

ANNUAL REPORT 2015

รายงานประจำปี | 2558

บริษัท ปันจวัตตนาพลาสติก จำกัด (มหาชน)
PANJAWATTANA PLASTIC PUBLIC
COMPANY LIMITED

MAXIMIZING YOUR VALUE
IS OUR ULTIMATE PRIDE



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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.”

Message from the Board



To Shareholders of Panjawattana Plastic Public Company Limited

In last 2015, Panjawattana Plastic Public Company Limited has stridden into the fourth year to be the listed company in MAI Stock Exchange (MAI). 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 pre-expectation and occurrence out of expectation, under extreme coordination of the management team, the board and working group. Even though the outcome was below expected target, work team nevertheless would like to promise that they will intent and dedicate in development and creation toward 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 3 years for enhancement of production capacity of automobile parts; and has expanded the scope of new production line in spray painting plant for value addition of work pieces. However, the machineries and equipment including personnel with industrial knowledge and skill must be invested in spray painting management which is the field with complicity and application of advance technology. The spray painting project therefore has been considered as the challenge and turning point causing the extreme attempt of the Company to overcome obstacle and enhance future competitiveness.

In part of the plant of Samutsakhon branch, the Company has expanded the plant for increase in plastic packaging production capacity for milk and yogurt; and has also ordered new machineries for replacement of old unproductive machineries so as to enhance efficiency and reduce production costs. Balance whether in the dimension of economy, society and environment under good governance has been emphasized to be the foundation of corporate strength development in long-term and ability to prepare in coping with both domestic and foreign situations that have always been varied.

The Company has targeted in 2016 operating plan for growth and profitability retention so that optimum shareholder wealth can be sustainably fulfilled under operation according to policy framework of good corporate governance principle for retention of all stakeholders' interests. In 2016, the management team has had intent to improve and develop production system for competitiveness maintenance as well as market expansion in order to

increase growth rate both in part of components of lubricating oil package in China and in part of automobile parts industry and spray painting work.

The Board of Directors and the Management together with all employees of the Company are proud to work and ready to aim at pursuit of maximum benefit for the Company and operate the business under safety concern and environmental care, aim at sustainable organizational development and also further dedicate on continuous development whether in the area of economy, society and environment. The Board of Director therefore would like to deliver their gratitude to the shareholders, business partners, customers, employees and all related parties including financial institution that have given well supported to the Company's operation all the times; and also asked for trust on the Company's continuity of intention and dedication in transparent, circumspect and cautious business operation under adherence to the principle of code of conduct, corporate governance and sustainable development in order to generate maximum benefit to all related parties and become advanced organization.



(Mr. Satit Hemmondharop)
Chief Executive Officer



(Dr. Damri Sukhotanang)
Chairman of the Board



(Mr. Wiwat Hemmondharop)
Chairman of Executive Board

Audit and Corporate Governance Committee Report

To Shareholders of Panjawattna Plastic Public Company Limited

The Audit and Corporate Governance Committee of Panjawattana Plastic Public Company Limited consists of 3 independent directors who are experts in accounting, taxation, finance, management, and risk management, and are completely qualified as required in the Charter of the Audit and Corporate Governance Committee which has been prepared based on the guideline and requirement of the Office of Securities and Exchange Commission, and the Stock Exchange of Thailand, under below name list.

- | | |
|---|-----------------------------|
| 1.Miss Charanya Sangsukdee | Chairman of Audit Committee |
| 2.Assoc.Prof.Dr.Aekkachai Nittayagasetwat | Audit Committee member |
| 3.Mr. Natthawut Khemayotin | Audit Committee member |

Whereas Miss Supattra Nitjaya, the Chief of Internal Audit Work Unit is the Secretary of the Audit and Corporate Governance Committee.

The Audit and Corporate Governance Committee has independently performed duty in the scope of responsibility assigned by the Board of Directors in audit and verification so that the Company has had adequate corporate governance for overall benefit of the shareholders from the Company's operation without conflict of interest and with adequate internal control system and the executive's function with honesty, responsibility and in line with the Company's policy.

In 2015, the Audit and Corporate Governance Committee convened 4 meetings in total under discussion and exchange of opinions with the executives, internal auditor and auditor in relevant matters. The essence of their functions can be summarized as follows.

1. Accuracy, Completeness and Reliability of Financial Report

The Audit and Corporate Governance Committee annually and quarterly verified financial statements and consolidated financial statements of the Company and its subsidiaries for Year 2015 which have already been verified and audited by the Company's auditor. The important accounting policy, significant financial report, accounting estimate, notes to financial statements, and disclosure of crucial information were mutually considered with the auditor and administration, and useful advices as well as suggestions were given prior-consent and proposal to the Board of Directors in order to ensure that the Company's financial statements preparation has been reliable and timely with disclosure of adequate and useful information in financial statements for financial statement users in accordance with the criteria of Stock Exchange of Thailand, Office of Securities and Exchange Commission, and Accounting Standards pursuant to Generally Accepted Accounting Principles.

Moreover, the Audit and Corporate Governance Committee mutually convened a meeting with the auditor without attendance of the Company's Administration for inquiry of different issues from audit result of the auditor and collaboration from the Administration. If the auditor detects doubtful circumstance related to corruption or violation of law related to function of the director of the executive, the auditor shall report the Audit Committee. The auditor informed that special information and observation from audit were unavailable and good collaboration were gained from the Management or the Administration of the Company in performing the auditor's duty.

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

The Audit and Corporate Governance Committee verified audit result report of Internal Audit Office and of the auditor regarding assessment on internal control system, risk management, and internal process of whistle blowing and complaint notification receipt for good corporate governance as well as improvement of the said function and promotion of assessment on in-house risk management and corruption. The external independent assessor entered to conduct the assessment. The Audit and Corporate Governance Committee had the opinion that internal control system of the Company is adequate with business effectiveness.

The Audit and Corporate Governance Committee considered independence of Internal Audit Office and functional scope; considered approving Annual Internal Audit Plan for 2015 prepared based on the essential risk of the Company under emphasis on the audit of effectiveness of function which is the significant controlling point; considered on the report of audit result and monitoring of corrective result according to audit report for acknowledgment on cause and problem; suggested the development and improvement of effective audit function; as well as considered on appropriateness of budget, personnel quantity, training and development plan of the personnel of Internal Audit Office, to be in line with international standard. In addition, they also regularly discussed with the Chief of Internal Audit Office without the Management.

The Audit and Corporate Governance Committee verified the Company's risk management system from mutual meeting with the executives and the Board of Directors, and also provided suggestion and improvement for more effective risk management system of the Company.

The Audit and Corporate Governance Committee had the opinion that the Company has properly adequate and effective internal audit system in information data management and risk management, and develop audit quality to be in line with international standard.

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

The Audit and Corporate Governance Committee verified the Company's operation whether it has been in line with Securities and Exchange Law, Requirement of the Stock Exchange, and the Company's Business Related Laws; and the change in regulations affecting the Company's business operation. The Audit and Corporate Governance Committee had the opinion that the Company has complied with related laws without finding of substantial violation and non-compliance.

4. Transaction Possibly Having Conflict of Interests

The Audit and Corporate Governance Committee regularly considered the connected transactions or transactions that may have conflict of interests to be line with laws and regulations stipulated by the Capital Market Supervisory Board and other related agencies; and also assigned Internal Audit Office to monitor and verify the primary accuracy and assigned the auditor to regularly audit the said transactions every year.

The Audit and Corporate Governance Committee had the opinion that the connected transactions under consideration have been the transactions within the scope of normal business with general trade condition, reasonability, fairness and maximum benefit for the Company.

5. Good Corporate Governance

The Audit and Corporate Governance Committee considerably gave the precedence to promotion and emphasis on operation according to Good Corporate Governance Principle and business ethics; and continuously promoted and monitored the progress of good corporate governance development process and social responsibility. In 2015, good corporate governance policy, business ethics manual and anti-corruption measure were reviewed and improved. In addition, other necessary guideline and suggestions were given for development of good corporate governance system to be more effective as confidence building to all groups of stakeholders.

According to the Company's strict compliance with Good Corporate Governance Principle including other related policies together with continuous improvement and development, this resulted in the Company to be awarded in good corporate governance as follows.

- Assessment result of survey result of Good Corporate Governance Report of the Listed Company for 2015 organized by Thai Institute of Directors (IOD) indicated that the overall score is in the criteria of "4 Star Class (Very Good)".
- Audit result of quality for holding Annual General Meeting of Shareholders in the quality audit project for holding Annual General Meeting of Shareholders for 2015 organized by Thai Investors Association indicated that the score is in the criteria of "Class 4".
- Assessment result of sustainable development level on anti-corruption of Thai listed company organized by Thaipat Institute (Public Interest Nongovernment Organization) indicated that the score is in the criteria of "Class 3".

6. Appropriateness of Auditor, Consideration, Selection and Nomination of Auditor

The Audit and Corporate Governance Committee considered selecting the appropriateness of the auditor and nominating the auditor by always considering on knowledge, competence, experience and audit ability of plastic industry business, and work quality of the auditor in last year, auditor status, auditor team work, and appropriateness of audit fee, substantial limitation and requirement of other related agencies. In addition, the rotation of auditor pursuant to the Announcement of Capital Market Supervisory Board was also considered to be available in order to ensure that the auditor is truly independent and unbiased in function.

The Audit and Corporate Governance Committee considered performance of the auditor of Dharmniti Auditing Company Limited, and assessed independence and performance for 2015 which has been the seventh year of the auditing firm and has been the third year of the auditor in signing to certify financial statements. It was deemed that he or she is the person having well understanding in the Company's business under his or her practice with independence, objectivity, experience, competence and regular and punctual delivery of audited work, overall performance in satisfactory level and adequate independence. They considered approving to propose the Board of Directors for approval request with Annual General Meeting of Shareholders for 2016 to appoint the following.

1. Mr. Pojana Asavasontichai, 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 as the auditor of the Company and its subsidiaries for the Year 2019 in the eighth year of the auditing firm. The accounting audit fee has been determined to be not exceeding 1,855,000 Baht per year including audit and certification fee for compliance with the condition of the Board of Investment (BOI) License. In the event of audit and certification for additional BOI License, the license audit fee has been 40,000 Baht. In the event of opening the subsidiary during the year, the accounting audit fee has been determined to be not exceeding 100,000 Baht per company, however, excluding other expense such as travelling expense for working in upcountry. The auditors according to the above nominated name list have anyhow had none of relationship and interest with the Company, executives, major shareholders, or parties related to the said persons.

7. Function According to the Charter of the Audit and Good Corporate Governance Committee

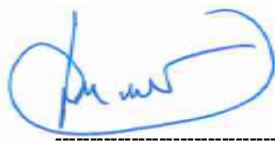
The Audit and Corporate Governance Committee appraised self-performance of the Audit and Corporate Governance Committee under appraisal on the matters of authority, member of the Audit Committee, meeting, internal control, financial report preparation, compliance with regulation and rule, auditor, internal auditor, report of the Audit Committee, performance appraisal, and the charter; including overall corporate assessment on behalf of the Board of Directors pursuant to the guideline of good corporate governance of the listed company in the Stock Exchange of Thailand.

The Audit and Corporate Governance Committee had overall opinion that they completely and adequately performed their duties and responsibilities as specified in the Charter of the Audit and Corporate Governance Committee that has been approved by the Board of Directors, applying knowledge, competence and carefulness and circumspection with independence and unlimited recognition of information from executives, employees and related parties. In addition, the opinions and suggestions were given for equitable benefit of all parties of stakeholders.

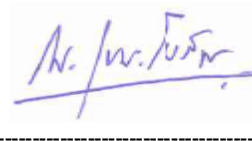
The Audit and Corporate Governance Committee regularly reviewed the Charter of the Audit and Corporate Governance Committee, and the Charter of Internal Audit Work Unit every year to ensure that the scope of functional duty was effectively and completely determined as assigned by the Board of Directors to be in line with Good Corporate Governance Principle for equitable benefits of 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 considerably gives the precedence to effective risk management for creation of confidence on organizational target attainment, balance fulfillment of the requirements of all groups of stakeholders, and prevention of contingent loss as well as pursuit of opportunity for business value enhancement in sustainable growth under environment and uncertainty of business operation. Risk Management Committee is assigned to have duty and responsibility in determining policy, risk management framework, governance of risk management operation to be consistent with the organizational strategy and target, and provision of suggestion and guideline of risk management. The said committee members are experts with knowledge, competence and experience.

For the year 2015, Risk Management Committee convened 3 meetings in total. The performance of the Risk Management Committee has been summarized as follows.

1. Reviewed risk management policy to be proper and consistent with changing business environment of the Company and of the industry.
2. Considered to express the opinion on Risk Mitigation Plan of Risk Transaction for 2015 and regularly monitored its progress for risk management to be acceptable level under emphasis on significant organizational risk management and on each work field and business group of the Company.
3. Suggested guideline, monitored and assessed risk management result for 2015 to risk management working group and executives for implementation and development of risk management system to be effective.
4. Commented suggestions, considered and assessed risk of the investment project and business plan of the Company.

Nevertheless, Risk Management Committee persists to determine and manage risk not to cause severe impact with the Company's operating plan so that the Company can further attain the organizational target as well as maintain maximum benefit of the shareholders and related parties.



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

Report of Nomination and Remuneration Committee

Dear All Shareholders of Panjawattana Plastic Public Company Limited

The Nomination and Remuneration Committee of Panjawattana Plastic Public Company Limited is consisted of three (3) members who are qualified and expertise in many areas as following name list :

1. Dr. Damri Sukhotanang Chairman of Nomination and Remuneration Committee / Independent Director
2. Mr. Natthawut Khemayotin Member of Nomination and Remuneration Committee / Independent Director
3. Mr. Wiwat Hemmondharop Member of Nomination and Remuneration Committee / Independent Director

In compliance with the policy of good corporate governance, there are independent directors in the ratio of two-third (2/3) and the Chairman of the Board is also Independent Director.

The Nomination and Remuneration Committee has performed its duty and responsibility according to the charter in consideration of policy, rules, criteria for nomination and selection of candidates for the position of Directors and Chief Executive Officer (CEO) of the Company as well as establishing the methods and criteria for determination of remuneration for Directors and Chief Executive Officer (CEO) reasonably and properly.

As for the selection of Directors and Chief Executive Officer (CEO), the requirement, knowledge, competency and multi-field professionals have be considered as criteria to set up the qualification for nomination of Directors who are eligible and consistent with their configuration and structure according to the Company's strategy and mission. The transparent nomination procedure has allowed minority shareholders an opportunity to propose the person who is considered appropriate for nomination. However, shareholders had not proposed any person for Director nomination procedure in the Annual General Meeting of Shareholder of previous year broadcasted through the Stock Exchange of Thailand and the Company's website.

In 2015, the Nomination and Remuneration Committee had implemented two (2) meetings to consider the review of policy, charter of Nomination and Remuneration Committee, performance evaluation of the Board of Directors and sub-committees, performance evaluation of Chief Executive Officer (CEO) as well as the remuneration of Directors and Chief Executive Officer (CEO) based on the consideration of their duties and responsibilities including the operation performance compared to the specified target, business operation and more expanding and complexed business scale and the remuneration comparison among listed companies in the same or similar business or industry, in addition, the programs for Director Development are also considered in order to enable Directors to perform their duties and responsibilities more effectively.



(Dr. Damri Sukhotanang)

Chairman of Nomination and Remuneration Committee



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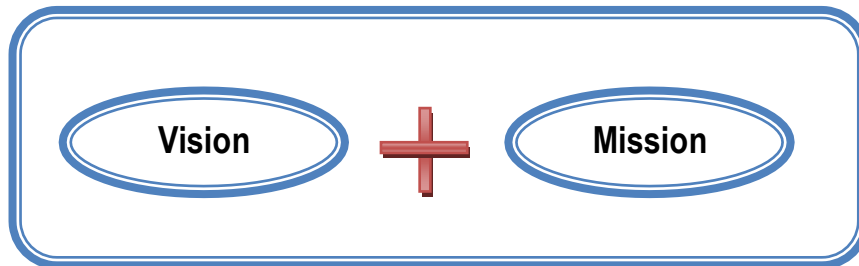
Mission:

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Core Value:



Generate Partnership

Relationship...and unity



Race with Business Dynamism

Business flow...endless dynamic



Observe Trustworthiness

Reliability...sustainably steadfast

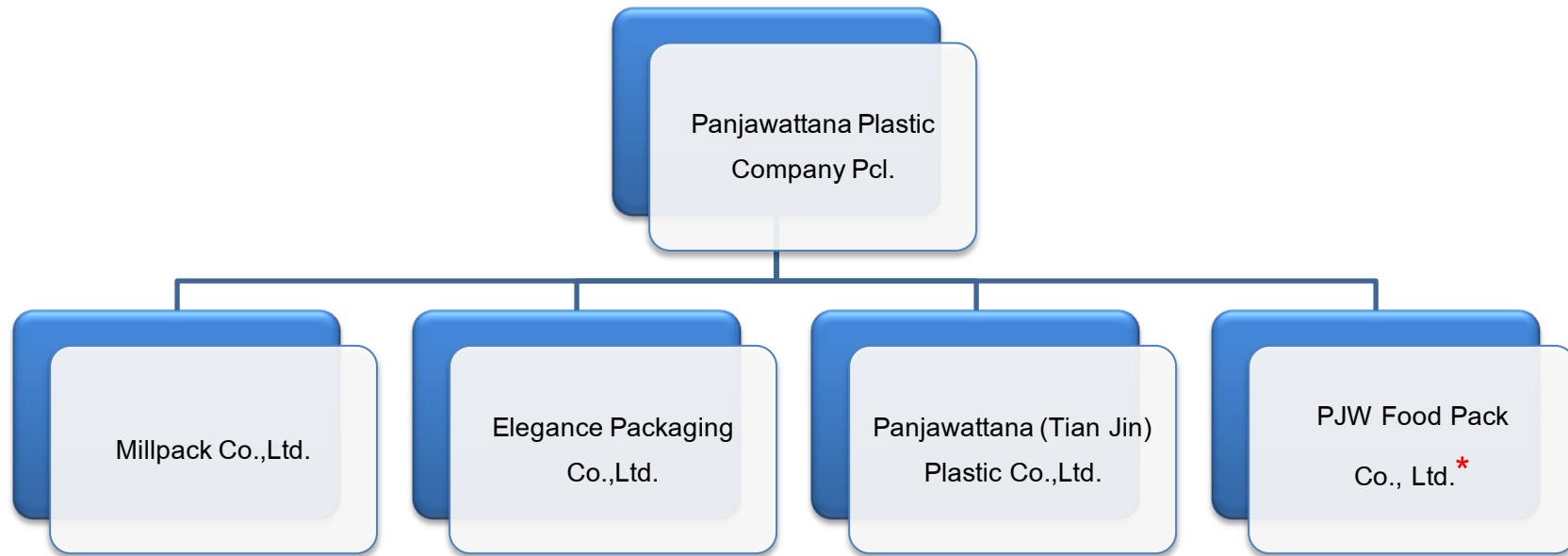


Work of Excellence

Efficiency... stronghold

Together We **GROW**

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 lubricant 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	lubricant 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.

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"> ● 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. ● 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"> - 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 - 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 ● 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. ● 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. ● 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. ● 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 exiting 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. ● In the Uncommon Shareholders' Meeting No. 5/2011 on 5 September 2011, the resolution 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

Year	Significant Changes and Developments
	<p>THB 220 million to THB 276 million by issuing 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 converted to a public company and change its name into Panjawattana Plastic Public Company Limited.</p> <ul style="list-style-type: none"> ● The company registered to change itself into a public company and its name into Panjawattana Plastic Public Company Limited on 8 September 2011. ● 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. ● In December 2011, the company approved Millpack Company Limited to increase the registered capital already called upon payment for THB 15,000,000, causing Millpack Company Limited to have registered capital already called upon payment of THB 30,000,000. ● 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. ● 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.
2012	<ul style="list-style-type: none"> ● 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. ● The company increased the registered capital from THB 220 million to THB 276 million on 3 February 2012. ● The company begun trading shares in Stock Exchange of Thailand on 28 February 2012 for the first time. ● 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.
2013	<ul style="list-style-type: none"> ● 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.

Year	Significant Changes and Developments
2014	<ul style="list-style-type: none"> ● 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. ● Increasing the registered capital of Panjawattana (Tian Jin) Plastic from USD 2.2 million to USD 2.5 million. ● 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. ● The company has awarded the Top Corporate Governance Report Awards 2014 on 27 November 2014
2015	<ul style="list-style-type: none"> ● The Meeting of the Shareholders of the Company for the year 2015 on 21 April 2015 resolved to increase the authorized capital of the Company previously from 276,000,000.00 Baht to be the authorized capital of 287,040,000.00 Baht through newly issuance of 22,080,000 million ordinary shares at par value of 0.5 Baht per share to support the stock dividend payment to the Company's shareholders in the rate of 25 existing shares per 1 stock dividend for total value of not more than 11,040,000.00 Baht. ● The Company registered for capital increase from 276,000,000.00 Baht to be 287,039,972.50 Baht on 18 May 2015. ● The Company has been approved for investment promotion from the Board of Investment pursuant to Investment Promotion License No. 58-2011-0-00-1-0 upon approval of the Board for promotion on 17 March 2015. ● The Company has been approved investment promotion from the Board of Investment pursuant to Investment Promotion License No. 58-2010-0-00-1-0 upon approval of the Board for promotion on 23 March 2015.

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

	2013		2014		2015	
	MB	%	MB	%	MB	%
Domestic sales	1,958.97	92.57	2,140.36	93.04	2,540.58	93.17
Abroad sales	150.19	7.10	154.55	6.72	180.45	6.62
Gross sales	2,109.16	99.67	2,294.91	99.75	2,721.03	99.78
Other income	7.05	0.33	5.64	0.25	5.87	0.22
Total income	2,116.21	100.00	2,300.55	100.00	2,726.90	100.00

Income Structure Classified by groups of products

	2013		2014		2013	
	MB	%	MB	%	MB	%
Lubricant packaging	1,280.53	60.51	1,364.67	59.32	1,352.14	49.59
Milk and yoghurt milk packaging	288.59	13.64	326.35	14.18	333.14	12.22
Consumer goods and chemical	246.44	11.64	238.16	10.35	274.32	10.06
Automotive parts	293.60	13.88	365.73	15.90	761.43	27.93
Gross sales	2,109.16	99.67	2,294.91	99.75	2,721.03	99.78
Other income	7.05	0.33	5.64	0.25	5.87	0.22
Total income	2,116.21	100.00	2,300.55	100.00	2,726.90	100.00

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 1st Tier Suppliers. The car makers use PJW products as components of the vehicles, such as windshield washer tank, radiator coolant reserve tank, air duct, lid, spoiler, gear cover, etc.



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



● **Benefits and Conditions under BOI Privileges**

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

	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	58-2011-0-00-1-0	58-2010-0-00-1-0	1379(5)/2556	1882(5)/2555	
Effective Date	April 1, 2010	March 10, 2012	March 28, 2014	Unused	Unused	October 5, 2011	May 31, 2012	
Expiry Date	March 31, 2017	March 9, 2019	March 27, 2021	-	-	October 4, 2019	May 30, 2020	
Is a producer and supplier of plastic containers & closures and automotive plastic partsType 6.12 producer and supplier of plastic containers & closures and automotive plastic partsType								
Investment Promotion								
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 7 years	Exempted for 3 years	Exempted for 7 years	Exempted for 7 years
2.	The period after expiry of tax exemption period which is allowed to deduct the loss from the net profit	5 years	5 years	5 years	5 years	5 years	5 years	5 years
3.	Exemption/reduction of import duty for machines which are approved by BOI committee	Exempted	Exempted	Exempted	Exempted	Exempted	Exempted	Exempted
4.	Exemption of withholding tax for dividend paid to the Company's shareholders	Exempted	Exempted	Exempted	Exempted	Exempted	Exempted	Exempted

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 pellets regularly to plan for purchasing in correspondence with quantity and schedule in production plan.

Environmental Impact

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

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

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

Competitive Condition and Trend of Industrial Situation

¹Thailand's economic conditions in 2015, Gross domestic product (GDP) grew 2.8 percent compared with the growth of 0.8 percent in 2014. The increased expansion caused by a positive improvement of demand in domestic. Particularly, the expansion of public investment grew up to 41.4 percent from the management of water resources project and the road transportation system. Moreover, the private investment grew up 1.9 percent comply with rate of the production capacity of the industry average of 63.4 percent. However, although the global economy is in a slow down, if Thailand's economic conditions have also improved to better under the economic policies of the government. For example; the additional construction of enterprises grew up 23.9 percent, including supports on the investment privileges to a private sector as well as adjusting strategies, measures to attract tourists. This result to the revenue from the tourism, which is more received in amount of 3.7 percent and increased the number of tourists in amount of 18.5 percent respectively. These measures result in stimulating the economy and affect the growth of the gross domestic product (GDP).

¹ The Office of the National Economic and Social Development Board

²Automotive Industry in 2015, the expansion has increased under the demand for motor vehicles, the positive factor of oil prices, which has declined steadily to a record in 12 years. Moreover, the impulse is rushed to buy cars before the vehicle excise tax is adjusted and affected on January 1st, 2016. As a result, the fourth quarter as the last quarter of the year, having the volume of car seat sales fell 11.9 percent, which is compared with a decline of 24.6 percent in the previous quarter.

