

ANNUAL REPORT 2013

รายงานประจำปี | 2556

บริษัท ปญจวัฒนาพลาสติก จำกัด (มหาชน)
PANJAWATTANA PLASTIC PUBLIC
COMPANY LIMITED

MAXIMIZING YOUR VALUE
IS OUR ULTIMATE PRIDE



PJW
PANJAWATTANA PLASTIC

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Vision:

“Panjawatttana 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 marke 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.”

Letter from the Committee



In 2013, we encountered several challenges both in the aspect of general economic of which the growth was not as expected, and the decreased demand of cars in the market, which had an immense impact on the company's performance. However, with all the effort and determination, the company managed to overcome all the obstacles and challenges, and maintain its profit making ability despite the small amount of profit inclination from 2012.

As for the performance of the company in China in 2013, the company had started to gain profit due to the growth of sales volume which was in line with the investment increasingly. Nonetheless, the sales volume of the company in China was merely a small proportion, lower than the expected target. Therefore, in 2014 the company's goal is still to increase the growth rate of the business in China which is more than 50%. This is because the company wants to maintain its growth rate to be in line with the target, and to spread the risk of the company by increasing foreign revenue sources.

Regarding the growth rate, the company focuses on the investment in projects with proficient industrial growth. In the previous year, the company had invested in constructing a spray painting factory at Pin Thong 2 industrial estate in Chonburi in order to meet the demand of automobile parts market. This new factory is one of the top spray painting factories in Thailand with high standard. Apart from the investment for the new business expansion, the company also invested in constructing factory buildings and in additional machines with the existing customer groups, i.e. automobile parts, dairy products and fermented milk, etc. The total budget for the business growth in 2013 was THB 544 million.

As for the overall picture of 2013 performance, due to the economic slowdown, the growth of the sales volume in general was not in line with the target, specifically in automobile industry of which the demand immensely decreased and the postponement of new car series of several car companies. As a result, the sales volume of automobile parts declined drastically. When combined with the sales volume of which the growth was lower than

the target of other customer groups, the productivity ratio of the company decreased from 63% in 2012 to 58% in 2013, causing the operational cost and expenses to be higher than that in 2012.

Regarding the company's business plan in 2014, the company's goal is still to maintain preliminary profit, giving the most priority to the shareholders and every related person. The company will grow by accelerating the usage of excessive productivity ratio in which it has invested in 2013. Should any additional investments are required in 2014, the company would be more cautious to prevent any loss or damage under the volatile economic.

The company's Committee and Executives as well as every employees are determined to maintain the company's growth focusing on sustainable growth and the policy as stipulated by the Risk Management Committee. The company will also allocate the yield for its beneficiaries based on its business good governance and contribute to the society and environment conservation. In the previous year, the company participated in reciprocating the society and in conserving the environment through several activities such as providing scholarships and mangrove forestation. The company also send its working group to take part in responsibility to the society with MAI securities association.

On behalf of the company's Committee, we would like to thank the honourable shareholders, customers, partners and every related employees, as well as financial institutions contributing to supporting Panjawattana Plastic Public Company Limited to become a robust public company in The Stock Exchange of Thailand. We the company's Committee would like to assure that we will operate the business cautiously, strictly and accountably based on the company's business good governance in order to maintain the benefits of the beneficiaries, and drive the company forward in order to become an innovative and quality organization in plastic formulation business industry/ so that it could be a world class manufacturer with sustainable growth in the future.



(Mr. Satit Hemmondharop)
Chief Executive Officer



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



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

Report of the Audit Committee

Dear Shareholders of Panjawattana Plastic Public Company Limited,

The Audit Committee of Panjawattana Plastic Public Company Limited is composed of 3 independent directors who have their qualifications in accounting, taxation, financial, and administration, as the list below;

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

All members of the Audit Committee were qualified in accordance with the Audit Committee Charter, which is complied with rules and best practice guidelines for Audit Committee of the Office of The Securities and Exchange Commission and the Stock Exchange of Thailand (SET).

The Audit Committee performed its duties independently within the scope of responsibilities assigned by the company's Board of Directors together with rendering opinions on monitoring and review corporate governance of the Company to operate its business for Shareholders' benefit as a whole without any conflict of interests. The Audit Committee also support sufficient internal control system and control all management to perform their duties with integrity, responsibilities, and comply with the Company's policy.

In 2013, the Audit Committee held a total of five meetings in which all Audit Committee Directors attended and reported opinions together with providing independent recommendations for the Company's Board of Directors, Internal Auditor, and Auditor in related issues. The responsibilities of the Audit Committee can be summarized as follows:

1. Accuracy, Completeness and Reliability of Financial Reports

The Audit Committee has reviewed quarterly financial statements and 2013 annual financial statements, which were reviewed by the auditor, then proposed to the Board of Directors for approval. The management and auditor were invited to join the meeting for reviewing correctness, completeness, reliability of items in the financial statement, reasonability of special items which was occurred significantly, including correctness and sufficiency of information disclosure; before approval of financial statement.

In the Audit Committee's opinion, the Company's financial reports, showing the Company's financial status and performance, were accurate and reliable in accordance with the accounting standard as defined by law. The information of financial statement was disclosed sufficiently and timely.

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

The Audit Committee has reviewed the examination result of Internal Auditor Office and Auditor regarding assessment of Internal Control, Risk Management and Good Corporate Governance Systems, including improvement of such operations.

The Audit Committee has rendered the opinion that the Company has arranged and maintained effective, appropriate and adequate internal control systems with proper risk management.

The Audit Committee has also reviewed the annual audit plan, compliance with the plan, and audit result, including provide suggestion and follow up on the progress of modifications and corrections to assure that the Company has proper internal control systems. In addition, the Company has considered and approved 2014 Internal Audit plan, which was created according to the major risk of the Company and focus on monitoring of performance efficiency.

The Audit Committee has rendered the opinion that internal audit system of the Company was held independently, sufficiently, and efficiently. The annual audit plan was complied with the Company's target and risk, while the performance of internal audit office was achieved as the target. The Company had developed internal audit quality in personnel and performed auditing in accordance with the international standard of professional internal audit periodically.

3. Compliance with Laws On Securities and Stock Exchanges, regulations of the Stock Exchange of Thailand, and Laws Related to the Company's Business

The Audit Committee has reviewed compliance with the laws governing securities and stock exchanges, regulations of the Stock Exchange of Thailand, and laws related to the company's businesses. Then the Audit Committee has rendered its opinion that the reviews of compliance with various laws discovered no significant violations or noncompliance.

4. Suitability of Auditors, Consideration, Selection and Proposals to Appoint Auditors

The Audit Committee met with auditors once without the attendance of the management to request the auditors' opinions regarding operations and coordination with related management departments. Overall independence and performance of 2013, which was the 5th year of the audit company with new auditor who certified the 2013 financial statement, was assessed and found to be satisfactory and done with independency.

In considering the selection of auditors and setting appropriate remuneration for 2014, as comparison of audit service fee was done in 2013, the Audit Committee considered the evaluations of audit's performance, scope of work, and work quantity compared to audit service fee, which is quoted for 2014, and proposed to the Board of Directors Meeting for its resolution to make approval for an appointment.

1. Mr. Pojana Asawasantichai, Auditor License No. 4891 and/or;
2. Mr. Thanawut Piboonsawat, Auditor License No. 6699 and/or;
3. Ms. Sulasit Ardsawang, Auditor License No. 7517.

Dharmniti Auditing Co., Ltd. is the auditor for the company and its subsidiaries in 2014 with auditor's remuneration in 2014, fixed as of 2013, set according to the audited financial statements for specific businesses, the annual financial statement and the financial statements of the company's subsidiaries with review of the aforementioned quarterly financial statements. The total audit fee and certification of compliance is complied with the conditions set forth by the BOI at no more than 1,710,000 baht. In cases involving audits and confirmation of practices in compliance with the conditions set forth by the BOI, the audit fee is 40,000 baht per certificate, not including other expenses such as expenses for vehicles required for traveling to other provinces, etc.

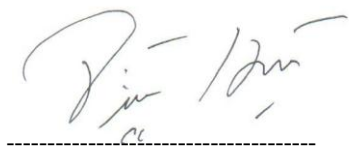
5. Transactions with Potential Conflicts of Interest

The Audit Committee has considered related transactions or transactions with potential conflicts of interest to be in accordance with laws and regulations set forth by the Securities and Exchange Commission, the Stock Exchange of Thailand, and other authorities. Those transactions were proposed to the internal audit office for initial review and will also be audited annually by the auditor.

The Audit Committee has rendered its opinion that the aforementioned relate transactions could be identified as normal business operated based on general trading term. The business was operated reasonably, fairly, and could maximize benefits of the Company.

6. Performance of Duties in Compliance with the Audit Committee Charter

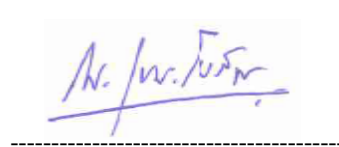
The Audit Committee made self-assessment by considering the Committee's performance of 2013 and rendered its opinion that the Audit Committee performed all assigned duties with independence, unlimited information. In addition, the Audit Committee has reviewed the Audit Committee Charter to ensure that the Audit Committee had complete and effective specifications for the scope of its duties and operations as assigned by the Company's Board of Directors in compliance with principles of good governance.



(Miss Charanya Sangsukdee)
Chairman of Audit Committee



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



(Mr. Natthawut Khemayotin)
Audit Committee

Report of the Risk Management Committee

Dear Shareholders of Panjawattana Plastic Public Company Limited,

The Risk Management Committee of Panjawattana Plastic Public Company Limited is composed of 5 qualified directors as the list below;

- | | |
|---|---------------------------------------|
| 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. Satit Hemmondharop | Risk Management Committee Member |
| 5. Assoc. Prof. Dr. Pirun Hemmondharop | Risk Management Committee Member |

Panjawattana Plastic Public Company Limited presents its awareness on risk management by conducting of the risk management policy. In 2012, the Company has created its action plan for managing enterprise risk to be in adequate or acceptance level, so that the Company can achieve its objectives, strategies, vision, and mission.

The Company is committed to conduct risk management of organization in all activity levels and enhance it to be a part of the Company's culture which can supplement the organization value. The process is started by identification of risk factors which affect the organization, then evaluate the loss and possibility of the event to occur. After that, the Company will plan to control such factors to be in the acceptable level by appropriate mean or strategy; i.e. acceptance of such risk in the case that it takes only minor effect or it is acceptable by the organization, risk management, risk transferring, and risk avoidance. The Company focused on 4 categories of risk management; i.e. strategic risk, operational risk, compliance risk, and financial risk; which have key essence as follows;

- **Strategic Risk**

The Company evaluates risks which can make the Company's performance fail to match with its objectives and goal. The senior management in each business line conducts the meeting to jointly create the strategic risk management plan and assign responsible persons in each area. Then, The complete plan will be proposed to the Risk Management Committee for its consideration.

- **Operational Risk**

The Company is committed to create awareness of employees in all level about risk management process, consequentially, training and workshop are held to provide knowledge to employees. The Company

also assigns each department to create risk management plan by analyzing and considering making plan to handle risk from every operational process. The risk management plan must cover all related factors about process, machine, technology, and operator. The operational risk is the risk which can make direct or indirect damage, caused by lack of operating system, controlling, or insufficient internal control, then bring the loss or operational failure to the Company.

- **Compliance Risk**

The Company is aware of the risk caused by fail to comply with related regulations or relate laws, including the case that the existing laws or regulations obstruct the Company's operation. Thus, the Company appoints professional legal consultant to provide suggestion about restriction or content of law which may affect organizational determination.

- **Financial Risk**

In 2013, the Company invested in many projects to support sales growth in the future. Those investments required sufficient source of fund with acceptable financial cost so that the Company could maintain its liquidity and made efficient financial management. To make an investment, the Company will make a plan and analysis for investment feasibility, along with making risk analysis of the project to be invested. The analysis is made by considering the Company's financial ratios which subjected to conditions of a financial institute and comply with the Company financial policy. All projects must be proposed to the Risk Management Committee for its consideration of appropriateness and feasibility of the projects.

To ensure that the risk management system is adequate and efficient, the Board of Directors' Meeting No. 4/2556 reviewed and revised the Risk Management Committee's Charter to compliance with current business condition and to make confidence that the Company include risk management in its business plan. Such action will cause direct effect to the organization regarding target achievement. In addition, the Board of Directors has determined that performance evaluation of the Risk Management Committee must be held annually and the result must be reported to the Board of Directors. The result will useful for improving performance of the Risk Management Committee.



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



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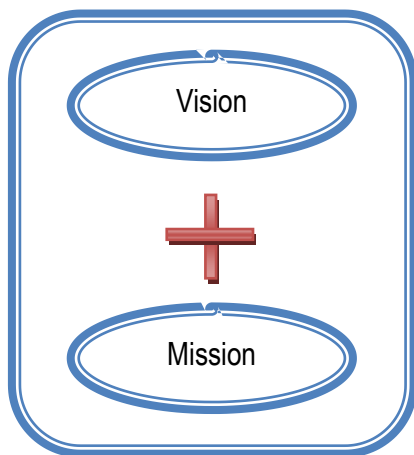
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Core Value:



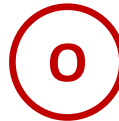
Generate Partnership

Relationship...and unity



Race with Business Dynamism

Business flow...endless dynamic



Observe Trustworthiness

Reliability...sustainably steadfast



Work of Excellence

Efficiency... stronghold

Significant Changes and Developments

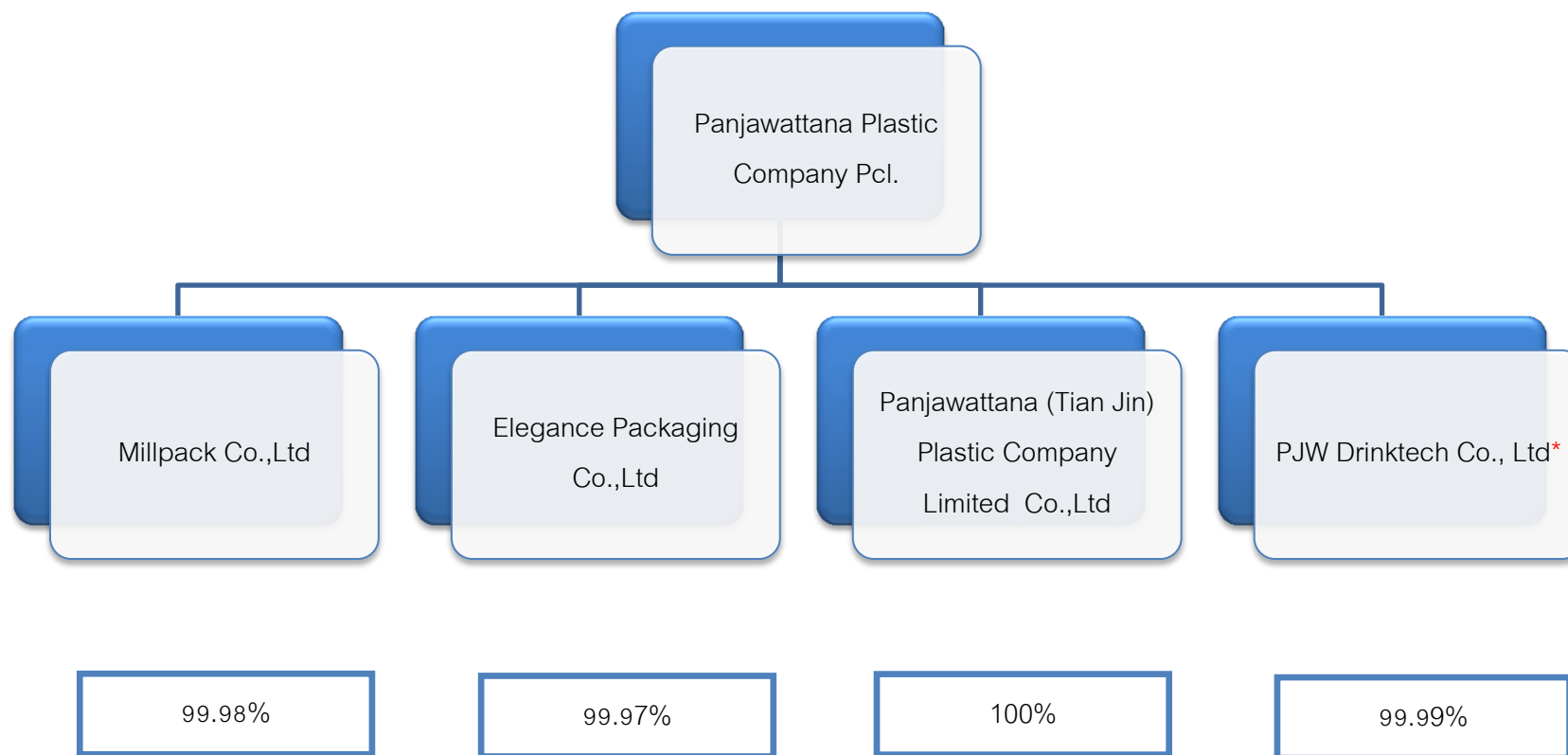
The Company's Significant Changes and Developments in the past 3 years in details are as follows:

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 existing shareholders, investors and the company's employees with the price of THB 1,000 per share, leading the company to have registered capital already called upon payment of

Year	Significant Changes and Developments
	<p>THB 220 million in total.</p> <ul style="list-style-type: none"> ● 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 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. ● 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, Samutsakorn 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

Year	Significant Changes and Developments
	<p>the first time.</p> <ul style="list-style-type: none"> ● 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 factory at Pin Thong 2 industrial estate in Chonburi in order to meet the demand of automobile parts market. It was 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.
2014	<ul style="list-style-type: none"> ● The company established a subsidiary under the name PJW Drink Take 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 Group's Shareholding Structure



Note: * The company's Committee's resolution was to establish the company on 15 January 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 Drink Take Co., Ltd	99.99	Non-alcohol beverages.

The Relationship with Business Group of the Major Shareholders

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

Type of Business and Nature of Business Operation

Nature of Business Operation

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

Currently, PJW has four factories:

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

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

1. Lubricant packaging
2. Fresh milk and yoghurt milk packaging
3. Consumer goods packaging
4. Agro chemicals packaging
5. Automotive plastic parts

PJW's revenue structure classified by type of customers, for the years 2011-2013

Income Structure Classified by Geography

	2011		2012		2013	
	MB	Percentage	MB	Percentage	MB	Percentage
Domestic sales	1,585.72	96.47	1,899.76	94.19	1,960.52	92.64
Abroad sales	54.45	3.31	110.27	5.47	148.64	7.03
Gross sales	1,640.17	99.79	2,010.03	99.66	2,109.16	99.67
Other income	3.51	0.21	6.92	0.34	7.05	0.33
Total income	1,643.68	100.00	2,016.95	100.00	2,116.21	100.00

Income Structure Classified by groups of products

	2011		2012		2013	
	MB	Percentage	MB	MB	Percentage	MB
Lubricant packaging	1,057.1	64.32	1,206.7	59.83	1,280.53	60.51
Milk and yoghurt milk packaging	221.11	13.45	270.79	13.42	288.59	13.64
Consumer goods and chemical liquid	176.61	10.74	193.78	9.61	246.44	11.64
Automotive parts	185.34	11.28	338.76	16.80	293.60	13.88
Gross sales	1,640.1	99.79	2,010.0	99.66	2,109.16	99.67
Other income	3.51	0.21	6.92	0.34	7.05	0.33
Total income	1,643.6	100.00	2,016.9	100.0	2,116.21	100.0

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.



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	Samutsakorn Branch
Investment Promotion Certificate	1080(10)/2553	1745(2)/2555	1044(2)/2557	1379(5)/2556	1882(5)/2555
Effective Date	April 1, 2010	March 10, 2012	None of revenue	October 5, 2011	May 31, 2012
Expiry Date	March 31, 2017	March 9, 2019	7 years since the first date of revenue receipt	October 4, 2019	May 30, 2020

	Panjawattana Plastic Public Co., Ltd.			Milk Pack Co.,Ltd.	
				Bangkok Branch	Samutsakorn Branch
BOI Privileges					
1.	Exemption from corporate income tax from net profit of the promoted business	Exempted for 7 years	Exempted for 7 years	Exempted for 7 years	Exempted for 8 years
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
3.	Exemption/reduction of import duty for machines which are approved by BOI	Exempted (must import within July 27, 2012)	Exempted (must import within December 18,	Exempted (must import within July 7, 2016)	Exempted (must import within January 9, 2015)

		Panjawattana Plastic Public Co., Ltd.			Milk Pack Co.,Ltd.	
					Bangkok Branch	Samutsakorn Branch
	committee		2014)		2015)	
4.	Exemption of withholding tax for dividend paid to the Company's shareholders	Exempted	Exempted	Exempted	Exempted	Exempted

Competitive Strategy

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

The Company runs its business based on the following strategies.

- (1) Products' quality: The Company takes quality control of the products into its account to ensure that the products' quality meet customers' requirement. The Company focuses on products' design, procurement of raw materials with required specification as specified by customer, including quality assurance for finished goods which is held in 2 levels as follows;
 1. Quality control and inspection in production process; and
 2. Final inspection before delivery to customers to ensure that the products' quality are meet customer's requirement.
- (2) On-time delivery: The Company concerns about products control and delivery to customer on time and regularly to create customers' confidence
- (3) Production security: The Company can product and procure the products to match with customers' requirement, specified quantity, and time schedule; to ensure that customers will receive the products

according to their requirement and in time, especially automotive parts which must delivery to match with their just-in-time process.

