
	Consolidated financial statements					
	Balance as at	Movement during the year				Balance as at
	December 31, 2013	Addition	Deduction	Transfer in (Transfer out)		December 31, 2014
<u>At cost</u>						
Land	82,600	27,429	-	-	110,029	
Plant and office building	307,144	-	-	3,501	310,645	
Improvements on building	62,202	10,165	(1,067)	5,297	76,597	
Support machine system	257,255	11,385	(2,256)	6,485	272,869	
Machinery and equipment	740,896	131,519	(2,834)	78,729	948,310	
Office equipment	32,674	6,899	(767)	762	39,568	
Vehicles	68,435	1,488	(200)	-	69,723	
Equipment in progress	53,063	80,560	(67)	(84,073)	49,483	
Work in progress	20	10,687	-	(10,701)	6	
Total	1,604,289	280,132	(7,191)	-	1,877,230	
<u>Less Accumulated depreciation</u>						
Plant and office building	33,019	10,372	-	-	43,391	
Improvements on building	17,722	5,665	(959)	-	22,428	
Support machine system	31,418	21,193	(229)	-	52,382	
Machinery and equipment	177,536	75,905	(1,583)	-	251,858	
Office equipment	14,489	5,637	(622)	-	19,504	
Vehicles	19,937	4,844	(100)	-	24,681	
Total	294,121	123,616	(3,493)	-	414,244	
Difference from translation						
of foreign entity	2,961				976	
Property, plant and equipment - net	1,313,129				1,463,962	

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2014

Thousand Baht					
Consolidated financial statements					
	Balance as at	Movement during the year			Balance as at
	December 31, 2012	Addition	Deduction	Transfer in (Transfer out)	December 31, 2013
<u>At cost</u>					
Land	82,600	-	-	-	82,600
Plant and office building	152,541	2,475	-	152,128	307,144
Improvements on building	50,890	4,861	(802)	7,253	62,202
Support machine system	84,169	34,784	(2,785)	141,087	257,255
Machinery and equipment	571,675	66,384	(10,235)	113,072	740,896
Office equipment	29,134	5,068	(2,261)	733	32,674
Vehicles	64,411	7,359	(515)	(2,820)	68,435
Equipment in progress	15,855	207,338	-	(170,130)	53,063
Work in progress	25,379	215,964	-	(241,323)	20
Total	1,076,654	544,233	(16,598)	-	1,604,289
<u>Less Accumulated depreciation</u>					
Plant and office building	25,945	7,074	-	-	33,019
Improvements on building	13,185	5,239	(702)	-	17,722
Support machine system	22,065	11,358	(2,005)	-	31,418
Machinery and equipment	122,536	62,276	(7,276)	-	177,536
Office equipment	11,380	4,919	(1,810)	-	14,489
Vehicles	15,058	5,012	(133)	-	19,937
Total	210,169	95,878	(11,926)	-	294,121
Differences from translation of					
foreign entity	(907)				2,961
Property, plant and equipment - net	865,578				1,313,129



PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2014

	Thousand Baht					
	Separate financial statements					
	Balance as at	Movement during the year				Balance as at
	December 31, 2013	Addition	Deduction	Transfer in (Transfer out)		December 31, 2014
<u>At cost</u>						
Land	82,600	27,429	-	-	110,029	
Plant and office building	293,034	-	-	3,501	296,535	
Improvements on building	59,692	10,141	(1,067)	5,278	74,044	
Support machine system	245,558	8,190	(255)	6,435	259,928	
Machinery and equipment	609,404	102,834	(2,278)	70,295	780,255	
Office equipment	31,044	6,359	(767)	723	37,359	
Vehicles	68,435	1,257	(200)	-	69,492	
Equipment in progress	53,031	71,930	(67)	(75,551)	49,343	
Work in progress	-	10,681	-	(10,681)	-	
Total	<u>1,442,798</u>	<u>238,821</u>	<u>(4,634)</u>	<u>-</u>	<u>1,676,985</u>	
<u>Less Accumulated depreciation</u>						
Plant and office building	18,908	10,372	-	-	29,280	
Improvements on building	15,818	5,524	(959)	-	20,383	
Support machine system	29,554	19,832	(229)	-	49,157	
Machinery and equipment	153,600	62,883	(1,583)	-	214,900	
Office equipment	13,923	5,319	(622)	-	18,620	
Vehicles	19,937	4,822	(100)	-	24,659	
Total	<u>251,740</u>	<u>108,752</u>	<u>(3,493)</u>	<u>-</u>	<u>356,999</u>	
Property, plant and equipment - net	<u><u>1,191,058</u></u>				<u><u>1,319,986</u></u>	

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2014**

	Thousand Baht				Balance as at December 31, 2013
	Separate financial statements				
	Balance as at December 31, 2012	Movement during the year			
		Addition	Deduction	Transfer in (Transfer out)	
<u>At cost</u>					
Land	82,600	-	-	-	82,600
Plant and office building	138,431	2,475	-	152,128	293,034
Improvements on building	48,622	4,619	(802)	7,253	59,692
Support machine system	82,348	29,859	(2,732)	136,083	245,558
Machinery and equipment	481,377	60,662	(9,991)	77,356	609,404
Office equipment	27,851	4,700	(2,240)	733	31,044
Vehicles	64,411	7,359	(515)	(2,820)	68,435
Equipment in progress	1,815	180,627	-	(129,411)	53,031
Work in progress	25,430	215,892	-	(241,322)	-
Total	<u>952,885</u>	<u>506,193</u>	<u>(16,280)</u>	<u>-</u>	<u>1,442,798</u>
<u>Less Accumulated depreciation</u>					
Plant and office building	11,841	7,067	-	-	18,908
Improvements on building	12,034	4,486	(702)	-	15,818
Support machine system	21,156	10,352	(1,954)	-	29,554
Machinery and equipment	110,292	50,399	(7,091)	-	153,600
Office equipment	11,075	4,647	(1,799)	-	13,923
Vehicles	15,058	5,012	(133)	-	19,937
Total	<u>181,456</u>	<u>81,963</u>	<u>(11,679)</u>	<u>-</u>	<u>251,740</u>
Property, plant and equipment - net	<u><u>771,429</u></u>				<u><u>1,191,058</u></u>

Depreciation for the years ended December 31, 2014 and 2013 consist of :

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cost	100,391	84,838	85,632	70,989
Administration expense	23,225	11,040	23,120	10,974
Depreciation for the year	<u><u>123,616</u></u>	<u><u>95,878</u></u>	<u><u>108,752</u></u>	<u><u>81,963</u></u>

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2014**

The Company has recorded the interest from loan in order to construct the building for the year ended December 31, 2013 total amount of Baht 851,114.66.

As at December 31, 2014 and 2013, the Company has the difference from the purchase of assets in the same entity group in total amount of Baht 7,682,612.15 and Baht 7,780,892.57, 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, 2014 and 2013, the Company has total fixed assets at cost of Baht 134.90 million and 67.23 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 13 and 15.

As at December 31, 2014 and 2013, 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.

11. COMPUTER SOFTWARE

Computer software consisted of:-

	Thousand Baht				Balance as at December 31, 2014
	Consolidated financial statements				
	Balance as at December 31, 2013	Movement during the year			
	Addition	Deduction	Transfer in (Transfer out)		
<u>At cost</u>					
Computer software	16,907	2,526	-	-	19,433
Computer software in progress	-	325	-	-	325
Total	16,907	2,851	-	-	19,758
<u>Less Accumulated amortization</u>	9,397	1,406	-	-	10,803
Differences from translation					
of foreign entity	23				(35)
Intangible assets - net	7,533				8,920

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2014

	Thousand Baht				
	Consolidated financial statements				
	Balance as at	Movement during the year			Balance as at
	December 31, 2012	Addition	Deduction	Transfer in (Transfer out)	December 31, 2013
<u>At cost</u>					
Computer software	14,414	2,380	(125)	238	16,907
Computer software in progress	-	238		(238)	-
Total	14,414	2,618	(125)	-	16,907
<u>Less</u> Accumulated amortization	7,949	1,573	(125)	-	9,397
Differences from translation of foreign entity	(7)				23
Intangible assets - net	<u>6,458</u>				<u>7,533</u>

	Thousand Baht				
	Separate financial statements				
	Balance as at	Movement during the year			Balance as at
	December 31, 2013	Addition	Deduction	Transfer in (Transfer out)	December 31, 2014
<u>At cost</u>					
Computer software	16,535	2,489	-	-	19,024
Computer software in progress	-	325	-	-	325
Total	16,535	2,814	-	-	19,349
<u>Less</u> Accumulated amortization	9,294	1,362	-	-	10,656
Intangible assets - net	<u>7,241</u>				<u>8,693</u>

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2014

	Thousand Baht				Balance as at December 31, 2013
	Separate financial statements				
	Balance as at December 31, 2012	Movement during the year			
		Addition	Deduction	Transfer in (Transfer out)	
<u>At cost</u>					
Computer software	14,042	2,380	(125)	238	16,535
Computer software in progress	-	238	-	(238)	-
Total	14,042	2,618	(125)	-	16,535
<u>Less</u> Accumulated amortization	7,856	1,563	(125)	-	9,294
Intangible assets - net	6,186				7,241