³**Car Sales and Production Quantity**

(Unit :100,000 cars)	2011	2012	2013	2014	2015
Production	14.58	24.54	24.57	18.80	19.12
(%YOY)	-11.40	68.32	0.14	-23.49	1.71
Sales of Passenger Cars	7.94	14.25	13.26	8.82	8.00
(%YOY)	-0.78	79.52	-6.98	-33.52	-9.29
Sales of Passenger Cars	3.60	6.65	6.28	3.70	3.16
(%YOY)	3.98	84.57	-5.66	-41.11	-14.37
Export Quantity	7.36	10.23	11.28	11.28	12.04
(%YOY)	-17.89	39.07	10.27	0.00	6.81

²And under the policy on stimulation of an economy at the end of the year, making the retail sector in the fourth quarter grew 5.5 percent, which increased from the expansion at 4.1 percent in the third quarter. The wholesale non-durable goods such as tobacco, perfumes, and cosmetics have increased. In the retail sector, the retail index of cars has increased both the motor vehicles, sales and maintenance, Parts and accessories related. These were consistent with the manufacture and distributions of cars have started to more adjustment and reached to more normal condition by producing motor vehicles increased to 5.1 percent, and consistent with the orders in the domestic increased under several positive factors and automotive exports grew continuously. These factor all results in positive to total sales of the automotive parts industry.

²Economic outlook and the expenses for consumption in 2016, forecasted that the economic recovery in the developed countries such as USA, Japan and the euro zone, its recovery will be very slow. In addition, the economic conditions of the developing country are in slow down conditions. As a result, the overall expansion of the global economy is remained low, while the volatility of the global economy is remained high. It is likely that the USA will adjust to raise interest rates more slowly than anticipated, while other main countries is remained to carry on the monetary policy easing continuously. Thailand has tended to be better adjustment by rushing to the demand of the government to use more the budget for more infrastructures. Moreover, the depreciation of the Thai baht, oil prices is remained low continuously, and the expansion of the tourism sector, these are factors supporting the economic expansion continuously. The expenses for consumption are expected to grow by 2.7 percent from the 2.1 percent growth in 2015, which will good impact on the plastics packaging industry. However, there are limitations to recover from the drought and delay recovery of agricultural prices.

² Office of the National Economics and Social Development Board

³ Office of Industrial Economics

The expenses for the consumption in government are expected to grow by 3.7 percent; it is better from 2.2 per cent of public investment, which is expanded continuously. The outlook for the economy as speculating might impact positively on the automotive parts industry. However, the restructuring of the excise tax is affected on January 1st, 2015, the total sales of plastic parts for the automotive parts industry has declined in the early year, but It predicts that there is more adjustment to normal conditions of the domestic car market in the second half of the year under the adjustment and promotion of car manufacturers to support sales at the end of the year.

For Plastic Packaging for lubricant, the expansion is expected to be more growth under the lowering of oil prices and the positive impact of the ASEAN Economic Community (AEC) opening. Drought it will impact negatively on the agricultural chemical products. However, the policy on stimulation private investment and the opening of the ASEAN Economic Community (AEC) can cause competitive conditions in near future. The company's executive has developed the product quality and raised the production standards and service in order to be acceptable by customers and to maintain its market position in this industry to allow the organizations to further sustainable growth.

Risk Factors

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

1. Fluctuation in raw material prices

The plastics industry is one industry that has been affected by oil prices because the plastics industry is directly linked to the petroleum and petrochemical industry, which is upstream in the production of plastics. Thus, the starting raw material for manufacturing that is; plastic beads which deem to a production cost of the plastics industry, it directly fluctuate to the price of petroleum in the world market. However, plastic industry market prices trends start to change direction is not according to the price of crude oil, because the supply and demand factors of the petrochemical industry, the supply of plastic beads start to be tight. There is no opening of new plastic plant, while the plastic packaging industry is expanding. The increased demand results in plastic beads prices declined in recent years slightly and nonviolent, when has been compared with a decline of crude oil prices.

In managing the risk of fluctuations in the plastic beads prices, which is the major cost of plastic packaging industry. Although the selling prices in the plastic packaging industry can be adjusted up-down following the price of raw materials, but the price adjustment cannot be done immediately. It takes time to adjust to the requesting client. In the meantime, the Company has to bear the cost of this for now.

However, forecasts for the world economy in 2016, there is the sign of the economic recovery in the United States. There are still restrictions, and the financial policies shall be implemented carefully. Meanwhile European countries including China and Japan are also under pressure and weak economic conditions. Including the agreement on determine of oil capacity of manufacturer both inside and outside OPEC, and having an effect on the crude oil exporting of Iranian increased under the agreement of the Western superpower (P5 + 1), these affect forecasts that the demand and supply of oil will fluctuate and affect the price of plastic beads in this year 2016.

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

2. The risk of global economy system and in the country

According to the uncertainty global economic conditions, and although the United States will adapt in a better direction, but the United States economy is still dependent on exports to Europe and Asia. When the global economic is slowdown, it also affects the United States economy which is growing very fragile. The economic problems of the countries in European were still not resolved. Asian economy, particularly in China, India, Japan and South Korea began signaling of the growth slowdown, especially number of exports and investments, and the countries began to consider using monetary and fiscal policy through various measures which impact on the world economy as a whole.

However, the problem of global economy slowdown, it starts to impact directly on the export of Thailand, which is not signal to recovery and a restriction of economic expansion. Drought problem is more severe, which result to reduce the purchasing power and affect the economic growth of the country. However, if the government still has the measures on economic movement continuously and efficiency, including the investment in critical infrastructure of the government followed the plan of government's economic policy in 2016. This is a factor to support having the investment in the private sector. These will help to sustain economic expansion in the country and protect effect from the global economy.

The Company has realized and aimed the importance of impact in internal and external factors of the country having effect to the Company's business operations. The pressure is a risk factor on the growth of business income (Revenue Growth) in the future, which has the investment for support the expansion of the automotive parts market and packaging industry, including the lubricator market, milk packaging, consumer products and chemicals. Thus, the Company has managed the risk by distributing a proportion of its revenue in each industry sector without the concentration. These comprise of the packaging industry and consumer products which its growth rate is not more varied to the effects of the economic changes. The increasing sales of lubricants packaging and automotive parts, including milk packaging which have been exported indirect to the country which is the high economic growth rates that is; Indonesia, group of country in Latin America and Singapore. Explanation of market to overseas which is the establishing of the lubricator packaging plant in China including the management of monetary policy by controlling the capital structure of the debt to equity ratio and consider the ability to pay debts of the business regularly, in order to ensure that the Company has a strong finance sufficient and can support the uncertainty and volatility of the economy system in the future.

3. The risk of competition from new producers.

According to a manufacturing of plastic packaging and automotive components is the business using an investment is not very high. The business structure is not complex. Thus, there is a risk that the new operators shall compete in this industry. Or even the customers, if they have the idea to produce the plastic packaging itself, they can be done. The ASEAN Economic Community or AEC opening can make the market more liberal. There is also the movement of production base into the country. As a result, there are more competitors in the industry. The price competition is more intense than ever.

However, with the experience of the Company is long term, coupled with the development of products quality and the Company's products, resulting to the risk that new competitors shall hit the market,

it is quite difficult. Most of customers realize the quality of the product rather than just consider the price factor singly. Moreover, the Company can respond the requirement of customers in this segment always greatly. In the past, the Company has promoted the research and development, including seeking for new technologies to improve in terms of production to get a quality product even better. As well as reducing manufacturing costs, so that customers will receive the highest quality products at reasonable prices.

4. The risk of no long-term contracts.

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

The customers in the plastics parts for automotive, the risk of termination of production is very low as well. Typically the operator will not change manufacturers until version of the product is clear or having problems of quality. The average age of products is appropriate 5-7 years, depending on the style and appearance of the products in each industry. Moreover, it takes a long time to test the quality of components of the operator until it is confident to deliver orders. If the Company has manufacturing operations in accordance with the terms of the contract, Car manufacturers will not change or cancel the order. However, the Company has various customers in the industries. There is no the sale number of any customer who has sold more than 30 percent of total sales, in order to spread the risk of income from no long-term contracts.

5. Risk of Exchange Rate

Under the global economic is uncertainty, the monetary policy through interest rates, taking measures of QE to stimulate the economy in the countries around the world; the United States, European Union, or the country in Asia, where have the major economies system like China and Japan, including the domestic economic conditions are fluctuated according to different circumstances. This is the resulting in the transfer of funds, various operators whether importers or exporters are faced with the risk of exchange rate. It impacts on the business profits and its ability to conduct business. Although the Company will not be affected by fluctuations in the exchange rate as an exporter because the main income was from sales in the country, but as importers of machinery or raw materials of some kind which shall be imported from abroad. Depreciation or recovering of value of money in trading partners, it impacts on the production costs of the Company. The Company had to bear the cost more. Therefore, the Company has learned how to hedge the risk of exchange rate. There is the track of movement of foreign exchange rates closely; including the study in an analysis of the trend of the movement of foreign currency. The Company has selected transactions of Forward or made purchasing contracts of foreign exchange in advance for situation or condition which should act reasonable in order to prevent or reduce the losses that may be caused by exchanging in the money.

Moreover, the Company also has distributed income with increasing exports of plastic parts of automotive parts industry to foreign countries to reduce the risk of the exchange rate of value of the baht which is fluctuated seriously in recent time.

6. The risk of changes on the flow and consumption habits of consumers

The current of campaign for the preservation of the environment, it makes consumers and operators begin to realize what effect the environment more. This may cause people to change their consumption habits by turning to consumer products that are environmentally friendly substitute. For example; the selection of products from the bioplastics instead of 100% plastic products, the bioplastics is an alternative type of plastic produced from agricultural products such as maize, cassava and sugarcane, etc., which has the process differing from conventional plastics. Therefore, changes on current consumption may lead to a negative impact on the Company; the Company shall be prepared to respond to those changes happening.

However, the proportion of the bioplastics versus the conventional plastic is not much, and the cost price of the bioplastics is much higher than conventional plastic plastics. It was produced from agricultural raw materials, so there is the cost of cultivation. While conventional plastics made from fossil fuel, it does not have the costs price. Their costs prices are just the drilling and transportation to be processed and the size of a very large production resulting economy of scale. In addition, the features of the bioplastics are not equal to the conventional plastic that can replace it completely. It still takes time to develop some features. These make the bioplastics is only one choice for consumers and it grows in specific markets only (Niche Market). However, the Company has studied and watched the trends in consumer behavior over time to consider the suitability and the direction to expand the investment in the future under the Company's potential and the market supporting.

7. The risk of a majority shareholder in the Company holding more than 60 percent

The company's majority shareholder is the HemMontharop groups, which hold shares in the Company totaling of 65.59 percent at March 10, 2016. Aforementioned shareholding proportion is more than 60 percent; the group of largest shareholder has the power to control the Company and influence to the Company's decision on all matters that shall be approved by the shareholders' meeting, excepting for the matters required by law or the Company's regulation specified to get the votes for third in four of the AGM. Therefore, the other shareholders of the Company have the risk from unable to collect the vote for checking and balancing the matter presented by the majority shareholder in the AGM to consider.

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

The Company has appointed four committees, who is not a representative of the majority shareholders from total of nine directors. It is divided into three of the Independent Director / Audit Committee, and another one is the independent director who is not Audit Committee acting to the first Chairman of the Board, or it is calculated to 44.44 percent to serve the balance of power in the administration, screening

agenda offered to AGM for consideration, as well as monitoring the actions of the directors and executives representing the majority shareholder. Moreover, in the case of transactions related to directors, the majority shareholders, and person with control authority, including those who may have a conflict, aforementioned person cannot vote to approve the transaction.

GENERAL INFORMATION AND OTHER KEY INFORMATION OF THE COMPANY

Company Name	: PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED
Symbol	: PJW
Registration Number	: 0107554000208
Authorized Capital	: 574,080,000 ordinary shares at par value of Baht 0.50, total in amount of Baht 287,040,000
Paid-up Capital	: 574,079,945 ordinary shares at par value of Baht 0.50, total in amount of Baht 287,039,972.50
Nature of Business	: PJW is a producer and supplier of plastic containers & closures and automotive plastic parts of high quality and with custom designs according to clients' requirements for the product brands that are recognized in each end-use industry and among consumers in general. Its products are manufactured through two main processes: blow molding and injection molding and painting. The product range cover car accessories to customers.
Registered Address (Head Office)	: 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
Samuthsakhon Branch	: 28 Moo 2 Chaimongkol Sub-district, Muang District, Samutsakhon Province 74000 Telephone Number: 0-2150-5988, 0-3483-9130-1 Facsimile Number: 0-2150-5987, 0-3483-9320
Chonburi Branch	: 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
Homepage	: www.pjw.co.th
Contact Investor Relations (For general information)	: Telephone Number: 0-2150-5988 Ext. 153 E-mail Address: ir-pjw@pjw.co.th
Contact Company Secretary	: Telephone Number: 0-2150-5988 Ext. 153
Contact the Audit Committee's Secretary	: Telephone Number: 0-2150-5988 Ext. 176 E-mail Address: ac-secretary@pjw.co.th

(For complain, notice about corruption clue, and/or infringement of code of conduct and/or good corporate governance)

GENERAL INFORMATION OF SUBSIDIARIES

Company Name : MILK PACK COMPANY LIMITED

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

Registered Address : 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

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

Company Name : ELEGANCE PACKAGING COMPANY LIMITED

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

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

Nature of Business : Lubricant Bottle Cap

Company Name : PJW FOOD PACK COMPANY LIMITED

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

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

Company Name : PANJAWATTANA (TIEN JIN) PLASTIC COMPANY LIMITED

Paid-up Capital : US Dollar 2,500,000

Registered Address : 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

Nature of Business : Manufacturing of lubricant packaging for customers in Republic of China

OTHER REFERENCES

Securities Registrar : Thailand Securities Depository Co., Ltd.
The Stock Exchange of Thailand Building
93 Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400
Telephone Number: 0-2229-2888

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



01

Dr. Damri Sukhotanang
• Board Chairman
• Independent Director



02

Mr. Kongsak Hemmontharop
• Vice Chairman
• Director



03

Mrs. Malee Hemmontharop
• Director



04

Mr. Wiwat Hemmontharop
• Director



05

Mr. Satit Hemmontharop
• Director



06

Dr. Pirun Hemmontharop
• Director



07

Miss Charanya Sangsukdee
• Chairman of Audit Committee
• Independent Director



08

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



09

Mr. Natthawut Khemsyotin
• Audit Committee
• Independent Director

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

Board of Directors

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

Audit Committee

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

Risk Management

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

NOMINATION AND REMUNERATION COMMITTEE

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

BOARD OF EXECUTIVE COMMITTEE

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

Securities Focus and Shareholders

Securities Focus

Panjawattana Plastic Public Company Limited has association to company limited on November 30, 1987 and registered to listed company in market for alternative investment (mai) on February 24, 2012

Shareholders Structure

As at December 30, 2014 the Company has Authorized Capital of Baht 287,040,000, divided into 574,080,000 ordinary shares with a par value of Baht 0.50., Paid-up Capital of Baht 287,039,972.50, divided into 574,079,945 ordinary shares with a par value of Baht 0.50

As at March 10, 2016, top 10 Company's major shareholders are shown below;

Shareholders' lists	As at March 10, 2016	
	Number of shares	%
<u>The Hemmontharops</u> ^{1/}		
1 Mrs. Malee Hemmontharop	114,797,874	20.00
2 Mr. Kongsak Hemmontharop	106,169,439	18.49
3 Mr. Wiwat Hemmondharop	75,225,360	13.10
4 Mr. Satit Hemmondharop	42,661,428	7.43
5 Dr. Pirun Hemmondharop	35,688,640	6.22
6 Mr. Charvan Hemmondharop	1,986,504	0.35
Total	376,529,245	65.59
<u>Fund</u>		
1 Bualuang Siriphol Corporate Governance	15,804,532	2.75
2 Bualuang Siriphol Corporate Governance RMF	12,745,008	2.22
3 Bualuang Small-Mid Cap RMF	8,143,148	1.42
Total	36,692,688	6.39
<u>The Other shareholders in top 10 list</u>		
1 Mr. Wichien Jirakranon	8,441,200	1.47
2 Mr. Rachain Krisararam	8,166,200	1.42
Total	16,607,400	2.89
<u>Other minor shareholders</u>	144,250,612	25.13
Total	574,079,945	100.00

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%

Acquisition report of the Company's Directors and Executives
From January 1 – December 31, 2015

Name - Surname	Position	December 31, 2014	Changed of shares	December 31, 2015	Percentage of shares (%)
<u>Paid-up Capital</u>					
● <u>Directors</u>					
1. Dr. Damri Sukhotanang	Board Chairman / Independent Director	250,000	10,000	260,000	0.05%
2. Mr. Kongsak Hemmontharop	Director	102,086,000	4,083,439	106,169,439	18.49%
3. Mrs. Malee Hemmontharop	Director/ Vice President	110,382,572	4,415,302	114,797,874	20.00%
4. Mr. Wiwat Hemmondharop	Director/ Chairman of The Board of Executive Directors	72,154,000	3,071,360	75,225,360	13.10%
5. Mr. Satit Hemmondharop	Director / Chief Executive Officer	42,661,428	-	42,661,428	7.43%
6. Dr. Pirun Hemmondharop	Director	34,316,000	1,372,640	35,688,640	6.22%
7. Miss Charanya Sangsukdee	Audit Committee Chairman /Independent Director	250,000	10,000	260,000	0.05%
8. Assoc. Prof. Dr. Aekkachai Nittayakasetwat	Independent Director	150,000	6,000	156,000	0.03%
9. Mr. Natthawut Khemayotin	Independent Director	250,000	10,000	260,000	0.05%
● <u>Chief Executive</u>					
1. Mrs. Prim Chaiyawat	Chief Financial Officer/ Secretary	350,000	14,000	364,000	0.06%
2. Miss Penchan Tobaramееkul	Chief Operating Officer - Chonburi Branch	350,000	14,000	364,000	0.06%
3. Mrs. Kunnika Jenjulporn	Chief Operating Officer - Samutsakhon Branch	300,000	(44,000)	256,000	0.04%
4. Miss Thitima Tuntivuttikul	Chief Marketing Officer - Samutsakhon Branch	350,000	14,000	364,000	0.06%
5. Mr. Asda Kaewrux	Chief Marketing Officer - Chonburi Branch	127,000	5,080	132,080	0.02%
6. Mr. Seksan Sinbunluekul	Chief Research and Development Officer	350,000	14,000	364,000	0.06%
7. Mrs. Nichaluk Muanphuak	Quality Assurance Director	-	-	-	-
Remark : The shares increased form Annual General Meeting of Shareholders resolution dividend share payment					

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

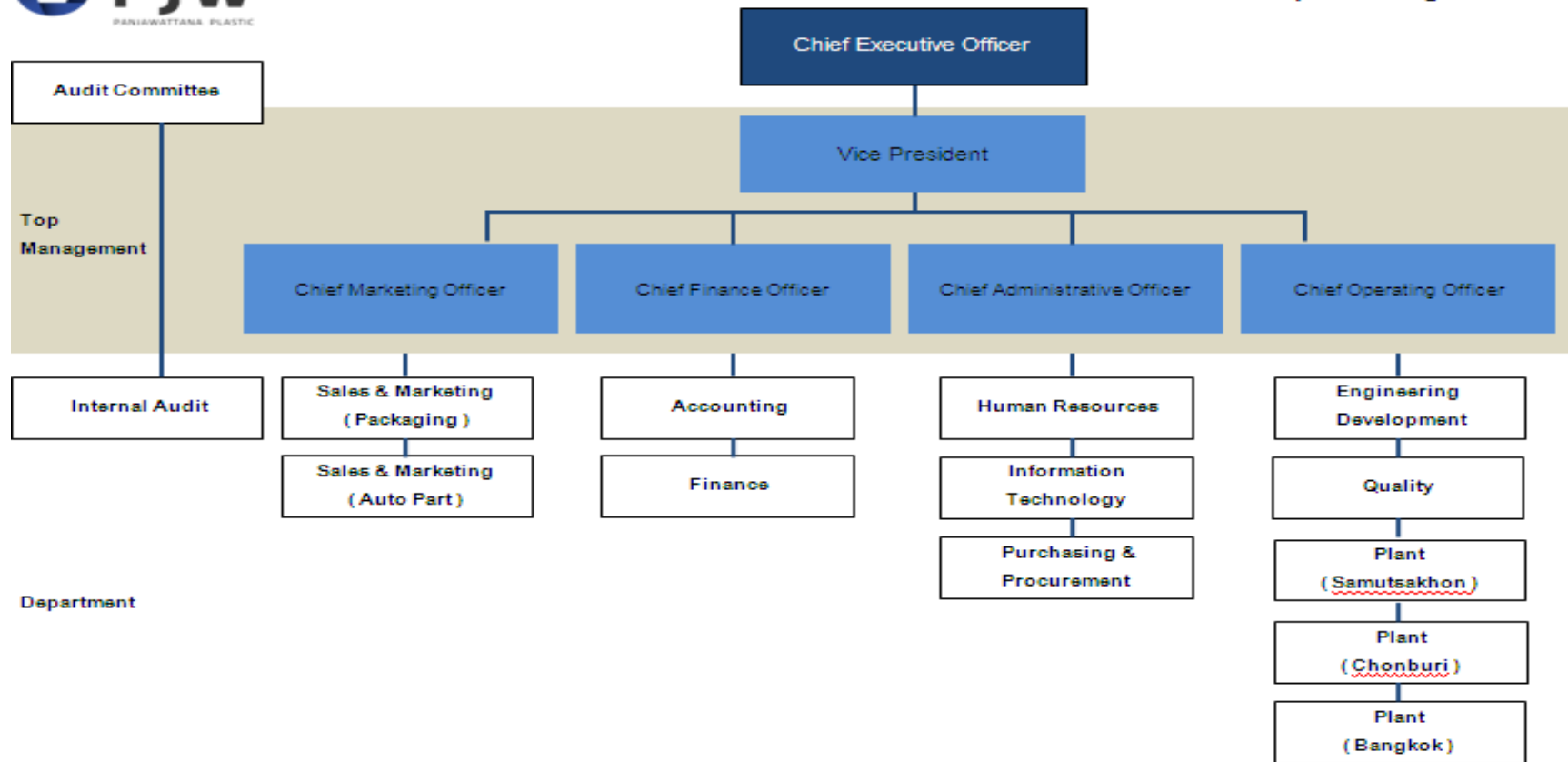
Year	Net profit per share (Baht/share)	Cash Dividend (Baht/share)	Stock Dividend (Existing : New)	Dividend per net profit %
2011	0.37	0.18	-	67.43
2012	0.35	0.15	-	44.81
2013	0.18	0.10	-	54.63
2014	0.03	-	25 : 1	66.01
*2015	0.18	0.10	-	55.92

Remark: *The Company's Board of Directors No. 2/2016 dated February 23, 2016 has its resolution to pay for dividend regarding the 2015 performance and retained earnings at Baht 0.10 per share. However, the resolution will be proposed to the 2016 Annual General Meeting of Shareholders, to be held on April 25, 2016 for further approval.

Organization Structure



Corporate Organization



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.

Remuneration of Director and Executive

● **Director**

The Company considers determining remuneration and the Nomination and Remuneration Committee considers determining the director remuneration under consideration on function and responsibility of the director, turnover of the Company, appropriateness and comparison referring to the business in the same type as the Company or similar to the Company and referring to the information of

the remuneration for the Company's director and executive, to be proposed to the Board of Directors for regular considering and proposing to the Meeting of Shareholders for approval on director remuneration every year.

n. Monetary Remuneration

In 2015, the Meeting of Shareholders approved and determined structure of monetary director remuneration rate in total limit of not more than 3,200,000 Baht per year as follows.

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

Director Remuneration of Panjawattana Plastic Public Company Limited paid in the Year of 2015

List	Director Remuneration (Baht) Paid in the Year 2015						
	Allowance of the Board's Meeting				Particularly for Independent Director		Total (Baht)
	The Company	Audit	Risk Management	Nomination and Remuneration ^{2/}	Monthly Remuneration	Bonus	
Number of Meetings for 2558	6 Meetings	4 Meetings	3 Meetings	2 Meetings			
1.Dr. Damri Sukhotanang	150,000	-	-	45,000	120,000	250,000	565,000
2.Mr. Kongsak Hemmondharop	60,000	-	-		-		60,000
3.Mrs. Malee Hemmondharop	60,000	-	-		-		60,000
4.Mr. Wiwat Hemmondharop ^{1/}	60,000	-	10,000 ^{1/}	30,000	-		100,000
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	60,000	20,000		120,000	200,000	460,000
8.Assoc.Prof.Dr.Aekkachai Nittayakasetwat	60,000	40,000	45,000		120,000	200,000	465,000
9.Mr. Natthawut Khemayothin	60,000	40,000	30,000	30,000	120,000	200,000	480,000
Total	630,000	140,000	165,000	105,000	480,000	850,000	2,370,000

Remark :

1/ The Board of Directors' Meeting No. 5/2015 on 13 November 2015 resolved to appoint Mr. Wiwat Hemmondharop to hold the office of the Risk Management Committee Member and it is effective from 13 November 2015.

2/ Annual General Meeting of Shareholders for the Year 2015 on 21 April 2015 resolved to approve remuneration payment for the Nomination and Remuneration Committee Member for the Nomination and Remuneration Committee's Meeting No. 1/2014 on 24 December 2014.

2. Other Remunerations

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

● Executives

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

ก. Monetary Remuneration

The Company paid remuneration with below details for the executives.

Type	Year 2015	
	Number of Executives	Amount (Baht)
Salary and Bonus	11 ^{1/}	41,980,191.94
Provident Fund Contribution	11 ^{1/}	1,857,810.89

Remark:

1/ 10 executives and 1 Chief Executive Officer and during 1 January – 30 December 2015, an executive resigned and it is effective from 31 December 2015.