- (4) Capability in increasing or expansion of production capacity: The Company is capable to increase or expand its capacity to support customers' business growth and expansion. With customers' requirement, the Company can produce more products for them.
- (5) Improvement of production process to increase cost management efficiency: The Company is committed to improve production process and cost management continuously to raise up its competition capability and to persuade its customers. As the Company has its pricing structure of "Cost plus Pricing", thus the Company's cost reduction will also reflect customers' cost, and then can increase customers' capability in competition.

In addition, the Company has developed and applied operating process and system for using in the Company's production process to increase efficiency in cost management. The Company has developed the Total Productive Maintenance (TPM) program since 2000, thus it can control its production cost and also retain profitability.

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

Customer Segment and Target Group

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

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

Distribution Channels

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

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

Pricing Strategy

The Company set the selling prices of plastic containers and plastic parts in term of cost plus pricing. Price setting can be done either by (1) jointly determination between the Company and its customers before starting of production process; and (2) the Company set selling price to compete with other manufacturer.

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

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

Competition Condition and Industry Trend

In 2013, Thai economy was recessed reference to Gross Domestic Product (GDP) at 0.6% growth, which materially reduced in the 4th quarter. As a result of political problem, including cancellation or suspension of investment, consumers' purchase was reduced. In the same time, export was slowly recovered, while the Company's production technology also had some limitation and could not produce to support demand of the world market. Compare to 2012, government sector played less role in economic boost because less investment budget¹, then economy downed in the middle of the year and total economic expansion of 2013 was 2.9%. Another cause of economic recession in 2013 was expiry of economic boost countermeasure, especially the first car campaign which attracted Thai people to buy highest volume of cars in 2012. In the same time, the factors to help support existing stimulators had low power; i.e. world economy was recovered slowly, government expense was delayed from plan, and reduction of private sentiment².

Regarding automotive industry in 2013, there were 2.45 million cars produced, which was increased from the preceding year at 0.14% and categorized as (1) import at 1.12 million cars or equivalent to 45.64% of total manufacturing quantities; and (2) domestic sale at 1.33 million cars or equivalent to 54.36% of total manufacturing quantities. The domestic sales volume was reduced at 5.36%³ compared to the preceding

¹ Bank of Thailand

² Mr. Prasarn Trairatvorakul, Governor Bank of Thailand, revealed in Thailand Economic Outlook 2014

³ Automotive Industry, the Federal of Thai Industries (F.T.I.)

year, total sale volume was reduced at 13% which higher than reduction of the industry. In addition, most of Company's products were at the end of existing model which their sale volume was rapidly recessed, while the new model was under development and could not boost sale for replacement. From the issues of economic crisis and strong competition, the Company's management conducted the policy to diversify cars models and patterns, especially for export, to support various kinds of customers and disperse sales revenue which can reduce risk from economic recession.

In 2014, automotive growth tends to be decreased compared to the preceding year by producing around 2,400,000 cars, reduce at 2.3%, categorized as (1) domestic sale of 1,200,000 cars which is reduce at 9.8%; and (2) export sale of 1,200,000 cars which is reduce at 7.1%⁴.

Regarding plastic industry in 2013, plastic output index and delivery index were increased at 3.74% and 1.25% respectively⁵, compared to the preceding year. For consumer goods and agro chemical packaging, the Company was grew up well because new customers and receiving positive impact from economic boost policies, i.e. minimum wage incretion, minimum salary determination, and rice mortgage scheme.

In 2014, plastic industry tends to be stable with similar growth rate as the preceding year because uncertainty of political situation which lower confidence and purchasing power of people and obstruct industry growth.

However, the Company had major customers who were trust and confident in the Company's reputation and products quality, thus the Company could maintain the leading position in lubricant packaging for long time. The Company is also one of manufacturers who delivered its products to major customers of milk and yogurt milk packaging industry, consumer goods and agro chemical packaging. In addition, the Company is one of Thai company who delivers automotive parts to the first tier of many cars manufacturing.

⁴ Automotive Industry, the Federal of Thai Industries (F.T.I.)

⁵ The Office of Industrial Economics (O.I.E)

Products or Services procurement

Products Procurement

Production and Production Capacity

Currently, the Company and its subsidiaries have 4 manufacturing plants. The 3 plants are located in Thailand; Bangkok, Samutsakorn province, Chonburi province; and another plant is located in Tienjin, Republic of China.

Raw Materials

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

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

a) Polyethylene (PE)

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

b) Polypropylene (PP)

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

2. Dry Colorant

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

3. Stickers and Shrink films

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

Most of plastic pellets, dry deodorant, and stickers and shrink films are bought from local suppliers. There are only some plastic pellets and stickers which are bought from abroad. The Company is aware that price of plastic pellets changes according to oil price and balance between supply and demand of the

world market, then the management always follows up price and demand of plastic pallets regularly to plan for purchasing in correspondence with quantity and schedule in production plan.

Environmental Impact

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

Although, there are 2 factories of the Company where are not located in industrial estate, they have to follow regulations of Department of Industrial Works, Ministry 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.

Risk Factors

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

1. Risk from variation in raw material prices

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

It is expected that global economic will be recovered in 2014, thus oil demand seems to be increased accordingly and may take some material effect on supply shortage. However, increasing of oil volume produced and exported by Iran, improvement of logistics system in USA, and finding of shale oil which is a new source; could reduce critical level of oil supply. As a result, oil price is expected to have minor increase as well as prices of plastic raw materials.

As the Company consumes the raw materials of more than 16,000 tons per year, it follows up for raw material price movements on the global market closely, analyzes price trend in each period of time for purchasing plan, and estimates the Company's raw material demand in each period; so that it can maximize efficiency in management of raw materials purchasing.

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

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

However, the ratio of bio plastic is only 1% with higher cost, compared to general plastic, because cost of planting is higher than fossil oil. General plastic not only has advantage of low-cost fossil oil, but also has economy of scale. Moreover, the specification of bio plastic cannot make 100% replacement of general plastic. It require some time for development. As a result, bio plastic is only one choice of consumers and can grow up only in the niche market.

3. Foreign Exchange Risk

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

4. New Entry Risk

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

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

5. Global Economic Risk and Uncertainty in Thailand

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

Moreover, the political issue in Thailand has some effect on business sentiment. Political movement of different party and continuous strike may also have some impacts on product manufacturing and consumption in Thailand. Even as present, the recession of global economic may not seem to be effected the Company's income growth, but the Company has realized and focused the risks and possible exposures, consequently, the Company has risk management with diversified in revenue in each business sectors without concentrated only specific business sectors, such as diversified to milk and consumer product packaging industries which the

market growth is more stable, and not volatile from impacted economic factor changes. In addition, the Company has increased in indirect export sales from lubricant packaging, automotive part, and milk packaging to high potential economic growth countries, such as Indonesia, Latin America, and Singapore, expansion of market in abroad by having lubricant packaging manufacture plant in China. The Company also has financial policy management by monitoring the capital structure in debt to equity ratio and debt payment abilities from time to time, in order to have confident that the Company's financial status is strength and sufficient to be able to confront the uncertainty and volatility of economic system in the future.

6. Risk from a lack of long-term contracts

In the plastic packaging business, sales are usually executed through a short-term agreement of around 1-2 years. In some cases, sales are settled without a contract, but merely through a purchase order, depending on the contracting policy of each customer. As for the segment acquired by the Company through bid competition with other suppliers, the customers will upon expiry of the contract arrange a new round of supplier selection. Hence, the Company may risk losing this customer segment, if it is not re-selected. Nonetheless, based on the historical records, the Company has been continuously awarded a contract renewal from these customers. Thanks to its good quality products and on time delivery services, and capability to expand production to meet the customers' demand, the customers have all along had trust in the Company.

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

GENERAL INFORMATION AND OTHER KEY INFORMATION OF THE COMPANY

Company Name	: PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED
Registration Number	: 0107554000208
Authorized Capital	: 552,000,000 ordinary shares at par value of Baht 0.50, total in amount of Baht 276,000,000
Registered Address (Head Office)	: No. 19, 21, Soi Ekkachai 63, Ekkachai Road, Bang Bon Sub-district, Bang Bon District, Bangkok 10150 Telephone Number: 0-2415-1894 Facsimile Number: 0-2415-0951
Samuthsakorn Branch	: 28 Moo 2 Chaimongkol Sub-district, Muang District, Samutsakhon Province 74000 Telephone Number: 0-3483-9130-1 Facsimile Number: 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
Nature of Business	: Manufacturing and distribution of quality plastic packaging, automotive parts and materials from plastic imitation under the well-known brand for the industry and other consumers
Contact Investor Relations (For general information)	: Telephone Number: 034-839-130 Ext. 153 E-mail Address: ir-pjw@pjw.co.th
Contact Company Secretary	: Telephone Number: 034-839-130 Ext. 169
Contact the Audit Committee's Secretary (For complain, notice about corruption clue, and/or infringement of code of conduct and/or good corporate governance)	: Telephone Number: 034-839-130 Ext. 154

GENERAL INFORMATION OF SUBSIDIARIES

Company Name : MILK PACK COMPANY LIMITED
Authorized 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 : ALLEGIANCE PACKAGING COMPANY LIMITED
Authorized 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: 0-2898-1007 Facsimile Number: 0-3483-9320
Nature of Business : Lubricant Bottle Cap

Company Name : PANJAWATTANA (TIEN JIN) PLASTIC COMPANY LIMITED
Authorized Capital : US Dollar 2,500,000 (*Increased Authorized Capital from US Dollar 2,200,000 to US Dollar 2,500,000 in 2014*)
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

Company Name : PJW DRINKTECH COMPANY LIMITED

Authorized Capital : 100,000 ordinary shares at par value of Baht 10 total in amount of Baht 1,000,000
(Registered as the Company on February 10, 2014)

Registered Address : No. 28 Moo 2, Chaimongkol Sub-district, Muang District, Samutsakhon Province 74000
Telephone Number: 0-3483-9130-1 Facsimile Number: 0-3483-9320

Nature of Business : Manufacturing and distributing of non-alcohol drinks

OTHER REFERENCES

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

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

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

BOARD OF DIRECTORS

คณะกรรมการบริษัท



Mr. Damri Sukhotanang
Board Chairman
Independent director
Chairman Of The Board Of
Executive Directors



Mr. Kongsak Hemmontharop
Director
Chief Executive Officer



Assoc. Prof. Dr. Aekkachai Nittayakasetwat
Risk Management Committee Chairman
Audit Committee



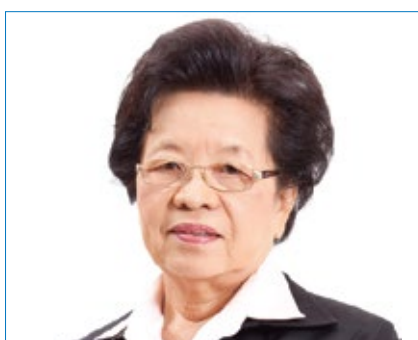
Mr. Natthawut Khemayotin
Independent Director
Audit Committee
Risk Management Committee



Miss Charanya Sangsukdee
Audit Committee Chairman
Risk Management Committee
Independent Director



Mr. Wiwat Hemmondharop
Director
Vice Chairman



Mrs. Malee Hemmontharop
Executive Director
Director



Mr. Satit Hemmondharop
Risk Management Committee
Director



Dr. Pirun Hemmondharop
Risk Management Committee
Independent Director

BOARD OF DIRECTORS

AUDIT COMMITTEE

RISK MANAGEMENT COMMITTEE

BOARD OF DIRECTORS

2013

1. Mr. DAMRI SUKHOTANANG	BOARD CHAIRMAN
2. Mr. WIWAT HEMMONDHAROP	COMMITTEE
3. Mr. KONGSAK HEMMONTHAROP	VICE CHAIRMAN
4. Mr. SATIT HEMMONDHAROP	COMMITTEE
5. Mrs. MALEE HEMMONTHAROP	COMMITTEE
6. Dr. PIRUN HEMMONDHAROP	COMMITTEE
7. Miss CHARANYA SANGSUKDEE	INDEPENDENT DIRECTOR
8. Assoc. Prof. Dr. AEKKACHAI NITTAYAKASETWAT	INDEPENDENT DIRECTOR
9. Mr. NATTHAWUT KHEMAYOTIN	INDEPENDENT DIRECTOR

THE AUDIT COMMITTEE

2013

1. Miss CHARANYA SANGSUKDEE	INDEPENDENT DIRECTOR
2. Assoc. Prof. Dr. AEKKACHAI NITTAYAKASETWAT	INDEPENDENT DIRECTOR
3. Mr. NATTHAWUT KHEMAYOTIN	INDEPENDENT DIRECTOR

RISK MANAGEMENT COMMITTEE

2013

1. Assoc. Prof. Dr. AEKKACHAI NITTAYAKASETWAT	INDEPENDENT DIRECTOR
2. Miss CHARANYA SANGSUKDEE	INDEPENDENT DIRECTOR
3. Mr. NATTHAWUT KHEMAYOTIN	COMMITTEE
4. Mr. SATIT HEMMONDHAROP	COMMITTEE
5. Dr. PIRUN HEMMONDHAROP	COMMITTEE

Shareholders

Shareholders Structure

As at December 27, 2013 the Company has paid capital of Baht 276,000,000, divided into 552,000,000 ordinary shares with a par value of Baht 0.50.

As at December 27, 2013, top 10 Company's major shareholders are shown below;

Shareholders' lists			As at December 27, 2013	
			Number of shares	%
<u>The Hemmontharops</u> ^{1/}				
1	Mrs. Malee	Hemmontharop	171,360,000	31.04
2	Mr. Kongsak	Hemmontharop	102,086,000	18.49
3	Mr. Wiwat	Hemmondharop	72,154,000	13.07
4	Dr. Pirun	Hemmondharop	8,000,000	1.45
5	Mr. Satit	Hemmondharop	8,000,000	1.45
6	Mr. Charvan	Hemmondharop	5,430,000	0.98
Total			367,030,000	66.48
<u>Fund</u>				
1	Bualuang Siriphol Corporate Governance		17,166,600	3.11
2	Bualuang Siriphol Corporate Governance RMF		13,621,900	2.47
3	Bualuang Small-Mid Cap RMF		8,300,000	1.50
Total			39,088,500	7.08
<u>The Other shareholders in top 10 list</u>				
1	Mr. Sunthorn	Sripatchayanan	5,430,000	0.98
<u>Other minor shareholders</u>			140,451,500	25.46
Total			552,000,000	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, 2013

Name - Surname	Position	Number of shares owned by them (%)		
		01/01/2013	Increased (decreased) during the year	31/12/2013
1. Dr. Damri Sukhotanang	Board Chairman/ Independent Director	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	13.07%	-	13.07%
4. Mrs. Malee Hemmontharop	Director/ Vice President	31.04%	-	31.04%
5. Mr. Satit Hemmondharop	Director/ Executive Committee Member/ Chief Executive Officer/ Risk Management Committee Member	1.45%	-	1.45%
6. Dr. Pirun Hemmondharop	Director/ Risk Management Committee Member	1.45%	-	1.45%
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	0.05%	-	0.05%
9. Mr. Natthawut Khemayotin	Director/ Independent Director/ Audit Committee Member/ Risk Management Committee Member	0.05%	-	0.05%

Dividend Payment Policy

Dividend Payment Policy of the Company

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

Dividend payment policy of subsidiary companies

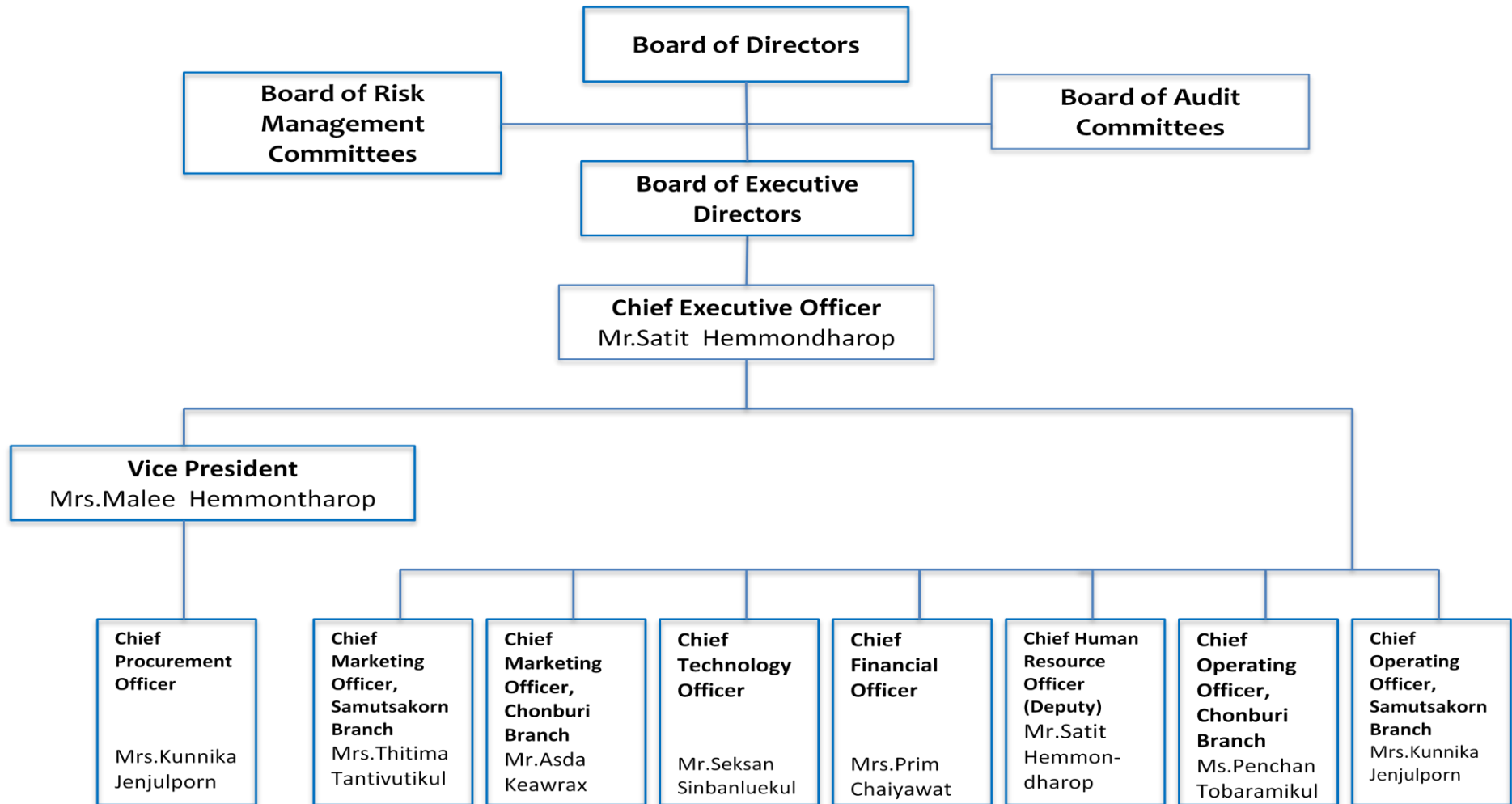
Each subsidiary company has a policy to pay dividend at the rate not less than 50% of net profit after corporate income tax in its company-only financial statements and after legal reserve. However, each subsidiary company may set to pay less than the rate specified in the policy, depending on its operational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

The dividends paid in the previous years

Year	Net profit per share (Baht/share)	Dividend per share (Baht/share)	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

Remark: *The Company's Board of Directors No. 2/2557 dated February 26, 2014 has its resolution to pay for dividend regarding the 2013 performance at Baht 0.10 per share. However, the resolution will be proposed to the Ordinary Shareholders' Meeting of 2014, to be held on April 23, 2014 for further approval.

Organization Structure



Organization Structure

PJW organization structure consists of the Board of Directors, the Executive Committee, the Audit Committee, and the Risk Management 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 has organized its management structure as follows:

Board of Directors

As of 31 December 2013, the Board of Directors is composed of nine members below:

<i>No.</i>	<i>Name</i>	<i>Position</i>	<i>Board of director meeting attendance (6 times)</i>
1.	Dr. Damri Sukhotanang	Board Chairman/Independent Director	6/6
2.	Mr. Kongsak Hemmontharop	Vice Chairman	4/6
3.	Mr. Wiwat Hemmondharop	Director/Chairman of The Board of Executive Directors	6/6
4.	Mrs. Malee Hemmontharop	Director/Vice President	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	4/6
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	6/6

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

Authorized Directors

Directors authorized to sign on behalf of the Company are two of the four directors, namely Mr. Wiwat Hemmondharop, Mr. Satit Hemmondharop, Mr. Pirun 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.

Executives

As of 31 December 2013, the Company has nine executive members from The Meeting of the Board of Directors No.5/2013 held on 14 August 2013. 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/ Deputy of Chief Human Resource Officer

<i>No.</i>	<i>Name</i>	<i>Position</i>
2.	Mrs. Malee Hemmontharop	Vice President
3.	Miss Thitima Tantiwuthikul	Chief Marketing Officer
4.	Mr. Seksan Sinbunluekul	Chief Technology Officer
5.	Mrs. Prim Chaiyawat	Chief Financial Officer
6.	Miss Penchan To-Barameeikul	Chief Operating Officer - Chonburi Branch
7.	Mrs. Kannika Janejunporn	Chief Procurement Officer/ Chief Operating Officer – Samutsakhon Branch
8.	Mr.Asda Keawrax	Chief Marketing Officer – Chonburi Branch

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.

Directors' and Executives' Remuneration

Directors' remuneration

a) Monetary Remuneration

The company has considered the directors' remuneration by properly comparison referring similar segment business with company. The 2013 Annual General Meeting of Shareholders on 30 April 2012 set out remuneration rates for the directors of the Company as follows.

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

Monetary Remuneration for the Directors of the Company in 2012 is detailed below.