	Thousand Baht			
	Consolidated financial statement		Separate financial statement	
	2014	2013	2014	2013
Amortization for the year	1,406	1,573	1,362	1,563

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	
	2014	2013	2014	2013
Deferred tax assets	6,775	7,133	6,457	6,608
Deferred tax liabilities	(12,833)	(14,119)	(12,543)	(11,730)
	(6,058)	(6,986)	(6,086)	(5,122)

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2014**

Changes for the year ended December 31, 2014 and 2013 are summarized as follows:

	Thousand Baht			Balance as at December 31, 2014
	Consolidated financial statements			
	Balance as at December 31, 2013	Revenue (expenses) during the year		
		In profit or loss	In other comprehensive income	
Deferred tax assets:				
Inventories	614	472	-	1,086
Property, plant, and equipment	2,811	(1,541)	-	1,270
Provisions for employee benefits	3,708	711	-	4,419
Total	<u>7,133</u>	<u>(358)</u>	<u>-</u>	<u>6,775</u>
Deferred tax liabilities:				
Property, plant, and equipment				
Difference from translation of foreign entity	12,021	812	-	12,833
Total	<u>2,098</u>	<u>-</u>	<u>(2,098)</u>	<u>-</u>
Total	<u>14,119</u>	<u>812</u>	<u>(2,098)</u>	<u>12,833</u>
Net	<u>(6,986)</u>			<u>(6,058)</u>

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2014

	Thousand Baht				
	Consolidated financial statements				
	Balance as at	Revenue (expenses) during the year			Balance as at
	December 31, 2012	In profit or loss	In other comprehensive income		December 31, 2013
Deferred tax assets:					
Inventories	403	211	-	614	
Property, plant, and equipment	3,115	(304)	-	2,811	
Provisions for employee benefits	3,222	486	-	3,708	
Total	<u>6,740</u>	<u>393</u>	<u>-</u>	<u>7,133</u>	
Deferred tax liabilities:					
Property, plant, and equipment	11,389	632	-	12,021	
Difference from translation of foreign entity	691	1,407	-	2,098	
Total	<u>12,080</u>	<u>2,039</u>	<u>-</u>	<u>14,119</u>	
Net	<u>(5,340)</u>			<u>(6,986)</u>	

	Thousand Baht				
	Separated financial statements				
	Balance as at	Revenue (expenses) during the year			Balance as at
	December 31, 2013	In profit or loss	In other comprehensive income		December 31, 2014
Deferred tax assets:					
Inventories	614	472	-	1,086	
Property, plant, and equipment	2,286	(1,334)	-	952	
Provisions for employee benefits	3,708	711	-	4,419	
Total	<u>6,608</u>	<u>(151)</u>	<u>-</u>	<u>6,457</u>	
Deferred tax liabilities:					
Property, plant, and equipment	11,730	813	-	12,543	
Total	<u>11,730</u>	<u>813</u>	<u>-</u>	<u>12,543</u>	
Net	<u>(5,122)</u>			<u>(6,086)</u>	

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2014

	Thousand Baht			
	Separated financial statements			
	Balance as at	Revenue (expenses) during the year		Balance as at
	December 31, 2012	In profit or loss	In other comprehensive income	December 31, 2013
Deferred tax assets:				
Inventories	403	211	-	614
Property, plant, and equipment	2,383	(97)	-	2,286
Provisions for employee benefits	3,222	486	-	3,708
Total	<u>6,008</u>	<u>600</u>	<u>-</u>	<u>6,608</u>
Deferred tax liabilities:				
Property, plant, and equipment	11,099	631	-	11,730
Net	<u>11,099</u>	<u>631</u>	<u>-</u>	<u>11,730</u>
	<u>(5,091)</u>			<u>(5,122)</u>

13. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Promissory notes	397,000	305,000	395,000	305,000
Trust receipt	40,293	26,988	34,567	26,988
Total	<u>437,293</u>	<u>331,988</u>	<u>429,567</u>	<u>331,988</u>

As at December 2014 and 2013, the Company and its subsidiaries have bank overdraft and short-term loans from financial institution with 4 local commercial bank and 2 foreign commercial bank as follow :

As at and December 31, 2014, the Company and its subsidiary have bank overdraft in limit of Baht 110 million at interest rate according to announcement the interest rate set by the bank and have short-term loan in term of promissory note in limit of Baht 610 million at interest rate according to announcement the interest rate set by the bank, opening limit of letter of credit and do trust receipt for ordering machineries from foreign countries in limit of Baht 101 million (Total limit of Baht 821 million) with four local commercial banks.



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

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

**DECEMBER 31, 2014**

As at December 31, 2013, the Company and its subsidiaries have bank overdraft in limit of Baht 70 million at interest rate set by the bank and has short-term loan in term of promissory note in limit of Baht 465 million at interest rate set by the bank, opening limit of letter of credit and do trust receipt for ordering machineries from foreign country in limit of Baht 305 million (Total limit of Baht 840 million).

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).

**14. OTHER CURRENT LIABILITIES**

Other current liabilities consisted of :-

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Deposit received to mold	71,288	12,738	71,288	12,738
Other current liabilities	11,385	14,461	1,717	9,084
Total	82,673	27,199	73,005	21,822

**15. LONG-TERM LOANS**

Long-term loans consist of :-

Loans	Thousand Baht			
	Consolidated financial statements			
	Balance as at December 31, 2013	Increase	Decrease	Balance as at December 31, 2014
1. Baht 85.00 million	45,718	-	(18,240)	27,478
2. Baht 45.00 million	14,637	-	(9,000)	5,637
3. Baht 40.00 million	27,994	-	(8,004)	19,990
4. Baht 40.00 million	33,480	-	(8,880)	24,600
5. Baht 80.00 million	73,300	-	(16,080)	57,220
6. Baht 60.80 million	60,800	-	(12,000)	48,800
7. Baht 80.00 million	26,550	47,307	(553)	73,304
8. Baht 147.20 million	97,531	44,349	(29,400)	112,480
9. Baht 41.00 million	-	8,121	-	8,121
10. Baht 30.00 million	22,430	-	(5,842)	16,588
11. Baht 13.70 million	-	6,850	-	6,850
Total	402,440	106,627	(107,999)	401,068
Less payment due within one year	(110,756)			(122,078)
Net	291,684			278,990

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2014

Loans	Thousand Baht			
	Separate financial statements			
	Balance as at December 30, 2013	Increase	Decrease	Balance as at December 31, 2014
1. Baht 85.00 million	45,718	-	(18,240)	27,478
2. Baht 45.00 million	14,637	-	(9,000)	5,637
3. Baht 40.00 million	27,994	-	(8,004)	19,990
4. Baht 40.00 million	33,480	-	(8,880)	24,600
5. Baht 80.00 million	73,300	-	(16,080)	57,220
6. Baht 60.80 million	60,800	-	(12,000)	48,800
7. Baht 80.00 million	26,550	47,307	(553)	73,304
8. Baht 147.20 million	97,531	44,349	(29,400)	112,480
9. Baht 41.00 million	-	8,121	-	8,121
Total	380,010	99,777	(102,157)	377,630
Less payment due within one year	(104,904)			(114,559)
Net	275,106			263,071

As at December 31, 2014, there is a loan from two local Commercial banks (loan amount Baht 662.7 million) which consists of :-

Loan 1<sup>st</sup> On November 16, 2010, the Company has entered into loan agreement in amount of Baht 85 million with the interest rate set by the bank. Repayment the principle excluding interest are 60 installments at the amount of Baht 467,000.00 per month. The rate for January 2012 to May 2016 is Baht 1,520,000.00 per installment and the rest amount will be repaid on June 2016.

Loan 2<sup>nd</sup> On November 16, 2010, the Company has entered into loan agreement in amount of Baht 45 million with the interest rate set by the bank. Repayment the principle excluding interest are 60 installments. The rate for August 2011 to June 2016 is Baht 750,000.00 per installment and the rest amount will be repaid on July 2016.

Loan 3<sup>rd</sup> On November 16, 2010, the Company has entered into loan agreement in amount of Baht 40 million with the interest rate set by the bank. Repayment the principle, excluding interest are 60 installments at the amount of Baht 667,000.00 per month. The final payment will pay the remaining amount which starts the first installment on July 31, 2012.