จ. Other Remunerations

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

Personnel

As at 31 December 2015, total staffs of the Company and its subsidiaries (excluding 10 executives) have been 1,595 persons that can be divided into the following lines g

Main Line	Number of Staffs
Management and Office	182 persons
Marketing, Research and Development	65 persons
Production Management and Production	1,348 persons

Main Line	Number of Staffs
Total	1,595 persons

- **Staff Remuneration**

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

Detail	Year 2014	Year 2015
Number of Staffs (persons)	1,479 persons	1,595 persons
Remuneration (Million Baht)	364.97 Million Baht	434.05 Million Baht

- **Provident Fund**

The Company established provident fund since 25 August 2011 with SCB Asset Management Company Limited and changed to be Kasikorn Asset Management Company Limited on 27 June 2014 under the objective to build morale to staffs and to motivate staffs for long-term working with the Company.

- **Other Remunerations**

The Company insures health insurance for its staffs in the level of management and engineer and over.

- **Personnel Development Policy**

The Company's policy is to regularly develop all levels of personnel whereas all staffs are regarded as the highly valuable resources and the core supporting business operation to be successful on target. Therefore, the Company persists to develop the organization to be the learning organization for reinforcement of knowledge and competency, development of the staff potential, resulting in the Company's benefit from availability of effective personnel that can create achievement to the Company and develop themselves for job progress and growth together with the Company. Both in-house and external annual training plan is organized.

- **In-House Training**

It starts from training to new staff under the Company's determination on basic course, build primary understanding of the Company's business operation, corporate culture and working system in different parts that will help the new staffs effectively learn and enable to adapt themselves with the organization and to enhance knowledge and competency useful for their functions. The Company regularly organizes in-house trainings covering every part for its staffs.

- **External Training**

The Company supports its staffs to attend the seminar trainings organized by external training organizing institution to enhance knowledge or study new innovation in different changing areas that can be taken for organizational operating improvement and development to be competitive.

The Company gives the precedence to continuous development of capacity and potential of its executives and staffs both in the areas of Core Corporate Competency and Managerial and Leadership Competency to be clearly concrete.

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 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 news 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 Board 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 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 broad 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 clause 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 2015

Name	Position	Date of Training	Curriculum	Institute of Training
Miss Charanya Sangsukdee	Director / Independent Director / Chairman of Audit Committee / Risk Management Committee Member	Jan. (2 days)	<ul style="list-style-type: none"> ● Anti-Corruption: The Practical Guide (ACPG) รุ่นที่ 16/2015 	Thai Institute of Directors
		Feb. (1 day)	<ul style="list-style-type: none"> ● Anti-Corruption for Executive Program (ACEP) รุ่นที่ 14/2015 	
		Apr. (2 days)	<ul style="list-style-type: none"> ● Family Business Governance for Sustainability (FBS) 	
Mr. Wiwat Hemmondharop	Director / Risk Management Committee Member Nomination and Remuneration Committee Member / Chairman of the Board of Executive Directors :	Oct. (1 day)	Thailand CG Forum: Governance as a driving force for business sustainability	The Securities Exchange of Thailand Joint Thai Institute of Directors

Name	Position	Date of Training	Curriculum	Institute of Training
Mrs. Prim Chaiyawat	Chief Finance Officer/ Company's Secretary	Oct. (1 day)	Thailand CG Forum: Governance as a driving force for business sustainability	The Securities Exchange of Thailand Joint Thai Institute of Directors

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 2015, the Company and its subsidiaries paid the auditor's remuneration to Dharmniti Auditing Co., Ltd. as following details;

Auditors' remuneration	Financial Year 2015	Financial Year 2014
1. Auditing fee	1.835 MB	1.645 MB
2. Other service charges and expenses	-	-

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.

Corporate Social Responsibilities : CSR

Panjawattana Plastic Public Company Limited has operated its business through the concept of sustainability in Economy, Society and Environment in concrete way as the operation principle under organization's Core Value as follows:



Together We GROW

Policy and Overview

1. Business Operation with Fairness

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

2. Anti-Corruption

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

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

1. The company has communicated its anti-corruption policy by using public relations (PR) tools to all Directors, executives and employees to acknowledge and strictly practice through various channels including electronic communications, announcement on public relations (PR) board, training and the company's activities, as well, to other people outside the company and investors through the company's website.
2. The company has provided whistle-blower hotline, if there is any prohibition or corruption happened, the company must also provide the protection measurement for the safety of reporter and then report to the Audit Committee for further improvement and solution of such problem with rightness, appropriateness, transparency and fairness

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

In 2015, the Company had not found any problems and faults which is the materiality of corruption and operations inconsistent with relevant laws or regulations as well as the violation of business operation's code of conduct

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

3. The Respect for Human Rights

The company has supported and respected the Human Rights and it is restricted that the company's business shall be unable to get involved in the violation of the Human Rights. Furthermore, the Company has encouraged and monitored employees to follow the Human Rights rule within the company's activities as well as practice according to the Human Rights Standards. Correspondingly, the corporate responsibilities towards the Human Rights have also cover the subsidiaries and business partners.

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

In 2015, the Company didn't receive any complaints related to the violation of Human Rights caused by the Company's business operation from both inside and outside of the Company and also didn't have any legal disputes of labor, consumer rights and business operations.

4. Fair Treating towards Labors

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

Health and Safety

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

1) TPM – 5S Activity

The Company has arranged all employees to get involved in the office and working place's cleanliness and tidiness.

2) Working Safety Week Project

The Company has always arranged the public relations (PR) activities about safety every year in order to provide knowledge and to encourage all employees to be aware of accidents while operating such as Working Safety Week Exhibition organized on October 17, 2015.

3) Safety Training Project

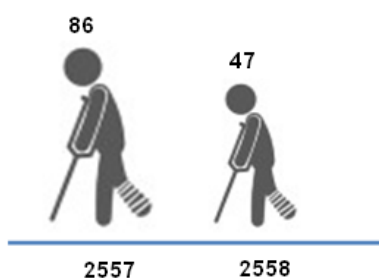
The Company has organized the training on safety with the focus on the knowledge related to how to use equipment for operation and practice method in case of having unexpected incidents. Examples of trainings are The Annual Training of Basic Fire Fighting and Escape for 2015, The Training Course of Job Analysis for Safety, The Training Course of Safety Office in Working, etc.

4) Safety Talk Activity

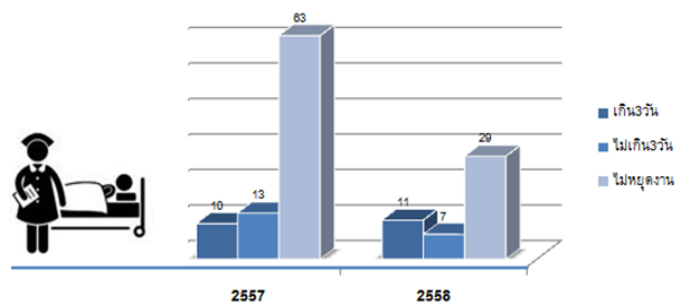
In the week of working, the Company has always organized the Talk Activity and promoted new information related to the safety in working to all employees.

The Campaign of Safety Promotion in Working has effected to the decreasing total number of accidents in 2015 comparing to the previous year.

No. of Accidents (Time)



Ratio of Absence due to injury



The Development of Employees' Knowledge and Potentials

The Company has policy of human resources development by supporting employees to develop knowledge, competency, potential, positive thinking, morality and teamwork through the process of trainings, seminars, study tours in order to support business expansion and career path opportunities in line with professional areas and capabilities equally. Furthermore, the Company has also encouraged employees to apply their potentials for society's benefits as the good citizen and would like to create smart, good and efficient employees in compliance with the direction and organizational culture according to the key value.

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

- Safety in working for employee level
- Corporate Social Responsibilities Management for sustainable development
- Corporate Governance (CG), Anti-Corruption Measurement, Business' Code of Conduct
- Individual Development Plan to develop employees' potentials for supporting organizational growth
- The 360-degree (full circle) Appraisal of executives who focus on the importance of upward appraisal and downward appraisal for self-development and improvement.

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

- Camping for activity of development and transfers management skill from top executive to middle executives at Kaenkrajan, Petchaburi Province.
- Camping for discipline in working (strict discipline, strong team, excellent organization KYT)
- Signing Memorandum of Understanding (MOU) between the Company and Thai-Austria Technical College for making the program of technician creation and sending students for internship at the Company for 3 years.
- Activity of Corporate Engagement Development Program
- The Program on 6 Step of Successful Self Development

Photos of Activities

- Safety in working



- Camping for discipline in working (strict discipline, strong team excellent organization KYT)



- Individual Development Plan



- Camping for activity of development and transfers management skill from top executive to middle executives at Kaenkrajan, Petchaburi Province



- Signing Memorandum of Understanding (MOU) between the Company and Thai-Austria Technical College

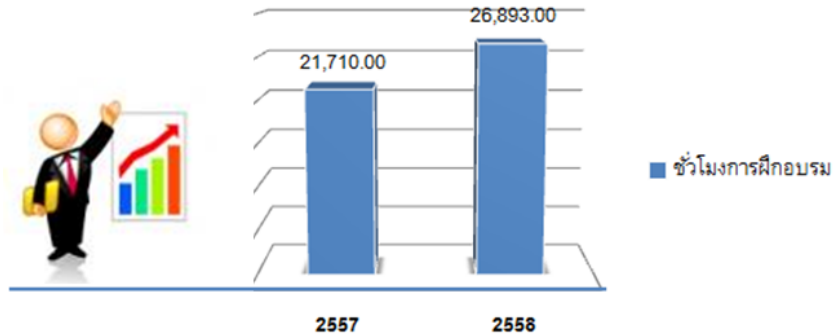


- The Program on 6 Step of Successful Self Development



In 2015, the Company had provided the training for employees totally 26,893 hours, or 16.86 hours per person per year in average.

No. of hours for employees' training in 2014 - 2015



5. Responsibilities towards Consumers

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

- **ISO 9001** is the Quality Management System to assure that the manufacturer or service provider has established and maintained the same standard of quality management system with the objective of better response for customer's needs. This standard which can be applied to every business in every industry is related to the design, development, production and service. The company is required to have awareness and set up the clear goal and effective management system principle in order to achieve the specified target.
- **Good Manufacturing Practice: GMP** : criteria or basic conditions required for manufacturing and controlling manufacturer to follow and practice as well as be able to produce food safely, there are 6 factors as follows
 1. Hygiene of location and manufacturing building
 2. Equipment, machines and tools for manufacturing
 3. Production Process Control
 4. Sanitation

5. Maintenance and Cleanliness

6. Human Resources

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

6. Responsibilities towards community, society and environment

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

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

- The company has obtained **ISO 14001:2004 Standard** which is the standard related to the management and practice for environment, this can guarantee that the company's environmental prevention system can prevent harm and damage from the company's production in all areas towards the environment. The inspection shall be done by the independent external inspectors.
- The company has operated the work process following to environment law by organizing the measurement of environment, such as measurement for weather quality, noise, heat, lighting and quality of water released from factory, the result of the inspection is qualified according to the standard specified by law.
- The company has studied, made research and development for products and production technology including the design of products to have light weight for decreasing the usage of plastic beads. In some cases, the company has cooperated with customers, educational institutes and government agencies.

7. Innovation and Innovation Diffusion

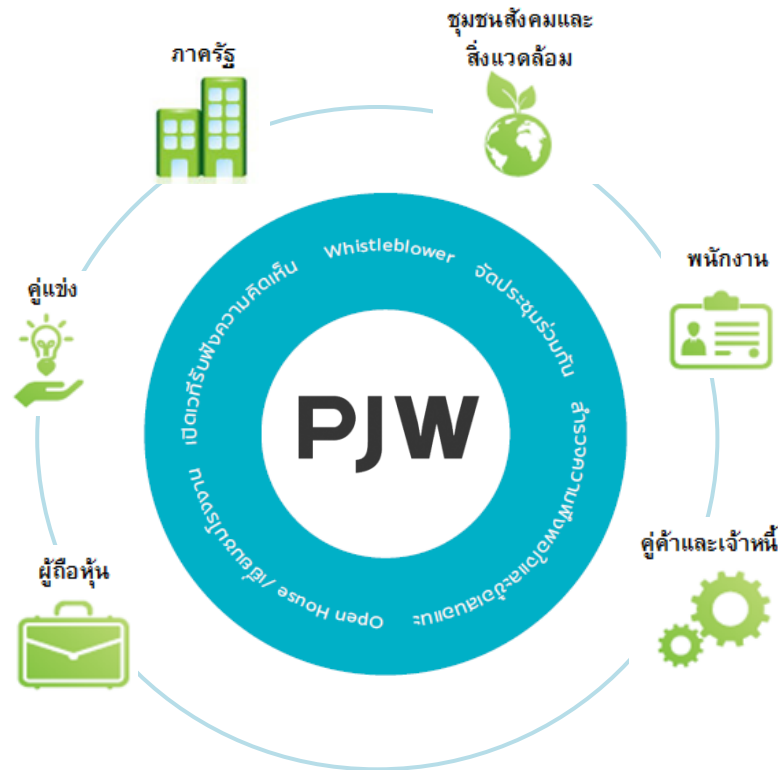
The company has developed new knowledge to be economically progressive and innovations which create the balance between value and values towards community, society and environment along with the sustainable growth of business by having following practices:

- The design and testing are necessary for business operation as the significance key in the market, therefore, in order to increase the effectiveness of design and processing result, the company has made molding press simulation for testing the completion of mold surface, this can help the design, mock-up and engineering decision being managed rapidly and the company can decrease time and expense in production and testing.
- The analysis of working process in details has created the opportunities of development in discovery of business innovation and has improved the work and working conditions such as the use of continuous production system to reduce redundant process and eliminate waste, unstable working operations, non-output working as well as has enhanced the higher quality of the products.








Operations and Report Preparation








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

Supervision towards stakeholders



Communication with stakeholders

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

Stakeholders	 Shareholders	 Employees	 Customers	 Partners and Lenders	 Competitors	 Government Sector	 Community, Society and Environment
Responsibilities Issue	<ul style="list-style-type: none"> - Secured financial status - Return of Investment - Continuous growth of organization - Good Risk Management - Transparent and Verifiable Operations - Good Corporate Governance - Anti-Corruption 	<ul style="list-style-type: none"> - Secured Life in Job Progress - Fair welfare - Environment, hygiene and safety in working - performance Appraisal and Remuneration and Treating with fairness and equality and without bias 	<ul style="list-style-type: none"> - The quality of products on standard, supporting the increasing of sales for customers - on time Delivery - Good service with Service mind - Compliance with contract and agreement 	<ul style="list-style-type: none"> - Compliance with contract and agreement - Repayment as scheduled - Supervision of Mortgage Securities - Operating business with honesty and fairness - Maintain mutual benefits 	<ul style="list-style-type: none"> - No trade barriers - Fair treating under specific law - No discredit, slander and incrimination without fact 	<ul style="list-style-type: none"> - Strict compliance with laws - Anti-Corruption and Good Corporate Governance - Promoting National Economy - Compliance with rules and regulations of governing agencies such as SET, SEC, etc. 	<ul style="list-style-type: none"> - Development of community, society and surrounded economy - Environmental management, Health and Safety - Listening complaints - Supporting community activities

Business Operations affecting Social Responsibility

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

Operations for Economy

In 2015, the company had key performance for economy and could provide the economic value to all stakeholders as following details :

Unit : Million Baht

Item	Value *
Income from sales, helping in driving economy	2,721.03
Total net Profit (Loss) to increase value to shareholder	98.45
Salary and Wages to remunerate employees **	434.05
Employees' training expenses	2.27
Donations	
- Temples	0.10
- Hospital	0.05
- Education	0.02
- Others	0.42
Taxes paid to government for utilizing in further development of the country ***	5.70

* Data from 2015 Financial Statement of the company

** Consisted of salary, wage, welfare and contributions to the providence fund and social security fund

*** Corporate income tax, local tax, property tax, sign tax and withholding tax

Operations for Society and Community

Since the company has realized the importance of the coexistence with surrounded community and society, the policy framework has been focused on the assistance towards society and community in order to promote the good relationship and have cooperation and support the organization operations from community and society. Besides, the conflict had been decreased while the intensity of future problems has been relieved, the company can increase their understanding and create good recognition and be a good role model for society. All implemented activities had concerned on the benefits of organization and the development of community and society together which has made community confident and trustful towards organization in promoting intimate business relationship and sustainably being success partners to each other. In 2015, the company had organized activities beneficial for society and community as follows :

- **The Project of electricity equipment improvement for Taibanbor Temple and Wattaibanbor School**

To increase the safety and create consciousness of basic fire prevention to many communities in nearby areas and to participate in the activity of “Safe Workplace” which celebrates Her Royal Highness Princess Maha Chakri Sirindhorn. Panjawattana Plastic Public Company Limited has realized the significance of such objective then cooperated with Taibanbor Temple, Tambol Bangbor, Amphur Muang, Samutsakorn Province and Wattaibanbor School, Tambol Bangbor, Amphur Muang, Samutsakorn Province to organize the project of electricity equipment improvement for Taibanbor Temple and Wattaibanbor School on July 17, 2015 by repairing all damaged electricity equipment to be able to be used with safety and effectiveness as well as providing knowledge related to the basic fire prevention.



- **Blood Donation Activity** Panjawattana Plastic Public Company Limited with the cooperation of The Thai Red Cross Society had implemented the activity of blood donation from the Company's employees. This is a part of blood supply and donation arranged on April 27, 2015 with the objective that National Blood Center of The Thai Red Cross Society will have donated blood to medically utilize for helping other people.



- **Candle Activity in Buddhist Way** Panjawattana Plastic Public Company Limited had arranged the Candle Activity in Buddhist way at Kaewmongkol Temple, Tambol Kalong, Amphur Muang, Samutsakorn Province on July 29, 2015 to promote, continue, and preserve local tradition and culture.



- **The Project of “Panja friends share kindness to students in rural areas”**

Panjawattana Plastic Public Company Limited had cooperated with Banhuaykru School, Tambol Bangpra, Amphur Sriracha, Chonburi Province in providing 24 units of moonlight lamps for utilizing at football field and surrounded buildings and 10 units of flash toilets for building students’ restrooms on August 20, 2015. This is one of the company’s activities for returning benefits to community and society.



Operation for Environment

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

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

- The company has obtained **ISO 14001:2004 Standard** which is the standard related to the management and practice for environment, this can guarantee that the company’s environmental prevention system can prevent harm and damage from the company’s production for all areas towards the environment. The inspection shall be done by the independent external inspectors.
- The company has operated the work process following to environment law by organizing the measurement of environment, such as measurement for weather quality, noise, heat, lighting

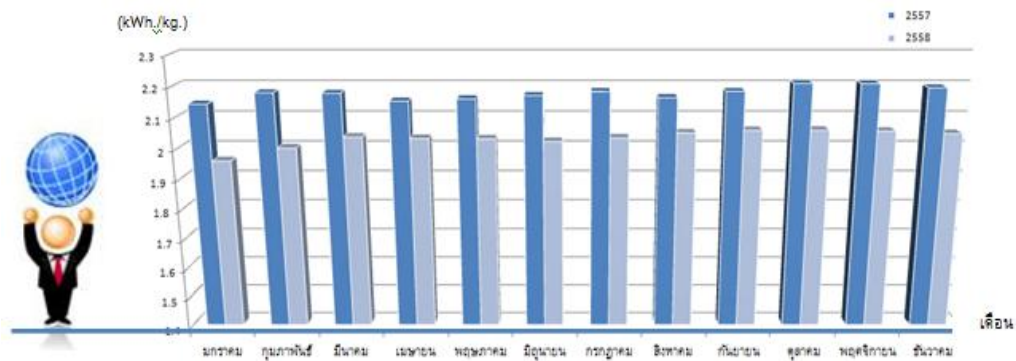
and quality of water released from factory, the result of the inspection is qualified according to the standard specified by law.

The company has continuously organized the activity of energy usage reduction by encouraging employees to be aware of energy conservative within the organization, as well, the company has invested on efficiency improvement of machines and equipment, in 2015, the Company's measurement of energy conservative has been implemented as follows :

- Measurement of efficiency improvement for power supply (Power Quality) by controlling Load Factor seen from Power Meter and controlling the value of Power Factor at Main Distribution Board (MDB) to be not fewer than 0.95
- Measurement of compressed air leakage reduction
- Power transformer management for the utmost benefit by reducing the usage of transformers
- Measurement of energy conservative in air-conditioning system by reducing the usage of air-conditioners and cleaning them every month.
- Measurement of controlling the speed of motors by changing the method of reducing screw's cycles and installing Variable Speed Drive (VSD) at Screw motor instead of Variable Drive.

From the operation in 2015, the company can reduce the use of energy from the measurement of energy conservative in the amount of 1,742,500.58 kWh./year, calculated as the saving amount of money at 5,393,523.40 Baht and can reduce Carbon Dioxide (CO₂) in the amount of 1,012,915.59 kg.CO₂/year.

Electricity Usage Amount of 2014 - 2015



Internal Control and Risk Management

The Internal Control

The Company has realized the importance of good internal control system. Accordance with the environment and business conditions have changed over time in the current, the smart internal control system deem to the essential mechanism for achieving the Company's objective and goals. The Company's has the Audit and Corporate Governance Committee, which is responsible for reviewing the internal controls and audit system to the Company appropriately and effectively, overseeing the internal controls system has been followed rigorously as well as reviewing the Company's operations to ensure compliance with the law on Securities and Stock Exchange, SET regulations and laws related to the Company's business.

The Audit and Corporate Governance Committee has a joint meeting at least quarterly to consider the financial statements and to review the Company's financial reporting accurately and disclosure it adequately, to consider concerned issues or the conflict of interest issues as provides by laws and regulations of the Stock Exchange, and Capital Market Commission as well as reviewing the Company's internal control and audit are appropriate and effective.

The Board of Directors Meeting No. 1/2559 held on February 4, 2016, there is three of Audit and Corporate Governance Committees attended the meeting. The Board of Directors has assessed the adequacy of the Company's internal controls system with the evaluation form according to the Office of the Securities and the Exchange Commission specified. There is also the debriefing information from the Executive and the evaluation form provided by the Executive, and the report of the Audit and Corporate Governance Committee. In conclusion, the assessment concluded that the Company's internal control systems on five various aspects in the following;

1) Internal Control of the organization (Control Environment)

The Company adheres to the values of integrity and ethics. The Board of Directors is independent from the Executive and responsible for oversight and operations development covering the internal environment in the organization, the risk assessment, the operational

control, the management information systems and Data Communications and monitoring system.

The Company has defined the scope of the Board of Director and the Sub-Committees authority in writing clearly. The duties are separated from the Executive. Structure of reporting side and the authority and responsibility have been specified clearly and appropriately according to business conditions and other relevant laws. There is also the segregation of duties in the important task to check and balance each other, as well as having definition and limitation of the operational power in the Executive and the operational level obviously.

The Company has a commitment to motivate, develop and retain the knowledgeable staff, and designates duty and responsibility to staff for internal control.

2) The Risk Assessment

The Company has defined objectives clearly and adequately to be able to identify and evaluate the risks related to the achievement of the Company's objectives. It identifies and analyzes all risks, which may affect the achievement of all objectives comprehensively and appropriately.

The Company considers to the possibility of fraud, and evaluates the changes that may have an impact on the internal control system.

3) The Operational Control (Control Activities)

The Company has the control measures to reduce the risk of achieving an objective failure in an acceptable level. There are the selection and development of general controlled activity with technology system to support the achievement of objectives, and also providing controlled activity through the policy. The expectation and practical steps have been specified to support the determined policy can be implemented.

4) Information & Communication

The Company has determined the information, which is required in the operations from both internal and external quality information and relevant to the job. The important information has been prepared to the Commission adequately for making a decision prior the meeting for a

period stipulated by the law. In addition, comment recording, suggestions, remarks, questions and disagreement with the reasoning of the Board of Directors in the meeting have been recorded to verify retroactive on the performance of each director.

The Company has the communication process of internal information in the organization by communicating on the objectives, policies and practices of responsibilities. This is to support the internal control to the personnel at all levels in all departments. Moreover, there are the choosing various communication channels appropriately, and having a communication channel for employees to inform information or clues on fraud or corruption within the Company (Whistle-blower hotline) safely.

The Company has process to communicate with stakeholders outside the organization effectively through proper communication channels, provide the Investor Relations, and a channel for stakeholders outside the organization to inform information or clues on fraud or corruption (Whistle-blower hotline) to the Company safely.

5) Monitoring Activities

The Company has been monitored and evaluated internal controls to ensure that the internal control are carried out fully and reasonable. It also provided an assessment of independent organization internal and external, the valuating and communicating deficiencies of the internal control to those responsibilities to resolve immediately.

The Board of Director agrees that The Company's internal control systems are effective, adequate and appropriate, and the risk management has been managed appropriately. The Company has provided sufficient personnel to implement the system effectively. In addition, the internal control system on monitoring the operations of its subsidiaries to protect the assets of the Company and its subsidiaries from the Directors or Executives which have been used wrongfully or without authority, as well as transactions with persons who may have conflicts of interest and related person sufficiently.

The Internal Audit

The Company has the department of internal audit and resources to monitor supporting adequately to monitor and evaluate the internal control of operational systems, including coordination with training department of the Company for providing training and activities to promote and educate employees. In 2015, providing Control Self Assessment (CSA), the internal control by self-assessment from knowledgeable guest speaker, which is the educating employees in the organization on the self-assessment to ensure that the Company has operated under the objectives, and are confident to achieve the goal efficiency and effectiveness. The operation of the Company has the internal control system which is smart, sufficient and proper to the business operation, supports good governance of the Company, can support work of the Audit and Corporate Governance Committee to achieve maximum effectiveness and efficiency under the performance according to the Professional Practice Standards of Internal Auditing regulated by the Institute of Internal Auditors (IIA).