Name	Remuneration (Baht)					
	Board of Director Meeting allowance	Audit Committee Meeting allowance	Risk Management Committee Meeting allowance	Monthly remuneration of Independent Director	Bonus	Total (Baht)
1.Dr. Damri Sukhotanang	150,000	-	-	120,000	250,000	520,000
2. Mr. Kongsak Hemmontharop	40,000	-	-	-		40,000
3.Mr. Wiwat Hemmondharop	60,000	-	-	-		60,000
4.Mrs. Malee Hemmontharop	60,000	-	-	-		60,000
5.Mr. Satit	60,000	-	10,000	-		70,000

Name	Remuneration (Baht)					
	Board of Director Meeting allowance	Audit Committee Meeting allowance	Risk Management Committee Meeting allowance	Monthly remuneration of Independent Director	Bonus	Total (Baht)
Hemmondharop						
6.Dr. Pirun Hemmondharop	60,000	-	10,000	-		70,000
7.Miss Charanya Sangsukdee	40,000	75,000	10,000	120,000	200,000	445,000
8.Assoc. Prof. Dr. Aekkachai Nittayakasetwat	60,000	50,000	15,000	120,000	200,000	445,000
9.Mr. Natthawut Khemayotin	60,000	50,000	10,000	120,000	200,000	440,000
Total	590,000	175,000	55,000	480,000	850,000	2,150,000

b) Other remuneration

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

Executives

a) Monetary Remuneration

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

	2013	
	Persons	Remuneration (Baht)
Salary and Bonus	10	39,781,158.89
Provident Fund	10	790,172.00

b) Other remuneration

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

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

Employees

As at December 31, 2013, the Company and its subsidiaries had total numbers of employees of 1,261 persons (exclude management 8 persons), categorized as follows;

Key functions	Number of Employees (persons)
Office and Administration	116
Marketing and Research & Development	40
Operation and Operation Management	1,105
Total	1,261

- **Employee Compensations**

In 2012 and 2013, the Company had number of employees of 1,180 persons and 1,261 persons respectively and paid for employees' compensation in the amount of Baht 264.34 Million and Baht 284.04 Million respectively. The compensations were paid in terms of salary, overtime payment, allowance, bonus, depository amount to Social Security and Compensation Fund, etc.

- **Provident Fund**

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

- **Other Compensation**

-None-

- **Human Resource Development Policy**

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

Good Corporate Governance

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

Section 1 The Rights of Shareholders

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

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

1. Shareholders' meeting arrangement

- 1.1. The company takes care of and supports every shareholder who can be major and minor shareholders, institutional investors or foreign shareholders to participate in the meeting.

- 1.2. The company assigns Thailand Securities Depository (Thailand) Co., Ltd which is registrar of the company to deliver invitation letter to shareholders so that they can have time to study information in advance at least 7 days before the meeting day or according to the law. Then it will publicize meeting appointment in newspaper at least 3 days consecutively before the meeting day. It will be advertised for a period of three consecutive days.
 - 1.3. Give details of date, time, place and agenda with explanation and reasons for each proposed agenda identified in invitation letter of ordinary and extraordinary shareholders' meeting in attached agenda and do not take any actions that will limit a chance of shareholders to Study Company's information.
 - 1.4. The company facilitates shareholders to use rights in joining the meeting and fully vote and do not take any actions that will limit a chance of participating in the meeting of shareholders.
 - 1.5. The company always gives a chance to all shareholders to propose subjects that can be an advanced agenda during October- December every year and submits questions related to advance annual shareholders' ordinary meeting by informing shareholders through news system of the Stock Exchange of Thailand including announces principles and identifies clear procedures on www.pjw.co.th 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 of Thailand Securities Depository (Thailand) Co., Ltd 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 2 hours 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.
- The company will inform resolution final report through website of the Stock Exchange of Thailand and website of the company on the same day the meeting is arranged or latest by 9.00 a.m. of next working day and deliver the minutes of shareholder's meeting to the Stock Exchange of Thailand within 14 days as well as publish the minutes on company's website.

Section 2 The Equitable Treatment of Shareholders

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

1. Giving details before shareholders' meeting

- 1.1. The company will inform the shareholders' meeting schedule and agenda along with company committee's opinion on website of the Stock Exchange of Thailand at least 28 days before the meeting day.
- 1.2. The company informs all shareholders regulations used in shareholders' meeting, procedures of voting as well as rights of voting in each type of shares by identifying in letter of invitation and before the meeting starts.
- 1.3. The company makes a letter of invitation for meeting and documents used in meeting in Thai and English for foreign shareholders.

2. Right protection for minor shareholders

- 2.1. The company has policy to create equality for every shareholder especially minor ones by giving a chance to minor shareholders to propose agenda in ordinary shareholder's meeting and names of people who are qualified to take a position of committee in advance before the meeting day with details for consideration and/or qualification and acceptance of those who are nominated during October-December every year by informing shareholders through mews system of the Stock Exchange of Thailand and announce the principle and identify clear procedures on company's website in section of investor relation. The company will screen truly beneficial agenda and select qualified people via audit committee before offering to company committee for taking into account and specifying in agenda.
- 2.2. The company also has policy not to add agenda in meeting without notification in advance so that shareholders can study the information of agenda before making a decision.

3. Internal data usage prevention

- 3.1. The company supervises internal data usage strictly to prevent gaining benefit for personal or others' usage from internal data so that it would be fair to every stakeholder. The company specifies the way to store company's internal data and the way to prevent using internal data for personal benefit in form of written directives as well as specifies that committee, executives and all staffs must not trade company's property by using secrets and/or internal data and/or conduct any juristic acts by using secrets and/or company's internal data that can lead to damages to the company directly or indirectly. Furthermore, committee, executives and staffs who are in institute that receives the company's internal data must not use such data before it is publicly revealed and do not allow people who are involved in internal data trade company's property by themselves, spouse, and immature child, no matter it is direct or indirect trade (Such as nominee via personal fund) within a month before quarter and annual financial budget is exposed and after such data is revealed at least 3 days.
- 3.2. The company informs data to the committee and executives about duty of company property possession that must be reported and also penalty according to the Securities and Exchange Act B.E. 2535 and according to specification of the Stock Exchange of Thailand and in case the committee or executives trade company's property, they must report property holding in the company of themselves, spouse and immature child according to section 59 of the Securities and Exchange Act B.E. 2535 within 3 working days and inform The Office of The Securities and Exchange Commission for further publicity .
- 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.

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 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: thasma.s.d@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). 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.

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 vision and mission, strategy, financial target, risk, work plan and budget 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 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 all employees to acknowledge and practice strictly including following such guidelines.

○ *Conflict on Benefit*

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

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

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

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

○ *Internal control system*

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

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

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

○ *Risk Management*

The company committee sees the importance of risk management and takes responsibility to specify risk management policy of overall organization, estimate the risk and manage risk of the organization to manage it until it is in acceptable level. In present, the company appoints risk management committee so that risk management is effective according to the specified policy under the condition that if any risks can be an obstacles

to business operation not to achieve planned target, the company must have measures to manage these risks including promote and motivate everyone to build up work culture that they realize importance of risk, understand cause of risk and resolution such as improving operation process and using resources suitably as well as use tools to prevent or mitigate the risk that possibly occurs. However, for purpose to prevent and mitigate damages and vice versa, such orderly performance will cause the company gain benefit from opportunity of new businesses that can add value to the organization.

○ *Report of Committee*

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

3. committee meeting

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

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

To take any matters into account, the company committee chairman who is the president in the meeting will allow committee to freely give opinions by sometimes, there might be chief executive officer joining the meeting to give additional information and details as an involved person as well as to perceive the policy directly so that everyone can perform effectively. However, to vote at the meeting, company committee will accept the major votes by each committee has only one vote and the company specifies the minimum amount of quorum while the committee that will vote must not be at least 2 out of 3 of all committee. If stakeholders do not join the meeting and/or do not vote in each agenda, if the score is the same, the president of the meeting will make another vote to have a final result.

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

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

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

4. Payment

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

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

5. Committee and executive development

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

6. Self- evaluation of committee

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

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

1. Performance evaluation for the whole group of committee

- Structure and qualification of committee

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

2. Performance evaluation for individual committee

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

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

7. Chief executive officer performance evaluation

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

8. Succession plan making

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

- 1) Company committee provides potential development for executive plan.
- 2) Company committees are those who specify knowledge, ability and experience of each position to select the executives who are qualified and can succeed to each position.

- 3) Chief executive officer assesses practice and knowledge of executives who have needed ability to make individual develop plan.

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

Board Committees

Audit 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.

As of 31 December 2013, 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	5/5

Miss Thasmasa Dechaphongwaranon 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.

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. 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;
4. 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;
5. 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;
6. 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.

7. Perform any other act as assigned by the Board of Directors, with the approval of the Audit Committee;
8. 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.

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 2013, there are five Risk Management Committee members as follows:

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

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

Term of office

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.
5. Performing any other act in related risk management assigned by the board of directors

Executive Committee

As of 31 December 2013, 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 Hemmondharop	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

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

The Company has no 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.

- **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.

- **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 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.

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 2013, the Company and its subsidiaries paid the auditor's remuneration to Dharmniti Auditing Co., Ltd. as following details;

Auditors' remuneration	Financial Year 2013
1. Auditing fee	1,670,000
2. Other service charges and expenses	-
Total	1,670,000

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

Report of the Corporate Governance

Dear Shareholders of Panjawattana Plastic Public Co., Ltd.

The Board of Directors of Panjawattana Plastic Public Co., Ltd. is aware of and gives importance on efficient, transparent, and verifiable management system to make confidence of all relevant parties and sustain business growth. Under business operation complies with the Code of conduct and related laws, the Company has conducted its Corporate Governance Policy and communicate it to the Company's directors, management, and employees along with continuous compliance. The Company has also appointed the Corporate Governance Committee to follow up for development of corporate governance plans, which have the key essence as follows;

1. Modification of Code of conduct and Corporate Governance Policy

The Company has modified the Code of conduct, Corporate Governance Policy, and other good Practices by collecting them as the guidelines for awareness and compliance of all directors, management, and employees. The modification and addition of Code of conduct and related policy can be summarized as follows:

Adding anti-corruption policy; political support policy; gift, properties, or other benefits acceptance policy; reporting & whistleblower policy; and Policy for non-infringement of intellectual property.

In addition, the Company includes the Code of conduct and Corporate Governance Policy into a part of discipline, thus the Company's directors, management, and employees must sign in the acknowledgement form and comply with them.

2. Disclosure and communication of Code of conduct and Corporate Governance Policy

The Company has disclosed and communicated its Code of conduct and Corporate Governance Policy via multi channels such as new employees' orientation, e-mail, information brochure, CG examination, and CG week.

3. Compliance with Corporate Governance Policy

The Company has fully complied with the principles of good corporate governance and all the five categories set forth by the Stock Exchange of Thailand. The five categories are:

1. Shareholders' Rights
2. Equitable Treatment to Shareholders
3. Consideration for Stakeholders
4. Disclosure of Information and Transparency
5. Responsibility of the Board of Directors

In addition to the above guidelines, the Company is also committed to improve the corporate governance and social responsibility activities continuously by complying with sustainable Development.

The Company will acknowledge and follow up for the progress, and comply with the principles of ASEAN CG Scorecard, including responsible for enclosure of adequate information according to the principles.

4. Enhancement of activities for stakeholders, society, and community's responsibilities

The Company conducts its policies and activities for stakeholders, society, and community's responsibilities continuously in 2013, both in the head office and its subsidiaries. For example;

- The activity of Children's Day 2013 was held for providing suitable knowledge, funny, and skill practicing; including for implanting of value, passion, and time sharing for family.
- The campaign of "PJW awareness of environment: seeding" was held to create awareness for all participants and the communities nearby to concern in forest conservation. All participants seeded many plants to increase forest area in Kaeng Krachan National Park, Petchburi province, which is a way to reduce global warming effect.
- The campaign "PJW awareness of environment: growing the mangrove" was held to provide some chances to the Company's employees to take participate in preservation and conservation of environment, mangrove, breeding place, living place of submarine, and to prevent them from storm.

By continuous compliance with operation and reporting according to the corporate governance, and with good cooperation of directors, management, and employees; result in achievement of good corporate governance awards as follows;

- The Company achieved overall scores at the level of “four stars (very good)” from the survey result of good corporate governance of listed company of 2013, which was held by Thai Institute of Directors (IOD).
- The Company achieved “Grade 4” from 2013 quality assessment in arrangement of Annual General Meeting (AGM), which was held by Thai Investors Association.
- The Company achieved the “Best Opportunity Day” award which was prepared for the companies that were joining the Opportunity Day. The Opportunity Day has its objectives to create some chances of investors’ relationship development for all listed companies. Those companies can provide their business and operation information to securities analysts, investors, and press in this day which is held after quarterly financial statement disclosure.



(Miss Jaranya Saengsukdee)

Chairman of the Corporate Governance Committee

Corporate Social Responsibilities :CSR

Panjawattana Plastic Public Company Limited, “PJW” is committed to develop the organization according to sustainable development by giving precedence and adherence to corporate governance. In the past year, the company was judged “Very Good” in the ranking of the survey of corporate governance for listed company. Consequently, the company’s committee is aware of giving precedence and adherence to continue developing the organization in order to reach the level “Excellent” corporate governance, which is main foundation for being successful and sustainable in business operation concurrent stability and strength of financial status.

The company’s committee and management team including all staff intentionally maintain growth rate of business focusing on sustainable growth and adherence to policies determined by risk management committee. Moreover, business return towards stakeholders is allocated and based on the company’s business ethics. This includes corporate social responsibilities and environmental concern. The development plan focuses on becoming innovation and high quality organization in plastic processing industry in order to be able to provide standard of manufacturing to meet in terms of compliance with World Class Manufacturer and to have security in business growth in the future.

► Policies and Portrait

1. Business Operation with fairness

The company is aware and gives precedence over the operation management, which is efficient, explicit, and verifiable. It generates reliabilities for all relating parties and effects the sustainability of business growth under the business operation following morality and related laws. The company has determined good corporate governance according to principles and practices compliant with good corporate governance of Stock Exchange of Thailand and Thai Institute of Directors’ guidance in order to improve the work operation to obviously meet the standard and to communicate to the committee, management, and company’s staff for understanding and adherence constantly. This will truly promote the good corporate governance.

2. Anti-Corruption

The company processes business operation policies regarding anti-corruption by providing operation guidelines in writing and has determined the company’s business ethical principles approved by the company committee.

The company takes importance of transparency and integrity in business transaction with official or other organizations to avoid an operation, which may cause an appropriate activity and oppose to the corporate governance. Furthermore, the policies against all kinds of briberies for convenient operation or company's business benefit are restricted. The company indicates policies of disciplinary penalties relating to the aforementioned briberies regarding the following list

- Policies regarding Anti-Corruption
- Policies regarding political support
- Policies regarding taking gift, asset, or other benefit
- Policies regarding whistle blowing and protection the reporter

Additionally, the company has policies to prevent any activities relating to corruption as below

1. The company has communicated to committee, management, and staff to operate all operation processes following law seriously. If there is a mistake from work process because of improvidence or being benighted, the official punishment will be imposed without helping to avoid the punishment.
2. The company provides whistle-blower hotline, if there is a corruption happened. Apart from the reporting, the company must provide protection measure for safety of the reporter.

The details of policy and operation process relating to the prevention for corruption are indicated in the company website www.pjw.co.th under "corporate governance" topic.

3. Respect for the Human Rights

The company supports and respects the Human Rights. It's restricted that the company's business will not be able to get involved with violation of the Human Rights. Moreover, the company encourages and monitors employee to adhere to the Human Rights within the company's activities according to the Human Rights Standard. Besides, the corporate responsibilities towards the Human Rights will cover the subsidiaries and business partners.

The company communicates to employees and dealers in order to report the actual operation results of the business organization. The company encourages conferring and cooperating between employees and dealers for the development of work quality. The company also respects our employee's opinion including the freedom of thought without interference of gaining information or other opinions via the media. Moreover, the company provides communication channel to receive the stakeholders' comments freely.

The company organizes the operation process focusing on safety and healthy in the work place properly, for example, pollution prevention system that may happened during the operation process, organizing clean work place for the safety from danger or harm caused by accident or disease.

4. Fair treat towards Labor

The company processes the policies that treat employee equally and fairly. The policies include opportunity, benefit, welfare, and potential development. The company treats all employees as valuable resource and as the key factor to make the company to be successful. Therefore, the company strives to develop our organization to be learning organization, to strength cultures and good work environment, to encourage in working in team, to support employee in ability and knowledge development, career stability, and working with concerning of safety and environment, to ensure the quality of life and safety in work place, and to maintain work environment. The company hears all employees' opinion and suggestion regardless the level of staff fairly and equally. The company's policies treats employee are as follows

- 6.1 To treat employee politely and to respect dignity of the human and basis of Human Rights equally.
- 6.2 To provide employee with fair and proper benefit suitable with each responsibility, knowledge, ability, and operating performance
- 6.3 To appoint, to relocate, to award, and to punish employee with unbiased treat according to knowledge, ability, and appropriateness of that employee.
- 6.4 To maintain work environment to be safety and healthy for employee
- 6.5 To support training and knowledge/ability development for all employee constantly.
- 6.6 To hear comments and suggestions based on career knowledge of the employee
- 6.7 To follow the law and rules relating to employee strictly.
- 6.8 To avoid any activities, which are unfair towards employee and to give opportunity for employee to report any unfair treat causing injustice in order to be able to provide correct solution.

5. Responsibilities towards consumers

The company strives to gain customer's satisfaction and trust by taking a very good care and being responsible for customer to be able to have quality and safe product and service with appropriate price. This is based on determined standard; moreover, the customer must be treated to meet the terms of appliance with conditions and agreement that are established sincerely. The company offers the development to increase the quality of product and service constantly and maintains good relationship with the customer acutely and regularly. Particularly, customer's information won't be used for benefit of the company or related people.

6. Responsibilities towards community, society, and environment

The company has business operation policies relating to responsibilities for community, society, and environment regarding safety, quality of life, and environmental concern. The company encourages using of energy efficiently and is aware of quality of life in the community and society through business operation affecting the environment. The work operation and operation decision making of the company must be considered carefully that the product and business operation of the company will be accurate and compliant with rules, regulations, or other standards. Furthermore, the company encourages employee to have concern and responsibility towards community, society, and environment, as well as participates in activities in the community where the company operates the business suitably.

The company is aware of the importance of environment; consequently, the company has organized environmental management system in order to reduce the environmental effect and to improve the environment constantly. The management and employee strive to follow policies and have organized activities based on scopes and operation guidelines as follows

- The company receives ISO 14001:2004, which is the standard of environmental management and practice. These can guarantee that the company's environmental prevention system can prevent harm or damage from the company's production for all areas of business units towards the environment. Besides, the prevention is assessed by external inspectors who are independent.
- The company has operated the work process following to environment law by organizing measurement of environment, such as measurement for weather quality, noise, heat, lighting, and quality of water released from factory. Importantly, the result of the inspection is qualified according to the standard specified by law.

The company is aware of the importance of the community and perceives that the community will be empowered and will develop efficiently by getting support with education. Therefore, the company grants scholarship and participates with the community regarding promotion of culture, local traditions relating to religion. Furthermore, the company hires people in community for the purpose of generating income, where most of company's employees are from the surrounding community. The company's policies are to promote, support, train, and develop knowledge and abilities for all employees regularly.

Although the company's production doesn't affect the environment, the company gives precedence over good health. Hence, the company has made an annual contribution to a public hospital in order to make possibility for the hospital to buy up-to-date medical equipments. This can create more accessibility of medical equipments towards people in community.

7. Innovation and Innovational Diffusion

- The company organizes energy policy and planning project to reduce energy use. In 2013, the company indicates measure to reduce the air leakage, to change into efficient air conditioner, to replace wind blowing compressed air with cooling fan, and to use screensaver. These can reduce the use of energy for 1,292,793 kWh/year, which equal to the amount of CO₂ in Kg.Co₂ 390,351 per year.
- According to the weather deteriorate and natural calamity including flood, earthquake, perfect storm, and unusual hot weather affecting from global warming, the company has awareness of these pollutions and cooperates with automotive institution, education centers, and our customers to research and develop products that are stronger and reduces the use of plastic in the production for the purpose of decreasing global warming.
- The company strives to protect the environment and to reduce pollution problems. The company considers that it's the duty of all staff for being a part of environmental concern by participation in activities, for instance, providing accurate information about environment to all staff, publicizing and provoking conscious mind via the activity that the management meets with employee weekly prior to start working, putting the signs relating to environment on noticeably, arranging proper waste segregation and correct waste elimination, and organizing a center taking responsibility for the environment including measurement, prevention, fixing pollution, and reducing the use of energy.
- The company operates the business approaching to sustainable development and to strive to develop and present the innovation of technology application within the production by installing Punching system into the production procedures in order to reduce manual product modification, which will reduce suffering from trigger finger. In addition, the installation of the automatic clamping system (Robot) is used for deducting labor use of picking up the outputs from machines and of packaging in order to deduct exhaustion and possibility of illness and accident from work and to make employee to be happier with the work operation.

► Operations and Report Preparation

Regarding operations for society, community, and environment, the company has coordinated with other government organizations, such as Department of Forestry, hospital, local organizations in other provinces, and private organization. Moreover, the company publicizes and reports activities responsible for society and environment via the media including company website, online media, newspaper, PR board, and regularly displaying the company's photos of activities.

► Business Operations affecting social responsibility

The plastic production process of the company is non-pollution system. However, there are some plastic left from the modification for complete product. Most of the left over will be recycled for the purpose of being a part of material in the next production batch.