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2014**

- Loan 4<sup>th</sup> On December 25, 2012, the Company has entered into loan agreement in amount of Baht 40 million with the interest rate set by the bank. Repayment the principle, excluding interest are 54 installments at the amount of Baht 740,000.00 per month. The final payment will pay the remaining amount which starts the first installment on August 31,2013.
- Loan 5<sup>th</sup> On September 4, 2012, the Company has entered into loan agreement in amount of Baht 80 million with the interest rate set by the bank. Repayment the principle excluding interest are 60 installments at the amount of Baht 1,340,000.00 per month. The final payment will pay the remaining amount which starts the first installment on August 31,2013.
- Loan 6<sup>th</sup> On July 24, 2013, the Company has entered into loan agreement in amount of Baht 60.80 million with the interest rate set by the bank. Repayment the principle, excluding interest are 60 installment at the amount Baht of 1,000,000.00 per month. The final payment will pay the remaining amount which starts the first installment on January 31,2014.
- Loan 7<sup>th</sup> On July 10, 2013, the Company has entered into loan agreement in amount of Baht 80 million with the interest rate set by the bank. Repayment the principle excluding interest are 48 installments at the amount of Baht 1,650,000.00 per month. The final payment will pay the remaining amount which starts the first installment on November 30, 2014.
- Loan 8<sup>th</sup> On July 24, 2013, the Company has entered into loan agreement in amount of Baht 147.20 million with the interest rate set by the bank. Repayment the principle excluding interest are 60 installments at the amount of Baht 2,450,000.00 per month. The final payment will pay the remaining amount which starts the first installment on January 31,2014.
- Loan 9<sup>th</sup> On April 9, 2014, the Company entered into a loan agreement in the principal amount of Baht 10.80 million with the interest rate set by the bank. Repayment of the principal excluding interest are 60 installments at the amount of Baht 180,000.00 per month. The final payment will pay the remaining amount which starts the first installment on January 31, 2015.
- Loan 10<sup>th</sup> On October 4, 2012, a subsidiary in Thailand entered into loan agreement in amount of Baht 30 million with the interest rate set by the bank. Repayment the principle and interest are 60 installments at the amount of Baht 570,000.00 per month. The final payment will pay the remaining amount which starts the first installment on October 31, 2012.

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2014**

Loan 11<sup>th</sup> On April 9, 2014, the subsidiary in Thailand entered into a loan agreement in the principal amount of Baht 6.85 million with the interest rate set by the bank. Repayment of the principal excluding interest are 60 installments at the amount of Baht 114,000.00 per month. The final payment will pay the remaining amount which starts the first installment on January 31, 2015.

Loan 12<sup>th</sup> On June 24, 2014, the Company and its subsidiary in Thailand entered into loan agreement in the principal total amount of Baht 48 million with the interest rate set by the bank. Repayment the principal excluding interest are 60 installments at the amount of Baht 800,000.00 per month. As at December 31, 2014, the loan has not been drawn by the Company and its subsidiary.

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 significant conditions as specified in the agreements such as maintaining the financial ratios of which debt to equity ratio not over 2.5 times to the end of 2013 (not over 1.5 times afterwards), debt service coverage ratio not less than 1.5 times, liquidity ratio : total current assets to total current liabilities not less than 1 time and ratio of accounts receivable (A/R) value plus inventories divided by trade accounts payable (A/P) plus short-term loan existing on the lenders more than 1 time until the maturity term of the loan agreement.

On December 25, 2014, the Company has amendments from a financial institution to temporary revisit the terms of loan covenants

- Terminate the requirement that controls A/R ratio plus inventory divided by A/P plus existing short-term loan with the lender which has to be over 1 time until the period under the credit line agreement is completed.
- Some covenants which not be achieved for the year 2013, would be waived.
- Temporary revisit the terms of loan covenants for the year 2014 by referencing the Company's separate financial statements as follows:

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2014**

- 1) The Company shall maintain its current ratio by calculating from current assets divided by current liabilities excluding CPLTD in the ratio not lesser than 0.70 times. After the year 2015, the ratio not lesser than 1 times.
- 2) The Company shall maintain its debt to equity (D/E ratio) at the ratio not exceeding 2.0 times. After the year 2015, the ratio not exceeding 1.5 times but in the ratio not lesser than 0 time.
- 3) The Company shall maintain its DSCR at not lesser than 1 times. After the year 2015, the ratio not lesser 1.5 times.

**16. 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							
		2014				2013			
		Principal	Deferred Interest	Input VAT	Total Payment	Principal	Deferred Interest	Input VAT	Total Payment
Payment due within one year		7,919	674	-	8,593	10,947	1,092	-	12,039
Payment due after one year									
But not over five years		6,305	172	-	6,477	13,456	775	-	14,231
Total		<u>14,224</u>	<u>846</u>	<u>-</u>	<u>15,070</u>	<u>24,403</u>	<u>1,867</u>	<u>-</u>	<u>26,270</u>

		Thousand Baht							
		Separate financial statements							
		2014				2013			
		Principal	Deferred Interest	Input VAT	Total Payment	Principal	Deferred Interest	Input VAT	Total Payment
Payment due within one year		7,919	674	-	8,593	10,084	1,081	-	11,165
Payment due after one year									
But not over five years		6,305	172	-	6,477	13,456	775	-	14,231
Total		<u>14,224</u>	<u>846</u>	<u>-</u>	<u>15,070</u>	<u>23,540</u>	<u>1,856</u>	<u>-</u>	<u>25,396</u>

During the years 2014 and 2013, the Company had entered into 1 contract and 7 contracts for vehicles and machinery lease. The total amount of the contracts are Baht 918,240.00 and Baht 5,827,392.00, respectively.

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2014**

As at December 31, 2014, the Company and its subsidiaries have vehicles and machinery long-term lease agreements in the form of finance lease with local leasing companies, totally 5 places with 17 contracts. The total amounts of the contracts value are of Baht 41,495,681.54 (excluding of VAT). Installments period are 36-60 months and the total repayments are of Baht 800,593.36 (excluding of VAT) per month.

Under the terms of the agreement mentioned above, the Company has the right to purchase the property or asset as indicated in lease agreements at the end of the lease for all 17 contracts in the total of Bath 8,620,903.20 (excluding VAT). Moreover, the Company and its subsidiaries has to practice by following the conditions and specifications as specified in the agreement.

Liability as in Finance Lease for payment due within one year shown in part of current liabilities in the statement of financial position.

17. Employee benefit obligations

As at December 31, 2014 and 2013, the Company and its subsidiaries have defined benefit obligations as follow:-

The statements of financial position

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Defined benefit obligations Beginning balance	20,748	18,090	19,186	16,823
Current service costs and interest	4,203	3,055	3,966	2,760
Benefits paid by the plan	-	(397)	-	(397)
Defined benefit obligations at Ending balance	<u>24,951</u>	<u>20,748</u>	<u>23,152</u>	<u>19,186</u>

Expense recognized in statement of comprehensive income

	Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Current service costs				
Cost of sales	1,661	1,677	1,479	1,438
Administrative expenses	490	(5)	480	(18)
Management and directors' benefit expenses	1,353	790	1,353	790
	<u>3,504</u>	<u>2,462</u>	<u>3,312</u>	<u>2,210</u>
Interest on obligation	699	593	654	550
Total	<u>4,203</u>	<u>3,055</u>	<u>3,966</u>	<u>2,760</u>

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2014**

Principal actuarial assumptions at the reporting date

	Consolidated financial statements	Separate financial statements
Discount rate	3.75%	3.75%
Salary increase rate	3%	3%
Employee turnover rate	6 - 18%	6 - 18%
Employee turnover rate	15 - 85%	15 - 85%
Disability rate	5% of Thai's Mortality Rate	5% of Thai's Mortality Rate

18. LEGAL RESERVE

Under the provision of the Civil and Commercial code, the Company is required to set aside as statutory reserve at least 5% of its net income at each dividend declaration until the reserve reaches 10% of authorized capital. The reserve is not available for dividend distribution.

19. ALLOCATION OF RETAINED EARNINGS

Parent Company

Year 2014

According to the ordinary shareholders meeting no. 1/2014 on April 23, 2014, it has approval resolution to pay the dividend from profit for the year ended December 31, 2013 in the rate of Baht 0.10 per share, in the total amount of Baht 55,199,000.00 and appropriation of legal reserve at 5% of net profit in amount of Baht 5,052,158.32. Payment will be done on May 20, 2014.

Year 2013

According to the ordinary shareholders meeting no. 1/2013 on April 5, 2013, it has approval resolution to pay the dividend from profit for the year ended December 31, 2012 in the rate of Baht 0.15 per share, in the total amount of Baht 82,796,730.00 and appropriation of legal reserve at 5% of net profit in financial statement for the year ended December 31, 2012 in amount Baht 9,238,051.29. Payment was made on May 3, 2013.

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
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Subsidiaries

Year 2014

According to the extra ordinary shareholders meeting no. 1/2014 of Millpack Co., Ltd. on November 24, 2014, which has approval resolution to pay the dividend from retained earnings as at December 31, 2013 in the rate of Baht 3,333.33 per share, in the total amount of Baht 40,000,000.00 and appropriation of legal reserve at 10% of authorized capital in amount Baht 2,583,631.00. Payment will be done on December 17, 2014.

According to the extra ordinary shareholders meeting no. 1/2014 of Elegance Packaging Co., Ltd. on November 24, 2014, which has approval resolution to pay the dividend from retained earnings as at December 31, 2013 in the rate of Baht 500 per share, in the total amount of Baht 5,000,000.00 and appropriation of legal reserve at 10% of authorized capital in amount Baht 100,000.00. Payment will be done on December 17, 2014.