In the meeting of the Audit and Corporate Governance Committee No. 2/2559 held on February 23, 2016, has appointed **Miss. Supattra Nitchaya** to the position of Internal Auditor Supervisor and the Audit and Corporate Governance Committee Secretary of the Company, because she understands the activities and the Company's operation superbly. Therefore, it has been agree that she is proper to perform such duties appropriately. However, the consideration and approval, appointment, relieving, removing the incumbent head of internal audit of the Company shall be approved by the Audit and Corporate Governance Committee.

However, the Board of Directors recognizes the internal controls system cannot guarantee any damages caused by mistakes at all, but it can prevent or provide a reasonable level of confidence.

The Risk Management

Panjawattana Plastic Public Company Limited recognizes and forecasts the importance of risk management; the Company has laid the foundation for risk management according to the Committee of Sponsoring Organization of the Treadway Commission (COSO), which is used to manage the risk in appropriate or acceptable level to achieve the objectives, strategy, mission and vision of the Company. The risk management is an important implement in the management to achieve the goal, prevent damage, and

reduce errors in the administration. The Board of Director has appointed six risk management committees to act as overseeing the organization's risk management closely, setting risk management policy and framework for the risk management of the Company, including providing work planning and report of risk management covering different risk areas affect the goal and the business operation of the Company, and review the Company's risk regularly.

Therefore, in order for the Company has the internal control systems all levels in each of the Company's group, business unit, field, department, division, or in the operation process, and encourage personnel all levels of the organization to have understanding on the risk management processes and follow into the corporate culture. Risk Management Department has prepared a manual to risk management the Company to provide personnel in the Company used as the risk management approach, which is an important implement to help all sections of the organization achieve its objectives, goals and success in operations. This will lead to added value creation and sustainable growth of the organization. It also can be applied to the performance from the big to small projects. However, the awareness to a crash and preparation of a plan before arising, it is better than solving the problem the end result which is cause to lose expenses and waste resources unnecessarily.

Inter-Transactions

Summary for detail of inter-transactions of the Company and its subsidiaries with the parties who may have conflict of occurred interests

For the annual accounting year ended 31 December 2015, there were connected transactions of the Company and its subsidiaries with the connected parties. The auditor of the Company has already disclosed them in notes to financial statements. The Audit Committee has already performed verification and deemed that all inter-transactions have been reasonable transaction doing in normal trade. The market price of products and services were charged with the connected parties with reasonable price in comparison with common market price in that business under normal conditions with below details.

Detail of Inter-Transactions

Unit : Million Baht

<i>List of the Company</i>	<i>Nature of Relationship</i>	<i>Shareholding Company (%)</i>	<i>Nature of Significant Transaction</i>	<i>Value of Inter-Transaction</i>
1. P.J. Composite Company Limited	B	-	- Sales of Products	6.92
2. Mr. Pirun Hemmondharop	B	-	- Consulting Fee	0.84
3. Mr. Kongsak Hemmondharop	B	-	- Land Rent	1.62

Nature of Relationship

A = Shareholder and Executive B = Shareholder and Director C = Subsidiary D = Shareholder

Necessity and Reasonability of Inter-Transactions

In 2015, the Company and its subsidiaries did inter-transactions with related parties such as sales of product, renting of assets, lending to the related company, accounting preparation service, consulting fee, and land renting from the director and shareholder. There have been necessity and reasonability for the said transactions for liquidity management and for use as working capital inside the businesses of the Company and the related companies. In part of sales of plastic packaging, it has been the general market price with normal trade condition. Moreover, land rent from shareholder and director is the proper price and rate. The consulting fee with the shareholder and director is the rate in the Rule of Staff Employment in accordance of the Company's policy. The Audit Committee considered the aforesaid inter-transactions and deemed that they were necessary, reasonable and useful for the Company, and not the cause of the Company's damage.

Approval Measure or Procedure for Inter-Transaction Doing

In the past 2015, the Company's inter-transactions were passed for consideration and verification of inter-transaction doing from the Audit Committee and approval on inter-transaction doing between the Board of Directors under main consideration on the Company's benefit, inter-transactions that may occur

the future with the parties that may have conflict of interests and gains and losses, or may have conflict of interests in future. The Company shall assign the Audit Committee to comment about the necessity and reasonability of the said transactions. In the event that the Audit Committee has none of expertise in considering inter-transactions that may occur, the Company shall assign the independent expert or the auditor of the Company to comment about the said inter-transactions to be applied as decision support of the Board of Directors and/or the Audit Committee and/or the shareholders as the case may be. The parties who may have conflict of interests or gains and losses in doing transactions will have no right to vote in approving doing the said inter-transactions.

In the event that the Company lends or borrows money from the Group of Companies or related parties, including entry to guarantee debt or use of assets owned by the Company to guarantee loan or other debt obligations of the Group of Companies or related parties, the Company shall propose the Audit Committee to comment about the reasonability of transaction doing, amount of money, debt obligation, duration as well as interest rate and related financial cost; and propose the Board of Directors to consider approving the entry to do such transactions. The criteria, condition and reasonability of transaction doing and reasonability of duration and financial cost shall be considered. However, the director with interest shall abstain from voting without right to attend the Meeting in that agenda.

Policy or Trend of Inter-Transaction Doing

The transactions for sales of plastic packaging with the related companies have still been the continuous transactions as normal business operations in part of consulting fee transaction in supply of machineries and equipment from foreign countries due to the Company's ongoing project investment in ordering machineries and equipment of the Company and its subsidiaries in order to support growth and replacement of obsolete existing machineries. The personnel with technical knowledge of the machineries and understanding on plastic forming production process is required for giving advice and considering making the decision on ordering effective machineries and equipment from foreign countries in suitable price, including consulting about development and improvement of machinery system to be consistent with the objective, policy, and the form of the Company's new product, and production capacity management and cost control; as well as coordinating in ordering machineries and equipment. The Company has fairly carried out transactions under normal condition of its rule. Therefore, the employment contract has been renewed. In part of land renting transaction from director and shareholder, there have still been the continuous transactions since Millpack Company Limited located on the director and shareholder's land. Such building has still continuously been in usable condition. It has been necessary for Millpack Company Limited rent the said land whereas land lease from the Company's director and shareholders has been made in the reasonable rate.

The Board of Directors realizes on all parties of the stakeholders under the principle of good corporate governance. However, the inter-transactions that may cause conflict of interests possibly may occur in the future. The Board of Directors shall comply with Securities and Exchange Law and regulation, announcement, directive or requirement of the Stock Exchange of Thailand including the compliance with the requirement for disclosure of information for doing connected transactions and acquisition or disposal of the assets of the

Company or its subsidiaries and compliance with accounting standard stipulated by Federation of Accounting Professions under the Royal Patronage of His Majesty the King.

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, 2013, 2014, and 2015 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, 2013		As at December 31, 2014		As at December 31, 2015	
	Million Baht	%	Million Baht	%	Million Baht	%
<u>Current assets</u>						
Cash and cash equivalents	50.93	2.51	122.29	5.13	110.42	4.40
Trade accounts receivable	388.78	19.14	341.20	14.31	506.01	20.17
Inventories - net	172.94	8.52	277.95	11.66	266.25	10.61
Other current assets	74.78	3.68	114.87	4.82	91.36	3.64
Total current assets	687.43	33.85	856.31	35.92	974.05	38.83
<u>Non-current assets</u>						
Saving deposits with restriction on use	-	-	-	-	5.50	0.22
Property, plant and equipment - net	1,313.13	64.66	1,463.96	61.40	1,473.25	58.72
Computer software - net	7.53	0.37	8.92	0.37	8.94	0.36
Assets under deferred income tax	-	-	-	-	-	-
Other non-current assets	22.81	1.12	54.97	2.31	47.02	1.87
Total non-current assets	1,343.47	66.15	1,527.85	64.08	1,534.71	61.17
Total assets	2,030.90	100.00	2,384.16	100.00	2,508.76	100.00

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Statement of Financial Position (cont.)

	Consolidated Financial Statements					
	As at December 31, 2013		As at December 31, 2014		As at December 31, 2015	
	Million Baht	%	Million Baht	%	Million Baht	%
<u>Current liabilities</u>						
Bank overdrafts and short-term loans from financial institutes	331.99	16.35	437.29	18.34	471.09	18.78
Short-term loans from other individual	-	-	-	-	90.00	3.59
Trade accounts payable	220.97	10.88	440.61	18.48	399.99	15.94
Current portion of long-term liabilities						
- Long-term loans	110.76	5.45	122.08	5.12	139.54	5.56
- Liabilities under financial lease contracts	10.95	0.54	7.92	0.33	5.33	0.21
Accrued corporate income tax	2.41	0.12	0.73	0.03	1.55	0.06
Accrued expenses	58.74	2.89	60.92	2.56	75.80	3.02
Other current liabilities	27.20	1.34	82.67	3.47	39.85	1.59
Total current liabilities	763.02	37.57	1,152.23	48.33	1,223.15	48.76
<u>Non-current liabilities</u>						
Long-term loans	291.68	14.36	278.99	11.70	226.49	9.03
Liabilities under financial lease contracts	13.46	0.66	6.30	0.26	4.34	0.17
Provision employee benefit liabilities	20.75	1.02	24.95	1.05	29.48	1.18
Liabilities under deferred income tax	7.00	0.34	6.06	0.25	6.61	0.26
Other non-current liabilities	0.02	0.00	0.03	0.00	0.02	0.00
Total non-current liabilities	332.89	16.39	316.33	13.27	266.94	10.64
Total liabilities	1,095.92	53.96	1,468.56	61.60	1,490.09	59.40

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Statement of Financial Position (cont.)

	Consolidated Financial Statements					
	As at December 31, 2013		As at December 31, 2014		As at December 31, 2015	
	Million Baht	%	Million Baht	%	Million Baht	%
<u>Shareholders' equity</u>						
Authorized ordinary shares	276.00	13.59	276.00	11.58	287.04	11.44
Issued and fully paid-up share capital	276.00	13.59	276.00	11.58	287.04	11.44
Premium on share capitals	338.13	16.65	338.13	14.18	338.13	13.48
Appropriated retained earnings	27.23	1.34	27.60	1.16	28.70	1.14
Unappropriated retained earnings	277.33	13.66	257.24	10.79	343.56	13.69
<u>Other components of equity</u>						
Differences on the fixed assets acquired under common control company	-	-	-	-	-	
Deficits from business combination under common control company	3.09	0.15	3.09	0.13	3.09	0.12
Differences from translation of foreign entity	8.39	0.41	8.81	0.37	13.45	0.54
Total equity attributable to equity holders of the parent company	930.17	45.80	910.87	38.21	1,013.97	40.42
Non - controlling interests	4.81	0.24	4.73	0.20	4.69	0.19
Total shareholders' equity	934.98	46.04	915.60	38.40	1,018.66	40.60
Total liabilities and shareholders' equity	2,030.90	100.00	2,384.16	100.00	2,508.76	100.00

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Statements of comprehensive income

	Consolidated Financial Statements					
	As at December 31, 2013		As at December 31, 2014		As at December 31, 2015	
	Million Baht	%	Million Baht	%	Million Baht	%
<u>Revenues</u>						
Sales revenue	2,109.16	99.67	2,294.91	99.75	2,721.03	99.78
Other income	7.05	0.33	5.64	0.25	5.87	0.22
Total revenues	2,116.21	100.00	2,300.55	100.00	2,726.90	100.00
<u>Expenses</u>						
Cost of sales	1,719.46	81.25	1,959.73	85.19	2,298.22	84.28
Selling expense	75.96	3.59	83.97	3.65	91.60	3.36
Administrative expenses	143.30	6.77	185.24	8.05	196.21	7.20
Finance cost	17.40	0.82	32.12	1.40	37.57	1.38
Total expenses	1,956.12	92.44	2,261.05	98.28	2,623.60	96.21
Profit before income tax expenses	160.09	7.56	39.50	1.72	103.31	3.79
Income tax expenses	15.47	0.73	4.09	0.18	4.86	0.18
Profit for the years	144.62	6.83	35.41	1.54	98.45	3.61
<u>Other comprehensive income</u>						
Differences on the fixed assets acquired under common control company	5.63	0.27	0.42	0.02	4.64	0.17
Deficits from business combination under common control	150.25	7.10	35.83	1.56	103.08	3.78
Differences from translation of foreign entity						
Total comprehensive income for the years	144.71	6.84	35.49	1.54	98.48	3.61
<u>Profit attributable to</u>	(0.09)	(0.00)	(0.08)	(0.00)	(0.04)	(0.00)
Equity holders of the parent company						
Non - controlling interests of the subsidiary	150.34	7.10	35.91	1.56	103.12	3.78
<u>Total comprehensive income attributable to</u>	(0.09)	(0.00)	(0.08)	(0.00)	(0.04)	(0.00)
Equity holders of the parent company						
Non - controlling interests of the subsidiary	2,109.16	99.67	2,294.91	99.75	2,721.03	99.78

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
Cash flows from operating activities	144.62	35.41	98.45
Profit for the years			
Reconciliations of profit for the years to net cash provided by (used in) operating activities:	-	0.12	4.14
Allowance for doubtful in account receivables	1.62	4.51	0.70
Allowance for declining in value of inventories	97.45	125.02	146.81
Depreciation and amortization	6.79	4.89	18.10
Amortization of mold	0.78	(0.07)	(0.46)
(Gain) loss on exchange rate	0.15	(0.13)	(0.44)
(Gain) loss on sales of fixed assets	3.11	0.92	1.67
Loss on write off fixed assets	3.06	4.20	4.80
Provision for employee benefit	17.40	32.12	37.57
Interest expenses	15.46	4.09	4.86
Income tax expenses	290.44	211.09	316.19
Profit provided by operating activities before changes in operating assets and liabilities			
(Increase) decrease in operating assets	(72.08)	47.53	(168.40)
Trade accounts receivable and other account receivable	(25.62)	(109.51)	11.00
Inventories	(34.62)	(36.05)	22.28
Other current assets	(9.24)	(30.61)	(4.12)
Mold for amortization	(7.20)	(6.44)	(6.04)
Other non-current assets			
Increase (decrease) in operating liabilities	(56.14)	247.66	(36.51)
Trade accounts payable and other accounts payable	9.09	2.17	14.88
Accrued expense	10.76	55.48	(42.82)
Other current liabilities	-	-	0.01
Cash provided by (used in) operating activities	105.38	381.33	106.44

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Statements of Cash Flows (cont.)

Statements of Cash Flows (Unit : Million Baht)	Consolidated financial statements		
	2013	2014	2015
Payment of employee benefit liabilities	(0.40)	-	(0.27)
Payment of corporate income tax and withholding income tax	(23.29)	(6.70)	(6.86)
Net cash provided by (used in) operating activities	81.69	374.63	99.31
<u>Cash flows from investing activities :</u>			
Cash received from sales of fixed assets	0.40	0.29	1.53
Cash paid for purchase of fixed assets	(517.59)	(285.87)	(134.21)
Cash paid for deposit from purchase of fixed assets	(16.75)	(20.80)	(16.20)
Cash paid for purchase of computer software	(2.62)	(2.85)	(1.51)
Net cash provided by (used in) investing activities	(536.56)	(309.23)	(150.39)
<u>Cash flows from financing activities :</u>			
Increase (decrease) in Saving deposits with restriction on use			(5.50)
Increase (decrease) in bank overdrafts and short-term loans from financial institutes	286.65	105.31	33.80
Cash received from increase in share capital	-	-	-
Increase (decrease) in short-term loans from related person-net	-	-	90.00
Cash received from long-term from financial institutes	321.46	106.63	89.80
Cash paid for long-term loans	(55.11)	(108.00)	(124.84)
Cash paid for dividend	(82.80)	(55.21)	(0.02)
Cash paid for liabilities under financial lease contract payable	(16.24)	(11.07)	(8.33)
Cash paid for interest expenses	(17.40)	(32.12)	(37.57)
Net cash provided by (used in) financing activities	436.56	5.53	37.35
Differences from translation of foreign entity	5.63	0.42	1.86
Net increase in cash and cash equivalent	(12.68)	71.36	(11.87)
Cash and cash equivalents, at beginning of the year	63.61	50.94	122.29
Cash and cash equivalents, at end of the year	50.94	122.29	110.42

Important Financial ratio table

	Consolidated financial statements		
	2013	2014	2015
<u>Liquidity Ratio</u>			
Current ratio (times)	0.90	0.74	0.80
Quick ratio (times)	0.58	0.40	0.50
Account receivable turnover (times)	6.00	6.30	6.44
Average account receivable day on hand (days)	60.00	57.11	55.92
Inventory turnover (times)	10.68	8.69	8.45
Average Inventory day on hand (days)	33.70	41.41	42.62
Account payable turnover (times)	7.12	5.92	5.47
Average account payable day on hand (days)	50.60	60.77	65.84
Cash Cycle (days)	43.11	37.76	32.71
<u>Profitability Ratio</u>			
Gross profit margin (%)	18.75	14.81	17.72
Operating profit margin (%)	8.39	3.11	5.17
Net profit margin (%)	6.83	1.54	3.61
Return on equity (%)	16.05	3.83	10.18
<u>Asset Management Ratio</u>			
Return on asset (%)	8.30	1.60	4.02
Return on fixed asset (%)	21.66	11.17	16.02
Total asset turnover (times)	1.21	1.04	1.11
<u>Financial Controlling Policy Ratio</u>			
Debt to equity ratio (times)	1.17	1.60	1.46
Interest coverage ratio (times)	10.20	2.23	3.75
Dividend payout ratio (%)	54.63	66.01 ^{2/}	55.92^{3/}

Remark :

- 1/ Summary from separate of Panjawattana Plastic Plc.
- 2/ 2015 Annual General Meeting of Shareholders on 2015 21, April resolution paid for stock dividend in 25 existing shares per 1 stock dividend, totaling 0.020 baht/share
- 3/ The Company's Board of Directors No. 2/2015 dated February 23, 2015 has its resolution to pay for dividend regarding the 2015 performance and retain earning as 0.10 baht/share and will be present to 2016 Annual General Meeting of Shareholders on 2016 25, April

Management Discussion and Analysis : MD&A

Overview of the Business Operation and Significant Change

In 2015, the Company has expanded production capacity to be increased for 10.6% when compared with last year from both continuous available domestic and foreign investment projects from 2013-2014. However, even though the overview for production capacity utilization was reduced for 3.5% since it was in the period of change in new product design of lubricant packaging, and milk and yogurt packaging industries, and the part of new model of plastic parts of automotive industry under requirement for considerable test and experiment of work piece samples and line shut down for improvement of production lines of the customers, as well as impact of deficient raw milk quantity in the market. The aforesaid caused decrease in total of production capacity utilization when compared with last year. However, in 2015, the Company's extreme growth of sales volume, for example, plastic parts industry used in automotive industry with new considerable model works of the cars that have launched their models in the end of the year extremely grew, and recognition of revenue in part of spray painting plant with increase in sales volume.

Investment in 2015 has focused on machinery investment in China due to expansion of lubricant packaging revenue in part of new products, increase in customer ordering, and plant expansion in Tianjin city, China. The building area next to the former plant has been additionally rented to support the expansion in parts of production capacity and warehouse. The domestic investment has started to be steady, mostly consisting of the continuous part of the investment project carried forwards from last year and improvement of machinery and equipment for improvement of more production capacity.

According to turnover in 2015, the Company's growth of sales volume was 18.6% as recognition of revenue of plastic parts mostly in automotive industry of new model works. Gross profit margin was improved due to improvement of production efficiency of spray painting plant unit; recognition of revenue from new model works and profits from margin of thermoplastic prices in the period of Quarter 4 which was the period of high production capacity utilization due to product launch of some customers and return of more customers of lubricant group to reorder after shut down of oil containing production line in the period of Quarter 3.

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

	2013	2014	2015
Maximum production capacity (tons)	31,250	37,023	40,940
Percent of growth rate	13.2	18.5	10.6
Actual output (tons)	18,175	18,268	17,633
Percent of growth rate	4.7	0.5	-3.5
Percent of production capacity utilization	58.2	49.0	43.0

Index of Industrial Output of Each Product Related to the Company's Product (Monthly Average Base for 2011)

Product	2013	2014	2015
Ready-to-drink milk	112.18	114.15	123.76
*Benzene Octane 91 (Unleaded)	47.02	46.61	48.40
*Benzene Octane 95 (Unleaded)	294.55	240.29	287.28
*Diesel Fuel	109.81	101.40	115.23
Primary chemical product except fertilizer and Nitrogen compound	114.47	118.89	118.35
Body cleansing product, chemical and product for home usage	111.53	109.48	110.29
Passenger car, truck, bus, etc.	168.47	129.71	132.33

Source: Office of Industrial Economics

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

Revenue Structure and Growth Rate in Each Year under Product Group Classification

	2013		2014		2015	
	Million Baht	Percent of Growth Rate	Million Baht	Percent of Growth Rate	Million Baht	Percent of Growth Rate
Lubricant packaging	1,280.53	6.12	1,364.6	6.57	1,352.14	(0.92)
Milk and yogurt packaging	288.59	6.57	326.35	13.08	333.14	2.08
Chemical solution and consumer goods packaging	246.44	27.18	238.16	(3.35)	274.32	15.18
Automotive parts	293.60	(13.33)	365.73	24.56	761.43	108.25
Total revenue from sales	2,109.16	4.93	2,294.9	8.81	2,721.03	18.57
Other revenues	7.05	1.88	5.64	(0.20)	5.87	4.08
Total revenues	2,116.21	4.92	2,300.5	8.71	2,726.90	18.53

Revenue Structure under Geographic Classification

	2013		2014		2015	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Revenue from domestic sales	1,958.97	92.57	2,140.36	93.04	2,540.58	93.17
Revenue from foreign sales	150.19	7.10	154.55	6.72	180.45	6.62
Total revenue from sales	2,109.16	99.67	2,294.91	99.76	2,721.03	99.79
Other revenues	7.05	0.33	5.64	0.24	5.87	0.21
Total revenues	2,116.21	100.00	2,300.55	100.00	2,726.90	100.00

From the said reporting of economic situation and information of industrial output index, the Company's overall operation in plastic packaging group in part of automotive parts group has been different

from the growth direction of the comparative industry due to improvement and change of packaging designs of lubricant products in the second half period by the major customers, decrease in total export of lubricants to abroad by some customers, and improvement of oil containing production line by some customers. The aforesaid affected the decrease in sales volume of lubricant packaging group in the same way as in part of the group of milk and yogurt packaging industry whereas the growth of ready-to-drink milk industry has been up to 8.4%. Most of them have been the market growth of sterilized milk and other types of ready-to-drink milks such as soy milk, cornmilk, brown rice milk, etc. In part of the group of milk and yogurt packaging industry which has been the pasteurized milk market group, some customers confronted with short supply of raw milk and the figure of total export sales of new products was not in line with their forecasts, resulting in increase in growth rate of the group of milk and yogurt packaging industry of the Company for just 2.1% which was below the growth of ready-to-drink milk industry.

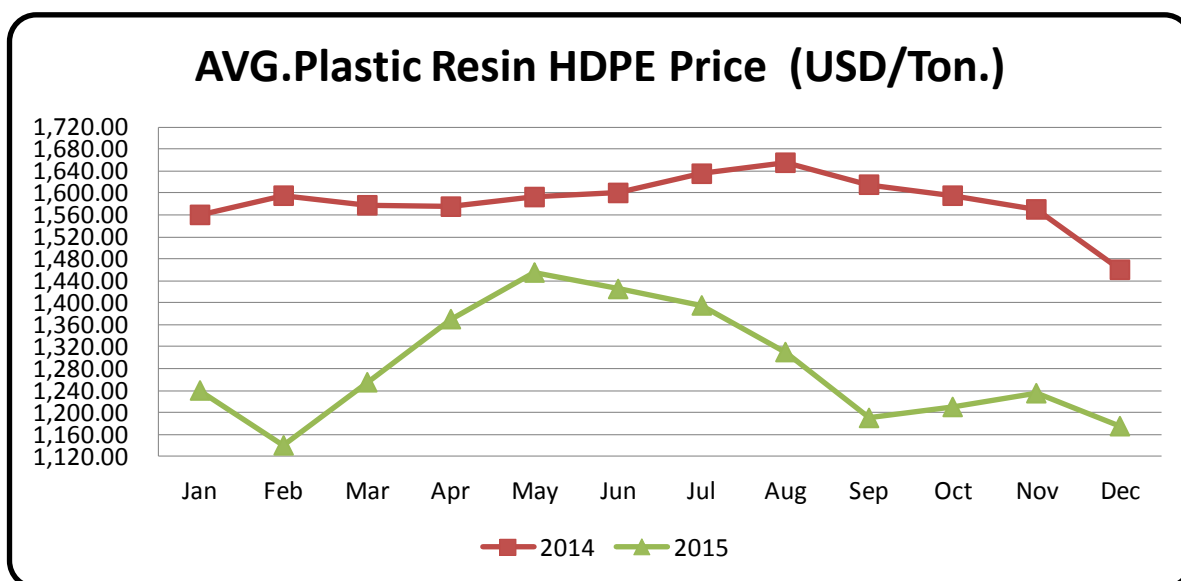
In the group of chemical solution and consumer goods packaging industry, the Company's sales volume growth was at 15% which was more growth than comparative industry with around 0.5-1% for growth in part of primary chemical product and body cleansing product, respectively, due to the Company's base expansion and increase in customer groups in part of consumer goods packaging, resulting in growth of sales volume.