The company has followed rules and law relating to Department of Industrial works of Ministry of Industry and Industrial Estate Authority of Thailand. The company receives ISO 14001:2004 standard regarding management and compliance concerning environment, which guarantee the prevention system of pollution happening from the company's production.

The company foresees and is aware of the essential of effects on occupational health and safety, environment, and work environment towards the company's employee, related people, and communities surrounding the factory. The company provides policies of occupational health and safety operation as follows

- The management gives precedence and strives for creative development, occupational health and safety management, and work environment
- Occupational health and safety and work environment is a part of work process and is responsible by all employees
- Providing the standards of work operation which is higher than or compliant with lawful rules based on international standard or others relating to occupational health and safety and work environment. This includes the improvement of the work operation consistently.
- Organizing the safety work environment, which control, improve, and prevent dangers from the company's business operation through the facilitation of safe work operating and having employee's participation in preventing and reporting an accident, incident, work conditions, and unsafe condition in order to have constant development and to prevent effects causing danger and no safety towards employees and related people.

- Providing monitoring measure and plan and sanitation control measure in order to prevent diseases caused by work operating and to promote the employee and related people to have good sanitation
- Focusing on human resource development by promoting and advocating for knowledge, understanding, creating attitude, generating conscious mind with regard to safety, occupational health and safety, and work environment for employees and related people adequately.
- Providing support of resources including human, time, and budget sufficiently and properly.
- Considering the cooperation regarding work safety as the first factor to assess the work operation.

Operation Guidelines

- The company appoints a particular unit to control and to push for the operation of occupational health and safety. Furthermore, the company appoints committee of occupational health and safety committee by having a meeting at least once a month for the purpose of suggestion for improving weakness of risk analyst inspection, analyzing risks, and following the progress of work operation
- The company has operated the occupational health regarding risks towards health assessment to realize the level of risk towards worker's health and to ensure that the workers will get a good care of risks to their health by having medical check-up relating to risk factors.
- The company organizes projects and activities promoting cultures relating to work safety, for example, organizing safety week exhibition, slogan contest regarding safety, weekly Safety Talk activity.

► Activities to benefit society and environment

Environment

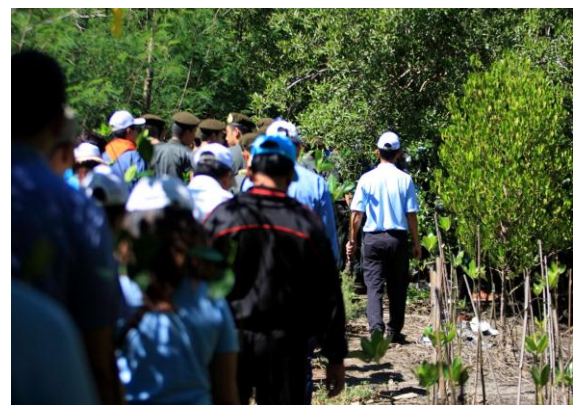
Planting Activity to enlarge green area at Kaeng Krachan National Park for the purpose of global warming reduction



Mangrove Forest Planting activity at Klong Khone Mangrove Forest at Klong Khone, Samutsongkarn to prevent the loss of natural balance. The activity will help to rehabilitate habitats of aquatic animals, wild animals, and variety kinds of seabirds. In additional, the mangrove forest planted will be line of defense against rough sea and storm happening naturally. The Mangrove Forest planted will be the source of sediment and gravel trap, water pollution trap, and weather pollution trap.



Mangrove Forest Planting Activity in the area of Khlong Tamru Permanent Mangrove Forest Planting, Khlong Tamru, Chonburi to rehabilitate ecology and to maintain environment



Religion

A Candle Festival Activity and “Thot Pha Bpa” activity - make and off-season offering of robes and other needs to monks at Wat Kaew Monglul, Kalong subdistrict, Maung district, Samutsakorn for the purpose of carrying on tradition and religion activity of the local



Community and Society

The National Children's Day Activity is for children and youth to gain knowledge and joyfulness, to practice appropriate learning skills, and to cultivate value, love, and to spend time together with family on National Children's Day.



Control Environment and Risk Management

Control Environment

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

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

Regarding the committee meeting of 2/2014 on February 26, 2014, the committees including three people assessed the company's internal control system by gaining information from questioning the management, assessment provided by the management, inspection committee's reports. The assessment of internal control system focused on five sections as below

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

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

The company provides the internal inspection unit on the purpose of monitoring and assessment of control environment of all operation systems to assure that the company's operation system meets in term of

company's objectives and to be confident to achieve company's goals efficiently and effectively. The company's business operation is based on the control environment appropriate and sufficient with business operations, supporting cooperate governance, and supporting the inspection committee to work most efficiently and effectively. The control environment is compliant with The Professional Practice Standards of Internal Auditing defined by The Institute of Internal Auditors: IIA.

According to the inspection committee's meeting of 4/2012 on August 9, 2012, Ms. Tatmasa Dechapongvaranon was appointed the Chief of company's internal inspection unit effective on August 9, 2012. Ms. Tatmasa clearly understands the company's business activities and operations. Hence, she is well qualified for the position appointed, so that the consideration and approval of appointment/removal/relocation of the Chief of internal inspection unit must be approved by the inspection committee with the consideration of the candidate's qualifications.

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

Risk Management

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

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

RELATED TRANSACTION

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

For the year ended December 31, 2013, the Company and its subsidiaries have transactions with related person and related companies as disclosed by the auditor in the notes to financial statements. The Company's Board of Directors has reviewed and considered that all related transactions shown in this financial statement are applied by normal prices of business which are based on general marketing price and normal business conditions. The details of transactions are shown below.

Details of related transaction

Unit: Million

Baht

	<i>Company's Name</i>	<i>Nature of Relationship</i>	<i>Shareholding by the company (%)</i>	<i>Significant transaction</i>	<i>Value</i>
1.	C.C.H. Packaging Co., Ltd.	D	-	- Purchasing of products	1.31
2.	Mr. Kongsak Hemmontharop	D	-	- Land rental	1.62

Nature of Relationship

A = The Company's major shareholders B = Shareholders and executives C = Subsidiaries D = Shareholders

The need and appropriateness of the related transactions

In 2013, the Company has made some transactions; i.e. product sale, property rental, providing loan, accounting service, purchasing of corrugated box, and land rental from directors and shareholders; with related person and related company. Such transactions are needed and appropriate to be used for the Company's and its subsidiaries' liquidity and working capital. Regarding the purchase price of corrugated box and the land rental fee, they are identified suitably based on market price and general business conditions.

The Audit Committee has reviewed the above related transactions and considered that they have necessity and appropriateness, including provide some benefits to the Company (see details of each transaction in Table 10.1).

Measures or Procedures regarding Related Transactions

In 2013, the conduct of related transactions have been approved by the Audit Committee with due regard to the Company's best interests.

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

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

Policy and Trends of Related Transactions

The Company will maintain the transaction of procuring corrugated boxes from related companies on reasons of convenience in making contacts and the fact that the procurement is at market price and based on normal business conditions. Rent of land from directors and shareholders will also be maintained because the factory of Milk Pack Co., Ltd. is located on such land with rental contract made at a reasonable rate.

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

Financial Highlights

Consolidated Financial Statements

Consolidated Financial Statements comprise statement of financial position, statement of comprehensive income, and statement of cash flow for the years ended December 31, 2011, 2012, and 2013, 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, 2011		As at December 31, 2012		As at December 31, 2013	
	Million Baht	%	Million Baht	%	Million Baht	%
<u>Current assets</u>						
Cash and cash equivalents	52.80	4.41	63.61	4.37	50.93	2.50
Trade accounts receivable	305.75	25.56	316.69	21.78	388.78	19.08
Inventories - net	123.68	10.34	148.94	10.24	172.94	8.48
Other current assets	46.78	3.91	33.29	2.29	74.78	3.67
Total current assets	529.01	44.23	562.53	38.68	687.43	33.73
<u>Non-current assets</u>						
Property, plant and equipment - net	645.09	53.93	865.58	59.51	1,313.13	64.43
Computer software - net	5.25	0.44	6.46	0.44	7.53	0.37
Assets under deferred income tax	5.43	0.45	6.74	0.46	7.13	0.35
Other non-current assets	11.35	0.95	13.16	0.91	22.81	1.12
Total non-current assets	667.12	55.77	891.94	61.32	1,350.60	66.27
Total assets	1,196.13	100.00	1,454.47	100.00	2,038.03	100.00

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Statement of Financial Position (cont.)

	Consolidated Financial Statements					
	As at December 31, 2011		As at December 31, 2012		As at December 31, 2013	
	Million Baht	%	Million Baht	%	Million Baht	%
Current liabilities						
Bank overdrafts and short-term loans from financial institutes	191.41	16.00	45.34	3.12	331.99	16.29
Trade accounts payable	286.13	23.92	262.35	18.04	220.97	10.84
Current portion of long-term liabilities						
- Long-term loans	58.12	4.86	45.28	3.11	110.76	5.44
- Liabilities under financial lease contracts	34.92	2.92	16.04	1.10	10.95	0.54
Accrued corporate income tax	18.65	1.56	11.89	0.82	2.41	0.12
Accrued expenses	40.01	3.34	49.66	3.41	58.74	2.88
Other current liabilities	16.80	1.41	16.44	1.13	27.20	1.33
Total current liabilities	646.04	54.01	447.00	30.73	763.02	37.44
Non-current liabilities						
Long-term loans	168.13	14.06	90.81	6.24	291.68	14.31
Liabilities under financial lease contracts	28.14	2.35	18.94	1.30	13.46	0.66
Provision employee benefit liabilities	15.04	1.26	18.09	1.25	20.75	1.02
Liabilities under deferred income tax	11.27	0.94	12.08	0.83	14.12	0.69
Other non-current liabilities	0.48	0.04	0.03	0.00	0.02	0.00
Total non-current liabilities	223.06	18.65	139.95	9.62	340.03	16.68
Total liabilities	869.10	72.66	586.95	40.35	1,103.05	54.12

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Statement of Financial Position (cont.)

	Consolidated Financial Statements					
	As at December 31, 2011		As at December 31, 2012		As at December 31, 2013	
	Million Baht	%	Million Baht	%	Million Baht	%
Shareholders' equity						
Authorized ordinary shares	276.00	23.07	276.00	18.98	276.00	13.54
Issued and fully paid-up share capital	220.00	18.39	276.00	18.98	276.00	13.54
Premium on share capitals	-	-	338.13	23.25	338.13	16.59
Appropriated retained earnings	7.92	0.66	22.18	1.52	27.23	1.34
Unappropriated retained earnings	87.01	7.27	220.47	15.16	277.33	13.61
Other components of equity						
Differences on the fixed assets acquired under common control company	-	-	-	-	-	-
Deficits from business combination under common control company	3.09	0.26	3.09	0.21	3.09	0.15
Differences from translation of foreign entity	4.02	0.34	2.76	0.19	8.39	0.41
Total equity attributable to equity holders of the parent company	322.04	26.92	862.63	59.31	930.17	45.64
Non - controlling interests	4.99	0.42	4.89	0.34	4.81	0.24
Total shareholders' equity	327.03	27.34	867.52	59.65	934.98	45.88
Total liabilities and shareholders' equity	1,196.13	100.00	1,454.47	100.00	2,038.03	100.00

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Statements of comprehensive income

	Consolidated Financial Statements					
	As at December 31, 2011		As at December 31, 2012		As at December 31, 2013	
	Million Baht	%	Million Baht	%	Million Baht	%
<u>Revenues</u>						
Sales revenue	1,640.17	99.79	2,010.03	99.66	2,109.16	99.67
Capital gain	0.97	0.06	-	-	-	-
Other income	2.53	0.15	6.92	0.34	7.05	0.33
Total revenues	1,643.67	100.00	2,016.95	100.00	2,116.21	100.00
<u>Expenses</u>						
Cost of sales	1,285.97	78.24	1,588.62	78.76	1,719.46	81.25
Selling expense	43.05	2.62	60.13	2.98	75.96	3.59
Administrative expenses	108.17	6.58	120.22	5.96	143.30	6.77
Finance cost	20.85	1.27	16.82	0.83	17.40	0.82
Total expenses	1,458.04	88.71	1,785.79	88.53	1,956.12	92.43
Profit before income tax expenses	185.63	11.29	231.16	11.47	160.09	7.57
Income tax expenses	40.33	2.45	28.35	1.41	15.47	0.73
Profit for the years	145.30	8.84	202.81	10.06	144.62	6.84
<u>Other comprehensive income</u>						
Differences on the fixed assets acquired under common control company	-	-	-	-	-	-
Deficits from business combination under common control	3.09	0.19	-	-	-	-
Differences from translation of foreign entity	5.02	0.31	(1.25)	(0.06)	5.63	0.26
Total comprehensive income for the years	153.41	9.33	201.56	9.99	150.25	7.10
<u>Profit attributable to</u>						
Equity holders of the parent company	145.24	8.84	202.91	10.06	144.71	6.84
Non - controlling interests of the subsidiary	0.06	0.00	(0.09)	(0.00)	(0.09)	(0.00)
<u>Total comprehensive income attributable to</u>						
Equity holders of the parent company	153.35	9.33	201.65	10.00	150.34	7.10
Non - controlling interests of the subsidiary	0.06	0.00	(0.09)	(0.00)	(0.09)	(0.00)

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Statements of Cash Flows

Statements of Cash Flows (Unit : Million Baht)	Consolidated financial statements		
	2011	2012	2013
Cash flows from operating activities			
Profit for the years	145.30	202.81	144.62
Reconciliations of profit for the years to net cash provided by (used in) operating activities:			
Allowance for declining in value of inventories	1.29	0.10	1.62
Depreciation and amortization	54.60	76.98	97.45
Amortization of mold	1.30	3.53	6.79
(Gain) loss on exchange rate	0.74	(0.01)	0.78
(Gain) loss on sales of fixed assets	(0.97)	(0.82)	0.15
Loss on write off fixed assets	1.54	0.01	3.11
Provision for employee benefit	2.66	3.05	3.06
Interest expenses	20.85	16.82	17.40
Income tax expenses	40.33	28.35	15.46
Profit provided by operating activities before changes in operating assets and liabilities	267.64	330.82	290.44
(Increase) decrease in operating assets			
Trade accounts receivable and other account receivable	(84.06)	(10.94)	(72.08)
Inventories	(51.45)	(25.36)	(25.62)
Other current assets	(13.43)	0.99	(34.62)
Mold for amortization	(1.89)	(3.67)	(9.24)
Other non-current assets	2.04	(1.67)	(7.20)
Increase (decrease) in operating liabilities			
Trade accounts payable and other accounts payable	96.24	(29.74)	(56.14)
Accrued expense	10.33	9.65	9.09
Other current liabilities	3.24	(0.35)	10.75
Cash provided by (used in) operating activities	228.66	269.73	105.38

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Statements of Cash Flows (cont.)

Statements of Cash Flows (Unit : Million Baht)	Consolidated financial statements		
	2011	2012	2013
Payment of employee benefit liabilities	(0.13)	-	(0.40)
Payment of corporate income tax and withholding income tax	(48.70)	(35.30)	(23.29)
Net cash provided by (used in) operating activities	179.83	234.43	81.69
<u>Cash flows from investing activities :</u>			
Cash paid dividend to non-controlling interest	(6.05)	-	-
Cash received from non-controlling interest on paid-up share capital	0.75	-	-
Cash received from dividend from non-controlling interest	0.02	-	-
Cash paid for non-controlling interests	(3.49)	-	-
Cash received from sales of fixed assets	9.34	4.38	0.40
Cash paid for purchase of fixed assets	(228.21)	(259.97)	(517.59)
Cash paid for deposit from purchase of fixed assets	(22.39)	(9.89)	(16.75)
Cash paid for purchase of computer software	(2.76)	(2.78)	(2.62)
Net cash provided by (used in) investing activities	(252.79)	(268.26)	(536.56)
<u>Cash flows from financing activities :</u>			
Increase (decrease) in bank overdrafts and short-term loans from financial institutes	90.26	(146.07)	286.65
Cash received from increase in share capital	36.00	394.13	-
Increase (decrease) in short-term loans from related person-net	(0.69)	-	-
Cash received from long-term from financial institutes	219.31	62.68	321.46
Cash paid for long-term loans	(42.71)	(152.85)	(55.11)
Cash paid for dividend	(150.42)	(55.16)	(82.80)
Cash paid for liabilities under financial lease contract payable	(30.67)	(38.78)	(16.24)
Cash paid for interest expenses	(22.77)	(16.82)	(17.40)
Net cash provided by (used in) financing activities	98.31	47.13	436.56
Differences from translation of foreign entity	5.02	(2.48)	5.63
Net increase in cash and cash equivalent	30.37	10.82	(12.68)
Cash and cash equivalents, at beginning of the year	22.42	52.79	63.61
Cash and cash equivalents, at end of the year	52.79	63.61	50.93

Important Financial ratio table

	Consolidated financial statements		
	2011	2012	2013
<u>Liquidity Ratio</u>			
Current ratio (times)	0.82	1.26	0.90
Quick ratio (times)	0.55	0.85	0.58
Account receivable turnover (times)	6.24	6.48	6.00
Average account receivable day on hand (days)	58.46	55.55	60.00
Inventory turnover (times)	13.04	11.65	10.68
Average Inventory day on hand (days)	27.99	30.89	33.70
Account payable turnover (times)	5.90	6.31	7.12
Average account payable day on hand (days)	61.90	57.02	50.60
Cash Cycle (days)	24.55	29.42	43.11
<u>Profitability Ratio</u>			
Gross profit margin (%)	21.60	20.97	18.75
Operating profit margin (%)	12.38	12.29	8.39
Net profit margin (%)	8.84	10.05	6.83
Return on equity (%)	44.63	33.61	16.05
<u>Asset Management Ratio</u>			
Return on asset (%)	14.81	15.36	8.28
Return on fixed asset (%)	38.19	36.15	21.77
Total asset turnover (times) ^{1/}	1.68	1.53	1.21
<u>Financial Controlling Policy Ratio</u>			
Debt to equity ratio (times)	2.58	0.66	1.18
Interest coverage ratio (times)	11.56	16.63	6.66
Dividend payout ratio (%)	67.43	27.24	45.80

MANAGEMENT DISCUSSION AND ANALYSIS

Business Overview and Significant Change

Regarding finishing of the first-car buyer policy in 2012, signal of economy recession starting in the 2nd Quarter of 2013, reduction of export volume, and political problem; the GDP growth rate of 2013 was decreased to 2.9% compared to the GDP grow rate of 2012 at 6.5%¹. Overview of automotive industry growth was materially reduced according to low domestic demand, referring to reduction rate at 5.36% of domestic car sales. Moreover, the 2013 growth rate of plastic industry was increased only 3.74%² according to macroeconomics effect which make overall sales of the Company increased at only 5%. The Company's revenue structure has details as follows;

Revenue structure classified by type of customers

	2011		2012		2013	
	Million Baht	%	Million Baht	%	Million Baht	%
Lubricant packaging	1,057.11	64.32	1,206.70	59.83	1,280.53	60.51
Milk and yoghurt milk packaging	221.11	13.45	270.79	13.42	288.59	13.64
Consumer goods packaging and agro chemicals packaging	176.61	10.74	193.78	9.61	246.44	11.64
Automotive parts	185.34	11.28	338.76	16.80	293.60	13.88
Total Revenues from Sales	1,640.17	99.79	2,010.03	99.66	2,109.16	99.67
Other revenues	3.51	0.21	6.92	0.34	7.05	0.33
Grand Total	1,643.68	100.00	2,016.95	100.00	2,116.21	100.00

Revenue structure classified by geography

	2011		2012		2013	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from domestic sales	1,585.72	96.47	1,899.7	94.19	1,960.52	92.64
Revenue from export sales	54.45	3.31	110.27	5.47	148.64	7.03
Total Revenues from Sales	1,640.17	99.79	2,010.0	99.66	2,109.16	99.67
Other revenues	3.50	0.21	6.92	0.34	7.05	0.33
Grand Total	1,643.68	100.00	2,016.9	100.00	2,116.21	100.00

¹ From National Accounts

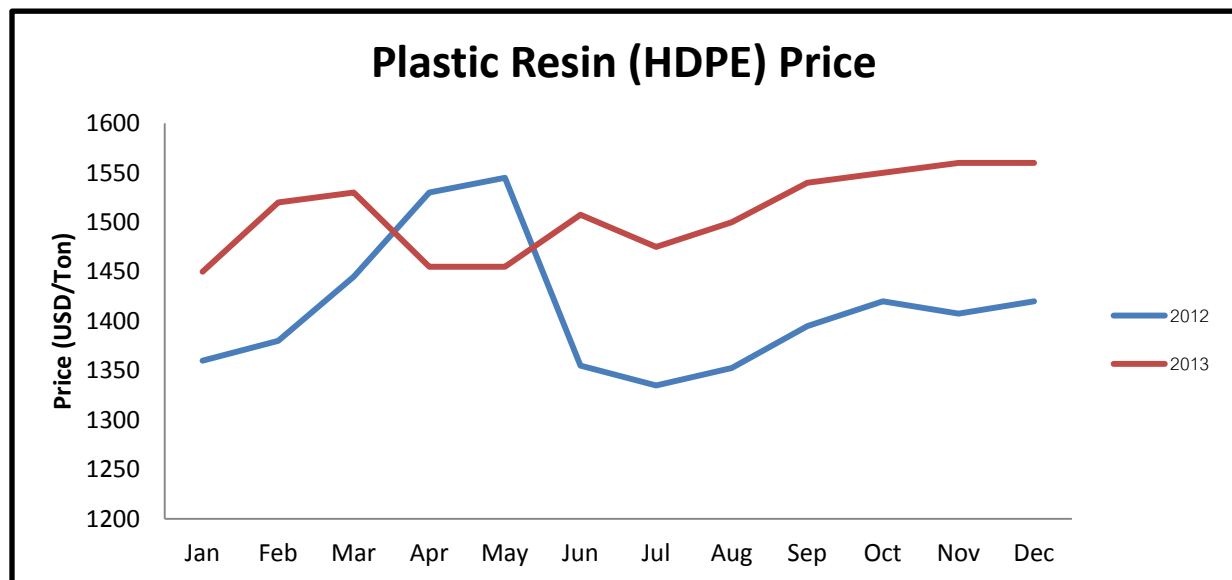
² The Office of Industrial Economics

The Company's sale in automotive part industry was reduced at 13%, which higher than reduction of the industry. In addition, most of Company's products were at the end of existing model which their sale volume was rapidly recessed, while the new model was under development and could not boost sale for replacement. From the issues of economic crisis and strong competition after finishing of the first-time car buyer project, the Company's management conducted the policy to diversify cars models and patterns, especially for export, to support various kinds of customers and disperse sales revenue which can reduce risk from economic recession.