20. PROVIDENT FUND

According to the Board of Directors' Meeting No.7/2011 dated July 19, 2011, it had the resolution to approve the setting up of the provident fund under the Provident Fund Act in accordance with the Stock Exchange of Thailand's regulations concerning the acceptance of listed securities on the "Market for Alternative Investment (MAI)" B.E.2544 dated March 24, 2003 by appointing the Siam Commercial Asset Management Company Limited as the Fund Manager.

Provident funds' expense for the years ended December 31, 2014 and 2013 are as follow:-

	Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Provident funds' expense	3,881	3,669	3,671	3,474



**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2014**

21. CREDIT LIMIT

As at December 31, 2014 and 2013 the Company and its subsidiaries have many credit limits with financial intuitions. The total amounts of credit limits are of Baht 1,780.70 million and USD 2 million and Baht 1,449.50 million, respectively, which have variety purposes, such as loan for working capital, overdrafts, loan to building construction. The bank issuing the guarantee and open letters of credit with trust receipts. As of December 31, 2014, the Company and its subsidiaries have used loans and other bank facilities, totaling of Baht 1,154.78 million. The remaining credit limits is of Baht 606.49 million. 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.

22. REMUNERATION FOR EXECUTIVE

Remuneration for Executive is the benefits paid to executives and directors of the Company. It comprises of the remuneration that paid in cash, such as salary, related benefits and remuneration for the committee including benefits in any other forms. As such, the Company's executive refers to the person required by law with the Securities and Stock Exchange.

23. TAX EXPENSE (INCOME)

23.1 Major components of tax expense (income)

For the years ended December 31, 2014 and 2013 consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Income tax expense (income) shown in profit or loss :				
Current tax expense:				
Income tax expense for the year	2,920	15,495	-	13,718
Deferred tax expense (income):				
Changes in temporary differences relating to the original recognition and reversal	1,170	(31)	963	(31)
Revaluation of the deferred tax resulting from changing in tax rates	-	-	-	-
<b>Total</b>	<b>4,090</b>	<b>15,464</b>	<b>963</b>	<b>13,687</b>

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2014**

23.2 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, 2014 and 2013 which are summarized as follows:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Accounting profit (loss) for the year	39,498	160,087	17,688	114,730
The applicable tax rate (%)	20%	20%	20%	20%
Tax expense (income) at the applicable tax rate	7,900	32,017	3,537	22,946
Reconciliation items:				
Tax effect of expenses that are not deductible in determining tax profit:				
- Expenses not allowed as expenses in determining taxable profit	2,390	2,396	2,296	2,392
Tax effect of income or profit that are not required in determining taxable profit:				
- The exemption of profit of the promoted business (BOI)	(15,493)	(18,395)	(4,570)	(11,226)
- Expense for tax deductible	(473)	(453)	(9,458)	(425)
Others	9,766	(101)	9,158	-
Total reconciliation items	(3,810)	(16,553)	(2,574)	(9,259)
Total tax expense (income)	4,090	15,464	963	13,687

23.3 A numerical reconciliation between the average effective tax rate and the applicable tax rate

For the years ended December 31, 2014 and 2013 are summarized as follows:

	Consolidated financial statements			
	2014		2013	
	Tax amount (Thousand Baht)	Tax rate (%)	Tax amount (Thousand Baht)	Tax rate (%)
Accounting profit (loss) before tax expense for the year	39,498		160,087	
Tax expense (income) at the applicable tax rate	7,900	20.00	32,017	20.00
Reconciliation items	(3,810)	(9.65)	(16,553)	(10.34)
Tax expense (income) at the average effective tax rate	4,090	10.35	15,464	9.66

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

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

**DECEMBER 31, 2014**

	Separate financial statements			
	2014		2013	
	Tax amount (Thousand Baht)	Tax rate (%)	Tax amount (Thousand Baht)	Tax rate (%)
Accounting profit (loss) before tax expense for the year	17,688		114,730	
Tax expense (income) at the applicable tax rate	3,537	20.00	22,946	20.00
Reconciliation items	(2,574)	(14.55)	(9,259)	(8.07)
Tax expense (income) at the average effective tax rate	963	5.45	13,687	11.93

**24. EXPENSE BY NATURE**

Expense by nature has significant transaction for the years ended December 31, 2014 and 2013 are as follows:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Changes in finished goods and work in progress	(39,326)	(4,426)	(34,741)	(2,353)
Purchases of finished goods	115,154	80,064	235,966	197,971
Used raw material and wasteful supply	1,216,069	1,057,611	1,037,854	901,386
Expenses for employees	364,969	284,038	329,063	256,853
Depreciation and amortization	126,090	97,452	110,114	83,526

**25. EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing profit for the year by weighted average number of ordinary shares that issued and paid during the year.

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Profit for the year of ordinary share's shareholders (Thousand Baht)	35,490	144,712	16,725	101,043
Weighted average number of ordinary share (Thousand Share)	552,000	552,000	552,000	552,000
Basic earnings per share (Baht per share)	0.06	0.26	0.03	0.18

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2014**

26. 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
Segment 5	Business trading segment

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2014**

Thousand Baht

		Consolidated financial information																	
		Industrial in Thailand					Industrial in China					Trading in Thailand		Elimination		Total			
Samuhsakhon		Bangkok		Chonburi			Total					Total		Total		Total			
		2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
<b>For the year ended December 31</b>																			
<b>Revenues</b>																			
- External customers		1,240,380	1,162,422	127,159	124,078	731,445	627,472	2,098,984	1,913,972	146,231	148,644	49,693	46,545	-	-	2,294,908	2,109,161		
- Group		49,608	48,371	157,141	147,114	-	-	206,749	195,485	-	-	-	-	(206,749)	(195,485)	-	-		
<b>Total</b>		<b>1,289,988</b>	<b>1,210,793</b>	<b>284,300</b>	<b>271,192</b>	<b>731,445</b>	<b>627,472</b>	<b>2,305,733</b>	<b>2,109,457</b>	<b>146,231</b>	<b>148,644</b>	<b>49,693</b>	<b>46,545</b>	<b>(206,749)</b>	<b>(195,485)</b>	<b>2,294,908</b>	<b>2,109,161</b>		
<b>Segment gross profit</b>		<b>148,844</b>	<b>205,285</b>	<b>13,134</b>	<b>13,578</b>	<b>148,914</b>	<b>151,817</b>	<b>310,892</b>	<b>370,680</b>	<b>19,842</b>	<b>14,947</b>	<b>2,485</b>	<b>2,327</b>	<b>1,961</b>	<b>1,742</b>	<b>335,180</b>	<b>389,696</b>		

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2014**

27. LONG-TERM LEASE AGREEMENT

As at December 31, 2014 and 2013, the Company has long-term lease agreements as follows:

- 27.1 A subsidiary in the foreign country has entered into the lease for factory buildings with a company in foreign country for three years, starting from February 1, 2011 and contract renewal for 3 more years with the rental fee Baht 694,178.89 per month in 2014 and Baht 710,223.65 per month in 2013 and Baht (equal to Yuan 129,707, referred to exchange rate, as at December 31, 2014, Yuan is equal to 5.3519 Baht and as at December 31, 2013, 1 Yuan is equal to 5.4756 Baht).
- 27.2 A local subsidiary has entered into the lease for land to be location of the factory from the related parties for three months, starting from January 1, 2011 and contract renewal for 3 more years with the rental fee Baht 134,360.00 per month.
- 27.3 The Company had entered into the lease for factory to Millpack Company limited (subsidiary) for three years, starting on February 1, 2012 and rental rate of Baht 120,000 per month and contract renewal for 3 more years.

As at December 31, 2014 and 2013, the Company and its subsidiaries have commitments to pay the property/asset and service rental fee as outstanding contract as follows:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<u>Paid within</u>				
1 year	9,942	10,135	-	-
More than 1 year but not over 5 years	10,637	20,981	-	-
More than 5 years	-	-	-	-

28. RIGHTS AND BENEFITS UNDER THE INVESTMENT PROMOTION ACT

Parent Company

2011

The Company had received privileges under the investment promotion certificate by the Board of Investment approved on December 28, 2009 to produce plastic packaging and plastic parts for various industries, type 6.12, Manufacture of plastic or coated with plastic. The example of tax benefits which are exemption of import duty for machines, an exemption for income tax for net income from operations that has been promoted for a period of seven years from start date revenue from operations an allowance to take annual losses incurred during the exemption of corporate income tax deducted from net income arising in the period after income tax exemption (the period is not exceeding five years).

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2014**

2012

The Company had received privileges under the investment promotion certificate by the Board of Investment approved on June 18, 2012 to produce plastic packaging and plastic parts for various industries, type 6.12, Manufacture of plastic or coated with plastic. The example of tax benefits which are exemption of import duty for machines, an exemption for income tax for net income from operations that has been promoted for a period of seven years from start date revenue from operations an allowance to take annual losses incurred during the exemption of corporate income tax deducted from net income arising in the period after income tax exemption (the period is not exceeding five years).