It was the same as the part of plastic parts group for automotive industry which has been the group of products with high growth up to 108%. This growth was higher than passenger car industry with growth for just 2.7% as the result of the Company's considerable Back Order of new model works of new launched cars in the ending period of 2015, which have been whether the group of Eco Car Passenger Car, Pickup Truck, Pickup Purpose Vehicle (PPV), and Sport Utility Vehicle (SUV). The part of revenue was derived from recognition of mold cost and the part of them was revenue from sales volume of work pieces. Most of incoming revenues were in the end of the year since it has been the customer's launching program of new model cars. The considerable increase in sales volume of cars in the ending period of the year was partly the consequence of excise tax restructuring.

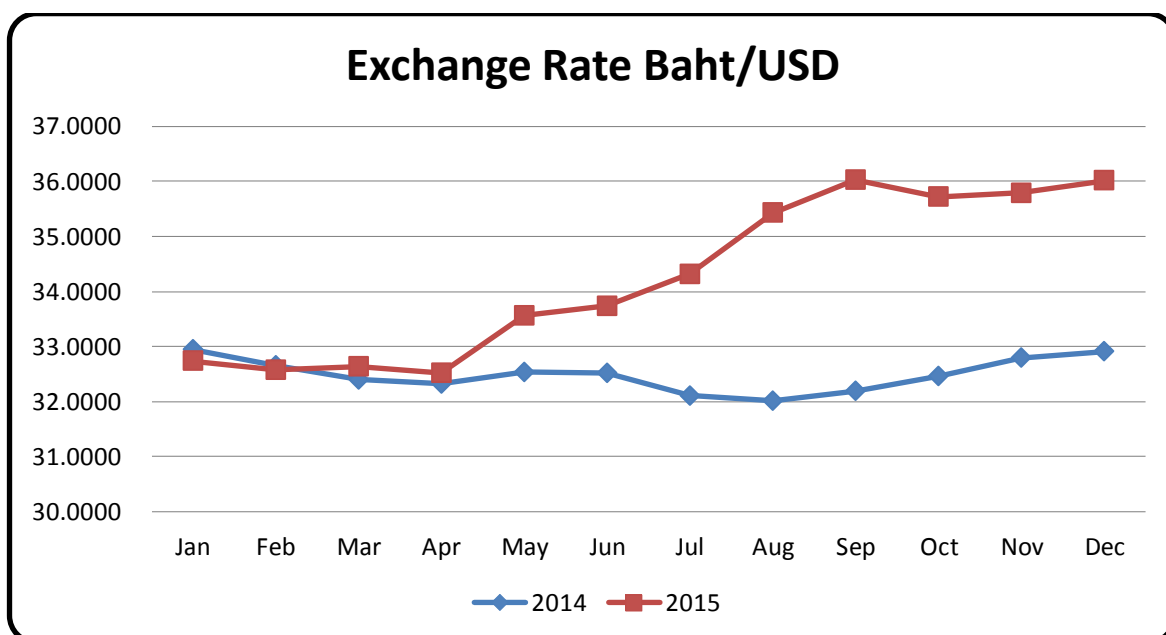
Overall Operation and Profitability

Despite of the continuous decrease in market price situation of raw oil as the history in the past 12 years round, it caused decrease in thermoplastic price for the year 2015 when compared with last year. However, the decreasing rate of thermoplastic price has not been severe as decrease in oil price that has mainly consisted of demand and supply factor of petrochemical industry. However, the price of HDPE grade thermoplastic which is the staple of plastic packaging with yearly average of 1,585.83 USD/ton in 2014, and yearly average of 1,283.33 USD/ton in 2015, decreasing for 19.08%. However, average domestic thermoplastic price decreased for just 10-15% due to depreciation impact of exchange rate of Baht value when compared with USD value. In 2014, the average was 32.4841 Bhat/USD and in 2015, the average was 34.2524 Baht/USD, depreciating for 5.44%. Nevertheless, impact of decrease in thermoplastic price toward cost of raw material cost was just 2-3% with short-term effect due to decrease in selling price for customers based on the contractual condition that allows the adjustment of selling price based on market price of raw material.

In addition, the positive impact of the Company's overall operation was the recognition of revenue of considerable incoming new model works of plastic parts works for automotive industry in the period of year end due to launch of new model car. The impact of excise tax restructuring which is effective in 2016 has caused sales volume of considerable quantity of incoming plastic parts for automotive industry including spray painting works, resulting in more effective of production capacity utilization rate and production cost. However, in part of spray painting business which has just been opened for operation with few sales volume, average yearly production capacity utilization rate has been at around 31% but most of the production expenses have been fixed expenses. Moreover, its production cost has still been unable to controlled to be in normal criteria in the initial period due to lack of skill and proficiency, resulting in loss of overall operation of the spray painting business and obstacle toward the Company's profitability in last year.



Source : Federation of Thai Industries



Source: Bank of Thailand

Asset Management Capability

In 2015, total net assets of the Company and its subsidiaries increased for 124.6 million Baht being derived from increase in part of total account receivables for 164.81 million Baht due to considerable incoming sales volume in end period of Quarter 4 whether in part of the customers of lubricant packaging group and the part of mold cost collection after launch of new model cars in the period of year end and during extension of packaging sales contract term. The aforesaid affected the delay of disbursement based on the contract, resulting in highly increase in outstanding account receivables in this year end. However, the Company's account receivables have been the prime customers since most of them have been the big companies or multinational companies with top ranked market position of the industry. Therefore, the past bad debt problem of the Company has been very few. Moreover, in the framework of credit management policy, the Company has considered and classified its credits and credit limits granted to each customer, and reviewed every year.

However, in 2015, the provision of doubtful accounts was 4.27 million Baht which has been provision according the Company's policy that the outstanding account receivables more than 12 months long shall be provided, causing from account receivables of the customers of the automotive industry group having payment center in foreign countries and change in personnel of domestic work team, resulting in delay in coordination of information and documentary system. Nevertheless, in 2016, the Company has sent its representative for coordination in part of payment at foreign countries to monitor the payment progress in part of this outstanding balance.

Due to the considerable incoming sales volume in the year end period, total inventory and other current assets, such as deposit of mold making payment, decreased for 11.7 million Baht and 23.64 million Baht, respectively.

In 2015, the Company's total deposit with usage limitation was 5.5 million Baht. It has been deposit guaranteed for opening Letter of Credit with its subsidiaries in China in ordering molds.

In part of total investment of land, building, equipment, it increased for 154.65 million Baht. Most of them have been the investment in part of machineries and equipment which has been the part of continuous project of spraying painting plant from previous year and the part of improvement of obsolete equipment and machineries. However, production capacity utilization of the machineries in this year reduced from last year, resulting from test and experiment for sample works of new models launched in the period of year end and partly from the problem of the customer's improvement of lubricant containing line and problem of raw milk shortage in milk and yogurt packaging market.

Nevertheless, in 2013, the Company expanded building and machinery investment around 544.23 million Baht. Most of them were the investments in Chon Buri Plant to expand production line of automotive parts in part of spray painting plant and new machineries with production capacity of big-sized work pieces under anticipation of sales volume support and production capacity utilization around 15 – 20% in the initial period. During 2014, the Company expanded building and machinery investment for 280.13 million Baht as the improvement and addition of warehouse building and expansion of room cleaning work, as well as machinery ordering to support increasing production capacity in the industrial groups of automotive parts, and milk and

yogurt packaging. The part of them has been the investment in continuous projects and investment expansion part of the year 2013 including the investment in new machineries for replacement of old machineries and improvement of supportive machineries and equipment and mold for enhancement of production efficiency and reduction of quality and management cost.

Liquidity and Adequacy of the Company's Capital

In 2015, the requirement of working capital increased due to considerable increase in amount of account receivables from increasing sales volume in the period of Quarter 4. The source of working capital has been derived from issuance of promissory notes with financial institutions and issuance of promissory notes for private placement in the amount of 33.8 million Baht and 90 million Baht, respectively. Total account payables decreased for 40.62 million Baht due to impact from decrease in thermoplastic price. In addition, total deposit of mold making payment decreased for 48.08 million Baht due to partial delivery of molds in 2015.

In 2015, the Company's Debt to Equity Ratio according to consolidated financial statements was 1.46 times, improving from previous year at the rate of 1.6 times due to improved turnover and commencement of decrease in debt incurrence for new investment. However, the Company has requested relaxation of financial ratio maintenance based on the covenant of loan contract with commercial bank in part of separated financial statements that has still been stuck in the issue of Debt to Equity Ratio pursuant to former requirement at 1.5 times to be 2.0 times while according to separate financial statements, it was at 1.56 times. Current Ratio calculated from Current Asset divided by Current Liabilities excluding long-term liabilities in within 1 year maturity portion has been currently at 0.82 times under requirement of the former condition for not below 1 time to be 0.7 times.

However, the Management of the Company has predicted that in 2016 from turnover that has started to send positive signal from increasing sales volume of automotive parts from new model works and the parts of spray painting plant that has started to have improved control of production efficiency, resulting in improved direction of financial ratio. Nevertheless, according to the condition of additional investment of China and from domestic projects, if there is customer base expansion or investment project to support new customers with low risk from availability of long-term contract as support, it may be pressure for future increase in Debt to Equity Ratio. The Management has attempted to consider on impact and risk both in short-term and long-term for investment plans.

Debt Obligation and Management of Off-Balance Sheet Obligation

As at 31 December 2015, the Company's debt obligation and management of off-balance sheet obligation have been as follows (unit: million Baht).

Obligation	Total	Maturity			
		Not more than 1 year	More than 1-3 years	More than 3-5 years	More than 5 years
Obligation of Long-Term Liabilities	366.04	139.54	202.15	24.35	-
Obligation of Financial Lease	9.67	5.33	3.80	0.54	
Obligation of Operating Lease	19.52	18.14	1.38		
Obligation of Asset Purchase	45.11	45.11			
Obligation of Other Debts – Guarantee Obligation	207.46	207.46			
Total	647.78	415.58	207.33	24.89	-

Factors or Events Affecting Future Financial Position or Overall Operation

According to the reporting of Thai economic situation prediction in 2016, Gross Domestic Product (GDP) will grow for 2.8-3.8% with supportive factors. The consumption spending of private sector will grow for 2.7% from 2.1% in last year and the export value has been predicted to return to be at +1.2 from last year which was -5.6.¹

However, total car production in 2016 has been expected to up to 2.15 million cars, increasing for 10% when compared with last year.¹ Thai economic situation may be varied depending upon world economic situation, low level of oil price, terrorism risk, Baht value tendency, as well as impact of ASEAN Economic Community (OEC) Opening. Moreover, the impulsion force has been derived from economic stimulation measure through spending of public sector whether drive of investment project, infrastructure, investment support of private sector, border trade particularly with CLMV, and tourism support entirely have been the determinants and affect Thai economic situation.

Even though in last 2015, the Company's overall operation improvement was derived from several supportive factors whether in part of decrease in thermoplastic cost, increase in sales volume of plastic parts for use in automotive parts industry from new model and recognition of revenue from mold costs and factor from restructuring rate of excise tax which is effective from 1 January 2016, resulting in growth of sales volume in part of plastic parts used in automotive parts industry for 108% in 2015.

¹ Office of the National Economics and Social Development Board

Nevertheless, according to the operating plan in 2016, the Management has still considered from impacts of external factors whether in part of growth rate of domestic economy and of world economy, automotive industry impact after restructuring of exercise tax, draught situation affecting sales volume of agricultural chemical group packaging, and ASEAN Economic Community (AEC) opening impact that has consisted of positive and negative factors toward plastic parts and packaging industry for automotive industry, cost of thermoplastic price, and variation of exchange rate; and impact of internal factors in part of cost control, increase in production efficiency for loss reduction in part of spray painting plant, expansion and search for new customers to support the remaining production capacity of pigment works. All of these have been the factors affecting the overall operation of the Group of Companies.

Therefore, in 2016, the Management and the Board of Directors considered operating risk of the projects so that the Company's planned strategic plan achieves the target using the principle of regular carefulness and observation of events and external factors affecting the Company's overall operation as well as consideration on increase in fundraising and financing means by issuance of debentures to support future expansion as well as consideration on financial structuring to be properly consistent with investment project.

¹ Office of the National Economics 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 2015 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 2015 are reliable in accordance with the generally accepted accounting standards.



(Dr. Damri Sukhotanang)

Chairman of the Board of Directors



(Mr. Wiwat Hemmondharop)

Chairman of the Board of Executive Directors

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

**REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

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, 2015, 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, 2015, 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.

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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, 2015, 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, 2015, 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
February 23, 2016
2016/0105/0380

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2015

		<u>ASSETS</u>				
		Baht				
		Consolidated financial statements		Separate financial statements		
		As at December	As at December	As at December	As at December	
Note		31, 2015	31, 2014	31, 2015	31, 2014	
Current assets						
	Cash and cash equivalents	3.4, 5	110,424,278.04	122,293,002.60	77,150,871.77	58,747,860.86
	Trade and other accounts receivable	3.5, 4, 6	506,009,542.59	341,203,650.38	486,193,869.68	339,830,013.43
	Inventories	3.6, 7	266,253,006.04	277,947,912.55	240,998,359.86	252,026,214.82
	Other current assets	8	91,360,268.41	114,869,415.91	70,807,617.63	102,082,809.02
	Total current assets		974,047,095.08	856,313,981.44	875,150,718.94	752,686,898.13
Non-current assets						
	Saving deposits with restriction on use	9	5,500,000.00	-	5,500,000.00	-
	Investment in subsidiaries	3.8, 10	-	-	127,144,777.20	127,394,769.70
	Property, plant and equipment	3.9, 11	1,473,247,931.12	1,463,962,273.85	1,311,266,958.89	1,319,985,862.95
	Computer software	3.11, 12	8,943,358.28	8,919,847.77	8,072,643.29	8,693,224.96
	Other non-current assets		47,018,244.08	54,965,187.24	33,928,798.54	45,173,291.36
	Total non-current assets		1,534,709,533.48	1,527,847,308.86	1,485,913,177.92	1,501,247,148.97
	Total assets		2,508,756,628.56	2,384,161,290.30	2,361,063,896.86	2,253,934,047.10

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, 2015

LIABILITIES AND SHAREHOLDERS' EQUITY

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		As at December	As at December	As at December	As at December
		31, 2015	31, 2014	31, 2015	31, 2014
Current liabilities					
Bank overdrafts and short-term loans from financial institutions					
	14	471,091,600.00	437,293,353.10	447,000,000.00	429,566,905.10
Short-term loans from other individual					
	15	90,000,000.00	-	90,000,000.00	-
Short-term loans from a subsidiary					
	4	-	-	15,000,000.00	-
Trade and other accounts payable					
	4	399,992,756.91	440,613,128.68	400,405,698.35	453,777,069.65
Current portion of long-term liabilities					
- Long-term loans					
	17	139,535,312.16	122,078,448.62	128,463,928.93	114,559,437.89
- Liabilities under financial lease contracts					
	18	5,333,619.94	7,918,895.87	5,333,619.94	7,918,895.87
Accrued corporate income tax					
		1,551,112.02	733,234.16	-	-
Accrued expenses					
		75,795,477.01	60,918,144.99	70,554,924.02	57,298,843.10
Other current liabilities					
	16	39,854,420.28	82,673,372.05	37,701,393.06	73,004,562.04
Total current liabilities					
		1,223,154,298.32	1,152,228,577.47	1,194,459,564.30	1,136,125,713.65
Non-current liabilities					
Long-term loans					
	17	226,494,484.75	278,990,270.38	206,200,896.66	263,070,815.00
Liabilities under financial lease contracts					
	18	4,336,970.46	6,304,706.05	4,336,970.46	6,304,706.05
Provision employee benefit liabilities					
	19	29,479,987.68	24,951,447.00	27,662,543.08	23,152,127.00
Deferred tax liabilities					
	13	6,605,937.78	6,057,853.93	6,426,695.39	6,085,505.05
Other non-current liabilities					
		20,000.00	30,000.00	20,000.00	30,000.00
Total non-current liabilities					
		266,937,380.67	316,334,277.36	244,647,105.59	298,643,153.10
Total liabilities					
		1,490,091,678.99	1,468,562,854.83	1,439,106,669.89	1,434,768,866.75

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, 2015

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, 2015	31, 2014	31, 2015	31, 2014
Shareholders' equity					
	Share capital	20			
	Authorized share capital				
	574,080,000 ordinary shares of Baht 0.50 each				
	552,000,000 ordinary shares of Baht 0.50 each	287,040,000.00	276,000,000.00	287,040,000.00	276,000,000.00
	Issued and fully paid-up share capital				
	574,079,945 ordinary shares of Baht 0.50 each	287,039,972.50		287,039,972.50	
	552,000,000 ordinary shares of Baht 0.50 each		276,000,000.00		276,000,000.00
	Premium on share capital	338,128,000.00	338,128,000.00	338,128,000.00	338,128,000.00
	Retained earnings				
	Appropriated				
	Legal reserve	21, 22	28,703,997.25	27,600,000.00	28,703,997.25
	Unappropriated	343,562,664.45	257,243,013.86	275,645,229.64	185,119,792.50
	Other components of equity				
	Differences on the fixed assets acquired under common control company	11	-	-	(7,559,972.42)
	Differences from business combination under common control company		3,086,493.16	3,086,493.16	-
	Differences from translation of foreign entity		13,452,686.54	8,814,005.86	-
	Total equity attributable to equity holders				
	of the parent company	1,013,973,813.90	910,871,512.88	921,957,226.97	819,165,180.35
	Non - controlling interests	4,691,135.67	4,726,922.59	-	-
	Total shareholders' equity	1,018,664,949.57	915,598,435.47	921,957,226.97	819,165,180.35
	Total liabilities and shareholders' equity	2,508,756,628.56	2,384,161,290.30	2,361,063,896.86	2,253,934,047.10

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, 2015

		Baht			
		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
Revenues	3.3				
Sales	4, 29, 32	2,721,034,523.39	2,294,907,790.31	2,554,624,828.45	2,148,592,359.01
Dividend income	22	-	-	70,182,450.00	44,988,498.84
Other income	4, 29, 32	5,867,036.07	5,642,882.26	7,884,262.31	7,487,929.77
Total revenues		2,726,901,559.46	2,300,550,672.57	2,632,691,540.76	2,201,068,787.62
Expenses	3.3				
Cost of sales	4	2,298,215,548.63	1,959,727,996.41	2,228,313,498.75	1,900,025,760.19
Selling expense		91,600,317.64	83,966,709.94	87,646,807.01	80,656,320.05
Administrative expenses	4	196,212,636.51	185,235,824.56	177,568,471.72	172,134,115.54
Finance cost		37,566,924.24	32,121,700.69	36,152,158.55	30,564,193.01
Total expenses		2,623,595,427.02	2,261,052,231.60	2,529,680,936.03	2,183,380,388.79
Profit before income tax expenses		103,306,132.46	39,498,440.97	103,010,604.73	17,688,398.83
Income tax expenses	3.19, 26, 32	4,860,741.54	4,089,620.43	341,190.34	963,277.21
Profit for the years		98,445,390.92	35,408,820.54	102,669,414.39	16,725,121.62
Other comprehensive income					
Item that may be reclassified subsequently to profit or loss					
Differences on the fixed assets acquired under common control company		-	-	122,639.73	98,280.42
Differences from translation of foreign entity		4,638,680.68	423,544.80	-	-
Other comprehensive income for the years		4,638,680.68	423,544.80	122,639.73	98,280.42
Total comprehensive income for the years		103,084,071.60	35,832,365.34	102,792,054.12	16,823,402.04

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, 2015

		Baht			
		Consolidated financial statements		Separate financial statements	
Note		2015	2014	2015	2014
Profit attributable to					
	Equity holders of the parent company	98,481,177.84	35,489,525.54	102,669,414.39	16,725,121.62
	Non - controlling interests of the subsidiary	(35,786.92)	(80,705.00)	-	-
		<u>98,445,390.92</u>	<u>35,408,820.54</u>	<u>102,669,414.39</u>	<u>16,725,121.62</u>
Total comprehensive income attributable to					
	Equity holders of the parent company	103,119,858.52	35,913,070.34	102,792,054.12	16,823,402.04
	Non - controlling interests of the subsidiary	(35,786.92)	(80,705.00)	-	-
		<u>103,084,071.60</u>	<u>35,832,365.34</u>	<u>102,792,054.12</u>	<u>16,823,402.04</u>
Earnings per share		3.17, 28			
Basic earnings per share					
	Profit attributable to equity holders of the parent company	<u>0.17</u>	<u>0.06</u>	<u>0.18</u>	<u>0.03</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, 2015

		Baht								
		Equity holders of the parent company						Non - controlling	Total	
		Issued and paid-up share capital	Premium on share capital	Retained earnings		Other components of equity		Total	interests	shareholders' equity
				Legal reserve	Unappropriated unappropriated	Deficits from business combination under common control	Differences from translation of foreign entity	equity attributable to equity holders of the parent company		
Note										
Consolidated financial statement										
		276,000,000.00	338,128,000.00	27,234,391.48	277,329,998.00	3,086,493.16	8,390,461.06	930,169,343.70	4,807,627.59	934,976,971.29
	21	-	-	365,608.52	(365,608.52)	-	-	-	-	-
	22	-	-	-	(55,210,901.16)	-	-	(55,210,901.16)	-	(55,210,901.16)
		-	-	-	35,489,525.54	-	423,544.80	35,913,070.34	(80,705.00)	35,832,365.34
		276,000,000.00	338,128,000.00	27,600,000.00	257,243,013.86	3,086,493.16	8,814,005.86	910,871,512.88	4,726,922.59	915,598,435.47
	20	11,039,972.50	-	-	-	-	-	11,039,972.50	-	11,039,972.50
	21	-	-	1,103,997.25	(1,103,997.25)	-	-	-	-	-
	22	-	-	-	(11,057,530.00)	-	-	(11,057,530.00)	-	(11,057,530.00)
		-	-	-	98,481,177.84	-	4,638,680.68	103,119,858.52	(35,786.92)	103,084,071.60
		287,039,972.50	338,128,000.00	28,703,997.25	343,562,664.45	3,086,493.16	13,452,686.54	1,013,973,813.90	4,691,135.67	1,018,664,949.57

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, 2015

	Note	Baht				Total	
		Issued and paid-up share capital	Premium on share capital	Retained earnings Legal reserve	unappropriated		Differences on the fixed assets acquired under common control company
<u>Separate financial statement</u>							
Balance as at January 1, 2014		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	21	-	-	365,608.52	(365,608.52)	-	-
Dividend	22	-	-	-	(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
Increase in share capital	20	11,039,972.50	-	-	-	-	11,039,972.50
Legal reserve	21	-	-	1,103,997.25	(1,103,997.25)	-	-
Dividend	22	-	-	-	(11,039,980.00)	-	(11,039,980.00)
Total comprehensive income for the year		-	-	-	102,669,414.39	122,639.73	102,792,054.12
Balance as at December 31, 2015		287,039,972.50	338,128,000.00	28,703,997.25	275,645,229.64	(7,559,972.42)	921,957,226.97

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, 2015

	Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<u>Cash flows from operating activities :</u>				
Profit for the years	98,445,390.92	35,408,820.54	102,669,414.39	16,725,121.62
Reconciliations of profit for the years to net cash provided by (used in) operating activities :				
Allowance for doubtful accounts (reversal)	4,144,675.60	123,585.00	4,144,675.60	123,585.00
Allowance for declining in value of inventories (reversal)	697,217.70	4,508,948.62	1,321,468.40	4,075,869.93
Depreciation and amortization	146,805,486.49	125,022,642.26	125,681,723.74	110,113,682.71
Amortization of mold	18,103,265.39	4,891,444.34	18,103,265.39	4,891,444.34
Unrealize (gain) loss on exchange rate	(463,461.94)	(67,029.28)	(463,461.94)	(125,806.19)
(Gain) loss on sales of fixed assets	(443,266.13)	(133,601.95)	(443,266.13)	(133,601.95)
Loss on write off fixed assets and computer software	1,674,524.50	915,416.40	1,528,724.66	915,416.40
Loss on investment in subsidiaries	-	-	15,234.00	-
Provision for employee benefit	4,795,161.08	4,203,674.00	4,510,416.08	3,965,873.00
Dividend income	-	-	(70,182,450.00)	(44,988,498.84)
Interest expenses	37,566,924.24	32,121,700.69	36,152,158.55	30,564,193.01
Income tax expenses	4,860,741.54	4,089,620.43	341,190.34	963,277.21
Profit provided by operating activities before changes in operating assets and liabilities	316,186,659.39	211,085,221.05	223,379,093.08	127,090,556.24
(Increase) decrease in operating assets				
Trade and other accounts receivable	(168,402,241.85)	47,532,988.43	(149,960,205.89)	23,344,194.12
Inventories	10,997,688.81	(109,511,395.66)	9,706,386.56	(102,447,405.85)
Other current assets	22,281,950.57	(36,050,125.42)	30,401,434.46	(34,051,528.31)
Mold for amortization	(4,116,183.48)	(30,611,948.28)	(4,116,183.48)	(30,611,948.28)
Other non-current assets	(6,040,138.75)	(6,437,328.98)	(2,742,589.09)	(4,601,528.09)
Increase (decrease) in operating liabilities				
Trade and other accounts payable	(36,512,172.84)	247,663,987.24	(46,371,512.45)	253,908,673.37
Accrued expense	14,877,332.02	2,172,051.47	13,256,080.92	2,862,194.12
Other current liabilities	(42,818,951.77)	55,482,763.17	(35,303,168.98)	51,190,962.50
Other liabilities	(10,000.00)	-	(10,000.00)	-
Cash provided by (used in) operating activities	106,443,942.10	381,326,213.02	38,239,335.13	286,684,169.82
Paid to employee benefit	(266,620.40)	-	-	-
Payment of corporate income tax and withholding income tax	(6,863,583.40)	(6,698,044.94)	(3,368,803.57)	(1,604,101.17)
Net cash provided by operating activities	99,313,738.30	374,628,168.08	34,870,531.56	285,080,068.65