Regarding consumer goods and agro chemical packaging, the Company was grew up well because new customers and receiving positive impact from economic boost policies, i.e. minimum wage incretion, minimum salary determination, and rice mortgage scheme.

Operating Performance and Profitability

According to higher market price of crude oil and Baht depreciation effect, the price of plastic pellets in the second half of 2013 was also increased. The reference prices of plastic pellets compared during 2012 – 2013, published by Thai Plastics Industries Association, are shown below.



Source : The Federation of Thai Industries

According to higher price of plastic pallets and Baht depreciation effect, the Company had higher cost around 4 – 5% because raw material cost is around 50 – 65 % of total cost. Cost ratio depends on type of packaging, cap, and automotive part. Although the Company is able to adjust the selling price to reflect increased cost for some customers, the effective of new price may be delayed according to the contract term and subjected to customer's negotiation. In addition, the Company has invested in new machine and plant which cannot generate sales and cause efficient productivity. Consequentially, the Company requested increasing sum insured and adding more types of insurance to cover suspended business, thus the insurance premium was higher and the Company gross margin was reduced from 21.24% to 18.75%.

Economic recession caused the sales of automotive parts under the target. Moreover, the Company has invested in construction of building and painting shop, including purchasing of new machine for production of new models in 2014 – 2015, thus the Company had higher operating cost. The operating cost comprised of depreciation; compensation of employees, technician, and professional engineer, both Thai and Japanese, to work for painting shop and new models; product testing, and interest payments. Thus, selling expenses and administration expense of the Company were increased accordingly. In conclusion, higher raw material cost and other expenses to support new investment of painting shop and new model can reduce the Company's net profits from 10.05% to 6.83%.

However, the Company's management is aware of and has been monitoring raw material price variation, price adjustment has been done for some customers. The Company attempts to optimize utilization of machine to control and maintain gross margin ratio by comparing to the ratio of industry and other manufacturers.

Asset Management Capability

In 2013, the Company invested more capital on plant and equipment at around Baht 522 Million, mainly in Chonburi factory to expand automotive part line in painting shop. The management considers that there will be higher demand of quality products; e.g. bumper, spoiler, wing mirror, etc.; to be painted in the future which is caused by the fist-car buyer project, while there are only a few qualified manufacturers in Thailand. Unfortunately, plant construction and machine installation require long period of time. The painting shop, which is modern and use advance technology from Japan, was completed at the end of 2013. In 2014, the Company can get some orders from the customers who come to visit the factories. As a result, the Company's asset management capability in the previous year was decreased.

Liquidity and Capital Sufficiency

In the second half of 2013, the Company conducted the policy to purchase the raw materials by cash to control the prices of plastic pellets. By comparing between cost of capital and discount, the Company takes higher benefits from discount than increased cost of capital. Cash payment can reduce average account payable period from 57 days to 50.6 days. At the end of 2013, as the raw material prices was increased and baht depreciation caused by the Quantitative Easing (QE) policy of USA, the Company has to reserve more cash flow for raw material purchase. With work in process of products and mold to delivery, the inventory days at the end of 2013 were higher from the previous year around 3 days.

Moreover, political crisis in December 2013 made some customers were not able to work, thus the payments made by them to the Company were delay. Thus, the Company's average account receivable periods were increased around 3 days. However, at the beginning of 2014, although customers resume their payment situation, the Company's management decides to reserve more capital to survive the Company's business during dynamic political and economic situations. In addition, the Company has some amount of overdraft and short-term loan, which have not been withdrawn, which are sufficient as backup plan for emergency and can avoid shortage problems.

Liabilities and Off-Balance Sheet Transactions

As at December 31, 2013, the Company has its liabilities and off-balance sheet transactions as follows;

Liabilities	Total	Payment Term			
		Less than 1 year	More than 1-3 years	More than 3-5 years	More than 5 years
Liabilities under long-term loans	380,009,739.89	104,904,000.00	205,093,325.89	70,012,414.00	-
Liabilities under financial lease contracts	23,540,000.00	10,084,000.00	12,245,000.00	1,211,000.00	-
Liabilities under operating lease	841,984.00	841,984.00	-	-	-
Liabilities under asset investment	39,380,201.00	39,380,201.00	-	-	-
Other Liabilities – guarantee	104,680,000.00	104,680,000.00	-	-	-
Total	548,451,924.89	259,890,185.00	217,338,325.89	71,223,414.00	-

Factors or Events affecting future operating or financial performance

In 2014, one of external factors which may affect future of the Company is trend of Thai economy which seems to be recesses or less expansion from the previous year. The economic recession is a result of political crisis, reorganization of government for continuation of policy and budget allocation for boosting economy, export sales, low prices of agricultural products, and reduction in tourism. Those factors make purchasing power of people weaker. By this reason, the Company's management cooperates with the Risk Management Committee to monitor any situation which may affect the Company's operating or financial performance, strictly consider in new investment, allocate its capital as necessary, and reserve adequate capital for securing liquidity and solvency. However, the management considers that packaging products have similar growth rate as the industry because the Company has major customers who are the leader of each industry, i.e. lubricant packaging, milk and yogurt milk packaging industry, consumer goods and agro chemical packaging. Fortunately, some customers can grow up in export market.

Regarding automotive parts, the Company focuses on more customer segments and product diversification, especially export model, to reduce effect on decreased domestic sales. The Company requests product development team and sales team to work closely customer so that they can learn about situation, control new model launching quickly under determined budget, and control for construction of new painting shop to generate sales in 2014 – 2015. The Company's management considers that those external factors seems to be recover and continue in positive way in the middle of 2014, thus the sales of automotive parts with new model launching can grow up.

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 2013 Annual Report. The financial statements were prepared in compliance with generally accepted accounting principles, which are identified by Accounting Professions Act B.E. 2547, and disclosed the information according to the rules in Accounting Act B.E. 2543 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 2013 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, 2013**

REPORT OF THE AUDITOR

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

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, 2013, 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, 2013, 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, 2013, 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, 2013, and the financial performance and its cash flows for the year then ended in accordance with the Financial Reporting Standards.

Emphasis of matter

I draw attention to Note 3.2 to the financial statements. In presenting the financial statement for the year ended December 31, 2013, the Company and its subsidiaries have adopted new financial reporting standards issued by the Federation of Accounting Professions (FAP) which are effective from the period beginning on or after January 1, 2013. The effect of changing in accounting policy has been described in Note 3.3 to the financial statements. The comparative information presented herewith has been restated on this matter. My opinion to the financial statement is not qualified in respect of this matter.

(Mr. Pojana Asavasontichai)

Certified Public Accountant

Registration No. 4891

Dharmniti Auditing Company Limited

Bangkok, Thailand

February 26, 2014

2014/112/0379

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2013

ASSETS

		Baht					
		Consolidated financial statements			Separate financial statements		
	Note	As at December 31, 2013	As at December 31, 2012 (Restated)	As at January 1, 2012	As at December 31, 2013	As at December 31, 2012 (Restated)	As at January 1, 2012
Current assets							
Cash and cash equivalents	3.6, 5	50,935,438.85	63,611,471.92	52,796,555.71	25,877,226.26	29,419,781.73	16,218,691.21
Trade and other accounts receivable	3.7, 4, 6	388,767,743.59	316,690,122.30	305,750,805.20	363,205,312.33	308,262,018.14	305,681,345.40
Short - term loans to related person and related companies	4, 7	-	-	-	-	10,331,682.00	10,693,850.00
Inventories	3.8, 8	172,945,465.51	148,941,979.97	123,681,508.90	153,654,678.90	130,526,995.37	106,852,327.77
Other current assets	9	74,777,815.10	33,290,181.61	46,780,863.14	67,173,526.76	22,192,596.04	27,469,710.72
Total current assets		687,426,463.05	562,533,755.80	529,009,732.95	609,910,744.25	500,733,073.28	466,915,925.10
Non-current assets							
Investment in subsidiaries	3.10, 10	-	-	-	97,286,807.20	97,286,807.20	97,286,807.20
Property, plant and equipment	3.11, 11	1,313,129,377.36	865,577,980.16	645,094,251.89	1,191,058,215.75	771,428,762.30	597,578,406.17
Computer software	3.13, 12	7,533,482.61	6,457,694.17	5,246,590.27	7,240,724.71	6,185,940.32	4,914,976.69
Deferred tax assets	13	7,133,255.93	6,740,045.20	5,426,544.28	6,608,063.12	6,007,958.88	4,563,497.48
Other non-current assets		22,807,354.32	13,164,549.80	11,352,039.47	14,851,259.33	7,225,153.00	5,719,756.89
Total non-current assets		1,350,603,470.22	891,940,269.33	667,119,425.91	1,317,045,070.11	888,134,621.70	710,063,444.43
Total assets		2,038,029,933.27	1,454,474,025.13	1,196,129,158.86	1,926,955,814.36	1,388,867,694.98	1,176,979,369.53

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, 2013

LIABILITIES AND SHAREHOLDERS' EQUITY

		Baht					
		Consolidated financial statements			Separate financial statements		
		As at December	As at December	As at January	As at December	As at December	As at January
		31, 2013	31, 2012	1, 2012	31, 2013	31, 2012	1, 2012
Note			(Restated)			(Restated)	
Current liabilities							
Bank overdrafts and short-term loans from financial							
institutions	14	331,987,626.88	45,342,280.40	191,411,755.91	331,987,626.88	45,342,280.40	191,411,755.91
Trade and other accounts payable	4	220,974,689.82	262,346,247.49	286,129,216.93	225,076,246.47	246,243,343.63	285,145,403.25
Current portion of long-term liabilities							
- Long-term loans	15	110,756,123.63	45,275,900.28	58,122,000.00	104,904,000.00	38,744,000.00	58,122,000.00
- Liabilities under financial lease contracts	16	10,946,711.56	16,043,094.33	34,920,133.65	10,083,640.43	13,558,105.04	34,920,133.65
Accrued corporate income tax		2,414,214.12	11,887,533.61	18,649,645.56	1,604,101.17	11,664,119.47	18,535,819.71
Accrued expenses		58,746,093.52	49,657,631.29	40,005,778.50	54,436,648.98	46,113,160.11	37,281,599.51
Other current liabilities		27,199,433.47	16,443,692.73	16,797,758.50	21,822,424.13	13,871,115.10	16,220,402.82
Total current liabilities		763,024,893.00	446,996,380.13	646,036,289.05	749,914,688.06	415,536,123.75	641,637,114.85
Non-current liabilities							
Long-term loans	15	291,684,078.43	90,810,124.48	168,133,144.00	275,105,739.89	88,349,325.89	168,133,144.00
Liabilities under financial lease contracts	16	13,456,487.73	18,939,365.10	28,136,113.39	13,456,487.73	18,076,293.97	28,136,113.39
Provision employee benefit liabilities	17	20,747,773.00	18,089,998.00	15,044,849.00	19,186,254.00	16,822,677.00	13,866,880.00
Deferred tax liabilities	13	14,118,554.41	12,080,060.35	11,272,103.01	11,730,290.96	11,098,667.84	10,267,519.73
Other non-current liabilities		21,175.41	35,279.49	480,538.84	21,175.41	35,279.49	480,538.84
Total non-current liabilities		340,028,068.98	139,954,827.42	223,066,748.24	319,499,947.99	134,382,244.19	220,884,195.96
Total liabilities		1,103,052,961.98	586,951,207.55	869,103,037.29	1,069,414,636.05	549,918,367.94	862,521,310.81

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, 2013

LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

	Note	Baht				
		Consolidated financial statements			Separate financial statements	
		As at December	As at December	As at January	As at December	As at January
		31, 2013	31, 2012	1, 2012	31, 2013	1, 2012
			(Restated)			(Restated)
Shareholders' equity						
Share capital	18					
Authorized share capital						
552,000,000 ordinary shares of Baht 0.50 each		276,000,000.00	276,000,000.00	276,000,000.00	276,000,000.00	276,000,000.00
Issued and fully paid-up share capital						
552,000,000 ordinary shares of Baht 0.50 each		276,000,000.00	276,000,000.00		276,000,000.00	276,000,000.00
440,000,000 ordinary shares of Baht 0.50 each				220,000,000.00		220,000,000.00
Premium on share capital	18	338,128,000.00	338,128,000.00	-	338,128,000.00	338,128,000.00
Retained earnings						
Appropriated						
Legal reserve	19, 20	27,234,391.48	22,182,233.16	7,919,764.78	27,234,391.48	22,182,233.16
Unappropriated		277,329,998.00	220,467,171.98	87,014,483.51	223,959,679.40	210,765,401.44
Other components of equity						
Differences on the fixed assets acquired under common						
control company	11	-	-	-	(7,780,892.57)	(8,126,307.56)
Deficits from business combination under						
common control company		3,086,493.16	3,086,493.16	3,086,493.16	-	-
Differences from translation of foreign entity		8,390,461.06	2,762,977.27	4,018,333.11	-	-
Total equity attributable to equity holders						
of the parent company		930,169,343.70	862,626,875.57	322,039,074.56	857,541,178.31	838,949,327.04
Non - controlling interests		4,807,627.59	4,895,942.01	4,987,047.01	-	-
Total shareholders' equity		934,976,971.29	867,522,817.58	327,026,121.57	857,541,178.31	838,949,327.04
Total liabilities and shareholders' equity		2,038,029,933.27	1,454,474,025.13	1,196,129,158.86	1,926,955,814.36	1,388,867,694.98

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, 2013

		Baht			
		Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
			(Restated)		(Restated)
Note					
Revenues	3.5				
Sales	4, 29, 30	2,109,161,488.86	2,010,033,018.73	1,962,343,537.37	1,899,990,975.78
Other income	4, 29, 30	7,048,826.46	6,916,263.27	8,506,935.18	8,171,309.15
Total revenues		2,116,210,315.32	2,016,949,282.00	1,970,850,472.55	1,908,162,284.93
Expenses	3.5				
Cost of sales		1,719,465,119.93	1,588,623,129.97	1,635,954,877.13	1,512,202,784.90
Selling expense		75,964,332.09	60,132,655.83	73,386,610.55	58,373,889.00
Administrative expenses		143,295,964.48	120,214,233.64	130,536,204.47	108,275,005.58
Finance cost		17,397,463.83	16,820,042.26	16,242,817.24	16,505,877.10
Total expenses		1,956,122,880.33	1,785,790,061.70	1,856,120,509.39	1,695,357,556.58
Profit before income tax expenses		160,087,434.99	231,159,220.30	114,729,963.16	212,804,728.35
Income tax expenses	3.22, 24, 29	15,464,035.07	28,345,168.45	13,686,796.88	27,430,389.15
Profit for the years		144,623,399.92	202,814,051.85	101,043,166.28	185,374,339.20
Other comprehensive income					
Differences on the fixed assets acquired under common control company		-	-	345,414.99	178,929.12
Differences from translation of foreign entity - tax net		5,627,483.79	(1,255,355.84)	-	-
Other comprehensive income for the years - tax net		5,627,483.79	(1,255,355.84)	345,414.99	178,929.12
Total comprehensive income for the years		150,250,883.71	201,558,696.01	101,388,581.27	185,553,268.32

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, 2013

		Baht			
		Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
			(Restated)		(Restated)
Profit attributable to	Note				
Equity holders of the parent company		144,711,714.34	202,905,156.85	101,043,166.28	185,374,339.20
Non - controlling interests of the subsidiary		(88,314.42)	(91,105.00)	-	-
		<u>144,623,399.92</u>	<u>202,814,051.85</u>	<u>101,043,116.28</u>	<u>185,374,339.20</u>
Total comprehensive income attributable to					
Equity holders of the parent company		150,339,198.13	201,649,801.01	101,388,581.27	185,553,268.32
Non - controlling interests of the subsidiary		(88,314.42)	(91,105.00)	-	-
		<u>150,250,883.71</u>	<u>201,558,696.01</u>	<u>101,388,581.27</u>	<u>185,553,268.32</u>
Earnings per share	3.19, 26				
Basic earnings per share					
Profit attributable to equity holders of the parent company		<u>0.26</u>	<u>0.38</u>	<u>0.18</u>	<u>0.35</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, 2013

		Baht							
		Equity holders of the parent company					Non - controlling	Total	
		Issued and	Premium on	Retained earnings		Other components of equity		Total	
		paid-up	share capital	Legal reserve	unappropriated	Deficits from	Differences from	equity attributable	interests
		share capital			unappropriated	business combination	translation of	to equity holders	shareholders' equity
						under common control	foreign entity	of the parent company	
Note									
<u>Consolidated financial statement</u>									
	Balance as at January 1, 2012 - as perviously reported	220,000,000.00	-	7,919,764.78	91,855,458.96	3,086,493.16	5,022,916.39	327,884,633.29	4,987,047.01
	Adjustment								
	The cumulative effect of the financial statements								
	from recording deferred tax expense	3.3	-	-	(4,840,975.45)	-	(1,004,583.28)	(5,845,558.73)	-
	Balance as at January 1, 2012 - as restated	220,000,000.00	-	7,919,764.78	87,014,483.51	3,086,493.16	4,018,333.11	322,039,074.56	4,987,047.01
	Increase in share capital	18	56,000,000.00	-	-	-	-	56,000,000.00	-
	Premium on share capital	18	-	338,128,000.00	-	-	-	338,128,000.00	-
	Legal reserve	19	-	-	14,262,468.38	(14,262,468.38)	-	-	-
	Dividend	20	-	-	(55,190,000.00)	-	-	(55,190,000.00)	-
	Total comprehensive income for the year (restated)		-	-	202,905,156.85	-	(1,255,355.84)	201,649,801.01	(91,105.00)
	Balance as at December 31, 2012		276,000,000.00	338,128,000.00	22,182,233.16	220,467,171.98	3,086,493.16	862,626,875.57	4,895,942.01

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, 2013

		Baht								
		Equity holders of the parent company						Non - controlling	Total	
		Issued and	Premium on	Retained earnings		Other components of equity		Total	interests	shareholders' equity
		paid-up	share capital	Legal reserve	unappropriated	Deficits from	Differences from	equity attributable		
		share capital			unappropriated	business combination	translation of	to equity holders		
Note						under common control	foreign entity	of the parent company		
<u>Consolidated financial statement</u>										
Balance as at January 1, 2013 - as previously reported		276,000,000.00	338,128,000.00	22,182,233.16	225,116,442.81	3,086,493.16	3,453,721.59	867,966,890.72	4,895,942.01	872,862,832.73
Adjustment										
The cumulative effect of the financial statements										
from recording deferred tax expense	3.3	-	-	-	(4,649,270.83)	-	(690,744.32)	(5,340,015.15)	-	(5,340,015.15)
Balance as at January 1, 2013 - as restated		276,000,000.00	338,128,000.00	22,182,233.16	220,467,171.98	3,086,493.16	2,762,977.27	862,626,875.57	4,895,942.01	867,522,817.58
Legal reserve	19	-	-	5,052,158.32	(5,052,158.32)	-	-	-	-	-
Dividend	20	-	-	-	(82,796,730.00)	-	-	(82,796,730.00)	-	(82,796,730.00)
Total comprehensive income for the year		-	-	-	144,711,714.34	-	5,627,483.79	150,339,198.13	(88,314.42)	150,250,883.71
Balance as at December 31, 2013		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

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, 2013

		Baht					
		Issued and paid-up share capial	Premium on share capital	Retained earnings		Differences on the fixed assets acquired under common control company	Total
	Note			Legal reserve	unappropriated		
<u>Separate financial statement</u>							
Balance as at January 1, 2012 - as previous reported		220,000,000.00	-	7,919,764.78	100,547,552.87	(8,305,236.68)	320,162,080.97
Adjustment							
The cumulative effect of the financial statements							
from recording deferred tax expense	3.3	-	-	-	(5,704,022.25)	-	(5,704,022.25)
Balance as at January 1, 2012 - as restated		220,000,000.00	-	7,919,764.78	94,843,530.62	(8,305,236.68)	314,458,058.72
Increase in share capital	18	56,000,000.00	-	-	-	-	56,000,000.00
Premium on share capital	18	-	338,128,000.00	-	-	-	338,128,000.00
Legal reserve	19	-	-	14,262,468.38	(14,262,468.38)	-	-
Dividend	20	-	-	-	(55,190,000.00)	-	(55,190,000.00)
Total comprehensive income for the year - as restated		-	-	-	185,374,339.20	178,929.12	185,553,268.32
Balance as at December 31, 2012		276,000,000.00	338,128,000.00	22,182,233.16	210,765,401.44	(8,126,307.56)	838,949,327.04