2014

The Company had received privileges under the third investment promotion certificate by the Board of Investment as approved on January 7, 2014 to produce plastic packaging and plastic parts for various industries, type 6.12, Manufacture of plastic or coated with plastic. The example of tax benefits which are exemption of import duty for machines, an exemption for income tax for net income from operations that has been promoted for a period of seven years from start date revenue from operations an allowance to take annual losses incurred during the exemption of corporate income tax deducted from net income arising in the period after income tax exemption (the period is not exceeding five years).

As the parties are BOI. The Company shall comply with the terms and conditions in the investment promotion certificate.

Subsidiary

2011

A subsidiary had received privileges under the investment promotion certificate by the Board of Investment approved on September 26, 2011 to produce plastic packaging for various industries, type 6.12, Manufacture of plastic or coated with plastic. The example of tax benefits which are exemption of import duty for machines, an exemption for income tax for net income from operations that has been promoted for a period of eight years from start date revenue from operations an allowance to take annual losses incurred during the exemption of corporate income tax deducted from net income arising in the period after income tax exemption (the period is not exceeding five years).

**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2014**

2012

A subsidiary had received privileges under the investment promotion certificate by the Board of Investment approved on July 9, 2012 to produce plastic packaging and plastic parts for various industries, type 6.12, Manufacture of plastic or coated with plastic. The example of tax benefits which are exemption of import duty for machines, an exemption for income tax for net income from operations that has been promoted for a period of eight years from start date revenue from operations an allowance to take annual losses incurred during the exemption of corporate income tax deducted from net income arising in the period after income tax exemption (the period is not exceeding five years).

As the parties are BOI. The Company shall comply with the terms and conditions in the investment promotion certificate.

**29. THE OPERATIONS OF COMPANY**

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, 2014 and 2013 as follows:

	Thousand Baht					
	Consolidated financial statements					
	2014			2013		
	Business that have been promoted in investment (Note 28)	Business that not be promoted in investment	Total	Business that have been promoted in investment (Note 28)	Business that not be promoted in investment	Total
Revenue						
Sales	633,668	1,661,240	2,294,908	572,722	1,536,439	2,109,161
Other Revenues	882	4,761	5,643	3,999	3,050	7,049
Total Revenues	<u>634,550</u>	<u>1,666,001</u>	<u>2,300,551</u>	<u>576,721</u>	<u>1,539,489</u>	<u>2,116,210</u>

	Thousand Baht					
	Separate financial statements					
	2014			2013		
	Business that have been promoted in investment (Note 28)	Business that not be promoted in investment	Total	Business that have been promoted in investment (Note 28)	Business that not be promoted in investment	Total
Revenue						
Sales	633,668	1,514,924	2,148,592	572,722	1,389,621	1,962,343
Dividend income	-	44,988	44,988	-	-	-
Other Revenues	789	6,700	7,489	3,758	4,749	8,507
Total Revenues	<u>634,457</u>	<u>1,566,612</u>	<u>2,201,069</u>	<u>576,480</u>	<u>1,394,370</u>	<u>1,970,850</u>



**PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2014**

30. 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.

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.

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

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

**DECEMBER 31, 2014**

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 at December 31, 2014, the Company has made foreign currency forward contract in order to prevent foreign currency risk in the amount of Euro 330,739.24, at the rate of Baht 41.50 per 1 Euro as mentioned in note 31.

As at December 31, 2014, it has outstanding foreign currency liability as follows:

Consolidated financial statement		
Currency	Liability	Average selling exchange rate As at December 31, 2014 (Baht per foreign currency)
U.S. Dollar	362,458.52	33.1132
Euro	124,705.42	40.3552
Yen	1,306,500.00	0.276511
Yuan	2,183,430.21	5.3519

Separate financial statement		
Currency	Liability	Average selling exchange rate As at December 31, 2014 (Baht per foreign currency)
U.S. Dollar	362,458.52	33.1132
Euro	123,264.07	40.3552
Yen	1,306,500.00	0.276511

As at December 31, 2013, it has outstanding foreign currency liability as follows:

Consolidated financial statement		
Currency	Liability	Average selling exchange rate As at December 31, 2013 (Baht per foreign currency)
U.S. Dollar	547,847.73	32.9494
Euro	152,147.71	45.3223
Yuan	2,651,294.57	5.4756

Separate financial statement		
Currency	Liability	Average selling exchange rate As at December 31, 2013 (Baht per foreign currency)
U.S. Dollar	546,617.73	32.9494
Euro	152,147.71	45.3223

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

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

**DECEMBER 31, 2014**

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.

**31. FOREIGN CURRENCY FORWARD CONTRACT**

Foreign exchange forward contract can help in risks management arising from fluctuation of foreign currency exchange rates.

As at December 31, 2014, the Company has foreign currency forward contract for purchases of inventories from China are as follows (see note 30):

<u>Currency</u>	<u>Bought amount</u>	<u>Contractual rate (Baht)</u>
Euro	330,739.24	41.50

**32. FUND MANAGEMENT**

The objective of company' significant fund management is to provide appropriate financial structures and maintain the ability to continuously operate.

**33. COMMITMENTS AND CONTINGENT LIABILITIES**

As at December 31, 2014, the Company had commitments and contingent liabilities as follows:

- 33.1 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 15.29 million.
- 33.2 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 100.68 million.
- 33.3 The company and its subsidiary had obligation that was agreed to acquire machinery and equipment in the amount of Baht 43.90 million.

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

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

**DECEMBER 31, 2014**

**34. RECLASSIFICATION**

The Company has reclassified certain accounts in the statement of financial position as at December 31, 2013 to conform with the presentation of the financial statements of this period which consisted of:

	Thousand Baht					
	Consolidated financial statements			Separate financial statements		
	Before	Reclassification	After	Before	Reclassification	After
	Reclassification	Reclassification	Reclassification	Reclassification	Reclassification	Reclassification
<b>Statement of financial position</b>						
Deferred tax assets	7,133	(7,133)	-	6,608	(6,608)	-
Deferred tax liabilities	14,119	(7,133)	6,986	11,730	(6,608)	5,122

The Company has not reclassified the accounts in the statement of financial position as at January 1, 2013

**35. THE NEW AND REVISED ACCOUNTING STANDARDS ARE NOT YET EFFECTIVE IN THE CURRENT YEAR**

The Federation of Accounting Professions (FAP) has issued Notifications to mandate the new and revised accounting standards, financial reporting standards, and interpretations of accounting and financial reporting standards.

These new and revised accounting standards which are effective for the fiscal year beginning on or after January 1, 2015 are as follows:

TAS 1 (revised 2014)	Presentation of Financial Statements
TAS 2 (revised 2014)	Inventories
TAS 7 (revised 2014)	Statement of Cash Flows
TAS 8 (revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2014)	Events After the Reporting Period
TAS 11 (revised 2014)	Construction Contracts
TAS 12 (revised 2014)	Income Taxes
TAS 16 (revised 2014)	Property, Plant and Equipment
TAS 17 (revised 2014)	Leases
TAS 18 (revised 2014)	Revenue
TAS 19 (revised 2014)	Employee Benefits

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

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

**DECEMBER 31, 2014**

TAS 20 (revised 2014)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2014)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2014)	Borrowing Costs
TAS 24 (revised 2014)	Related Party Disclosures
TAS 26 (revised 2014)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2014)	Separate Financial Statements
TAS 28 (revised 2014)	Investments in Associates And Joint Ventures
TAS 29 (revised 2014)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2014)	Earnings Per Share
TAS 34 (revised 2014)	Interim Financial Reporting
TAS 36 (revised 2014)	Impairment of Assets
TAS 37 (revised 2014)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2014)	Intangible assets
TAS 40 (revised 2014)	Investment Property
TFRS 2 (revised 2014)	Share-based Payment
TFRS 3 (revised 2014)	Business Combinations
TFRS 5 (revised 2014)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2014)	Exploration for and Evaluation of Mineral Assets
TFRS 8 (revised 2014)	Operating Segments
TFRS 10	Consolidated Financial Statements
TFRS 11	Joint Arrangements
TFRS 12	Disclosure of Interests in Other Entities
TFRS 13	Fair Value Measurement
TSIC 10 (revised 2014)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2014)	Operating Leases - Incentives
TSIC 25 (revised 2014)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2014)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29 (revised 2014)	Service Concession Arrangements: Disclosure
TSIC 31 (revised 2014)	Revenue-Barter Transactions Involving Advertising Services
TSIC 32 (revised 2014)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities

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

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

**DECEMBER 31, 2014**

TFRIC 4 (revised 2014)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2014)	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2014)	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economics
TFRIC 10 (revised 2014)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2014)	Service Concession Arrangements
TFRIC 13 (revised 2014)	Customer Loyalty Programmes
TFRIC 14 (revised 2014)	IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2014)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2014)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2014)	Transfers of Assets from Customers
TFRIC 20 (revised 2014)	Stripping Costs in the Production Phase of a Surface Mine

The new accounting standard which is effective for the fiscal year beginning on or after January 1, 2016 is as follows:

TFRS 4	Insurance Contracts
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The management of the Company is evaluating the impact of these new and revised accounting standards when they are initially applied.