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, 2015

	Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<u>Cash flows from investing activities :</u>				
Cash received (piad) for investment in subsidiaries	-	-	234,758.50	(30,107,962.50)
Cash received from dividend	-	-	70,182,450.00	44,988,498.84
Cash received from sales of fixed assets	1,533,030.43	292,922.18	1,522,144.95	292,922.18
Cash paid for purchase of fixed assets	(134,212,654.57)	(285,870,376.06)	(107,042,225.14)	(249,533,765.35)
Cash paid for deposit from purchase of fixed assets	(16,202,329.40)	(20,798,330.00)	(10,023,329.40)	(14,265,890.00)
Cash paid for purchase of computer software	(1,506,910.00)	(2,851,584.70)	(828,310.00)	(2,814,084.70)
Net cash used in investing activities	(150,388,863.54)	(309,227,368.58)	(45,954,511.09)	(251,440,281.53)
<u>Cash flows from financing activities :</u>				
(Increase) in saving deposits with restrictions on use	(5,500,000.00)	-	(5,500,000.00)	-
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	33,798,246.90	105,305,726.22	17,433,094.90	97,579,278.22
Cash received from short-term loans from other individual	90,000,000.00	-	90,000,000.00	-
Cash received from short-term loans from a subsidiary	-	-	15,000,000.00	-
Cash received from long-term from financial institution	89,804,858.59	106,627,713.00	73,085,298.59	99,777,713.00
Cash paid for long-term loans	(124,843,780.68)	(107,999,196.06)	(116,050,725.89)	(102,157,200.00)
Cash paid for dividend	(17,557.50)	(55,210,901.16)	(7.50)	(55,199,400.00)
Cash paid for liabilities under financial lease contract payable	(8,328,511.11)	(11,068,421.86)	(8,328,511.11)	(10,205,350.73)
Cash paid for interest expenses	(37,566,924.24)	(32,121,700.69)	(36,152,158.55)	(30,564,193.01)
Net cash provided (used) by financing activities	37,346,331.96	5,533,219.45	29,486,990.44	(769,152.52)
Differences from translation of foreign entity	1,860,068.71	423,544.80	-	-
Net increase (decrease) in cash and cash equivalents	(11,868,724.56)	71,357,563.75	18,403,010.91	32,870,634.60
Cash and cash equivalents, at beginning of the year	122,293,002.60	50,935,438.85	58,747,860.86	25,877,226.26
Cash and cash equivalents, at end of the year	110,424,278.04	122,293,002.60	77,150,871.77	58,747,860.86
<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	20,798,330.00	16,756,854.61	14,265,890.00	13,408,136.05
Account payable from purchase fixed asset - other companies	4,193,062.95	27,992,222.41	7,084,722.87	25,653,265.44
Liabilities under financial lease contracts	3,775,499.59	888,824.49	3,775,499.59	888,824.49
Dividend payment as increase in share capital	11,039,972.50	-	11,039,972.50	-

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, 2015

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, 2015 and 2014, the operating branches are as follows :

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

(b) Nature of the Company's business

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

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

2. CRITERIA FOR THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENT

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

Company	Type	Location	Shareholding ratio (Percentage of registered shares amount)	
			2015	2014
<u>Subsidiaries:-</u>				
Millpack Co., Ltd.	Manufacturer and distribution of packaging	Bangkok	99.98%	99.98%
Elegance Packaging Co., Ltd.	Trading of lid and plastic resins	Bangkok	99.97%	99.97%
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 (finalized the liquidation)	Samuthsakhon	-	99.98%

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2015

Company	Type	Location	Shareholding ratio	
			(Percentage of registered shares amount)	
			2015	2014
PJW Foodpack Co., Ltd.	Manufacturer and distribution of packaging for food and beverage and manufacture and distribution of non-alcohol beverage	Samuthsakhon	99.99%	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. 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, 2015

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 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:

Conceptual Framework for Financial Reporting (revised 2014)

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
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

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2015

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 4 (revised 2014)	Insurance Contracts
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 Involving 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, 2015

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 management of the Company and its subsidiaries has assessed the effects of the above accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standard interpretations, and believes that they do not have a significant impact on the financial statements.

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 recognize the revenues, if the management retains either continuing managerial involvement or effective control over the goods sold or unable to measure 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 considering the effective rate.

Other income and expense

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

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2015

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 based on collection experiences and analysis of the debtor aging.

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.

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2015

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).

The initial perception value

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

Remaining value at the disabled

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

Depreciation

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

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

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2015

The Company and its subsidiaries do not charge for depreciation of property and assets under construction and installation. Repair and maintenance are charged to the statements of comprehensive income during the period incurred. The cost of significant improvement is recorded in the book value of assets if it is probable that the improvements will enable them to benefit returns over the use of the benefits without improving the assets acquired. Major renovations are depreciated over the remaining useful life of the related assets.

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

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

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

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

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

3.10 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.

	years
	<hr/>
Computer software	5, 10

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2015

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.

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 as apart of retain earning.

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2015

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.

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.

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2015

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.

3.19 Income tax

Income tax comprises current income tax and deferred tax.

Current tax

The Company records income tax expense, if any, based on the amount currently payable under the Revenue Code at the income tax rates 20% of profit before income tax, after adding back certain expenses which are non-deductible for income tax computation purposes, and less certain transactions which are exemption or allowable from income tax.

Deferred tax

Deferred tax assets and liabilities are provided on the temporary differences between the carrying amount and the tax bases of assets and liabilities at the end of the reporting period. Changes in deferred tax assets and liabilities are recognized as deferred tax income or deferred tax expense which are recognized in the profit or loss except to the extent that it relates to items recognized directly in shareholders' equity or in other comprehensive income.

The deductible temporary differences are recognized as deferred tax assets when it is probable that the Company will have future taxable profit to be available against which the deferred tax assets can be utilized. The taxable temporary differences on all taxable items are recognized as deferred tax liabilities.

Deferred tax assets and liabilities are measured at the tax rates that the Company and its subsidiaries expect to apply to the period when the deferred tax assets are realized or the deferred tax liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2015

At the end of each reporting period, the carrying amount of deferred tax assets are reviewed and reduced the value when it is probable that the Company will have no longer the future taxable profit that is sufficient to be available against which all or some parts of deferred tax assets are utilized.

Deferred tax assets and deferred tax liabilities are offset when there is the legal right to settle on a net basis and they relate to income taxes levied by the same tax authority on the same taxable entity.

Thus, the Company offsets deferred tax assets and deferred tax liabilities for presentation in the statement of financial position, rather than presenting them separately.

3.20 Significant accounting judgements and estimates

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

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Allowance for declining in value of inventory

The determination of allowance for declining in the value of inventory, requires management to make judgements and estimates of the loss expected to occur. The allowance for decline in net realizable value is estimated based on the selling price expected in the ordinary course of business less selling expense. The provision for obsolete slow-moving and deteriorated inventory, is estimated based on the approximate useful life of each type of inventory. The allowance for diminution in value of inventory as determined is compared with the original balance in the books of account and the increase or decrease in the allowance for diminution in value of inventory will be recognized as cost of sales in profit or loss.

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2015

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement in evaluating the conditions and details of the agreement whether significant risk and rewards of ownership of the leased asset has been transferred.

Property, plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review the estimated useful lives and residual values when there are any changes.

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

Deferred tax assets

Deferred tax assets are recognized for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimated future taxable profits.

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2015

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
Interest expense	As agreed in the agreement

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2015

Significant transactions with related companies for the years ended December 31, 2015 and 2014 are as follows :

Transaction	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Sale				
Subsidiaries:-				
Millpack Co., Ltd.	-	-	2,528	2,400
Elegance Packaging Co., Ltd.	-	-	45,151	47,208
Other related parties:-				
P.J. Composite Co., Ltd.	6,918	3,293	6,918	3,293
	6,918	3,293	54,597	52,901
Other income				
Subsidiaries:-				
Millpack Co., Ltd.	-	-	1,880	1,880
Elegance Packaging Co., Ltd.	-	-	525	360
Other related parties:-				
P.J. Composite Co., Ltd.	2	-	2	-
	2	-	2,407	2,240
Purchase of goods				
Subsidiaries:-				
Millpack Co., Ltd.	-	-	166,657	157,142
Elegance Packaging Co., Ltd.	-	-	357,566	-
Other related parties:-				
C.C.H. Packaging Co., Ltd.	-	923	-	923
	-	923	524,223	158,065
Rental and service expenses				
Subsidiaries:-				
Millpack Co., Ltd.	-	-	66,225	72,863
Other related parties:-				
Mr. Kongsak Hemmontharop	1,620	1,620	-	-
	1,620	1,620	66,225	72,863
Interest expense				
Subsidiaries:-				
PJW Foodpack Co., Ltd.	-	-	301	-
Professional fee				
Other related parties:-				
Mr. Pirun Hemmontharop	840	700	840	700
Remuneration for executive				
Short-term benefit	44,450	30,238	44,450	30,238
Benefit after leaving the Company	1,345	1,352	1,345	1,352
Other long-term benefit	-	-	-	-
Total	45,795	31,590	45,795	31,590

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2015

Outstanding balances with related companies as at December 31, 2015 and 2014 are as follows:

	Thousand Baht			
	Consolidated financial statement		Separate financial statement	
	2015	2014	2015	2014
Trade and other account receivable				
Subsidiaries:-				
Millpack Co., Ltd.	-	-	3,144	1,479
Elegance Packaging Co., Ltd.	-	-	8,813	9,871
Panjawatana (Tianjin) Plastic Co., Ltd.	-	-	1,934	-
Other related parties:-				
P.J. Composite Co., Ltd.	4,704	1,613	4,704	1,613
	<u>4,704</u>	<u>1,613</u>	<u>18,595</u>	<u>12,963</u>
Short-term loans				
Subsidiaries:-				
PJW Foodpack Co., Ltd.	-	-	15,000 *	-
Trade and other account payable				
Subsidiaries:-				
Millpack Co., Ltd.	-	-	48,714	38,301
Elegance Packaging Co., Ltd.	-	-	15,878	-
Panjawatana (Tianjin) Plastic Co., Ltd.	-	-	2	-
	<u>-</u>	<u>-</u>	<u>64,594</u>	<u>38,301</u>

* Short-term loans have an agreement with a term of 3 months and carries interest rate at 4.00% per annum.

5. CASH AND CASH EQUIVALENT

Cash and cash equivalents consisted of :-

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash in hand	422	627	180	580
Cash at banks - current account	66,592	118,450	33,571	54,952
Cash at banks - savings account	43,410	3,216	43,400	3,216
Total	<u>110,424</u>	<u>122,293</u>	<u>77,151</u>	<u>58,748</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, 2015

6. TRADE AND OTHER ACCOUNTS RECEIVABLE

Trade and other accounts receivable consisted of :-

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<u>Related Companies</u>				
Not yet due	1,720	1,613	11,117	10,681
Overdue				
Less than 3 months	827	-	1,273	797
3 - 6 months	-	-	-	-
6 - 12 months	-	-	-	-
More than 12 months	-	-	-	-
	<u>2,547</u>	<u>1,613</u>	<u>12,390</u>	<u>11,478</u>
<u>Third parties</u>				
Not yet due	336,668	252,619	309,556	248,396
Overdue				
Less than 3 months	155,830	85,483	149,235	76,983
3 - 6 months	7,904	304	7,904	304
6 - 12 months	491	969	491	969
More than 12 months	4,681	340	4,681	340
	<u>505,574</u>	<u>339,715</u>	<u>471,867</u>	<u>326,992</u>
Total	508,121	341,328	484,257	338,470
<u>Less Allowance for doubtful accounts</u>	<u>(4,268)</u>	<u>(124)</u>	<u>(4,268)</u>	<u>(124)</u>
Trade accounts receivable, net	<u>503,853</u>	<u>341,204</u>	<u>479,989</u>	<u>338,346</u>
Other accounts receivable				
<u>Related Company</u>	<u>2,157</u>	<u>-</u>	<u>6,205</u>	<u>1,484</u>
Trade and other accounts receivable, net	<u>506,010</u>	<u>341,204</u>	<u>486,194</u>	<u>339,830</u>

7. INVENTORIES

Inventories consisted of :-

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Finished goods	78,973	85,802	63,948	71,673
Work in process	34,801	36,182	31,406	31,893
Raw material	82,756	78,278	77,147	71,080
Supplies	23,187	10,969	21,728	9,806
Mold	50,259	75,187	50,259	75,187
Goods in transit	5,582	138	5,582	138
	<u>275,558</u>	<u>286,556</u>	<u>250,070</u>	<u>259,777</u>
<u>Less Allowance for diminution at net</u>				
realizable value	<u>(9,305)</u>	<u>(8,608)</u>	<u>(9,072)</u>	<u>(7,751)</u>
Inventories - net	<u>266,253</u>	<u>277,948</u>	<u>240,998</u>	<u>252,026</u>

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2015

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

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Allowance for diminution at net realizable value - beginning	8,608	4,099	7,751	3,675
<u>Add</u> Reserve within years	3,119	4,686	3,062	4,076
<u>Less</u> Transferred out within years	(2,422)	(177)	(1,741)	-
<u>Less</u> Write off within years	-	-	-	-
Allowance for diminution at net realizable value - ending	<u>9,305</u>	<u>8,608</u>	<u>9,072</u>	<u>7,751</u>

8. OTHER CURRENT ASSETS

Other current assets consisted of : -

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Deposit from the acquisition of assets	16,202	20,798	10,023	14,266
Deposit paid to mold	39,671	63,313	39,671	63,313
Other current assets	35,487	30,758	21,114	24,504
Total	<u>91,360</u>	<u>114,869</u>	<u>70,808</u>	<u>102,083</u>

9. SAVING DEPOSITS WITH RESTRICTIONS ON USE

As at December 31, 2015, the Company had a saving deposits with restrictions on use amounting to Baht 5.50 million to be used as the loan collateral from a local bank (see note 24).

10. 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)	
	2015	2014	2015	2014	2015	2014	2015	2014
	<u>In Thailand</u>							
1. Millpack Co., Ltd.	30,000	30,000	99.98	99.98	154,799	100,405	29,993	29,993
2. Elegance Packaging Co., Ltd.	1,000	1,000	99.97	99.97	4,237	820	999	999
3. PJW Drinktech Co., Ltd.	-	250	-	99.98	-	235	-	250
4. PJW Foodpack Co., Ltd.	20,000	20,000	99.99	99.99	18,015	19,737	20,000	20,000
<u>In Foreign</u>								
5. Panjawattana (Tianjin) Plastic Co., Ltd.	76,153	76,153	100.00	100.00	109,124	94,511	76,153	76,153
					<u>286,175</u>	<u>215,708</u>	<u>127,145</u>	<u>127,395</u>

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
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- 10.1 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.
- 10.2 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. On March 13, 2015, it has finalized liquidation.
- 10.3 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, 2015

11. 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, 2014	Addition	Deduction	Transfer in (Transfer out)		December 31, 2015
<u>At cost</u>						
Land	110,029	-	-	-	110,029	
Plant and office building	310,645	-	-	-	310,645	
Improvements on building	76,597	8,417	(42)	3,124	88,096	
Support machine system	272,869	2,874	(1,287)	7,785	282,241	
Machinery and equipment	948,310	95,203	(2,319)	72,600	1,113,794	
Office equipment	39,568	5,014	(3,377)	1,098	42,303	
Vehicles	69,723	5,052	(590)	-	74,185	
Equipment in progress	49,483	36,876	(140)	(84,607)	1,612	
Work in progress	6	1,215	(1,221)	-	-	
Total	1,877,230	154,651	(8,976)	-	2,022,905	
<u>Less Accumulated depreciation</u>						
Plant and office building	43,391	10,509	-	-	53,900	
Improvements on building	22,428	6,405	(38)	-	28,795	
Support machine system	52,382	21,184	(592)	-	72,974	
Machinery and equipment	251,858	95,633	(1,743)	-	345,748	
Office equipment	19,504	6,209	(2,776)	-	22,937	
Vehicles	24,681	4,665	(295)	-	29,051	
Total	414,244	144,605	(5,444)	-	553,405	
Differences from translation of						
foreign entity	976				3,748	
Property, plant and equipment - net	1,463,962				1,473,248	

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2015

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, 2015

	Thousand Baht					
	Separate financial statements					
	Balance as at	Movement during the year				Balance as at
	December 31, 2014	Addition	Deduction	Transfer in (Transfer out)		December 31, 2015
<u>At cost</u>						
Land	110,029	-	-	-	110,029	
Plant and office building	296,535	-	-	-	296,535	
Improvements on building	74,044	8,406	(42)	3,124	85,532	
Support machine system	259,928	2,779	(1,287)	7,785	269,205	
Machinery and equipment	780,255	60,872	(2,289)	72,600	911,438	
Office equipment	37,359	4,780	(3,376)	1,098	39,861	
Vehicles	69,492	5,053	(590)	-	73,955	
Equipment in progress	49,343	36,109	-	(84,607)	845	
Total	<u>1,676,985</u>	<u>117,999</u>	<u>(7,584)</u>	<u>-</u>	<u>1,787,400</u>	
<u>Less Accumulated depreciation</u>						
Plant and office building	29,280	10,509	-	-	39,789	
Improvements on building	20,383	6,258	(38)	-	26,603	
Support machine system	49,157	19,959	(592)	-	68,524	
Machinery and equipment	214,900	77,398	(1,723)	-	290,575	
Office equipment	18,620	5,810	(2,776)	-	21,654	
Vehicles	24,659	4,624	(295)	-	28,988	
Total	<u>356,999</u>	<u>124,558</u>	<u>(5,424)</u>	<u>-</u>	<u>476,133</u>	
Property, plant and equipment - net	<u>1,319,986</u>				<u>1,311,267</u>	

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2015

	Thousand Baht				December 31, 2014	
	Separate financial statements					
	Balance as at	Movement during the year				Balance as at
	December 31, 2013	Addition	Deduction	Transfer in (Transfer out)		
<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	1,442,798	238,821	(4,634)	-	1,676,985	
<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	251,740	108,752	(3,493)	-	356,999	
Property, plant and equipment - net	1,191,058				1,319,986	

Depreciation for the years ended December 31, 2015 and 2014 consist of :

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cost	135,192	100,391	115,440	85,632
Administration expense	9,413	23,225	9,118	23,120
Depreciation for the year	144,605	123,616	124,558	108,752

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2015

As at December 31, 2015 and 2014, the Company has the difference from the purchase of assets in the same entity group in total amount of Baht 7,559,972.42 and Baht 7,682,612.15, 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, 2015 and 2014, the Company has total fixed assets at cost of Baht 173.82 million and 134.90 million, respectively, the depreciation of total fixed assets are already calculated until full useful life but are still in use.

Land and buildings which acquired as above, some have mortgaged as collateral for loans granted by local commercial banks as discussed in Note 14 and 17.

As at December 31, 2015 and 2014, 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.

12. COMPUTER SOFTWARE

Computer software consisted of:-

	Thousand Baht				
	Consolidated financial statements				
	Balance as at December 31, 2014	Movement during the year		Balance as at December 31, 2015	
	Addition	Deduction	Transfer in (Transfer out)		
<u>At cost</u>					
Computer software	19,433	1,507	-	-	20,940
Computer software in progress	325	-	(325)	-	-
Total	19,758	1,507	(325)		20,940
<u>Less</u> Accumulated amortization	10,803	1,166	-		11,969
Differences from translation of foreign entity	(35)				(27)
Intangible assets - net	8,920				8,944

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2015

	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</u> Accumulated amortization	9,397	1,406	-	-	10,803
Differences from translation of foreign entity	23				(35)
Intangible assets - net	7,533				8,920

	Thousand Baht				Balance as at December 31, 2015
	Separate financial statements				
	Balance as at December 31, 2014	Movement during the year			
	Addition	Deduction	Transfer in (Transfer out)		
<u>At cost</u>					
Computer software	19,024	828	-	-	19,852
Computer software in progress	325	-	(325)	-	-
Total	19,349	828	(325)	-	19,852
<u>Less</u> Accumulated amortization	10,656	1,123	-	-	11,779
Intangible assets - net	8,693				8,073

	Thousand Baht				Balance as at December 31, 2014
	Separate financial statements				
	Balance as at December 31, 2013	Movement during the year			
	Addition	Deduction	Transfer in (Transfer out)		
<u>At cost</u>					
Computer software	16,535	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	7,241				8,693

	Thousand Baht			
	Consolidated financial statement		Separate financial statement	
	2015	2014	2015	2014
Amortization for the year	1,166	1,406	1,123	1,362

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NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2015

13. DEFERRED TAX ASSETS AND DEFERED TAX LIABILITIES

Deferred tax assets and deferred tax liabilities as follows:-

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Deferred tax assets	6,886	6,775	6,775	6,457
Deferred tax liabilities	(13,492)	(12,833)	(13,202)	(12,543)
Net	(6,606)	(6,058)	(6,427)	(6,086)

Changes in deferred tax liabilities for the year ended December 31, 2015 and 2014 are summarized as follows:-

	Thousand Baht			
	Consolidated financial statements			
	Balance as at	Revenue (expenses) during the year		Balance as at
	December 31, 2014	In profit or loss	In other comprehensive income	December 31, 2015
Deferred tax assets:				
Inventories	1,086	89	-	1,175
Property, plant, and equipment	1,270	(764)	-	506
Provisions for employee benefits	4,419	786	-	5,205
Total	6,775	111	-	6,886
Deferred tax liabilities:				
Property, plant, and equipment	12,833	659	-	13,492
Total	12,833	659	-	13,492
Net	(6,058)			(6,606)

	Thousand Baht			
	Consolidated 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	2,811	(1,541)	-	1,270
Provisions for employee benefits	3,708	711	-	4,419
Total	7,133	(358)	-	6,775
Deferred tax liabilities:				
Property, plant, and equipment				
Difference from translation of foreign entity	12,021	812	-	12,833
foreign entity	2,098	-	(2,098)	-
Total	14,119	812	(2,098)	12,833
Net	(6,986)			(6,058)

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2015

	Thousand Baht				
	Separated financial statements				
	Balance as at	Revenue (expenses) during the year			Balance as at
	December 31, 2014	In profit or loss	In other comprehensive income		December 31, 2015
Deferred tax assets:					
Inventories	1,086	89	-	1,175	
Property, plant, and equipment	952	(557)	-	395	
Provisions for employee benefits	4,419	786	-	5,205	
Total	<u>6,457</u>	<u>318</u>	<u>-</u>	<u>6,775</u>	
Deferred tax liabilities:					
Property, plant, and equipment	12,543	659	-	13,202	
Net	<u>12,543</u>	<u>659</u>	<u>-</u>	<u>13,202</u>	
	<u>(6,086)</u>			<u>(6,427)</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, 2015

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

Bank overdraft and short-term loans from financial institutions consist of :

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Promissory notes	471,092	397,000	447,000	395,000
Trust receipt	-	40,293	-	34,567
Total	471,092	437,293	447,000	429,567

As at December 2015 and 2014, 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 December 31, 2015, the Company and its subsidiaries have bank overdraft in limit of Baht 110 million at interest rate set by the bank and has short-term loan in term of promissory note in limit of Baht 610 million and CNY 3 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 37.89 million (Total limit of Baht 757.89 million and Yuan 3 million).

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.

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 11).

15. SHORT-TERM LOANS FROM OTHER INDIVIDUAL

According to the Board of Directors' Meeting no. 4/2015 dated August 11, 2015, it has a resolution to approve the Company's funding by issuing of Bill of Exchange which is offering for private placement not over 10 issues as at one moment at the total amount not exceeding Baht 100 million.

As at December 31, 2015, the Company had 5 short-term loans from other individual with a total amount of Baht 90 million by issuing 6-month bill of exchange at the interest rate of 3.90 percent per annum.