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, 2013

		Baht					
		Issued and	Premium on	Retained earnings		Differences on the	Total
		paid-up	share capital	Legal reserve	unappropriated	fixed assets aquired	
		share capial				under common	
	Note					control company	
<u>Separate financial statement</u>							
Balance as at January 1, 2013 - as previous reported		276,000,000.00	338,128,000.00	22,182,233.16	215,856,110.40	(8,126,307.56)	844,040,036.00
Adjustment							
The cumulative effect of the financial statements							
from recording deferred tax expense	3.3	-	-	-	(5,090,708.96)	-	(5,090,708.96)
Balance as at January 1, 2013 - as restated		276,000,000.00	338,128,000.00	22,182,233.16	210,765,401.44	(8,126,307.56)	838,949,327.04
Legal reserve	19	-	-	5,052,158.32	(5,052,158.32)	-	-
Dividend	20	-	-	-	(82,796,730.00)	-	(82,796,730.00)
Total comprehensive income for the year		-	-	-	101,043,166.28	345,414.99	101,388,581.27
Balance as at December 31, 2013		276,000,000.00	338,128,000.00	27,234,391.48	223,959,679.40	(7,780,892.57)	857,541,178.31

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, 2013

	Baht			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
		(Restated)		(Restated)
Cash flows from operating activities :				
Profit for the years	144,623,399.92	202,814,051.85	101,043,166.28	185,374,339.20
Reconciliations of profit for the years to net cash provided by (used in) operating activities :				
Allowance for declining in value of inventories	1,620,173.84	99,128.19	1,378,813.58	308,660.47
Depreciation and amortization	97,451,879.77	76,982,352.00	83,526,395.14	67,979,975.79
Amortization of mold	6,794,482.32	3,531,351.98	6,751,340.71	3,490,440.30
(Gain) loss on exchange rate	774,533.75	(4,885.66)	805,934.89	357,282.34
(Gain) loss on sales of fixed assets	150,755.88	(818,637.40)	150,755.88	(818,637.40)
Loss on write off fixed assets	3,105,913.02	10,292.85	3,105,913.02	10,292.85
Provision for employee benefit	3,054,375.00	3,045,149.00	2,760,177.00	2,955,797.00
Interest income	-	-	-	-
Interest expenses	17,397,463.83	16,820,042.26	16,242,817.24	16,505,877.10
Income tax expenses	15,464,035.07	28,345,168.45	13,686,796.88	27,430,389.15
Profit provided by operating activities before changes in operating assets and liabilities	290,437,012.40	330,824,013.52	229,452,110.62	303,594,416.80
(Increase) decrease in operating assets				
Trade and other accounts receivable	(72,077,621.29)	(10,939,317.10)	(54,943,294.19)	2,410,057.82
Short-term loans to related person and related companies	-	-	10,331,682.00	-
Inventories	(25,623,659.38)	(25,359,599.26)	(24,506,497.11)	(23,983,328.07)
Other current assets	(34,622,767.98)	994,962.95	(34,775,589.77)	(3,921.48)
Mold for amortization	(9,234,566.60)	(3,669,660.00)	(9,234,566.60)	(3,669,660.00)
Other non-current assets	(7,202,720.24)	(1,674,202.31)	(5,142,880.44)	(1,326,176.42)
Increase (decrease) in operating liabilities				
Trade and other accounts payable	(56,140,741.27)	(29,740,857.50)	(42,049,344.19)	(46,445,767.94)
Accrued expense	9,088,462.23	9,651,852.79	8,323,488.87	8,831,560.60
Other current liabilities	10,755,740.74	(354,065.79)	7,951,309.03	(2,349,287.72)
Cash provided by (used in) operating activities	105,379,138.61	269,733,397.30	85,406,418.82	237,057,893.59
Paid to employee benefit	(396,600.00)	-	(396,600.00)	-
Payment of corporate income tax and withholding income tax	(23,292,071.23)	(35,298,985.01)	(23,715,352.30)	(34,915,402.67)
Net cash provided by operating activities	81,690,467.38	234,434,412.29	61,294,465.92	202,142,490.92

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

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONT.)

FOR THE YEARS ENDED DECEMBER 31, 2013

	Baht			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
		(Restated)		(Restated)
<u>Cash flows from investing activities :</u>				
Cash received from sales of fixed assets	403,533.66	4,376,542.09	403,533.66	7,811,772.21
Cash paid for purchase of fixed assets	(517,586,950.10)	(259,972,936.42)	(475,980,578.39)	(229,821,812.66)
Cash paid for deposit from purchase of fixed assets	(16,756,854.61)	(9,891,989.10)	(13,408,136.05)	(3,202,795.10)
Cash paid for purchase of computer software	(2,618,560.74)	(2,774,703.51)	(2,618,560.74)	(2,774,703.51)
Net cash used in investing activities	(536,558,831.79)	(268,263,086.94)	(491,603,741.52)	(227,987,539.06)
<u>Cash flows from financing activities :</u>				
Increase (decrease) in bank overdrafts and short-term loans				
from financial institutions	286,645,346.48	(146,069,475.51)	286,645,346.48	(146,069,475.51)
Cash received from increase in sharecapital	-	394,128,000.00	-	394,128,000.00
Cash received from long-term from financial institution	321,460,414.00	62,682,181.89	302,060,414.00	52,082,181.89
Cash paid for long-term loans	(55,106,236.70)	(152,851,301.13)	(49,144,000.00)	(151,244,000.00)
Cash paid for dividend	(82,796,730.00)	(55,157,699.00)	(82,796,730.00)	(55,157,699.00)
Cash paid for liabilities under financial lease contract payable	(16,240,482.40)	(38,784,596.16)	(13,755,493.11)	(38,186,991.62)
Cash paid for interest expenses	(17,397,463.83)	(16,820,042.26)	(16,242,817.24)	(16,505,877.10)
Net cash provided by financing activities	436,564,847.55	47,127,067.83	426,766,720.13	39,046,138.66
Differences from translation of foreign entity	5,627,483.79	(2,483,476.97)	-	-
Net increase in cash and cash equivalents	(12,676,033.07)	10,814,916.21	(3,542,555.47)	13,201,090.52
Cash and cash equivalents, at beginning of the year	63,611,471.92	52,796,555.71	29,419,781.73	16,218,691.21
Cash and cash equivalents, at end of the year	50,935,438.85	63,611,471.92	25,877,226.26	29,419,781.73

Supplemental disclosure of cash flows information :-

Cash and cash equivalents consisted of

Deposits from purchase of fixed assets, paid in

the previous period

Account payable from purchase fixed asset - other companies

Liabilities under financial lease contracts

Sale of fixed assets, which not receive in the previous period

9,891,989.10	22,387,707.68	3,202,795.10	8,483,831.26
13,963,248.71	5,962,503.72	20,076,312.14	7,548,593.98
5,661,222.26	10,710,808.55	5,661,222.26	10,710,808.55
-	-	-	4,990,730.56

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, 2013

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, 2013 and 2012, the operating branches are as follows :

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

(b) Nature of the Company's business

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

(c) On February 13, 2012, the Company had received the permission to list their common stocks in the Stock Exchange of Thailand (MAI). Securities trading is start on February 28, 2012.

2. CRITERIA FOR THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENT

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

Company	Type	Location	Shareholding ratio	
			(Percentage of registered shares amount)	
			2013	2012
<u>Subsidiaries</u>				
Millpack Co., Ltd.	Manufacturer of packaging	Bangkok	99.98%	99.98%
Elegance Packaging Co., Ltd.	Trading of lid	Bangkok	99.97%	99.97%
Panjawattana (Tianjin) Plastic Co., Ltd.	Manufacturer of packaging	Tianjin (China)	100.00%	100.00%
<u>A combination of entities or business under common control:-</u>				
Panjawatana Maketing Co., Ltd.	Manufacturer (Dormant)	Bangkok	-	-

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2013

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

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis for preparation of the financial statements

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

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

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

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2013

3.2 Accounting standards effective for using in current year

The Federation of Accounting Professions (FAP) has issued Notifications to mandate the use of the revised 2009, and the new issued of accounting standards financial reporting standards, the interpretations and accounting treatment guidance of which they are effective for using in the periods beginning on or after January 1, 2013, as follows.

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates
TFRS 8	Operating Segments
SIC 10	Government Assistance - No Specific Relation to Operating Activities
SIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
SIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
Accounting Treatment Guidance for Transfers of Financial Assets	

The management of the Company believes that these accounting standards do not have any significant impact on the financial statements for the year when they are initially applied, except for TAS 12 Income Taxes that the Company has used at the effective date and have the effects of changes in the Company's accounting policies as disclosed in note 3.3; Effect of changes in accounting policies.

3.3 Effect of changes in accounting policies due to application of new accounting standards

From January 1, 2013, the Company has used of TAS 12 Income Taxes. This accounting standard requires an entity to identify temporary differences arising from differences between the carrying amount of an asset or liability in the statement of financial position and its tax base in order to recognize the tax effects as deferred tax assets or liabilities subjecting to certain recognition criteria.

The Company has used this accounting policy in this current year and restated the prior year's financial statements, presented for comparative purposes, as though the Company had initially recognized the tax effects as deferred tax assets or liabilities. The change in accounting policies has been the effects are as follows:

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2013

	Thousand Baht					
	Consolidated financial statement			Separate financial statements		
	As at December	As at December	As at January	As at December	As at December	As at January
	31, 2013	31, 2012	1, 2012	31, 2013	31, 2012	1, 2012
Statements of financial position						
Deferred tax assets increase	7,133	6,740	5,426	6,608	6,008	4,563
Deferred tax liabilities increase	14,118	12,080	11,272	11,730	11,099	10,267
Retained earnings increase (decrease)	(4,887)	(4,649)	(4,841)	(5,122)	(5,091)	(5,704)
Other component of shareholders' equity						
increase (decrease)	(2,098)	(691)	(1,005)	-	-	-

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<u>Statements of comprehensive income</u>				
Profit or loss:				
Income taxes increase(decrease)	294	(192)	87	(613)
Net profit increase(decrease)	(294)	192	(87)	613
Basic earnings per share increase(decrease)	(0.0005)	0.0004	(0.0002)	0.0011

3.4 The new and revised accounting standards but are not yet effective

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, 2014 are as follows:

TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rate
TAS 24 (revised 2012)	Related Party Disclosures

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2013

TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Venture
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible assets
TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economics
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers
TSIC 15	Operating Leases - Incentives
TSIC 27	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosure
TSIC 32	Intangible Assets - Web Site Costs

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

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

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2013

3.5 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 the amount of revenues and its costs or having uncertainty on return of the goods sold.

Interest income

The Company and its subsidiaries recognize interest income on the accrued basis by considering the effective rate.

Other income and expense

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

3.6 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.

3.7 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.

3.8 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.

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2013

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.

3.9 Mold for amortization

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

3.10 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.

3.11 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.

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2013

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

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.

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2013

3.12 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

3.13 Intangible assets

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

Amortization

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

	<u>years</u>
Computer software	5

3.14 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.

3.15 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.

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2013

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 profit or loss.

3.16 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.

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2013

3.17 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.

3.18 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.

3.19 Earnings per share

Basic earnings per share is calculated by dividing profit for the year by the weighted average number of ordinary shares in issue during the year.

3.20 Related parties

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

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

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2013

3.21 The Use of Discretion and Critical Accounting Estimates

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

3.21.1 Lease

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

3.21.2 Allowance for doubtful accounts receivable

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

3.21.3 Property, plant and equipment, and depreciation

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

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

3.21.4 Intangible Assets

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

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2013

3.22 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 (year 2013 : 20%, year 2012 : 23%) of profit before income tax, after adding back certain expenses which are non-deductible for income tax computation purposes, and less certain transactions which are exemption or allowable from income tax.

Deferred tax

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

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

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

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

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2013

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
Panjawattana (Tianjin) Plastic Co., Ltd.	Tianjin (China)	Share and management
A combination of entities or business under common control:-		
Panjawatana Maketing Co., Ltd.	Thailand	Share and management
Other related companies:-		
C.C.H. Packaging Co., Ltd.	Thailand	Share
Mr. Kongsak Hemmontharop	Thailand	Share

Significant transactions with related person and related companies show in this 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
Cost of product	Mutual agreed price
Rental and service expenses	Mutual agreed price
Administration expenses	Mutual agreed price

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2013

Significant transactions with related companies for the years ended December 31, 2013 and 2012 are as follows :

Transaction	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Sale				
Subsidiaries:-				
Millpack Co., Ltd.	-	-	4,153	2,596
Elegance Packaging Co., Ltd.	-	-	44,218	44,409
	<u>-</u>	<u>-</u>	<u>48,371</u>	<u>47,005</u>
Gain on sales of fixed assets				
Subsidiaries:-				
Millpack Co., Ltd.	-	-	-	368
Interest income				
Subsidiaries:-				
Panjawattana (Tianjin) Plastic Co., Ltd.	-	-	141	337
	<u>-</u>	<u>-</u>	<u>141</u>	<u>337</u>
Other income				
Subsidiaries:-				
Millpack Co., Ltd.	-	-	1,930	1,450
Elegance Packaging Co., Ltd.	-	-	360	360
	<u>-</u>	<u>-</u>	<u>2,290</u>	<u>1,810</u>
Purchase of goods				
Subsidiaries:-				
Millpack Co., Ltd.	-	-	147,115	139,606
Other related companies:-				
C.C.H. Packaging Co., Ltd.	1,312	1,084	1,312	1,084
	<u>1,312</u>	<u>1,084</u>	<u>148,427</u>	<u>140,690</u>
Rental and service expenses				
Subsidiaries:-				
Millpack Co., Ltd.	-	-	49,575	11,595
Remuneration for executive				
Short-term benefit	41,916	38,284	41,916	38,147
Benefit after leaving the Company	790	614	790	607
Other long-term benefit	-	-	-	-
Total	<u>42,706</u>	<u>38,898</u>	<u>42,706</u>	<u>38,754</u>

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2013

Outstanding balances with related companies as at December 31, 2013 and 2012 are as follows:

	Thousand Baht			
	Consolidated financial statement		Separate financial statement	
	2013	2012	2013	2012
Trade and other account receivable				
Subsidiaries:-				
Millpack Co., Ltd.	-	-	1,428	8,188
Elegance Packaging Co., Ltd.	-	-	8,626	8,111
Panjawattana (Tianjin) Plastic Co., Ltd.	-	-	-	169
	<u>-</u>	<u>-</u>	<u>10,054</u>	<u>16,468</u>
Short-term loans to related person				
Subsidiaries:-				
Panjawattana (Tianjin) Plastic Co., Ltd.	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,332</u>
Trade and other account payable				
Subsidiaries:-				
Millpack Co., Ltd.	-	-	36,416	14,194
Other related companies:-				
C.C.H. Packaging Co., Ltd.	<u>9</u>	<u>144</u>	<u>9</u>	<u>144</u>
	<u>9</u>	<u>144</u>	<u>36,425</u>	<u>14,338</u>

5. CASH AND CASH EQUIVALENT

Cash and cash equivalents consisted of :-

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Cash in hand	366	358	320	315
Cash at banks - current account	49,148	58,306	24,136	24,157
Cash at banks - savings account	<u>1,421</u>	<u>4,947</u>	<u>1,421</u>	<u>4,948</u>
Total	<u>50,935</u>	<u>63,611</u>	<u>25,877</u>	<u>29,420</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, 2013

6. TRADE AND OTHER ACCOUNTS RECEIVABLE

Trade and other accounts receivable consisted of :-

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<u>Related Companies</u>				
Not yet due	-	-	8,826	8,461
Overdue	-	-		
Less than 3 months	-	-	-	-
3 - 6 months	-	-	-	-
6 - 12 months	-	-	-	-
More than 12 months	-	-	-	-
	-	-	8,826	8,461
<u>Third parties</u>				
Not yet due	251,768	252,009	220,206	228,481
Overdue				
Less than 3 months	131,926	64,681	127,871	63,312
3 - 6 months	4,960		4,960	-
6 - 12 months	114	-	114	-
More than 12 months	-	-	-	-
	388,768	316,690	353,151	291,793
Total	388,768	316,690	361,977	300,254
<u>Less</u> Allowance for doubtful accounts	-	-	-	-
Trade accounts receivable, net	388,768	316,690	361,977	300,254
Other accounts receivable				
<u>Related Company</u>	-	-	1,228	8,008
Trade and other accounts receivable, net	388,768	316,690	363,205	308,262

7. SHORT-TERM LOANS TO RELATED PERSON AND RELATED COMPANIES

As at December 31, 2012, the Company has a short-term loan to Panjawattana (Tianjin) Plastic company Limited (Subsidiaries) in total amount of USD 340,000 (in amount of Baht 10,331,682.00).

The interest rate is at 3% per annum, and the receivable has completely repaid all amounts during 1 year.

During the year 2013, The Company has fully received.

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2013

8. INVENTORIES

Inventories consisted of :-

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Finished goods	62,407	60,606	51,173	51,222
Work in process	20,251	17,626	17,652	15,250
Raw material	54,187	48,008	50,018	41,214
Supplies	6,887	3,505	5,175	3,461
Mold	32,063	20,533	32,063	20,533
Goods in transit	1,249	1,143	1,249	1,143
	177,044	151,421	157,330	132,823
<u>Less</u> Allowance for diminution at net realizable value	(4,099)	(2,479)	(3,675)	(2,296)
Inventories - net	172,945	148,942	153,655	130,527

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

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Allowance for diminution at net realizable value - beginning	2,479	2,380	2,296	1,987
<u>Add</u> Reserve within years	1,735	2,013	1,379	1,978
<u>Less</u> Transferred out within years	(115)	(1,914)	-	(1,669)
<u>Less</u> Write off within years	-	-	-	-
Allowance for diminution at net realizable value – ending	4,099	2,479	3,675	2,296

9. OTHER CURRENT ASSETS

Other current assets consisted of :-

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Deposit from the acquisition of assets	16,757	9,892	13,408	3,203
Deposit paid to mold	37,233	9,056	37,233	9,057
Other current assets	20,788	14,342	16,533	9,933
Total	74,778	33,290	67,174	22,193

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2013

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)	
	2013	2012	2013	2012	2013	2012	2013	2012
<u>In Thailand</u>								
1. Millpack Co., Ltd.	30,000	30,000	99.98	99.98	85,644	49,378	29,993	29,993
2. Elegance Packaging Co., Ltd.	1,000	1,000	99.97	99.97	4,249	2,800	999	999
<u>In Foreign</u>								
3. Panjawattana (Tianjin) Plastic Co., Ltd.	66,295	66,295	100.00	100.00	78,507	65,495	66,295	66,295
					168,400	117,673	97,287	97,287

11. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consisted of :-

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

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2013

Thousand Baht					
Consolidated financial statements					
	Balance as at	Movement during the year			Balance as at
	December 31, 2011	Addition	Deduction	Transfer in (Transfer out)	December 31, 2012
<u>At cost</u>					
Land	80,800	1,800	-	-	82,600
Plant and office building	138,782	2,847	-	10,912	152,541
Improvements on building	39,118	6,213	-	5,559	50,890
Support machine system	70,651	9,036	-	4,482	84,169
Machinery and equipment	346,778	129,415	(1,111)	96,593	571,675
Office equipment	21,378	7,083	(232)	905	29,134
Vehicles	51,841	18,844	(6,274)	-	64,411
Equipment in progress	32,615	85,368	-	(102,128)	15,855
Work in progress	1,658	40,173	(129)	(16,323)	25,379
Total	783,621	300,779	(7,746)	-	1,076,654
<u>Less Accumulated depreciation</u>					
Plant and office building	21,077	4,868	-	-	25,945
Improvements on building	8,531	4,654	-	-	13,185
Support machine system	13,742	8,323	-	-	22,065
Machinery and equipment	75,045	48,376	(885)	-	122,536
Office equipment	7,210	4,366	(196)	-	11,380
Vehicles	12,922	4,838	(2,702)	-	15,058
Total	138,527	75,425	(3,783)	-	210,169
Difference from translation					
of foreign entity	-				(907)
Property, plant and equipment - net	645,094				865,578

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2013

	Thousand Baht				
	Separate financial statements				
	Balance as at	Movement during the year			Balance as at
	December 31, 2011	Addition	Deduction	Transfer in (Transfer out)	December 31, 2012
<u>At cost</u>					
Land	80,800	1,800	-	-	82,600
Plant and office building	124,671	2,847	-	10,913	138,431
Improvements on building	37,141	6,143	-	5,338	48,622
Support machine system	69,372	8,494	-	4,482	82,348
Machinery and equipment	297,577	95,699	(8,492)	96,593	481,377
Office equipment	20,725	6,453	(232)	905	27,851
Vehicles	51,841	18,844	(6,274)	-	64,411
Equipment in progress	32,556	76,378	-	(102,128)	1,815
Work in progress	1,658	39,875	(4,991)	(16,103)	25,430
Total	716,341	256,533	(19,989)	-	952,885
<u>Less</u> Accumulated depreciation					
Plant and office building	6,993	4,848	-	-	11,841
Improvements on building	8,140	3,894	-	-	12,034
Support machine system	13,117	8,039	-	-	21,156
Machinery and equipment	70,521	40,656	(885)	-	110,292
Office equipment	7,070	4,201	(196)	-	11,075
Vehicles	12,922	4,838	(2,702)	-	15,058
Total	118,763	66,476	(3,783)	-	181,456
Property, plant and equipment - net	597,578				771,429

Depreciation for the years ended December 31, 2013 and 2012 consist of :

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Cost	84,838	66,740	70,989	57,889
Administration expense	11,040	8,686	10,974	8,587
Depreciation for the year	95,878	75,426	81,963	66,476

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
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DECEMBER 31, 2013

The Company has recorded the interest from loan in order to construct the building for the year ended December 31, 2013 and 2012 total amount of Baht 851,114.66 Baht and Baht 0.00, respectively

During year 2011, the Company has sold 3 machineries at the cost of Baht 7,134,783.26 to a local leasing company (at the original cost). Then, the Company leased back which is eligible financial lease contract.