**36. EVENTS AFTER THE REPORTING PERIOD**

According to the Minutes of the Board of Director's Meeting No. 2/2015 held on March 2, 2015, it has been approved resolutions to propose to the Annual General Meeting of 2015 of the Company's shareholders for their approval:

1) Stock dividend

Approval to pay the stock dividend to the Company's shareholders, with a number not exceed 22,080,000 ordinary shares, with the par value of Baht 0.50 each, at a ratio of 25 existing ordinary shares to receive stock dividend of 1 share, or a total amount of not exceeding Baht 11.04 million

2) Increase in the Company's registered share capital

Approval to increase in the Company's registered share capital total amount of not exceeding Baht 11.04 million to support the issue of stock dividend

**37. APPROVAL OF FINANCIAL STATEMENTS**

These financial statements were authorized for issue by the Board of Directors of the Company on March 2, 2015.



**Dr. Damri Sukhotanang**

**Positions** : Board Chairman/ Independent  
Director/Nomination and Remuneration  
Committee Chairman

**Age** : 65 years-old

**Education** :

- 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

**Training Courses** :

- Certificate of Attendance Director Certification Program (DCP) Class DCP70/2006, Thai Institute of Directors.
- Certificate of Attendance Financial Statement of Director FSD 20/2013

**Work Experiences** :

- 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
- 2003 – 2008 : Deputy Permanent Secretary  
Ministry of Industry
- 2000 – 2003 : Director, Office of Industrial Economics  
Ministry of Industry
- 1999 – 2000 : Director-General, Department of  
Industrial Promotion  
Ministry of Industry

**Current job positions in any listed company** :

- Siam Steel Service Center Plc.

**Current job positions in any non-listed company** :

- None

**First Appointment** : July 15, 2011

**Relationship between directors and executives** :

- None

**Percentage of shares** : 0.05

**Company's stocks trade during the year** :

- None



**Mr. Kongsak Hemmontharop**

**Positions** : Vice Chairman

**Age** : 75 years-old

**Education** :

- Primary School, Sawang Wittaya School

**Training Courses** :

- Certificate of Attendance Director Accreditation Program Class 90/2011, Thai Institute of Directors

**Work Experiences** :

- 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.

**Current job positions in any listed company** :

- None

**Current job positions in any non-listed company** :

- Mill Pack Co., Ltd.
- Elegance Packaging Co., Ltd.

**First Appointment** : March 1, 2011

**Relationship between directors and executives** :

- Husband of Mrs. Malee Hemmontharop
- Father of Mr. Wiwat, Mr. Satit, Mr. Pirun Hemmondharop

**Percentage of shares** : 18.49

**Company's stocks trade during the year** :

- None



**Mr. Wiwat Hemmondharop**

**Positions** : Director/ Chairman of the Board of Executive Directors/Nomination and Remuneration Committee Member

**Age** : 49 years-old

**Education** :

- Bachelor's degree in Economics, Thammasat University
- Master's degree in Business Administration, National Institute of Development Administration
- Master's degree in Marketing (English program), Thammasat University

**Training Courses** :

- Certificate of Attendance Director Certification Program Class 32/2003, Thai Institute of Directors
- Certificate of Chartered Director Class Program (CDC) 2014, Thai Institute of Directors

**Work Experiences** :

- 2014 – Present : Director/ Chairman of the Board of Executive Directors Panjawattana Plastic Plc.
- 2014 – Present : Director PJW Food Pack Co., Ltd.
- 2011 – Present : Director Panjawattana Plastic (Tianjin) Co., Ltd.
- 2010 – Present : Director Mill Pack Co., Ltd.
- 2008 – Present : Director Panjawattana Marketing Co., Ltd.
- 2010 – Present : Director Thammanamai Health Cuisine Co., Ltd
- 2005 – Present : Director Pan Asia Chemical Co., Ltd.
- 2011 – 2014 : Director/ Chairman of the Board of Executive Directors Panjawattana Plastic Plc.
- 2004 – 2011 : Director Elegance Packaging Co., Ltd.
- 1987 – 2011 : Director Panjawattana Plastic Co., Ltd.

**Current job positions in any listed company** :

- None

**Current job positions in any non-listed company** :

- PJW Food Pack Co., Ltd.
- Mill Pack Co., Ltd.
- Panjawattana Plastic (Tianjin) Co., Ltd.
- Panjawattana Marketing Co., Ltd.
- Thammanamai Health Cuisine Co., Ltd
- Pan Asia Chemical Co., Ltd.

**First Appointment** : November 30, 1987

**Relationship between directors and executives** :

- Son of Mr. Kongsak and Mrs. Malee Hemmontharop
- Elder brother of Mr. Satit, Mr. Pirun Hemmondharop

**Percentage of shares** : 13.07

**Company's stocks trade during the year** :

- None



**Mrs. Malee Hemmontharop**

**Positions** : Director/Vice President /Chief Administrative Officer /Executive Committee Member

**Age** : 71 years-old

**Education** :

- Primary School, Ban Paew Wittaya School

**Training Courses** :

- Certificate of Attendance Director Accreditation Program Class 90/2011, Thai Institute of Directors

**Work Experiences** :

- 2014 – Present : Director/ Vice President/Chief Administrative Officer/Executive Committee Panjawattana Plastic Plc.
- 2014 – Present : Director PJW Food Pack Co., Ltd.
- 1990 – Present : Director Mill Pack Co., Ltd.
- 2011 – Present : Director Elegance Packaging Co., Ltd.
- 2011 – Present : Director Panjawattana Plastic (Tianjin) Co., Ltd.





- 2011 – Present : Director  
PCP Marketing Co., Ltd.
- 2011 – 2014 : Director/ Vice President  
Panjawattana Plastic Plc.

**Current job positions in any listed company :**

- None

**Current job positions in any non-listed company :**

- Mill Pack Co., Ltd.
- Panjawattana Plastic (Tianjin) Co., Ltd.
- Elegance Packaging Co., Ltd.
- PCP Marketing Co., Ltd.
- PJW Food Pack Co., Ltd.

**First Appointment :** March 1, 2011

**Relationship between directors and executives :**

- Spouse of Mr. Kongsak Hemmontharop
- Mother of Mr. Wiwat, Mr. Satit, Mr. Pirun Hemmondharop

**Percentage of shares :** 20.00

**Company's stocks trade during the year :**

- Sold 60,977,428 Shares



**Mr. Satit Hemmondharop**

**Positions :** Director/Executive Committee  
Member/Risk Management Committee  
Member/ Chief Executive Officer

**Age :** 47 years-old

**Education :**

- 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

**Training Courses :**

- Certificate of Attendance Director Certification Program Class 121/2011, Thai Institute of Directors
- Certificate of Attendance Role of the Compensation Committee Class 11/2011, Thai Institute of Directors
- Certificate of Attendance Risk Management Committee Program (RMP) Class 2/2013, Thai Institute of Directors.
- Certificate of Purposefully Designing a winning culture
- Certificate of Laws vs Business Practice – An Insider's view

**Work Experiences :**

- 2011 – Present : Director/Executive Committee  
Member/Risk Management Committee  
Member/ Chief Executive Officer  
Panjawattana Plastic Plc.
- 2014 – Present : Director  
PJW Food Pack Co., Ltd.
- 1995 – Present : Director  
Millpack Co., Ltd.
- 2003 - 2011 : Director  
Panjawattana Plastic Co., Ltd.
- 1993 – 2003 : Executive Committee Member  
Panjawattana Plastic Co., Ltd.
- 1991 - 1993 : Production Manager  
Panjawattana Plastic Co., Ltd.
- 1990 – 1991 : Marketing Officer  
C.P. Intertrade Co., Ltd.

**Current job positions in any listed company :**

- None

**Current job positions in any non-listed company :**

- Mill Pack Co., Ltd.
- PJW Food Pack Co., Ltd.