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2015

16. OTHER CURRENT LIABILITIES

Other current liabilities consisted of :-

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Deposit received to mold	23,206	71,288	23,206	71,288
Other current liabilities	16,648	11,385	14,495	1,717
Total	39,854	82,673	37,701	73,005

17. LONG-TERM LOANS

Long-term loans consist of :-

Loans	Thousand Baht			
	Consolidated financial statements			
	Balance as at December 31, 2014	Increase	Decrease	Balance as at December 31, 2015
1. Baht 85.00 million	27,478	-	(18,240)	9,238
2. Baht 45.00 million	5,637	-	(5,637)	-
3. Baht 40.00 million	19,990	-	(8,004)	11,986
4. Baht 40.00 million	24,600	-	(8,880)	15,720
5. Baht 80.00 million	57,220	-	(16,080)	41,140
6. Baht 60.80 million	48,800	-	(12,000)	36,800
7. Baht 80.00 million	73,304	-	(13,114)	60,190
8. Baht 147.20 million	112,480	-	(29,400)	83,080
9. Baht 41.00 million	8,121	30,200	(1,755)	36,566
10. Baht 48.00 million	-	10,111	(1,600)	8,511
11. Baht 40.00 million	-	32,774	(1,340)	31,434
12. Baht 30.00 million	16,588	-	(6,171)	10,417
13. Baht 13.70 million	6,850	5,600	(2,622)	9,828
14. Yuan 4.00 million	-	11,119	-	11,119
Total	401,068	89,804	(124,843)	366,029
Less payment due within one year	(122,078)			(139,535)
Net	278,990			226,494

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2015

Loans	Thousand Baht			
	Separate financial statements			
	Balance as at December 31, 2014	Increase	Decrease	Balance as at December 31, 2015
1. Baht 85.00 million	27,478	-	(18,240)	9,238
2. Baht 45.00 million	5,637	-	(5,637)	-
3. Baht 40.00 million	19,990	-	(8,004)	11,986
4. Baht 40.00 million	24,600	-	(8,880)	15,720
5. Baht 80.00 million	57,220	-	(16,080)	41,140
6. Baht 60.80 million	48,800	-	(12,000)	36,800
7. Baht 80.00 million	73,304	-	(13,114)	60,190
8. Baht 147.20 million	112,480	-	(29,400)	83,080
9. Baht 41.00 million	8,121	30,200	(1,755)	36,566
10. Baht 48.00 million	-	10,111	(1,600)	8,511
11. Baht 40.00 million	-	32,774	(1,340)	31,434
Total	377,630	73,085	(116,050)	334,665
Less payment due within one year	(114,559)			(128,464)
Net	263,071			206,201

As at December 31, 2015, there is a loan from two local Commercial banks (loan amount Baht 750.70 million and Yuan 4.00 million) which consists of :-

Loan 1st 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 2nd 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 3rd 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, 2015

Loan 4th 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 5th 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 6th 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 7th 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 8th 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 9th 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 70 installments at the amount of Baht 135,000.00 per month. The final payment will pay the remaining amount which starts the first installment on April 30, 2015. During the year 2015, the Company increase loan in the principle amount of Baht 30.20 million. Repayment of principal excluding interest are 70 installments at the amount of Baht 504,000.00 per month. The final payment will pay the remaining amount which starts the first installment on January 31, 2016.

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2015

Loan 10th 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. As at December 31, 2015, the Company and its subsidiaries have used loans in amount of Baht 10.11 million. Repayment the principal excluding interest are 77 installments at the amount of Baht 800,000.00 per month which starts the first installments on November 30, 2015.

Loan 11th On July 24, 2013, the Company entered into a loan agreement in the principal amount of Baht 40 million with the interest rate set by the bank. During the year 2015, the Company increase loan in the principle amount of Baht 32.77 million. Repayment of the principal excluding interest are 60 installments at the amount of Baht 670,000.00 per month. The final payment will pay the remaining amount which starts the first installment on November 30, 2015.

Loan 12th 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.

Loan 13th 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. During the year 2015, the Company increase loan in the principle amount of Baht 5.60 million. Repayment of 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 February 28, 2015.

Loan 14th On August 27, 2015, an overseas subsidiary has entered into a loan agreement for the limit of CNY 4.00 million with the interest rate set by the bank. As at December 31, 2015, the Company has used loans in amount of CNY 2.01 million. Repayment of principle excluding interest is made for 12 installments at the amount of CNY 167,083.33 per month (3 months = 1 installment). The final payment will pay the remaining amount which starts the first installment on August 29, 2016.

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 11)

The loans facilities have interest rates set by bank.

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
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The Company has to comply with the conditions as specified in the significant agreements. On February 11, 2016, the Company has approved the change of financial condition from a financial institution for the year 2015 by referencing the separate financial statements. The financial condition as specified in the agreement has been maintained after the year 2015 as follows:

conditions	Conditions in the year 2015	conditions in agreements
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	1.0 times
2. The Company shall maintain its debt to equity (D/E ratio) at the ratio not exceeding	2.0 times	1.5 times
3. The Company shall maintain its DSCR at not lesser than	1.0 times	1.5 times

18. 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								
2015				2014				
	Principal	Deferred Interest	Input VAT	Total Payment	Principal	Deferred Interest	Input VAT	Total Payment
Payment due within one year	5,334	341	-	5,675	7,919	674	-	8,593
Payment due after one year								
But not over five years	4,337	215	-	4,552	6,305	172	-	6,477
Total	9,671	556	-	10,227	14,224	846	-	15,070
Thousand Baht								
Separate financial statements								
2015				2014				
	Principal	Deferred Interest	Input VAT	Total Payment	Principal	Deferred Interest	Input VAT	Total Payment
Payment due within one year	5,334	341	-	5,675	7,919	674	-	8,593
Payment due after one year								
But not over five years	4,337	215	-	4,552	6,305	172	-	6,477
Total	9,671	556	-	10,227	14,224	846	-	15,070

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2015

During the years 2015 and 2014, the Company had entered into 5 contract and 1 contracts for vehicles and machinery lease. The total amount of the contracts are Baht 3,885,663.25 and Baht 918,240.00, respectively.

As at December 31, 2015, 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 19 contracts. The total amounts of the contracts value are of Baht 35,590,084.56 (excluding of VAT). Installments period are 36-60 months and the total repayments are of Baht 687,797.01 (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 19 contracts in the total of Bath 8,395,342.85 (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.

19. Employee benefit obligations

As at December 31, 2015 and 2014, the Company and its subsidiaries have defined benefit obligations as follow:-

The statements of financial position

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Defined benefit obligations Beginning balance	24,951	20,748	23,152	19,186
Current service costs and interest	4,796	4,203	4,511	3,966
Benefits paid by the plan	(267)	-	-	-
Defined benefit obligations at Ending balance	<u>29,480</u>	<u>24,951</u>	<u>27,663</u>	<u>23,152</u>

Expense recognized in statement of comprehensive income

	Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Current service costs				
Cost of sales	1,952	1,661	1,732	1,479
Administrative expenses	295	490	280	480
Management and directors' benefit expenses	1,712	1,353	1,712	1,353
	<u>3,959</u>	<u>3,504</u>	<u>3,724</u>	<u>3,312</u>
Interest on obligation	837	699	787	654
Total	<u>4,796</u>	<u>4,203</u>	<u>4,511</u>	<u>3,966</u>

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2015

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	5% of
	Thai's Mortality Rate	Thai's Mortality Rate

The Company has not disclosed the effect of changing in significant assumption to the present value of long-term employee benefit obligations as at December 31, 2015 as there is no information from the actuaries.

20. SHARE CAPITAL

According to the annual ordinary shareholders' meeting for the year 2015 dated April 21, 2015, it has been approved to increase the Company's registered share capital from Baht 276,000,000 to Baht 287,040,000. The increased registered capital amounting Baht 11,040,000 is from the issuance of 22,080,000 new ordinary shares, which has the par value at Baht 0.5 per share to support the dividend payment to the Company's shareholders who are entitled to receive the dividend. The Company has registered with the Ministry of Commerce on May 18, 2015.

21. LEGAL RESERVE

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorized capital. The legal reserve is not available for dividend distribution.

22. ALLOCATION OF RETAINED EARNINGS

Parent Company

Year 2015

According to the annual ordinary shareholders' meeting of the year 2015 dated April 21, 2015, it has been approved to allocate a portion of retained earnings as legal reserve of Baht 365,608.52 totaling Baht 27,600,000.00 in legal reserve, which is already set aside at least 10% of the registered capital and paid dividends to the shareholders in ordinary shares of not over 22,080,000 shares, with the par value of Baht 0.50 each, at a ratio of 25 existing shares to 1 stock dividend or a total amount of not exceeding Baht 11.04 million, or dividend payout rate of Baht 0.020/share. In the event that shareholders have the remaining from existing shares after the allocation of stock dividend, it has to pay a cash dividend instead of paying a stock dividend at Baht 0.020 per share (before dilution) to be paid from the net profit of the promoted business that is exempt from income tax. The dividends were paid on May 18, 2015.

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2015

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.

Subsidiaries

Year 2015

According to the extra ordinary shareholders meeting no.1/2015 of Millpack Co., Ltd. on November 19, 2015, which has approval resolution to pay the dividend to the Company's shareholders in the rate of Baht 5,850.00 per share, in the total amount of Baht 70.20 million. The payment will be made on December 22, 2015.

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.

23. PROVIDENT FUND

The Company and subsidiaries have set up a Provident Fund which is contributory by employees and the Company. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

Provident funds' expense for the years ended December 31, 2015 and 2014 are as follow:-

	Thousand Baht			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2015	2014	2015	2014
Provident funds' expense	4,634	3,881	4,412	3,671

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2015

24. CREDIT LIMIT

As at December 31, 2015 and 2014 the Company and its subsidiaries have many credit limits with four financial institutions. The total amounts of credit limit are of Baht 1,889.20 million, USD 2 million and Baht 1,780.70 million, USD 2 million and as at December 31, 2015 have amount CNY 7 million 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 at December 31, 2015, the Company and its subsidiaries have used loans and other bank facilities, totaling of Baht 1,364.04 million. The remaining credit limits are of Baht 492.36 million and it has used loans, totaling of CNY 4.01 million. The remaining Credit limited are of CNY 2.99 million. This credit secured by the mortgage company's land (Please see note 11) and giving beneficiary of sum insured of the company's fixed assets to the financial institutions.

As at December 31, 2015, the Company has a credit limit with a local bank for Standby Letter of Credit at the total limit amount of Baht 48.80 million which is secured by savings deposits amount of Baht 5.50 million (see note 9) and some machineries of the Company.

25. 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.

26. TAX EXPENSE (INCOME)

26.1 Major components of tax expense (income)

For the years ended December 31, 2015 and 2014 consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Income tax expense (income) shown in profit or loss :				
Current tax expense:				
Income tax expense for the year	4,313	2,920	-	-
Deferred tax expense (income):				
Changes in temporary differences relating to the original recognition and reversal	548	1,170	341	963
Revaluation of the deferred tax resulting from changing in tax rates	-	-	-	-
Total	<u>4,861</u>	<u>4,090</u>	<u>341</u>	<u>963</u>

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2015

26.2 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, 2015 and 2014 which are summarized as follows:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Accounting profit (loss) for the year	103,306	39,498	103,011	17,688
The applicable tax rate (%)	20%	20%	20%	20%
Tax expense (income) at the applicable tax rate	20,661	7,900	20,602	3,537
Reconciliation items:				
Tax effect of expenses that are not deductible in determining tax profit:				
- Expenses not allowed as expenses in determining taxable profit	1,463	2,390	1,463	605
Tax effect of income or profit that are not required in determining taxable profit:				
- Exemption of non-taxable dividend income	-	-	(14,118)	(8,998)
- The exemption of profit of the promoted business (BOI)	(16,285)	(15,493)	(5,805)	(5,518)
- Expense for tax deductible	(348)	(473)	(348)	(271)
Others	(630)	9,766	(1,453)	11,608
Total reconciliation items	(15,800)	(3,810)	(20,261)	(2,574)
Total tax expense (income)	4,861	4,090	341	963

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

For the years ended December 31, 2015 and 2014 are summarized as follows:

	Consolidated financial statements			
	2015		2014	
	Tax amount (Thousand Baht)	Tax rate (%)	Tax amount (Thousand Baht)	Tax rate (%)
Accounting profit (loss) before tax expense for the year	103,306		39,498	
Tax expense (income) at the applicable tax rate	20,661	20.00	7,900	20.00
Reconciliation items	(15,800)	(15.29)	(3,810)	(9.65)
Tax expense (income) at the average effective tax rate	4,861	4.71	4,090	10.35

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2015

	Separate financial statements			
	2015		2014	
	Tax amount (Thousand Baht)	Tax rate (%)	Tax amount (Thousand Baht)	Tax rate (%)
Accounting profit (loss) before tax expense for the year	103,011		17,688	
Tax expense (income) at the applicable tax rate	20,602	20.00	3,537	20.00
Reconciliation items	(20,261)	(19.67)	(2,574)	(14.55)
Tax expense (income) at the average effective tax rate	341	0.33	963	5.45

27. EXPENSE BY NATURE

Expense by nature has significant transaction for the years ended December 31, 2015 and 2014 are as follows:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Changes in finished goods and work in progress	8,210	(39,326)	8,212	(34,741)
Purchases of finished goods	106,881	115,154	243,174	235,966
Used raw material and wasteful supply	1,225,356	1,216,069	1,084,923	1,037,854
Expenses for employees	434,048	364,969	396,209	329,063
Depreciation and amortization	146,805	126,090	125,682	110,114

28. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing profit (loss) for the year by weighted average number of ordinary shares that issued and paid during the year after adjusting the number of ordinary shares to reflect the impact of the stock dividend. The prior year's basic earnings per share has been recalculated as if the stock dividend had been distributed at the beginning of the earliest year reported.

		Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
			(Restated)		(Restated)
Profit (loss) for the period of ordinary share's					
shareholders	(Thousand Baht)	98,481	35,490	102,669	16,725
Weighted average number of ordinary share	(Thousand Share)	574,080	574,080	574,080	574,080
Basic earnings per share	(Baht per share)	0.17	0.06	0.18	0.03

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2015

29. 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, 2015

Thousand Baht

	Consolidated financial information															
	Industrial in Thailand								Industrial in China		Trading in Thailand		Elimination		Total	
	Samuthsakhon		Bangkok		Chonburi		Total									
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
<u>For the year ended December 31</u>																
Revenues																
- External customers	1,257,761	1,240,380	143,525	127,159	1,105,160	731,445	2,506,946	2,098,984	166,562	146,231	47,527	49,693	-	-	2,721,035	2,294,908
- Group	47,666	49,608	166,655	157,141	14	-	214,335	206,749	-	-	401,345	-	(615,680)	(206,749)	-	-
Total	<u>1,305,427</u>	<u>1,289,988</u>	<u>310,180</u>	<u>284,300</u>	<u>1,105,174</u>	<u>731,445</u>	<u>2,721,281</u>	<u>2,305,733</u>	<u>166,562</u>	<u>146,231</u>	<u>448,872</u>	<u>49,693</u>	<u>(615,680)</u>	<u>(206,749)</u>	<u>2,721,035</u>	<u>2,294,908</u>
Segment gross profit	184,639	148,844	21,565	13,134	180,811	148,914	387,015	310,892	27,292	19,842	5,079	2,485	3,433	1,961	422,819	335,180

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2015

30. LONG-TERM LEASE AND SERVICE AGREEMENT

As at December 31, 2015 and 2014, the Company and its subsidiaries have long-term lease agreements as follows:

30.1 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

Year 2015, Baht 1,376,741.97 per month (equal Yuan 244,802, referred to exchange rate 5.6239 Baht)

Year 2014, Baht 749,710.21 per month (equal Yuan 140,083, referred to exchange rate 5.3519 Baht)

30.2 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.

30.3 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. And in February of 2016, the Company had adjusted the lease for factory to Millpack Company limited (subsidiary) for three years, starting on January 1, 2016 and contract renewal every 3 more years with the rental and service fee Baht 628,000 per month.

As at December 31, 2015 and 2014, 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	
	2015	2014	2015	2014
<u>Paid within</u>				
1 year	18,140	10,616	-	-
More than 1 year but not over 5 years	1,377	11,366	-	-
More than 5 years	-	-	-	-

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2015

31. RIGHTS AND BENEFITS UNDER THE INVESTMENT PROMOTION ACT

	PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED					Millpack Co., Ltd.(Subsidiary)		
						Bangkok Branch	Samutsakhon Branch	
Promotional Certificate no.	1080(10)/2553	1745(2)/2555	1044(2)/2557	58-2011-0-00-1-0	58-2010-0-00-1-0	1379(5)/2556	1882(5)/2555	
Date of granted the promotional certificate	28 Dec. 2009	16 Jan.2012	15 Oct.2013	17 Mar.2015	23 Mar.2015	26 Sep.2011	3 Apr.2012	
The promotional investment in the business : For produce plastic packaging and plastic parts for various industries								
Exercise Benefits								
1.	Exempt from corporate income tax on profit derived from the operation that has been promoted started from the first day of realizing sales and/or services income.	7 years	7 years	7 years	7 years	3 years	8 years	8 years
2.	Exempt from corporate income tax for the dividends derived from profits from the business which has been promoted	5 years	5 years	5 years	5 years	5 years	5 years	5 years
3.	Exemption /Deduction of import duty tax for machines	Exemption under Section 28	Exemption under Section 28	Exemption under Section 28	Exemption under Section 28	Deduction under Section 29	Exemption under Section 28	Exemption under Section 28

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2015

32. 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, 2015 and 2014 as follows:

Thousand Baht						
Consolidated financial statements						
2015			2014			
Business that have been promoted in investment (Note 31)	Business that not be promoted in investment	Total	Business that have been promoted in investment (Note 31)	Business that not be promoted in investment	Total	
Revenue						
Sales	716,305	2,004,730	633,668	1,661,240	2,294,908	
Other Revenues	234	5,633	882	4,761	5,643	
Total Revenues	716,539	2,010,363	634,550	1,666,001	2,300,551	

Thousand Baht						
Separate financial statements						
2015			2014			
Business that have been promoted in investment (Note 31)	Business that not be promoted in investment	Total	Business that have been promoted in investment (Note 31)	Business that not be promoted in investment	Total	
Revenue						
Sales	716,305	1,838,320	633,668	1,514,924	2,148,592	
Dividend income	-	70,182	-	44,988	44,988	
Other Revenues	24	7,860	789	6,700	7,489	
Total Revenues	716,329	1,916,362	634,457	1,566,612	2,201,069	

33. FINANCIAL INSTRUMENTS

Financial instruments are any contract that enables the financial assets of a business and financial liabilities or equity increased at the same time.

Risk Associated with Financial Instruments, which are significant and management policies of the Company and its subsidiaries are as follows:

Credit risk

The credit risk that related to account receivable of the Company and its subsidiaries are rather low because the Company and its subsidiaries have carefully policy in giving credit by considering from the ability in repayment. The number may have lost most in giving credit of the Company and its subsidiaries will be equal to the book value of receivables in the statement of financial position.

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2015

Interest rate risk

The Company and its subsidiaries have interest rate risk because they have short - term and long-term loan from financial institutions. The risk from interest rate occurred from fluctuations in market interest rates in the future, which will affect the results of operations and cash flows of them. The Company and its subsidiaries' risk of interest rates mainly related to loans from local commercial banks because the majority of mentioned financial liabilities are categorized in short term type and interest rates fluctuate according to market rate. Therefore, the Company and its subsidiaries do not use derivative instruments to prevent such risk.

Liquidity risk

Liquidity risk might occur from the fact that the Company and its subsidiaries are unable to sell financial assets in a timely manner with a price close to fair value. The Company and its subsidiaries might have liquidity risk as appeared in the company's statement of financial position, if the company and its subsidiaries cannot ask for bill payments from the accounts receivable of them to keep up with the payment of commercial debt.

Financial Assets of the Company and its subsidiaries comprises of cash and bank deposit and the accounts receivable which has liquidity and able rapidly change to money present in fair value.

Foreign currency risk

The Company and its subsidiaries have foreign currency risk due to having trade accounts payable for purchases of goods and machineries in foreign currency. As at December 31, 2015, the Company has made foreign currency forward contract in order to prevent foreign currency risk amount 3 contracts as follows:

Currency	Bought amount	Contractual rate (Baht)
USD	500,000.00	35.92
USD	250,000.00	35.53
EUR	71,720.12	40.60

As at December 31, 2015, it has outstanding foreign currency liability as follows:

Consolidated financial statement		
Currency	Liability	Average selling exchange rate As at December 31, 2015 (Baht per foreign currency)
USD	308,812.99	36.2538
EUR	17,582.83	39.7995
JPY	2,181,690.00	0.302756

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2015

Separate financial statement		
Currency	Liability	Average selling exchange rate As at December 31, 2015 (Baht per foreign currency)
USD	308,812.99	36.2538
EUR	17,582.83	39.7995
JPY	2,181,690.00	0.302756

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)
USD	362,458.52	33.1132
EUR	124,705.42	40.3552
JPY	1,306,500.00	0.276511

Separate financial statement		
Currency	Liability	Average selling exchange rate As at December 31, 2014 (Baht per foreign currency)
USD	362,458.52	33.1132
EUR	123,264.07	40.3552
JPY	1,306,500.00	0.276511

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.

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2015

34. 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, 2015, the Company has foreign currency forward contract for purchases of inventories from overseas as follows (see note 33):

Currency	Bought amount	Contractual rate (Baht)
USD	500,000.00	35.92
USD	250,000.00	35.53
EUR	71,720.12	40.60

As at December 31, 2014, the Company has foreign currency forward contract for purchases of inventories from China as follows (see note 33):

Currency	Bought amount	Contractual rate (Baht)
EUR	330,739.24	41.50

35. FUND MANAGEMENT

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

36. COMMITMENTS AND CONTINGENT LIABILITIES

As at December 31, 2015, the Company had commitments and contingent liabilities as follows:

- 36.1 The Company and its subsidiary granted two local banks to issue a letter of guarantee for electricity consumption in factory in the amount of Baht 15.33 million.
- 36.2 The Company granted the main bank lender to issue a letter of guarantee for its sale contract with the contractor in the amount of Baht 192.13 million.
- 36.3 The company and its subsidiary had obligation that was agreed to acquire machinery and equipment in the amount of Baht 45.11 million.

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2015

37. EVENTS AFTER THE REPORTING REPORT

37.1 According to the Board of Directors' Meeting no. 1/2016 dated February 4, 2016, it has a resolution to approve as follow:

- Increasing the Company's funding by issuing of Bill of Exchange which is offering for private placement not over 10 issues as at one moment at the total amount not exceeding Baht 400 million (formerly limit, Baht 100 million, increase limit Baht 300 million).

37.2 According to the Board of Directors' Meeting no. 2/2016 dated February 23, 2016, it has a resolution to propose to the Annual General Meeting of 2016 of the Company's shareholders :

- Approval the appropriation of legal reserve in amount of Baht 1,103,997.25. totaling legal reserve in amount of Baht 28,703,997.25. This amount is not less than 10% of the registered authorized capital and pay the dividend from net profit for the year ended December 31, 2015 in the rate of Baht 0.10 per share, in the total amount not exceeding Baht 57,407,994.50.
- Approve the Company's funding by issuing long-term debentures at the total amount not exceeding Baht 500 million.

38. THE REVISED ACCOUNTING STANDARDS ARE NOT YET EFFECTIVE IN THE CURRENT YEAR

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

These revised accounting standards which are effective for the fiscal year beginning on or after January 1, 2016 are as follows:

Conceptual Framework for Financial Reporting (revised 2015)

TAS 1 (revised 2015) Presentation of Financial Statements

TAS 2 (revised 2015) Inventories

TAS 7 (revised 2015) Statement of Cash Flows

TAS 8 (revised 2015) Accounting Policies, Changes in Accounting Estimates and Errors

TAS 10 (revised 2015) Events After the Reporting Period

TAS 11 (revised 2015) Construction Contracts

TAS 12 (revised 2015) Income Taxes

TAS 16 (revised 2015) Property, Plant and Equipment

TAS 17 (revised 2015) Leases

TAS 18 (revised 2015) Revenue

TAS 19 (revised 2015) Employee Benefits

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2015

TAS 20 (revised 2015)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2015)	Borrowing Costs
TAS 24 (revised 2015)	Related Party Disclosures
TAS 26 (revised 2015)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2015)	Separate Financial Statements
TAS 28 (revised 2015)	Investments in Associates And Joint Ventures
TAS 29 (revised 2015)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2015)	Earnings Per Share
TAS 34 (revised 2015)	Interim Financial Reporting
TAS 36 (revised 2015)	Impairment of Assets
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2015)	Intangible assets
TAS 40 (revised 2015)	Investment Property
TAS 41	Agriculture
TFRS 2 (revised 2015)	Share-based Payment
TFRS 3 (revised 2015)	Business Combinations
TFRS 4 (revised 2015)	Insurance Contracts
TFRS 5 (revised 2015)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2015)	Exploration for and Evaluation of Mineral Assets
TFRS 8 (revised 2015)	Operating Segments
TFRS 10 (revised 2015)	Consolidated Financial Statements
TFRS 11 (revised 2015)	Joint Arrangements
TFRS 12 (revised 2015)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2015)	Fair Value Measurement
TSIC 10 (revised 2015)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2015)	Operating Leases - Incentives
TSIC 25 (revised 2015)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2015)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2015

TSIC 29 (revised 2015)	Service Concession Arrangements: Disclosure
TSIC 31 (revised 2015)	Revenue-Barter Transactions Involving Advertising Services
TSIC 32 (revised 2015)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2015)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2015)	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2015)	Applying the Restatement Approach under TAS 29 (revised 2015) Financial Reporting in Hyperinflationary Economics
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2015)	Service Concession Arrangements
TFRIC 13 (revised 2015)	Customer Loyalty Programmes
TFRIC 14 (revised 2015)	TAS 19 (revised 2015) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2015)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2015)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2015)	Transfers of Assets from Customers
TFRIC 20 (revised 2015)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21	Levies

The management of the Company and its subsidiaries believe that these accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standards interpretations which are issued and revised will not have any significant impact on the financial statements for the year when they are initially applied.

39. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Board of Directors of the Company on February 23, 2016.