The transaction resulted in a balance as at December 31, 2013 and 2012 as follows:

	Thousand Baht	
	Consolidated financial statements / Separate financial statements	
	2013	2012
Liabilities as in financial lease contract	898	2,932
Deferred revenue from sale and lease back	1	15

For the year ended December 31, 2013 and 2012, the Company has amortization of income on sale and lease back assets in amount of Baht 14,104.08 and Baht 445,259.35, respectively.

As at December 31, 2013 and 2012, the Company has the difference from the purchase of assets in the same entity group in total amount of Baht 7,780,892.57 and Baht 8,126,307.56, respectively. The Company has recorded the difference between purchase price and selling price from the purchase of property, plant and equipment from Panjawatana 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, 2013 and 2012, the Company has total fixed assets at cost of Baht 67.23 million and 19.81 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 15.

As at December 31, 2013 and 2012, the Company has 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 and Samutsakorn province and assets of the factory located in Bangkok, Samutsakorn and Chonburi province. Most beneficiaries are lenders from financial institution and leasing company.

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2013

12. COMPUTER SOFTWARE

Computer software consisted of:-

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

Thousand Baht				
Consolidated financial statements				
Balance as at	Movement during the year			Balance as at
December 31, 2011	Addition	Deduction	Transfer in (Transfer out)	December 31, 2012
<u>At cost</u>				
Computer software	11,334	2,280	800	-
Computer software in progress	288	512	(800)	-
Total	11,622	2,792	-	-
Less Accumulated amortization	6,375	1,574	-	-
Differences from translation of foreign entity	-			
Intangible assets - net	5,247			(7)

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

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2013

	Thousand Baht			
	Separate financial statements			
	Balance as at	Movement during the year		Balance as at
	December 31, 2011	Addition	Deduction	December 31, 2012
			Transfer in (Transfer out)	
<u>At cost</u>				
Computer software	10,979	2,263	800	14,042
Computer software in progress	288	512	(800)	-
Total	11,267	2,775	-	14,042
<u>Less Accumulated amortization</u>	6,352	1,504	-	7,856
Intangible assets - net	4,915			6,186

	Thousand Baht			
	Consolidated financial statement		Separate financial statement	
	2013	2012	2013	2012
Amortization for the year	1,573	1,574	1,563	1,504

13. DEFERRED TAX ASSETS AND DEFERED TAX LIABILITIES

Changes in deferred tax assets and deferred tax liabilities for the year ended December 31, 2013 and 2012 are summarized as follows:

	Thousand Baht			
	Consolidated financial statements			
	Balance as at	Revenue (expenses) during the year		Balance as at
	December 31, 2012	In profit or loss	In other comprehensive income	December 31, 2013
Deferred tax assets:				
Inventories	403	211	-	614
Property, plant, and equipment	3,115	(304)	-	2,811
Provisions for employee benefits	3,222	486	-	3,708
Total	6,740	393	-	7,133
Deferred tax liabilities:				
Property, plant, and equipment	11,389	631	-	12,020
Difference from translation of foreign entity	691	1,407	-	2,098
Total	12,080	2,038	-	14,118

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2013

Thousand Baht				
Consolidated financial statements				
	Balance as at December 31, 2011	Revenue (expenses) during the year		Balance as at December 31, 2012
		In profit or loss	In other comprehensive income	
Deferred tax assets:				
Inventories	302	101	-	403
Property, plant, and equipment	2,593	522	-	3,115
Provisions for employee benefits	2,531	691	-	3,222
Total	5,426	1,314	-	6,740
Deferred tax liabilities:				
Property, plant, and equipment	10,268	1,121	-	11,389
Difference from translation of foreign entity	1,004	-	(313)	691
Total	11,272	1,121	(313)	12,080

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

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2013

	Thousand Baht		
	Separated financial statements		
	Balance as at	Revenue (expenses) during the year	Balance as at
	December 31, 2011	In profit or loss	December 31, 2012
		In other comprehensive income	
Deferred tax assets:			
Inventories	302	101	403
Property, plant, and equipment	1,730	653	2,383
Provisions for employee benefits	2,531	691	3,222
Total	4,563	1,445	6,008
Deferred tax liabilities:			
Property, plant, and equipment	10,268	831	11,099
Total	10,268	831	11,099

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

	Thousand Baht	
	Consolidated financial statements/ Separate financial statements	
	2013	2012
Promissory notes	305,000	38,000
Trust receipt	26,988	7,342
Total	331,988	45,342

As at December 2013 and 2012, the Company and its subsidiaries has bank overdraft and short-term loans from financial institution with 2 local commercial bank as follow :

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

As at December 31, 2012, the Company has bank overdraft in limit of Baht 40 million at interest rate and has short-term loan in term of promissory note in limit of Baht 415 million at interest rate MRR per annum, opening limit of letter of credit and do trust receipt for ordering machineries from foreign country in limit of Baht 180 million (Total limit of Baht 635 million).

The overdraft and short-term loan lines are secured by mortgage of property and construction of the Company and company's machinery as well as the benefits from property insurance for using as collateral for credit limit. (see note 11).

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2013

15. LONG-TERM LOANS

Long-term loans consist of :-

Loans	Thousand Baht			
	Consolidated financial statements			
	Balance as at December 31, 2012	Increase	Decrease	Balance as at December 31, 2013
1. Baht 20 million	3,500	-	(3,500)	-
2. Baht 85 million	63,958	-	(18,240)	45,718
3. Baht 45 million	23,637	-	(9,000)	14,637
4. Baht 40 million	35,998	-	(8,004)	27,994
5. Baht 40 million	-	37,180	(3,700)	33,480
6. Baht 80 million	-	80,000	(6,700)	73,300
7. Baht 60.80 million	-	60,800	-	60,800
8. Baht 80 million	-	26,550	-	26,550
9. Baht 147.20 million	-	97,531	-	97,531
10. Baht 30 million	8,992	19,400	(5,962)	22,430
Total	136,085	321,461	(55,106)	402,440
Less payment due within one year	(45,276)			(110,756)
Net	90,809			291,684

Loans	Thousand Baht			
	Separate financial statements			
	Balance as at December 31, 2012	Increase	Decrease	Balance as at September 30, 2013
1. Baht 20 million	3,500	-	(3,500)	-
2. Baht 85 million	63,958	-	(18,240)	45,718
3. Baht 45 million	23,638	-	(9,000)	14,637
4. Baht 40 million	35,998	-	(8,004)	27,994
5. Baht 40 million	-	37,180	(3,700)	33,480
6. Baht 80 million	-	80,000	(6,700)	73,300
7. Baht 60.80 million	-	60,800	-	60,800
8. Baht 80 million	-	26,550	-	26,550
9. Baht 147.20 million	-	97,531	-	97,531
Total	127,094	302,061	(49,144)	380,010
Less payment due within one year	(38,744)			(104,904)
Net	88,350			275,106

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2013

As at December 31, 2013, there is a loan from two local Commercial banks (loan amount Baht 628 million) which consists of :-

Loan 1st On March 5, 2010, the Company has entered into loan agreement in amount of Baht 20 million at interest rate MLR + 0.25 per annum. Repayment the principle, not included interest are 36 installments at the amount of Baht 550,000.00 per month, last installment is Baht 750,000.00. The first period on July 31, 2010 and finishing on June 30, 2013.

Loan 2nd On November 16, 2010, the Company has entered into loan agreement in amount of Baht 85 million with the interest rate MLR percent per annum. Repayment the principle, not included 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 3rd On November 16, 2010, the Company has entered into loan agreement in amount of Baht 45 million with the interest rate MLR percent per annum. Repayment the principle, not included 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 4th On November 16, 2010, the Company has entered into loan agreement in amount of Baht 40 million with the interest rate MLR percent per annum. Repayment the principle, not included interest are 60 installments, starting on July 31, 2012. Due payment are as follow :

Installment 1 -59 is Baht 667,000.00 per installment.

Installment 60 rest amount will be repaid.

Loan 5th On December 25, 2012, the Company has entered into loan agreement in amount of Baht 40 million with the interest rate MLR percent per annum. Repayment the principle, not included interest are 54 installments. Due payment are as follow :

Installment 1 -53 is Baht 740,000.00 per installment.

Installment 54 rest amount will be repaid.

The first period is starting on August 31, 2013 and finishing on January 31, 2018.

Loan 6th On September 4, 2012, the Company has entered into loan agreement in amount of Baht 80 million with the interest rate MLR percent per annum. Repayment the principle, not included interest are 60 installments. Due payment are as follow :

Installment 1 -59 is Baht 1,340,000.00 per installment.

Installment 60 rest amount will be repaid.

The first period is starting on August 31, 2013 and finishing on July 31, 2018.

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2013

Loan 7th On July 24, 2013, the Company has entered into loan agreement in amount of Baht 60.80 million with the interest rate MLR percent per annum. Repayment the principle, not included interest are 60 installments. Due payment are as follow :

Installment 1 -59 is Baht 1,000,000.00 per installment.

Installment 60 rest amount will be repaid.

The first period is starting on January 31, 2014 and finishing on December 31, 2018.

Loan 8th On July 10, 2013, the Company has entered into loan agreement in amount of Baht 80 million with the interest rate MLR percent per annum. Repayment the principle, not included interest are 48 installments. Due payment are as follow :

Installment 1 -47 is Baht 1,650,000.00 per installment.

Installment 48 rest amount will be repaid.

The first period is starting on November 30, 2014 and finishing on October 31, 2018.

Loan 9th On July 24, 2013, the Company has entered into loan agreement in amount of Baht 147.20 million with the interest rate MLR percent per annum. Repayment the principle, not included interest are 60 installments. Due payment are as follow :

Installment 1 -59 is Baht 2,450,000.00 per installment.

Installment 60 rest amount will be repaid.

The first period is starting on January 31, 2014 and finishing on December 31, 2018.

Loan 10th On October 4, 2012, a subsidiary in Thailand entered into loan agreement in amount of Baht 30 million with the interest rate MLR percent per annum. 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.

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 insurance benefits. (see note 11)

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

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

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16. LIABILITIES UNDER FINANCIAL LEASE CONTRACT

Liabilities under financial lease contract is asset lease that the Company recorded the accounting followed by finance lease method and it consisted of:

Thousand Baht								
Consolidated financial statements								
	2013				2012			
	Principal	Deferred	Input VAT	Total Payment	Principal	Deferred	Input VAT	Total Payment
		Interest				Interest		
Payment due within one year	10,947	1,092	-	12,039	16,043	1,577	-	17,620
Payment due after one year								
But not over five years	13,456	775	-	14,231	18,940	1,251	-	20,191
Total	24,403	1,867	-	26,270	34,983	2,828	-	37,811

Thousand Baht								
Separate financial statements								
	2013				2012			
	Principal	Deferred	Input VAT	Total Payment	Principal	Deferred	Input VAT	Total Payment
		Interest				Interest		
Payment due within one year	10,084	1,081	-	11,165	13,558	1,439	-	14,997
Payment due after one year								
But not over five years	13,456	775	-	14,231	18,076	1,239	-	19,316
Total	23,540	1,856	-	25,396	31,634	2,679	-	34,313

During years 2013 and 2012, the Company enter 3 contracts and 7 contracts for vehicles and machinery's lease agreement. The total amounts of the contracts value are of Baht 5,827,392.00 and Baht 12,065,784.48, respectively.

As at December 31, 2013, the Company and its subsidiaries has vehicles and machinery long-term lease agreements in the form of finance lease with local leasing companies, totally 7 places with 21 contracts. The total amounts of the contracts value are of Baht 53,347,168.62 (excluding of VAT). Installments period are 36-60 months and the total repayments are of Baht 1,212,949.26 (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 21 contracts in the total of Bath 10,418,258.20 (excluding VAT). Moreover, the Company and its subsidiaries has to practice by following the conditions and specifications as specified in the agreement.

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

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2013

17. Employee benefit obligations

As at December 31, 2013 and 2012, the Company and its subsidiaries has defined benefit obligations as follow:-

The statements of financial position

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Defined benefit obligations Beginning balance	18,090	15,045	16,823	13,867
Current service costs and interest	3,055	3,045	2,760	2,956
Benefits paid by the plan	(397)	-	(397)	-
Defined benefit obligations at Ending balance	20,748	18,090	19,186	16,823

Expense recognized in statement of comprehensive income

	Baht			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Current service costs				
Cost of sales	1,677	1,696	1,438	1,657
Administrative expenses	(5)	175	(18)	170
Management and directors' benefit expenses	790	607	790	607
	2,462	2,478	2,210	2,434
Interest on obligation	593	567	550	522
Total	3,055	3,045	2,760	2,956

Principal actuarial assumptions at the reporting date

	Consolidated	Separate
	financial statements	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

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

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18. SHARE CAPITAL INCREASE

On February 20-22, 2012, the Company had allocated the share capital increase of 112,000,000 shares at the par value of Baht 0.50 each, totaling Baht 56,000,000.00, and sold to the public 108,000,000 shares at the offering price Baht 3.60 per share in the amount of Baht 388,800,000.00, and sold to the directors, management and employees of the company 4,000,000 shares at the offering price Baht 3.60 per share in the amount of Baht 14,400,000.00. The total amount of new selling shares was Baht 403,200,000.00, and it has premium on share capital in amount of baht 338,128,000.00 (Net from underwriting fee amount of Baht 9.07 million). The Company has registered to the Ministry of Commerce on February 23, 2012.

19. LEGAL RESERVE

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

20. ALLOCATION OF RETAINED EARNINGS

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

According to the ordinary shareholders meeting no. 1/2012 on April 30, 2012, it has approval resolution to pay the dividend from profit for the year ended December 31, 2011 in the rate of Baht 0.10 per share, in the total amount of Baht 55,190,000.00 and appropriation of legal reserve at 5% of net profit in amount of Baht 5,024,417.09. Payment will be done on May 21, 2012.

21. PROVIDENT FUND

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

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
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DECEMBER 31, 2013

Provident funds' expense for the years ended December 31, 2013 and 2012 are as follow:-

	Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Provident funds' expense	3,669	2,883	3,474	2,756

22. CREDIT LIMIT

As at December 31, 2013 and 2012, the Company has many credit limits with financial intuitions. The total amounts of credit limit are of Baht 1,449.50 million and Baht 986.50 million, respectively, which has many objectives, such as loan for working capital, overdrafts, loan to building construction. The bank issuing the guarantee and open letters of credit and trust receipts during the year has been used for many limits, the total amount of Baht 911.55 million. The remaining credit limits are is of Baht 537.95 million. This credit secured by the mortgage company's land (Please see note 11) and giving insurance benefits of the company's fixed assets to the financial intuitions.

23. 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.

24. TAX EXPENSE (INCOME)

24.1 Major components of tax expense (income)

For the years ended December 31, 2013 and 2012 consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Income tax expense (income) shown in profit or loss :				
Current tax expense:				
Income tax expense for the year	15,495	28,537	13,718	28,043
Deferred tax expense (income):				
Changes in temporary differences relating to the original recognition and reversal	(31)	(192)	(31)	(613)
Revaluation of the deferred tax resulting from changing in tax rates				
Total	15,464	28,345	13,687	27,430

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2013

24.2 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, 2013 and 2012 which are summarized as follows:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Accounting profit (loss) for the year	160,087	231,159	114,730	212,805
The applicable tax rate (%)	20%	23%	20%	23%
Tax expense (income) at the applicable tax rate	32,017	53,167	22,946	48,945
Reconciliation items:				
Tax effect of expenses that are not deductible in determining tax profit:				
- Expenses not allowed as expenses in determining taxable profit	2,396	1,073	2,392	1,063
Tax effect of income or profit that are not required in determining taxable profit:				
- The exemption of profit of the promoted business (BOI)	(18,395)	(23,908)	(11,226)	(20,545)
- Expense for tax deductible	(453)	(2,499)	(425)	(2,482)
Others	(101)	512	-	449
Total reconciliation items	(16,553)	(24,822)	(9,259)	(21,515)
Total tax expense (income)	15,464	28,345	13,687	27,430

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

For the years ended December 31, 2013 and 2012 are summarized as follows:

	Consolidated financial statements			
	2013		2012	
	Tax amount (Thousand Baht)	Tax rate (%)	Tax amount (Thousand Baht)	Tax rate (%)
Accounting profit (loss) before tax expense for the year	160,087		231,159	
Tax expense (income) at the applicable tax rate	32,017	20.00	53,167	23.00
Reconciliation items	(16,553)	(10.34)	(24,822)	(10.74)
Tax expense (income) at the average effective tax rate	15,464	9.66	28,345	12.26

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

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	Separate financial statements			
	2013		2012	
	Tax amount	Tax rate	Tax amount	Tax rate
	(Thousand Baht)	(%)	(Thousand Baht)	(%)
Accounting profit (loss) before tax expense for the year	114,730		212,805	
Tax expense (income) at the applicable tax rate	22,946	20.00	48,945	23.00
Reconciliation items	(9,259)	(8.07)	(21,515)	(10.11)
Tax expense (income) at the average effective tax rate	13,687	11.93	27,430	12.89

25. EXPENSE BY NATURE

Expense by nature has significant transaction for the years ended December 31, 2013 and 2012 are as follows:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Changes in finished goods and work				
in progress	(4,426)	(12,379)	(2,353)	(15,715)
Purchases of finished goods	80,064	90,992	197,971	197,676
Used raw material and wasteful supply	1,057,611	843,451	901,386	708,176
Expenses for employees	284,038	264,335	256,853	238,038
Depreciation and amortization	97,452	76,982	83,526	67,980

26. EARNINGS PER SHARE

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

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Profit for the year of ordinary share's shareholders				
(Thousand Baht)	144,712	202,905	101,043	185,374
Weighted average number of ordinary share				
(Thousand Share)	552,000	535,781	552,000	535,781
Basic earnings per share (Baht per share)	0.26	0.38	0.18	0.35

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2013

27. 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 - Samuthsakorn
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, 2013

	Thousand Baht															
	Consolidated financial information															
	Industrial in Thailand								Industrial in China		Trading in Thailand		Elimination		Total	
	Samuthsakorn		Bangkok		Chonburi		Total									
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
For the year ended December 31																
Revenues																
- External customers	1,162,422	1,114,991	124,078	112,325	627,472	625,698	1,913,972	1,853,014	148,644	110,273	46,545	46,746	-	-	2,109,161	2,010,033
- Group	48,371	47,005	147,114	139,606	-	-	195,485	186,611	-	-	-	-	(195,485)	(186,611)	-	-
Total	1,210,793	1,161,996	271,192	251,931	627,472	625,698	2,109,457	2,039,625	148,644	110,273	46,545	46,746	(195,485)	(186,611)	2,109,161	2,010,033
Segment gross profit	205,285	214,641	13,578	19,808	151,817	177,167	370,680	411,616	14,947	6,160	2,327	2,337	1,742	1,297	389,696	421,410
Segment total assets																
As at December 31, 2013	888,456		73,870		1,113,541		2,075,867		92,847		15,906		(146,590)		2,038,030	
As at December 31, 2012	796,708		61,631		638,765		1,497,104		84,557		14,023		(141,210)		1,454,474	

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2013

28. LONG-TERM LEASE AGREEMENT

As at December 31, 2013 and 2012, the Company has long-term lease agreements as follows:

28.1 A subsidiary in the foreign country has entered into the lease for factory buildings with a company in foreign country for three years, starting from February 1, 2011 and contract renewal for 3 more years with the rental fee Baht 710,223.65 per month in 2013 and Baht 637,691.49 per month in 2012 and Baht (equal to Yuan 129,707, referred to exchange rate, as at December 31, 2013, Yuan is equal to 5.4756 Baht and as at December 31, 2012, 1 Yuan is equal to 4.9164 Baht).

28.2 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.

As at December 31, 2013 and 2012, 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	
	2013	2012	2013	2012
<u>Paid within</u>				
1 year	10,135	9,265	-	-
More than 1 year but not over 5 years	20,981	638	-	-
More than 5 years	-	-	-	-

29. RIGHTS AND BENEFITS UNDER THE INVESTMENT PROMOTION ACT

Parent Company

2011

The Company had received privileges under the investment promotion certificate by the Board of Investment approved on December 28, 2009 to produce plastic packaging and plastic parts for various industries, type 6.12, Manufacture of plastic or coated with plastic. The example of tax benefits which are exemption of import duty for machines, an exemption for income tax for net income from operations that has been promoted for a period of seven years from start date revenue from operations (From April 1, 2010 to March 31, 2017), an allowance to take annual losses incurred during the exemption of corporate income tax deducted from net income arising in the period after income tax exemption (the period is not exceeding five years which started from 2017 to 2022).

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2013

2012

The Company had received privileges under the investment promotion certificate by the Board of Investment approved on June 18, 2012 to produce plastic packaging and plastic parts for various industries, type 6.12, Manufacture of plastic or coated with plastic. The example of tax benefits which are exemption of import duty for machines, an exemption for income tax for net income from operations that has been promoted for a period of seven years from start date revenue from operations an allowance to take annual losses incurred during the exemption of corporate income tax deducted from net income arising in the period after income tax exemption.

Subsidiary

2011

A subsidiary had received privileges under the investment promotion certificate by the Board of Investment approved on September 26, 2011 to produce plastic packaging for various industries, type 6.12, Manufacture of plastic or coated with plastic. The example of tax benefits which are exemption of import duty for machines, an exemption for income tax for net income from operations that has been promoted for a period of eight years from start date revenue from operations (From October 5, 2011 to October 4, 2019), an allowance to take annual losses incurred during the exemption of corporate income tax deducted from net income arising in the period after income tax exemption (the period is not exceeding five year which started from 2019 to 2024.)