**First Appointment :** October 9, 1992

**Relationship between directors and executives :**

- Son of Mr. Kongsak and Mrs. Malee Hemmontharop
- Younger brother of Mr. Wiwat/ Elder brother of Mr. Pirun Hemmondharop

**Percentage of shares :** 7.73

**Company's stocks trade during the year :**

- Purchased 34,661,428 Shares



**Dr. Pirun Hemmondharop**

**Positions :** Director/ Risk Management Committee  
Member/

**Age :** 40 years-old

**Education :**

- Bachelor's degree in Industrial Engineering, Sirindhorn International Institute of Technology, Thammasat University
- Master's degree in Engineering Management, University of Missouri-Rolla



- Doctoral degree in Engineering Management, University of Missouri-Rolla

**Training Courses :**

- Certificate of TLCA Executive Development Program Class 13/2014, Thai Listed Companies Association
- Diploma, Public Economics for executive Class 11/2013, King Prajadhipok's Institute
- Certificate of Attendance Director Accreditation Program Class 90/2011, Thai Institute of Directors
- Certificate of Attendance Director Certification Program Class 150/2011, Thai Institute of Directors
- Certificate of Attendance Director Breakfast Talk Class 2/2011, Thai Institute of Directors
- Certificate of Attendance Financial Statements for Director Class 13/2011, Thai Institute of Directors

**Work Experiences :**

- 2011- Present : Director/ Risk Management Committee Member  
Panjawattana Plastic Plc.
- 2013- Present : Director  
Composite Holding Co., Ltd.
- 2011-Present : Director  
Elegance Packaging Co., Ltd.
- 2011 – Present : Director  
PJ Composite Co., Ltd.
- 2011 – Present : Director  
Panjawatna (Tianjin) Co., Ltd.
- 2010 - Present : Director  
Thammanamai Health Cuisine Co., Ltd
- 2011 – 2012 : Executive Committee Member/ Vice President/ Chief Operating Officer, Samutsakhon Branch/ Chief Human Resource Officer  
Panjawattana Plastic Plc.
- 2008 - 2011 : Director/Director, Production Administration Department/Director, Human Resource  
Panjawattana Plastic Co., Ltd.
- 2004 – 2008 : Director, Course Director, Master's degree in Management  
College of Management, Mahidol University

- 2002 – 2004 : Assistant Managing Director  
Chiameng Marketing Co., Ltd.

**Current job positions in any listed company :**

- None

**Current job positions in any non-listed company :**

- Panjawatna (Tianjin) Co., Ltd.
- Elegance Packaging Co., Ltd.
- PJ Composite Co., Ltd.
- Composite Holding Co., Ltd.
- Thammanamai Health Cuisine Co., Ltd

**First Appointment :** January 28, 2011

**Relationship between directors and executives :**

- Son of Mr. Kongsak and Mrs. Malee Hemmontharop
- Younger brother of Mr. Wiwat and Mr. Satit Hemmondharop

**Percentage of shares :** 6.22

**Company's stocks trade during the year :**

- Purchased 26,316,000 Shares



**Miss Charanya Sangsukdee**

**Positions :** Chairman of Audit Committee/Independent Director/ Risk Management Committee Member

**Age :** 50 years-old

**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 :**

- Certificate of Attendance Director Certification Program Class 96/2007, Thai Institute of Directors
- Certificate of Attendance Audit Committee Program Class 27/2009, Thai Institute of Directors
- Certificate of Attendance Director Accreditation Program Class 62/2007, Thai Institute of Directors
- Certificate of Attendance Monitor Fraud Risk Management Class 1/2009, Thai Institute of Directors
- Certificate of Attendance Monitor of the Quality of Financial Reporting Class 9/2009, Thai Institute of Directors



- Certificate of Attendance Monitor the Internal Audit Function  
Class 6/2009, Thai Institute of Directors
- Certificate of Attendance the system of Internal Control and Risk  
Class 7/2009, Thai Institute of Directors

**Work Experiences :**

- 2011 - Present : Chairman of Audit Committee  
/Independent Director /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 :**

- None

**Current job positions in any non-listed company :**

- Tax Specialist Co., Ltd.
- Bangkok Training Center Co., Ltd.

**First Appointment :** January 28, 2011

**Relationship between directors and executives :**

- None

**Percentage of shares :** 0.05

**Company's stocks trade during the year :**

- None



**Assoc. Prof. Dr. Aekkachai Nittayakasetwat**

**Positions :** Audit Committee Member/Independent  
Director/ Chairman of Risk Management  
Committee

**Age :** 51 years-old

**Education :**

- B.Sc. (Chemical Engineering), Chulalongkorn University
- Master's degree in Financial Management, National Institute of  
Development Administration
- Doctoral degree in Finance, University of Mississippi

**Training Courses :**

- Certificate of Attendance Director Accreditation Program (DAP)  
Class 35/2005 Thai Institute of Directors
- Certificate of Attendance Role of the Compensation Committee  
Class 12/2011, Thai Institute of Directors
- Certificate of Attendance Compensation Survey Class 1/2011,  
Thai Institute of Directors
- Certificate of Attendance Risk Management Committees Program,  
Thai Institute of Directors

**Work Experiences :**

- 2011 – Present : Audit Committee member/Independent  
Director/Chairman of Risk Management  
Committee  
Panjawattana Plastic Plc.
- 2011 - Present : Independent Director/ Audit Committee  
member  
Stars Microelectronics (Thailand) Plc.
- 2010 – Present : Independent Director/ Chairman of Audit  
Committee  
Universal Adsorbents & Chemicals Plc.
- 2009 – Present : Director and Audit Committee member  
GT Wealth Management Co., Ltd.
- 2008 – Present : Director  
Association of Securities Companies
- 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

**Current job positions in any listed company :**

- Universal Adsorbents & Chemicals Plc.
- Stars Microelectronics (Thailand) Plc.
- TRC Construction Co., Ltd.



**Current job positions in any non-listed company :**

- GT Wealth Management Co., Ltd.
- Association of Securities Companies
- Getabec Co., Ltd.

**First Appointment :** January 28, 2011

**Relationship between directors and executives :**

- None

**Percentage of shares :** 0.03

**Company's stocks trade during the year :**

- None



**Mr. Natthawut Khemayotin**

**Positions :** Audit Committee Member/Independent  
Director/ Risk Management Committee  
Member/Nomination and Remuneration  
Committee

**Age :** 46 years-old

**Education :**

- Bachelor's degree in Commerce and Accountancy, Thammasat University
- Master's degree in Business Administration, University of Dallas, Irving, Texas

**Training Courses :**

- Certificate of Attendance Director Certification Program Class 70/2006, Thai Institute of Directors
- Certificate of Attendance Risk Management Committees Program Class 2/2013, Thai Institute of Directors
- Remuneration Survey Reporting 2014, Thai Institute of Directors

**Work Experiences :**

- 2014-Present : Audit Committee member/Independent  
Director/Risk Management Committee  
member/Nomination and Remuneration  
Committee  
Panjawattana Plastic Plc.
- 2013 –Present : Managing Director  
North Caribbean Inter Trade Co., Ltd.
- 2004 –Present : Managing Director  
Nu Na Co., Ltd.

- 2011- 2014 : Audit Committee member/Independent  
Director/Risk Management Committee  
member  
Panjawattana Plastic Plc.
- 2005 – 2009 : Managing Director  
Globlex Holding Management Plc.
- 2002 – 2005 : Assistant Director, The Board of  
Directors Bureau  
Seamico Securities Plc.
- 2001 – 2002 : Senior Officer, Investment Banking  
Department  
Thai Military Bank Plc.
- 2000 – 2001 : Senior Officer, Institutional Customer  
Department  
JF Thanakom Co., Ltd.

**Current job positions in any listed company :**

- None

**Current job positions in any non-listed company :**

- Nu Na Co., Ltd.
- North Caribbean Inter Trade Co., Ltd.

**First Appointment :** January 28, 2011

**Relationship between directors and executives :**

- None

**Percentage of shares :** 0.05

**Company's stocks trade during the year :**

- None

**Executive Profile**



**Mr. Chaovapong Pipatjadsadukul**

**Positions :** Chief Operating Officer

**Age :** 52 years-old

**Education :**

- Bachelor's Degree in Education (Industrial), Chiang Mai University

**Training Courses :**

-

**Work Experiences :**

- 2014 – Present : Chief Operating Officer  
Panjawattana Plastic Plc.



- 2012 – 2014 : General Manager  
Summit Sanwa Auto Alliance (Wuhan)  
Co., Ltd.
- 2008 – 2012 : Chief Operating Officer  
Yoshino moong Pattana (Thailand) Co.,  
Ltd.
- 2003 – 2008 : Senior Factory Manager  
Summit Auto Seat Industry Co., Ltd.
- 1995 – 2003 : General Manager  
Sony Magnetic Product (Thailand) Co.,  
Ltd.
- 1993 – 1995 : Production Manager  
Tatung (Thailand) Co., Ltd.