Directors, Executives, Company's Secretary and Head of Internal Audit profile

● Directors

1. Dr. Damri Sukhotanang

Age	66 years
Position	Board Chairman / Independent Director / Nomination and Remuneration Committee Chairman
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	Thai Institute of Directors - Director Certification Program (DCP) Class DCP70/2006 - Financial Statement for Director (FSD) Class 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	
Listed company	- Siam Steel Service Center Plc.
Non-listed company	- None
<u>In any companies which may result in a conflict of interest with the Company</u>	- None
First Appointment	2001 15, July
Term of office	4 years
Percentage of shares at 2015 31, December	Ordinary shares 260,000 shares, representing 0.05 percent
Trading shares in 2015	Received dividend Stocks amount 10,000 shares
Having the following parent relationship with Directors and Executives	- None
Direct and indirect interests in the Company or in the relevant subsidiaries	- None
Meeting attendance in 2015	Board of Directors 6/6 Nomination and Remuneration Committee 3/3

2. Mr. Kongsak Hemmontharop

Age	76 years
Position	Director / Vice Chairman
Education	- Primary School, Sawang Wittaya School
Training Course	Thai Institute of Directors - Director Accreditation Program Class 90/2011
Work Experience	- 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	
Listed company	- None
Non-listed company	2 Companies as follows ; 1) Mill Pack Co., Ltd. 2) Elegance Packaging Co., Ltd.
<u>In any companies which may result in a conflict of interest with the Company</u>	
	- None
First Appointment	2011 1, March
Term of office	5 years
Percentage of shares at 2015 31, December	Ordinary shares 106,169,439 shares, representing 18.49 percent
Trading shares in 2015	Received dividend Stocks amount 4,083,439 shares
Having the following parent relationship with Directors and Executives	- Husband of Mrs. Malee Hemmontharop - Father of Mr. Wiwat, Mr. Satit, Mr. Pirun Hemmondharop
Direct and indirect interests in the Company or in the relevant subsidiaries	- None
Meeting attendance in 2015	Board of Directors 6/6

3. Mrs. Malee Hemmontharop

Age	72 years
Position	Director / Executive Committee Member
Education	- Primary School, Ban Paew Wittaya School
Training Courses	Thai Institute of Directors - Director Accreditation Program Class 90/2011
Work Experience	- 2013–Present Director/ Vice President / Chief Administrative Officer / Executive Committee : Panjawattana Plastic Plc. - 2011–2013 Director / Vice President : Panjawattana Plastic Plc. - 2014–Present Director : PJW Food 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.
- 1990–Present Director : Mill Pack Co., Ltd.

Current job positions in any listed company

Listed company - None

Non-listed company 5 Companies as follows ;

1. PJW Food Pack Co., Ltd.
2. Elegance Packaging Co., Ltd.
3. Panjawattana Plastic (Tianjin) Co., Ltd.
4. PCP Marketing Co., Ltd.
5. Mill Pack Co., Ltd.

In any companies which may result in a conflict of interest with the Company - None

First Appointment	2011 1, March
Term of office	5 years
Percentage of shares at 2015 31, December	Ordinary shares 114,797,874 shares, representing 20.00 percent
Trading shares in 2015	Received dividend Stocks amount 4,415,302 shares
Having the following parent relationship with Directors and Executives	- Spouse of Mr. Kongsak Hemmontharop - Mother of Mr. Wiwat, Mr. Satit, Mr. Pirun Hemmondharop
Direct and indirect interests in the Company or in the relevant subsidiaries	- None
Meeting attendance in 2015	Board of Directors 6/6

4. Mr. Wiwat Hemmondharop

Age	50 years
Position	Director / Risk Management Committee Member / Nomination and Remuneration Committee Member / Chairman of the Board of Executive Directors
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	Thai Institute of Directors - Director Certification Program Class 32/2003 - Chartered Director Class (CDC) Class 2014 The Securities Exchange of Thailand - Thailand CG Forum : Governance as a driving force for business sustainability
Work Experience	- 2015–Present Director / Risk Management Committee Member Nomination and Remuneration Committee Member / Chairman of the Board of Executive Directors : Panjawattana Plastic Plc. - 2014–2015 Director / Nomination and Remuneration Committee Member / 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.

- 2011–2013 Director / Chairman of the Board of Executive Directors : Panjawattana Plastic Plc.
- 2010–Present Director : Mill Pack Co., Ltd.
- 2010–Present Director : Thammanamai Health Cuisine Co., Ltd
- 2008–Present Director : Panjawattana Marketing Co., Ltd.
- 2005–Present Director : Pan Asia Chemical Co., Ltd.
- 2004–2010 Director : Elegance Packaging Co., Ltd.
- 1987–2011 Director : Panjawattana Marketing Co., Ltd.

Current job positions in any listed company

Listed company

- None

Non-listed company

5 Companies as follows ;

1. PJW Food Pack Co., Ltd.
2. Mill Pack Co., Ltd.
3. Panjawattana Plastic (Tianjin) Co., Ltd.
4. Panjawattana Marketing Co., Ltd.
5. Thammanamai Health Cuisine Co., Ltd
6. Pan Asia Chemical Co., Ltd.

In any companies which may result in a conflict of interest with the Company

- None

First Appointment

1987 30, November

Term of office

28 years

Percentage of shares at 2015 31, December

Ordinary shares 75,225,360 shares, representing 13.10 percent

Trading shares in 2015

Received dividend Stocks amount 2,886,160 shares
Purchased Stocks amount 185,200 shares

Having the following parent relationship with Directors and Executives

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

Direct and indirect interests in the Company or in the relevant subsidiaries

- None

Meeting attendance in 2015

Board of Directors	6/6
Nomination and Remuneration Committee	3/3
Risk Management Committee ^{1/}	1/3 ^{1/}

Remark : ^{1/}The Company's Board of Directors No. 5/2015 dated November 13, 2015 has its resolution to appointed Mr. Wiwat Hemmondharop work positions of risk management committee member in November 13, 2015

5. Mr. Satit Hemmondharop

Age	48 years
Position	Director / Executive Committee Member / Risk Management Committee Member/ Chief Executive Officer
Education	<ul style="list-style-type: none"> - 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	Thai Institute of Directors <ul style="list-style-type: none"> - Risk Management Committee Program (RMP) Class 2/2013 - Role of the Compensation Committee Class 11/2011 - Director Certification Program Class 121/2011 - Purposefully Designing a winning culture - Laws vs Business Practice – An Insider's view
Work Experience	<ul style="list-style-type: none"> - 2011–Present Director/Executive Committee Member/Risk Management Committee Member/ Chief Executive Officer : Panjawattana Plastic Plc. - 2014–Present Director : PJW Food Pack Co., Ltd. - 2196–Present Director : Mill Pack Co., Ltd. - 2003 – 2011 Director : Panjawattana Marketing Co., Ltd. - 1993 - 2003 Executive Committee Member : Panjawattana Marketing Co., Ltd. - 1991 - 1993 Production Manager : Panjawattana Marketing Co., Ltd.
Current job positions in any listed company	
Listed company	- None
Non-listed company	2 Companies as follows ; 1. Mill Pack Co., Ltd. 2. PJW Food Pack Co., Ltd.
<u>In any companies which may result in a conflict of interest with the Company</u>	
	- None
First Appointment	1992 9, October
Term of office	23 years
Percentage of shares at 2015 31, December	Ordinary shares 42,661,428 shares, representing 7.43 percent
Trading shares in 2015	Received dividend Stocks amount 1,706,457 shares Purchased 1,706,457 shares Sold 3,412,914 shares
Having the following parent relationship with Directors and Executives	<ul style="list-style-type: none"> - Son of Mr. Kongsak and Mrs. Malee Hemmontharop - Younger brother of Mr. Wiwat/ Elder brother of Mr. Pirun Hemmondharop
Direct and indirect interests in the Company or in the relevant subsidiaries	- None
Meeting attendance in 2015	Board of Directors 6/6 Risk Management Committee 3/3

6. Dr. Pirun Hemmondharop

Age	41 years
Position	Director / Risk Management Committee
Education	<ul style="list-style-type: none"> - 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	<p>Thai Institute of Directors</p> <ul style="list-style-type: none"> - Director Accreditation Program Class 90/2011 - Director Certification Program Class 150/2011 - Director Breakfast Talk Class 2/2011 - Financial Statements for Director Class 13/2011 <p>Thai Listed Companies Association</p> <ul style="list-style-type: none"> - TLCA Executive Development Program Class 13/2014 <p>King Prajadhipok's Institute</p> <ul style="list-style-type: none"> - Diploma, Public Economics for executive Class 11/2013 <p>Thammasat University</p> <ul style="list-style-type: none"> - Thammasat Leadership Program (TLP) Class 5
Work Experience	<ul style="list-style-type: none"> - 2013 -Present Director / Risk Management Committee : 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 -2013 Director / Executive Committee Member/ Vice President/ Chief Operating Officer and Supply Chain - Samutsakhon Branch : Panjawattana Plastic Plc. - 2008 -2011 Chief Operating Officer / Chief Human Resource Officer : Panjawattana Plastic Plc. - 2004-2008 Director, Course Director, Master's degree in Management : College of Management, Mahidol University
Current job positions in any listed company	
Listed company	- None
Non-listed company	5 Companies as follows ; <ol style="list-style-type: none"> 1. Panjawatna (Tianjin) Co., Ltd. 2. Elegance Packaging Co., Ltd. 3. PJ Composite Co., Ltd. 4. Composite Holding Co., Ltd.

5. Thammanamai Health Cuisine Co., Ltd

<u>In any companies which may result in a conflict of interest with the Company</u>	- None
First Appointment	2011 28, January
Term of office	5 years
Percentage of shares at 2015 31, December	Ordinary shares 35,688,640 shares, representing 6.22 percent
Trading shares in 2015	Received dividend Stocks amount 1,372,640 shares
Having the following parent relationship with Directors and Executives	- Son of Mr. Kongsak and Mrs. Malee Hemmontharop - Younger brother of Mr. Wiwat and Mr. Satit Hemmondharop
Direct and indirect interests in the Company or in the relevant subsidiaries	- None
Meeting attendance in 2015	Board of Directors 6/6 Risk Management Committee 3/3

7. Miss Charanya Sangsukdee

Age	51 years
Position	Director / Independent Director / Chairman of Audit Committee / Risk Management Committee Member
Education	- Bachelor's degree in Management Science, Sukhothaimathirath Open University - Master's degree in Business Administration, Kasetsart University - Mini Master of Management Program NIDA, University of California at Berkeley, USA
Training Courses	Thai Institute of Directors - Family Business Governance for Sustainability Class 2/2015 - Anti-Corruption for Executive Program Class 14/2015 - Anti-Corruption: The Practical Guide Class 16/2015 - Monitor the system of Internal Control and Risk Class 7/2009 - Monitor of the Quality of Financial Reporting Class 9/2009 - Monitor the Internal Audit Function Class 6/2009 - Monitor Fraud Risk Management Class 1/2009 - Director Certification Program Class 96/2007 - Audit Committee Program Class 27/2009 - Director Accreditation Program Class 62/2007
Work Experience	- 2011–Present Director / Independent Director / Chairman of Audit Committee / Risk Management Committee Member : Panjawattana Plastic Plc. - 1997–Present Managing Director : Tax Specialist Co., Ltd. - 1996–Present Managing Director : Bangkok Training Center Co., Ltd. - 2007-2011 Audit Committee member / Independent Director : Group Lease Plc. - 2006-2011 Audit Committee member/Independent Director : Globlex Holding Management Plc
Current job positions in any listed company	
Listed company	- None

Non-listed company	2 Companies as follows ;	
	1. Tax Specialist Co., Ltd.	
	2. Bangkok Training Center Co., Ltd.	
<u>In any companies which may result in a conflict of interest with the Company</u>	- None	
First Appointment	2011 28, January	
Term of office	5 years	
Percentage of shares at 2015 31, December	Ordinary shares 260,000 shares, representing 0.05 percent	
Trading shares in 2015	Received dividend Stocks amount 10,000 shares	
Having the following parent relationship with Directors and Executives	- None	
Direct and indirect interests in the Company or in the relevant subsidiaries	- None	
Meeting attendance in 2015	Board of Directors	6/6
	Audit Committee	4/4
	Risk Management Committee	2/3

8. Assoc. Prof. Dr. Aekkachai Nittayakasetwat

Position	Director / Independent Director Audit Committee member / Chairman of Risk Management Committee	
Age	52 years	
Education	<ul style="list-style-type: none"> - 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	Thai Institute of Directors : <ul style="list-style-type: none"> - Certificate of Attendance Director Accreditation Program (DAP) Class 35/2005 - Certificate of Attendance Role of the Compensation Committee Class 12/2011 - Certificate of Attendance Compensation Survey Class 1/2011 - Certificate of Attendance Risk Management Committees Program 	
Work Experiences	- 2011 – Present	Audit Committee member/Independent Director/Chairman of Risk Management Committee Panjawattana Plastic Plc.
	- 2011 – Present	Director/ Audit Committee member Stars Microelectronics (Thailand) Plc.
	- 2010 – Present	Independent Director/ Chairman of Audit Committee Universal Adsorbents & Chemicals Plc.
	- 2009 – Present	Director and Audit Committee member GT Wealth Management Co., Ltd.
	- 2008 – Present	Director/ Audit Committee Member Getabec Co., Ltd.

- 2006 – Present Independent Director/ Audit Committee member
TRC Construction Co., Ltd.
- 2007 – 2010 Dean Faculty of Business Administration National Institute of Development
Administration
- 2004 – 2006 Deputy Dean Faculty of Business Administration National Institute of
Development Administration

Current job positions in any listed company

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

- Non-listed company**
- 2 Companies as follows ;
- 1) GT Wealth Management Co., Ltd.
 - 2) Getabec Co., Ltd.

In any companies which may result in a conflict of interest with the Company - None

First Appointment	2011 28, January
Term of office	5 years
Percentage of shares at 2015 31, December	Ordinary shares 156,000 shares, representing 0.03 percent
Trading shares in 2015	Received dividend Stocks amount 6,000 shares
Having the following parent relationship with Directors and Executives	- None
Direct and indirect interests in the Company or in the relevant subsidiaries	- None
Meeting attendance in 2015	Board of Directors 6/6
	Audit Committee 5/5
	Risk Management Committee 3/3

9. Mr. Natthawut Khemayotin

Position	Director / Independent Director / Audit Committee member / Risk Management Committee member / Nomination and Remuneration Committee member
Age	47 years
Education	- Bachelor's degree in Commerce and Accountancy, Thammasat University - Master's degree in Business Administration, University of Dallas, Irving, Texas
Training Courses	Thai Institute of Directors - Remuneration Survey Reporting 2014 - Risk Management Committee Program (RMP) Class 2/2013 - Director Certification Program Class 70/2006
Work Experience	- 2014-Present Director / Independent Director / Audit Committee member / Risk Management Committee member / Nomination and Remuneration Committee member : Panjawattana Plastic Plc.

- 2011–2014 Director / Independent Director / Audit Committee member / Risk Management Committee member : Panjawattana Plastic Plc.
- 2013–Present Managing Director : North Caribbean Inter Trade Co., Ltd.
- 2004–Present Managing Director : Nu Na Co., Ltd.
- 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.

Current job positions in any listed company

Listed company - None

Non-listed company 2 Companies as follows ;
 1. Nu Na Co., Ltd.
 2. North Caribbean Inter Trade Co., Ltd.

In any companies which may result in a conflict of interest with the Company - None

First Appointment 2011 28, January

Term of office 5 years

Percentage of shares at 2015 31, December Ordinary shares 260,000 shares, representing 0.05 percent

Trading shares in 2015 Received dividend Stocks amount 6,000 shares

Having the following parent relationship with Directors and Executives -None

Direct and indirect interests in the Company or in the relevant subsidiaries -None

Meeting attendance in 2015

Board of Directors	6/6
Audit Committee	5/5
Risk Management Committee	3/3
Nomination and Remuneration Committee	2/2

● **Executives, Company's Secretary**

1. Mrs. Prim Chaiyawat

Position	President of Financial Officer/ Company's Secretary
Age	40 years
Education	<ul style="list-style-type: none"> - Bachelor's degree in Commerce and Accountancy, Thammasat University - Master's degree in Business Administration, Kasetsart University
Training Courses	<p>Thai Institute of Directors</p> <ul style="list-style-type: none"> - Audit Committee Program Class 37/2011 - Monitoring Fraud Risk Management Class 6/2011 - Effective Minute Taking Class 19/2011 - Company Secretary Program Class 37/2010 - Monitor of the Quality of Financial Reporting Class 9/2009 <p>Thai Listed Companies Association</p> <ul style="list-style-type: none"> - Principal Law and related regulation of Listed Company Program Class 11/2014 - Company Secretary Training Program Class 29/2014 <p>Federation of Accounting Professions</p> <ul style="list-style-type: none"> - Anti-Corruption in Organization Class 5 - Consolidated Financial Management - Beyond Treasury Management <p>Other</p> <ul style="list-style-type: none"> - Certificate of Merger and Acquisition Analysis : Thailand Securities Institute - Certificate of Provision Raise Funds by Bond Issue : Thai BMA - Management Communication : Sasin Business English - Thailand CG Forum : Governance as a driving force for business sustainability : The Securities Exchange of Thailand - Draft Transfer Pricing Law : PWC
Work Experience	<ul style="list-style-type: none"> - 2014–Present President of Financial Officer/ Company's Secretary : Panjawattana Plastic Plc. - 2011–2014 Finance Director/ Company's Secretary : Panjawattana Plastic Plc. - 2008–2011 Finance Director/ Company's Secretary : Panjawattana Plastic Co., Ltd. - 2006–2007 Accounting Manager : Panjawattana Plastic Co., Ltd. - 2003–2006 Chief, Budget and Finance Section : Panjawattana Plastic Co., Ltd. - 2001–2002 Senior Tax Auditor Ernst & Young Corporate - 1997–2001 Senior Auditor Ernst & Young Office Limited
Current job positions in any listed company	
Listed company	- None
Non-listed company	- None
<u>In any companies which may result in a conflict of interest with the Company</u>	- None
First Appointment	- None
Term of office	- None

Percentage of shares at 2015 31, December

Ordinary shares 340,000 shares, representing 0.06 percent

Trading shares in 2015

Received dividend Stocks amount 14,000 shares

2. Miss Penchan Tobaramееkul

Position Operating Director - Chonburi Branch

Age 49 years

Education - Bachelor's degree in Business Administration, Siam University

Work Experience

- 2014–Present Operating Director, Chonburi Branch : Panjawattana Plastic Plc.
- 2011–2014 Operating and Supply Chain 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
- 1998–1994 Assistant Production Planning Manager : Tre-Atthaboon Industry Co., Ltd.

Current job positions in any listed company

Listed company - None

Non-listed company - None

In any companies which may result in a conflict of interest with the Company - None

First Appointment - None

Term of office - None

Percentage of shares at 2015 31, December

Ordinary shares 364,000 shares, representing 0.06 percent

Trading shares in 2015

Received dividend Stocks amount 14,000 shares

3. Mrs. Kunnika Jenjulporn

Position Operating Director- Samutsakhon Branch

Age 51 years

Education - Bachelor's degree in Political Science, Ramkhamhaeng University

Work Experience

- 2014–Present Operating Director, Samutsakhon Branch : Panjawattana Plastic Plc.
- 2011–2014 Operating and Supply Chain Director, Samutsakhon Branch : Panjawattana Plastic Co., Ltd.
- 2010–2011 Procurement Director : Panjawattana Plastic Co., Ltd.
- 1996–2009 Procurement Manager : Panjawattana Plastic Co., Ltd.

Current job positions in any listed company

Listed company - None

Non-listed company - None

<u>In any companies which may result in a conflict of interest with the Company</u>	- None
First Appointment	- None
Term of office	- None
Percentage of shares at 2015 31, December	Ordinary shares 260,000 shares, representing 0.04 percent
Trading shares in 2015	Received dividend Stocks amount 12,000 shares Sold 56,000 shares

4. Miss Thitima Tuntivuttikul

Position	Marketing Director – Samutsakhon Branch
Age	42 years
Education	- Bachelor's degree in Liberal Art., Bangkok University - Master's degree in Business Administration, Chiang Mai University
Work Experience	- 2011–Present Marketing Director : Panjawattana Plastic Plc. - 1996–2011 Sales and Marketing Manager : Panjawattana Plastic Co., Ltd
Current job positions in any listed company	
Listed company	- None
Non-listed company	- None
<u>In any companies which may result in a conflict of interest with the Company</u>	- None
First Appointment	- None
Term of office	- None
Percentage of shares at 2015 31, December	Ordinary shares 340,000 shares, representing 0.06 percent
Trading shares in 2015	Received dividend Stocks amount 14,000 shares

5. Mr.Asda Kaewrux

Position	Marketing Director -Chonburi Branch
Age	51 years
Education	- Bachelor's degree in Marketing, Ramkhamhaeng University - Master's degree in Marketing (English program), Thammasat University
Work Experience	- 2011–Present Marketing Director - Chonburi Branch : Panjawattana Plastic Plc. - 2006–2011 Marketing Manager : Panjawattana Plastic Co., Ltd - 2005 Marketing Manager : Solartron Plc. - 2004 Marketing Manager : Amarin Printing and Publishing Plc. - 1997–2003 Marketing Director : Daidomon Group Plc.
Current job positions in any listed company	
Listed company	- None
Non-listed company	- None
<u>In any companies which may result in a conflict of interest with the Company</u>	- None
First Appointment	- None

Term of office	- None
Percentage of shares at 2015 31, December	Ordinary shares 132,080 shares, representing 0.02 percent
Trading shares in 2015	Received dividend Stocks amount 5,080 shares

6. Mr. Seksan Sinbunluekul

Position	Research and Development Director
Age	42 years
Education	- Bachelor's degree in Plastic Technology, Rajamangala University of Technology
Work Experience	- 2011–Present Research and Development Director : Panjawattana Plastic Plc. - 1996–2011 Research and Development Director : Panjawattana Plastic Co., Ltd.
Current job positions in any listed company	
Listed company	- None
Non-listed company	- None
<u>In any companies which may result in a conflict of interest with the Company</u>	- None
First Appointment	- None
Term of office	- None
Percentage of shares at 2015 31, December	Ordinary shares 364,000 shares, representing 0.06 percent
Trading shares in 2015	Received dividend Stocks amount 14,000 shares

7. Mrs. Nichaluk Muanphuak

Position	Quality Assurance Director
Age	40 years
Education	- Bachelor's degree in Science (Chemical), Chulalongkorn University
Work Experience	- 2014–Present Quality Assurance Director : Panjawattana Plastic Plc. - 2012–2014 Quality Assurance Manager : Summit Auto Seat Industry Co., Ltd. - 2007-2012 Assistant Quality Assurance Manager : Sony Device Technology (Thailand) Co., Ltd. - 1997-2006 Quality Assurance Engineer : Sony Device Technology (Thailand) Co., Ltd.
Current job positions in any listed company	
Listed company	- None
Non-listed company	- None
<u>In any companies which may result in a conflict of interest with the Company</u>	- None
First Appointment	- None
Term of office	- None
Percentage of shares at 2015 31, December	- None
Trading shares in 2015	- None

- **Head of Internal Audit**

1. Miss Supattra Nitjaya

Position	Head of Internal Audit
Age	27 years
Education	- Bachelor's Degree in Industrial Management Program, Dhurakij Pundit University
Training Courses	Federation of Accounting Professions under the Royal Patronage of His Majesty the King - Risk Assessment Method for Internal Audit Planning The Institute of Internal Auditors of Thailand (IIAT) - Compliance and Compliance Audit
Work Experience	- 2015–Present Head of Internal Audit : Panjawattana Plastic Plc. - 2014–2015 Internal Audit Officer : Panjawattana Plastic Plc. - 2013–2014 Qsys Auditor : Marine Gold Products Co., Ltd. - 2011–2013 Engineering Officer : : Index Interfern Co., Ltd.

Current job positions in any listed company

Listed company	- None
Non-listed company	- None
<u>In any companies which may result in a conflict of interest with the Company</u>	- None
First Appointment	- None
Term of office	- None
Percentage of shares at 2015 31, December	- None
Trading shares in 2015	- None

Directors and Executives with Controlling Power

Name	Panjawattana Plastic Plc.	Subsidiaries			
	Position	Mill Pack Co., Ltd. : MPC	Elegance Packaging Co., Ltd. : EPC	Panjawattana Plastic (Tianjin) Co., Ltd. : PJT	PJW Food Pack Co., Ltd. : PJF
1. Dr. Damri Sukhotanang	Board Chairman / Independent Director	-	-	-	-
2. Mr. Kongsak Hemmontharop	Director	Director	Director		
3. Mr. Wiwat Hemmondharop	Director / Chairman of the Board of Executive Directors	Director	-	Director	Director
4. Mrs. Malee Hemmontharop	Director / Vice Chief Executive Officer	Director	Director	Director	Director
5. Mr. Satit Hemmondharop	Director / Chief Executive Officer	Director	-	-	Director
6. Dr. Pirun Hemmondharop	Director	-	Director	Director	-
7. Miss Charanya Sangsukdee	Chairman of Audit Committee / Independent Director	-	-	-	-
8. Assoc. Prof. Dr. Aekkachai Nittayakasetwat	Independent Director	-	-	-	-
9. Mr. Natthawut Khemayotin	Independent Director	-	-	-	-
10. Mrs. Prim Chaiyawat	President of Financial Officer/ Company's Secretary	-	-	-	-
11. Mr.Chavapong Pipatjadsadakul	Chief Operating Officer	-	-	-	-
12. Miss Penchan Tobarameeikul	Operating Director - Chonburi Branch	-	-	-	-
13. Mrs. Kunnika Jenjulporn	Operating Director- Samutsakhon Branch	-	-	-	-
14. Miss Thitima Tuntivuttikul	Marketing Director – Samutsakhon Branch	-	-	-	-
15. Mr.Asda Kaewrux	Marketing Director -Chonburi Branch	-	-	-	-
16. Mr. Seksan Sinbunluekul	Research and Development Director	-	-	-	-
17. Mrs. Nichaluk Muanphuak	Quality Assurance Director	-	-	-	-



PJW

PANJAWATTANA PLASTIC

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