2012

A subsidiary had received privileges under the investment promotion certificate by the Board of Investment approved on July 9, 2012 to produce plastic packaging and plastic parts for various industries, type 6.12, Manufacture of plastic or coated with plastic. The example of tax benefits which are exemption of import duty for machines, an exemption for income tax for net income from operations that has been promoted for a period of eight years from start date revenue from operations (From May 31, 2012 to May 31, 2020), an allowance to take annual losses incurred during the exemption of corporate income tax deducted from net income arising in the period after income tax exemption (the period is not exceeding five years which started from 2020 to 2025).

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

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2013

30. 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, 2013 and 2012 as follows:

Thousand Baht						
Consolidated financial statements						
	2013			2012		
	Business that have been promoted in investment (Note 29)	Business that not be promoted in investment	Total	Business that have been promoted in investment (Note 29)	Business that not be promoted in investment	Total
Revenue						
Sales	572,722	1,536,439	2,109,161	567,073	1,442,960	2,010,033
Other Revenues	3,999	3,050	7,049	3,612	3,304	6,916
Total Revenues	576,721	1,539,489	2,116,210	570,685	1,446,264	2,016,949

Thousand Baht						
Separate financial statements						
	2013			2012		
	Business that have been promoted in investment (Note 29)	Business that not be promoted in investment	Total	Business that have been promoted in investment (Note 29)	Business that not be promoted in investment	Total
Revenue						
Sales	572,722	1,389,621	1,962,343	567,073	1,332,918	1,899,991
Other Revenues	3,758	4,749	8,507	3,612	4,559	8,171
Total Revenues	576,480	1,394,370	1,970,850	570,685	1,337,477	1,908,162

31. 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, 2013

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, 2013, it has outstanding foreign currency liability as follows:

Consolidated financial statement		
Currency	Liability	Average selling exchange rate As at December 31, 2013 (Baht per foreign currency)
U.S. Dollar	547,847.73	32.9494
Euro	152,147.71	45.3223
Yuan	2,651,294.57	5.4756
Separate financial statement		
Currency	Liability	Average selling exchange rate As at December 31, 2013 (Baht per foreign currency)
U.S. Dollar	546,617.73	32.9494
Euro	152,147.71	45.3223

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2013

As at December 31, 2012, it has outstanding foreign currency liability as follows:

Consolidated financial statement		
Currency	Liability	Average selling exchange rate As at December 31, 2012 (Baht per foreign currency)
U.S. Dollar	383,921.01	30.7775
Euro	45,035.04	40.8603
Yuan	1,707,959.47	4.9164
Separate financial statement		
Currency	Liability	Average selling exchange rate As at December 31, 2012 (Baht per foreign currency)
U.S. Dollar	383,921.01	30.7775
Euro	34,003.04	40.8603

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.

32. FUND MANAGEMENT

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

33. COMMITMENTS AND CONTINGENT LIABILITIES

As at December 31, 2013, the Company had commitments and contingent liabilities as follows:

- 33.1 The Company granted a local bank to issue a letter of guarantee for electricity consumption in factory in the amount of Baht 14.36 million.

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2013

- 33.2 The Company granted the main bank lender to issue a letter of guarantee for its sale contract with the contractor in the amount of Baht 90.13 million.
- 33.3 The company and its subsidiary had obligation that was agreed to acquire machinery and equipment in the amount of Baht 20.19 million.
- 33.4 The Company had obligation that were agreed to purchase factory land with a local company in the amount of Baht 19.19 million.

34. RECLASSIFICATION OF ACCOUNTS

Some accounting transaction in financial statement for the ended December 31, 2012 had been reclassified in order to comply with transaction shown in financial statement for the year ended December 31, 2013.

	Thousand Baht			
	As at December 31, 2012			
	Consolidated financial statements		Separate financial statements	
	As previously reported	Reclassified	As previously reported	Reclassified
Statement of financial position				
Trade accounts receivable-related companies	-	-	8,460	-
Trade accounts receivable-other companies	316,690	-	291,794	-
Other accounts receivable-related companies	-	-	8,008	-
Trade and other accounts receivable	-	316,690	-	308,262
Deposit from the acquisition of assets	9,892	-	3,203	-
Deposit paid to mold	9,057	-	9,057	-
Other current assets	14,341	33,290	9,933	22,193
Trade accounts payable-related companies	143	-	14,337	-
Trade accounts payable-other companies	236,573	-	209,399	-
Accounts payable from purchase assets	25,630	-	22,507	-
Trade and other accounts payable	-	262,346	-	246,243
Deposit received to mold	7,282	-	7,282	-
Other current liabilities	9,162	16,444	6,589	13,871

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2013

	Thousand Baht			
	For the year ended December 31,2012			
	Consolidated financial statements		Separate financial statements	
	As previously reported	Reclassified	As previously reported	Reclassified
<u>Statements of comprehensive income</u>				
Administrative expenses	81,316	-	69,521	-
Management benefit and director's remuneration	38,898	120,214	38,754	108,275

	Thousand Baht			
	For the year ended December 31,2012			
	Consolidated financial statements		Separate financial statements	
	As previously reported	Reclassified	As previously reported	Reclassified
<u>Statements of cash flows</u>				
Operating activities :-				
Trade accounts receivable-related companies	-	-	(4,319)	-
Trade accounts receivable-other companies	(10,939)	-	3,399	-
Other accounts receivable-related companies	-	-	3,330	-
Trade and other accounts receivable	-	(10,939)	-	2,410
Deposit paid to mold	982	-	982	-
Other current assets	13	995	(986)	(4)
Trade accounts payable-related companies	(132)	-	(14,428)	-
Trade accounts payable-other companies	(29,609)	-	(31,713)	-
Other accounts payable-related companies	-	-	(305)	-
Trade and other accounts payable	-	(29,741)	-	(46,446)
Deposit received to mold	(3,541)	-	(3,541)	-
Other current liabilities	3,187	(354)	1,192	(2,349)

35. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Board of Directors of the Company on February 26, 2014.



Dr. Damri Sukhotanang

Positions : Board Chairman/ Independent Director

Age : 64 years-old

Education :

- Bachelor's degree in Chemical Technology (Hon.), Faculty of Science, Chulalongkorn University
- Master's degree in Ceramic Engineering, University of Missouri at Rolla, U.S.A.
- Doctoral degree in Ceramic Engineering, University of Missouri at Rolla, U.S.A.
- Diploma, National Defense College, Class 44

Training Courses :

- Certificate, Senior Executive Courses Class 14, Office of Civil Service Commission
- Certificate of Attendance Director Certification Program (DCP) Class DCP70/2006, Thai Institute of Directors.
- Certificate of Attendance Financial Statement of Director FSD 20/2013

Work Experiences :

- 2011 – Present : Board Chairman/ Independent Director Panjawattana Plastic Plc.
- 2009 – Present : Audit Committee member/ Independent Director Siam Steel Service Center Plc.
- 2008 – 2009 : Permanent Secretary Ministry of Industry
- 2003 – 2008 : Deputy Permanent Secretary Ministry of Industry
- 2000 – 2003 : Director, Office of Industrial Economics Ministry of Industry
- 1999 – 2000 : Director-General, Department of Industrial Promotion Ministry of Industry

Current job positions in any listed company :

- Siam Steel Service Center Plc.

Current job positions in any non-listed company :

- None

First Appointment : July 15, 2011

Relationship between directors and executives :

- None

Percentage of shares : 0.05

Company's stocks trade during the year :

- None



Mr. Kongsak Hemmontharop

Positions : Vice Chairman

Age : 74 years-old

Education :

- Primary School, Sawang Wittaya School

Training Courses :

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

Work Experiences :

- 2011 – Present : Vice Chairman Panjawattana Plastic Plc.
- 2010 - Present : Director Mill Pack Co., Ltd.
- 2003 - Present : Director Elegance Packaging Co., Ltd.
- 1987 – 2011 : Director Panjawattana Plastic Co., Ltd.

Current job positions in any listed company :

- None

Current job positions in any non-listed company :

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

First Appointment : March 1, 2011

Relationship between directors and executives :

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

Percentage of shares : 18.49

Company's stocks trade during the year :

- None



Mr. Wiwat Hemmondharop

Positions : Director/ Chairman of the Board of
Executive Directors

Age : 48 years-old

Education :

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

Training Courses :

- Certificate of Attendance Director Certification Program Class
32/2003, Thai Institute of Directors

Work Experiences :

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

Current job positions in any listed company :

- None

Current job positions in any non-listed company :

- Mill Pack Co., Ltd.
- Panjawattana Plastic (Tianjin) Co., Ltd.
- Panjawattana Marketing Co., Ltd.

- Thammanamai Health Cuisine Co., Ltd
- Pan Asia Chemical Co., Ltd.

First Appointment : July 15, 1987

Relationship between directors and executives :

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

Percentage of shares : 13.07

Company's stocks trade during the year :

- None



Mrs. Malee Hemmontharop

Positions : Director/Vice President

Age : 71 years-old

Education :

- Primary School, Ban Paew Wittaya School

Training Courses :

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

Work Experiences :

- 2011 – Present : Director/ Vice President
Panjawattana Plastic Plc.
- 1990 – Present : Director
Mill Pack Co., Ltd.
- 2011 – Present : Director
Elegance Packaging Co., Ltd.
- 2011 – Present : Director
Panjawattana Plastic (Tianjin) Co., Ltd.
- 2011 – Present : Director
PJ Composite Co., Ltd.
- 2008 – Present : Director
PCP Marketing Co., Ltd.

Current job positions in any listed company :

- None

Current job positions in any non-listed company :

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



First Appointment : March 1, 2011

Relationship between directors and executives :

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

Percentage of shares : 31.04

Company's stocks trade during the year :

- None



Mr. Satit Hemmondharop

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

Age : 46 years-old

Education :

- Bachelor's degree in Commerce and Accountancy, Thammasat University
- Master's degree in Marketing (English program), Thammasat University
- Diploma, Human Resource Management, Sasin Graduate Institute of Business Administration of Chulalongkorn University

Training Courses :

- Certificate of Attendance Director Certification Program Class 121/2011, Thai Institute of Directors
- Certificate of Attendance Role of the Compensation Committee Class 11/2011, Thai Institute of Directors
- Certificate of Attendance Risk Management Committee Program, Thai Institute of Directors.

Work Experiences :

- 2011 – Present : Director/Executive Committee
Member/Risk Management Committee
Member/ Chief Executive Officer
Panjawattana Plastic Plc.
- 2003 - 2011 : Director
Panjawattana Plastic Co., Ltd.
- 1993 – 2003 : Executive Committee Member
Panjawattana Plastic Co., Ltd.
- 1991 - 1993 : Production Manager
Panjawattana Plastic Co., Ltd.

- 2008 – Present : Director
Panjawattana Marketing Co., Ltd.
- 1990 – 1991 : Marketing Officer
C.P. Intertrade Co., Ltd.

Current job positions in any listed company :

- None

Current job positions in any non-listed company :

- Mill Pack Co., Ltd.

First Appointment : October 9, 1992

Relationship between directors and executives :

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

Percentage of shares : 1.45

Company's stocks trade during the year :

- None



Dr. Pirun Hemmondharop

Positions : Director/ Risk Management Committee
Member/

Age : 40 years-old

Education :

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

Training Courses :

- Certificate of Attendance Director Accreditation Program Class 90/2011, Thai Institute of Directors
- Certificate of Attendance Director Certification Program Class 150/2011, Thai Institute of Directors
- Certificate of Attendance Director Breakfast Talk Class 2/2011, Thai Institute of Directors
- Certificate of Attendance Financial Statements for Director Class 13/2011, Thai Institute of Directors



- Diploma, Public Economics for executive Class 11, King Prajadhipok's Institute

Work Experiences :

- 2011- Present : Director/ Risk Management Committee Member/
Panjawattana Plastic Plc.
- 2011 – 2012 : Executive Committee Member/ Vice President/ Chief Operating Officer, Samutsakhon Branch/ Chief Human Resource Officer
Panjawattana Plastic Plc.
- 2008 - 2011 : Director/Director, Production Administration Department/Director, Human Resource
Panjawattana Plastic Co., Ltd.
- 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
- 2004 – 2008 : Director, Course Director, Master's degree in Management
College of Management, Mahidol University
- 2002 – 2004 : Assistant Managing Director
Chiameng Marketing Co., Ltd.

Current job positions in any listed company :

- None

Current job positions in any non-listed company :

- Panjawatna (Tianjin) Co., Ltd.
- Elegance Packaging Co., Ltd.
- PJ Composite Co., Ltd.

First Appointment : January 28, 2011

Relationship between directors and executives :

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

Percentage of shares : 1.45

Company's stocks trade during the year :

- None



Miss Charanya Sangsukdee

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

Age : 49 years-old

Education :

- Bachelor's degree in Management Science, Sukhothaitthamthirath Open University
- Master's degree in Business Administration, Kasetsart University
- Mini Master of Management Program NIDA, University of California at Berkeley, USA

Training Courses :

- Certificate of Attendance Director Certification Program Class 96/2007, Thai Institute of Directors
- Certificate of Attendance Audit Committee Program Class 27/2009, Thai Institute of Directors
- Certificate of Attendance Director Accreditation Program Class 62/2007, Thai Institute of Directors
- Certificate of Attendance Monitor Fraud Risk Management Class 1/2009, Thai Institute of Directors
- Certificate of Attendance Monitor of the Quality of Financial Reporting Class 9/2009, Thai Institute of Directors
- Certificate of Attendance Monitor the Internal Audit Function Class 6/2009, Thai Institute of Directors
- Certificate of Attendance the system of Internal Control and Risk Class 7/2009, Thai Institute of Directors

Work Experiences :

- 2011 - Present : Chairman of Audit Committee /Independent Director /Risk Management Committee member
Panjawattana Plastic Plc.
- 1997 – Present : Managing Director
Tax Specialist Co., Ltd.
- 1996 – Present : Managing Director



- Bangkok Training Center Co., Ltd.
- 2007 – 2011 : Audit Committee member/Independent Director
Group Lease Plc.
 - 2006 – 2011 : Audit Committee member/Independent Director
Globlex Holding Management Plc.

Current job positions in any listed company :

- None

Current job positions in any non-listed company :

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

First Appointment : January 28, 2011

Relationship between directors and executives :

- None

Percentage of shares : 0.05

Company's stocks trade during the year :

- None



Assoc. Prof. Dr. Aekkachai Nittayakasetwat

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

Age : 50 years-old

Education :

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

Training Courses :

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

Work Experiences :

- 2011 – Present : Audit Committee member/Independent Director/Chairman of Risk Management Committee
Panjawattana Plastic Plc.
- 2011 - Present : Director/ Audit Committee member
Stars Microelectronics (Thailand) Plc.
- 2010 – Present : Independent Director/ Chairman of Audit Committee
Universal Adsorbents & Chemicals Plc.
- 2009 – Present : Director and Audit Committee member
GT Wealth Management Co., Ltd.
- 2008 – Present : Director
Association of Securities Companies
- 2008 – Present : Director/ Audit Committee Member
Getabec Co., Ltd.
- 2006 – Present : Independent Director/ Audit Committee member
TRC Construction Co., Ltd.
- 2007 – 2010 : Dean
Faculty of Business Administration National Institute of Development Administration
- 2004 – 2006 : Deputy Dean
Faculty of Business Administration National Institute of Development Administration

Current job positions in any listed company :

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

Current job positions in any non-listed company :

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

First Appointment : January 28, 2011

Relationship between directors and executives :

- None

Percentage of shares : 0.05



Company's stocks trade during the year :

- None



Mr. Natthawut Khemayotin

Positions : Audit Committee Member/Independent
Director/ Risk Management Committee
Member

Age : 45 years-old

Education :

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

Training Courses :

- Certificate of Attendance Director Certification Program Class 70/2006, Thai Institute of Directors
- Certificate of Attendance Risk Management Committees Program, Thai Institute of Directors

Work Experiences :

- 2011-Present : Audit Committee member/Independent
Director/Risk Management Committee
member
Panjawattana Plastic Plc.
- 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.
- 2000 – 2001 : Senior Officer, Institutional Customer
Department
JF Thanakom Co., Ltd.

Current job positions in any listed company :

- None

Current job positions in any non-listed company :

- Nu Na Co., Ltd.

First Appointment : January 28, 2011

Relationship between directors and executives :

- None

Percentage of shares : 0.05

Company's stocks trade during the year :

- None



Miss Thitima Tuntivuttikul

Positions : Chief Marketing Officer

Age : 40 years-old

Education :

- BA., Bangkok University
- Master's degree in Business Administration, Chiang Mai University

Training Courses :

-

Work Experiences :

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

Percentage of shares : 0.06

Company's stocks trade during the year :

- None



Mr. Seksan Sinbunluekul

Positions : Chief Technology Officer

Age : 40 years-old

Education :

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

Training Courses :

-

Work Experiences :

- 2011- Present : Chief Technology Officer



Panjawattana Plastic Plc.

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

Percentage of shares : 0.06

Company's stocks trade during the year :

- None



Mrs. Prim Chaiyawat

Positions : Chief Financial Officer/ Secretary

Age : 38 years-old

Education :

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

Training Courses :

- Certificate of Attendance Company Secretary Program Class 37/2010, Thai Institute of Directors
- Certificate of Attendance Effective Minutes Taking Class 19/2011, Thai Institute of Directors
- Certificate of Attendance Audit Committee Program Class 37/2011, Thai Institute of Directors
- Certificate of Attendance Monitoring Fraud Risk Management Class 6/2011, Thai Institute of Directors
- Certificate of Attendance Monitoring of the Quality Financial Report Class 14/2011, Thai Institute of Directors
- Certificate of Attendance Monitoring the System of Internal Control and Risk Management Class 12/2011, Thai Institute of Directors

Work Experiences :

- 2008 - Present : Chief Financial Officer/ Secretary
Panjawattana Plastic Plc.
- 2006 – 2007 : Accounting Manager
Panjawattana Plastic Co., Ltd.
- 2003 – 2006 : Chief, Budget and Finance Section
Panjawattana Plastic Co., Ltd.
- 2001 – 2002 : Senior Tax Auditor
Ernst & Young Corporate
- 1997 – 2001 : Senior Auditor

Ernst & Young Office Limited

Percentage of shares : 0.06

Company's stocks trade during the year :

- None



Miss Penchan Tobameekul

Positions : Chief Operating Officer - Chonburi Branch

Age : 47 years-old

Education :

- Bachelor's degree in Business Administration, Siam University

Training Courses :

-

Work Experiences :

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

Percentage of shares : 0.06

Company's stocks trade during the year :

- None



Mrs. Kunnika Jenjulporn

Positions : Chief Procurement Officer

Age : 49 years-old

Education :



- Bachelor's degree in Political Science, Ramkhamhaeng University

Training Courses : -

Work Experiences :

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

Percentage of shares : 0.06

Company's stocks trade during the year :

- None

Percentage of shares : 0.02

Company's stocks trade during the year :

- None



Mr.Asda Kaewrux

Positions : Chief Marketing Officer -Chonburi Branch

Age : 49 years-old

Education :

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

Work Experiences :

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

Work Position of the Executives and Persons with Controlling Power

	Name	Panjawattana Plastic Plc.	Subsidiary Companies			
			Mill Pack Co., Ltd.	Elegance Packaging Co., Ltd.	Panjawattana Plastic (Tian Jin) Co., Ltd.	PJW Drinktech Co., Ltd.
1	Dr. Damri Sukhotanang	Board Chairman, Independent Dir.	-	-	-	-
2	Mr. Kongsak Hemmontharop	Vice Chairman, Dir.	Dir.	Dir.	-	-
3	Mr. Wiwat Hemmondharop	Executive Committee Chair, Dir.	Dir.	-	Dir.	Dir.
4	Mrs. Malee Hemmontharop	Dir.	Dir.	Dir.	Dir.	Dir.
5	Mr. Satit Hemmondharop	Dir., Exe.Com.member, Risk MGT Committee Member	Dir.	-	-	Dir.
6	Mr. Pirun Hemmondharop	Dir., Exe.Com.member, Risk MGT Committee Member	-	Dir.	Dir.	-
7	Miss Charanya Sangsukdee	Audit Committee Chair, Independent Dir, Risk MGT Committee Member	-	-	-	-
8	Assoc. Prof. Dr. Aekkachai Nittayakasetwat	Audit Committee Member, Independent Dir, Risk MGT Committee Chairman	-	-	-	-
9	Mr. Natthawut Khemayotin	Audit Committee Member, Independent Dir, Risk MGT Committee Member	-	-	-	-
10	Miss Thitima Tuntivutikul	Exe.	-	-	-	-
11	Mr. Seksan Sinbunluekul	Exe.	-	-	-	-
12	Mrs. Prim Chaiyawat	Exe./Secretary	-	-	-	-
13	Miss Penchan To-Barameeekul	Exe.	-	-	-	-
14	Mrs. Kunnika Jenjulporn	Exe.	-	-	-	-
15	Mr.Asda Kaewrux	Exe.	-	-	-	-



PJW

PANJAWATTANA PLASTIC

Note:	Board Chairman	=	Chairman of the Board of Directors
	Vice Chairman	=	Vice Chairman of the Board of Directors
	Dir.	=	Director
	Audit Committee Chair	=	Chairperson of the Audit Committee
	Audit Committee member	=	Audit Committee member
	Independent Dir.	=	Independent Director
	Executive Committee Chair	=	Chairman of the Executive Committee
	Exe.Com.member	=	Executive Committee Member
	Risk MGT Committee member	=	Risk Management Committee member
	Exe.	=	Executives



บริษัท ปณจวัฒนาพลาสติก จำกัด (มหาชน)
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