**Percentage of shares :** None

**Company's stocks trade during the year :**

- None



**Mrs. Prim Chaiyawat**

**Positions :** Chief Financial Officer/ Company's  
Secretary

**Age :** 39 years-old

**Education :**

- Bachelor's degree in Commerce and Accountancy, Thammasat  
University
- Master's degree in Business Administration, Kasetsart University

**Training Courses :**

- Principal Law and related regulation of Listed Company Program  
Class 11/2014, Thai Listed Companies Association
- Company Secretary Training Program Class 29/2014, Thai Listed  
Companies Association
- Certificate of Attendance Company Secretary Program Class  
37/2010, Thai Institute of Directors
- Certificate of Attendance Effective Minutes Taking Class 19/2011,  
Thai Institute of Directors
- Certificate of Attendance Audit Committee Program Class  
37/2011, Thai Institute of Directors
- Certificate of Attendance Monitoring Fraud Risk Management  
Class 6/2011, Thai Institute of Directors
- Certificate of Merger and Acquisition Analysis, Thailand  
Securities Institute

- Certificate of Provision Raise Funds by Bond Issue, Thai BMA
- Anti-Corruption in Organization Class 5 , Federation of  
Accounting Professions

**Work Experiences :**

- 2014 - Present : Chief Financial Officer/ Company's  
Secretary  
Panjawattana Plastic Plc.
- 2008 - 2014 : Finance Director/ Company's Secretary  
Panjawattana Plastic Plc.
- 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

**Percentage of shares :** 0.06

**Company's stocks trade during the year :**

- None



**Miss Thitima Tuntivuttikul**

**Positions :** Marketing Director – Samutsakhon  
Branch

**Age :** 41 years-old

**Education :**

- Bachelor's degree in Liberal Art., Bangkok University
- Master's degree in Business Administration, Chiang Mai  
University

**Training Courses :**

-

**Work Experiences :**

- 2011 – Present : Marketing Director  
Panjawattana Plastic Plc.
- 1996 – 2010 : Sales and Marketing Manager  
Panjawattana Plastic Co., Ltd.

**Percentage of shares :** 0.06

**Company's stocks trade during the year :**

- None



**Mr. Seksan Sinbunluekul**

**Positions** : Research and Development Director

**Age** : 41 years-old

**Education** :

- Bachelor's degree in Plastic Technology, Rajamangala University of Technology

**Training Courses** :

- 

**Work Experiences** :

- 1996 - Present : Research and Development Director Panjawattana Plastic Plc.
- 1996 – 2011 : Research and Development Director Panjawattana Plastic Co., Ltd.

**Percentage of shares** : 0.06

**Company's stocks trade during the year** :

- None



**Miss Penchan Tobameekul**

**Positions** : Operating Director - Chonburi Branch

**Age** : 48 years-old

**Education** :

- Bachelor's degree in Business Administration, Siam University

**Training Courses** :

- 

**Work Experiences** :

- 2011 - Present : Operating Director, Chonburi Branch Panjawattana Plastic Plc.
- 2010 - 2011 : Supply Chain Director Panjawattana Plastic Co., Ltd.
- 2003 – 2009 : Planning and Logistic Manager Panjawattana Plastic Co., Ltd.
- 2001 – 2003 : Transport and Service Manager Vatchara Packing Product Co., Ltd.
- 1996 – 2000 : Product Planning Manager Panjawattana Plastic Co., Ltd.
- 1995 – 1996 : Assistant Cost Analysis and Packaging Manager Tre-Atthaboon Industry Co., Ltd.
- 1988 – 1994 : Assistant Production Planning Manager

Tre-Atthaboon Industry Co., Ltd.

**Percentage of shares** : 0.06

**Company's stocks trade during the year** :

- None



**Mrs. Kunnika Jenjulporn**

**Positions** : Operating Director- Samutsakhon Branch

**Age** : 50 years-old

**Education** :

- Bachelor's degree in Political Science, Ramkhamhaeng University

**Training Courses** :

- 

**Work Experiences** :

- 2010 – Present : Operating Director – Samutsakhon Branch Panjawattana Plastic Plc.
- 2010 – 2011 : Procurement Director Panjawattana Plastic Co., Ltd.
- 1996 – 2009 : Procurement Manager Panjawattana Plastic Co., Ltd.
- 1997 – 2002 : Planning Manager Panjawattana Plastic Co., Ltd.
- 1995 – 1997 : Plastic Crushing Machine Room Manager Panjawattana Plastic Co., Ltd.
- 1993 – 1995 : Planning Manager Panjawattana Plastic Co., Ltd.

**Percentage of shares** : 0.05

**Company's stocks trade during the year** :

- Sold 50,000 Shares



**Mr. Asda Kaewrux**

**Positions** : Marketing Director - Chonburi Branch

**Age** : 50 years-old

**Education** :

- Bachelor's degree in Marketing, Ramkhamhaeng University
- Master's degree in Marketing (English program), Thammasat University

**Work Experiences** :

- 2012 – Present : Marketing Director - Chonburi Branch Panjawattana Plastic Plc.



- 2005- 2012 : Marketing Manager  
Panjawattana Plastic Co., Ltd.
- 2005 : Marketing Manager  
Solartron Plc.
- 2004 : Marketing Manager  
Amarin Printing and Publishing Plc.
- 1995 – 2003 : Marketing Director  
Daidomon Group Plc.

**Percentage of shares :** 0.02

**Company’s stocks trade during the year :**

- None

- Bachelor’s degree in Accounting, Rajamangala University of  
Technology Rattanakosin

**Training Courses :**

- Anti-Corruption in Organization Class 5 , Federation of  
Accounting Professions
- Internal Audit Certificate Program Class 9, Federation of  
Accounting Professions
- Business Management for Internal Audit Class 3, Federation of  
Accounting Professions

**Work Experiences :**

- 2013 – Present : Internal Audit Supervisor  
Panjawattana Plastic Plc.
- 2012 - 2013 : Senior Internal Audit Staff  
Panjawattana Plastic Plc.
- 2011 - 2012 : Senior Accounting Staff  
Panjawattana Plastic Plc.
- 2008 - 2011 : Accounting Staff  
King Fisher Co., Ltd.

**Percentage of shares :** None

**Company’s stocks trade during the year :** None



**Mrs. Nichaluk Muanphuak**

- Positions :** Quality Assurance Director
- Age :** 39 years-old
- Education :**  
- Bachelor’s degree in Science (Chemical), Chulalongkorn  
University

**Work Experiences :**

- 2014 – Present : Quality Assurance Director  
Panjawattana Plastic Plc.
- 2012 - 2014 : Quality Assurance Manager  
Summit Auto Seat Industry Co., Ltd.
- 2008 - 2012 : Assistant Quality Assurance Manager  
Sony Device Technology (Thailand) Co.,  
Ltd.
- 1998 - 2007 : Quality Assurance Engineer  
Sony Device Technology (Thailand) Co.,  
Ltd.

**Percentage of shares :** None

**Company’s stocks trade during the year :**

- None

**Internal Audit Control Profile**



**Mrs. Chayanisa Boonmee**

- Positions :** Internal Audit Supervisor
- Age :** 29 years-old
- Education :**

### Work Position of the Executives and Persons with Controlling Power

	Name	Panjawattana Plastic Plc.	Subsidiary Companies			
			Mill Pack Co., Ltd.	Elegance Packaging Co., Ltd.	Panjawattana Plastic (Tian Jin) Co., Ltd.	PJW Food Pack Co.,Ltd.
1	Dr. Damri Sukhotanang	Board Chairman, / Ind Dir. /N&R Com Chair.	-	-	-	-
2	Mr. Kongsak Hemmontharop	Vice Chairman, /Dir.	Dir.	Dir.	-	-
3	Mr. Wiwat Hemmondharop	Exe. Com.Chair, / Dir. /N&R Com. Mem.	Dir.	-	Dir.	Dir.
4	Mrs. Malee Hemmontharop	Dir. /Exe. Com. Mem	Dir.	Dir.	Dir.	Dir.
5	Mr. Satit Hemmondharop	Dir. /Exe.Com.Mem, /RM Com. Mem.	Dir.	-	-	Dir.
6	Mr. Pirun Hemmondharop	Dir. /RM Com. Mem.	-	Dir.	Dir.	-
7	Miss Charanya Sangsukdee	Audit Com. Chair, /Ind Dir, RM Com. Mem.	-	-	-	-
8	Assoc. Prof. Dr. Aekkachai Nittayakasetwat	Audit Com. Mem, / Ind Dir, /RM Com. Chair.	-	-	-	-
9	Mr. Natthawut Khemayotin	Audit Com. Mem, Ind Dir, RM Com. Mem. /N&R Com. Mem.	-	-	-	-
10	Mr.Chavapong Pipatjadsadukul	Exe.	-	-	-	-
11	Mrs. Prim Chaiyawat	Exe./Secretary	-	-	-	-
12	Miss Thitima Tuntivutikul	Exe.	-	-	-	-
13	Mr. Seksan Sinbunluekul	Exe.	-	-	-	-
14	Miss Penchan To-Barameekul	Exe.	-	-	-	-
15	Mrs. Kunnika Jenjulporn	Exe.	-	-	-	-
16	Mr.Asda Kaewrux	Exe.	-	-	-	-
17	Ms. Nichaluk Muanphuak	Exe.	-	-	-	-

**Note:** Board Chairman = Chairman of the Board of Directors      Ind Dir. = Independent Director  
 Vice Chairman = Vice Chairman of the Board of Directors      Exe. Com. Chair = Executive Committee Chairman  
 Dir. = Director      Exe.Com. Mem = Executive Committee Member  
 Audit Com. Chair =Audit Committee Chairman      RM Com. Mem. = Risk Management Committee Chairman  
 Audit Com. Mem. = Audit Committee member      RM Com. Mem. = Risk Management Committee member  
 N&R Com. Chair. = Nomination and Remuneration Committee Chairman  
 N&R Com. Mem. = Nomination and Remuneration Committee Member  
 Exe. = Executives