



ANNIVERSARY
2530-2560

2017 ANNUAL REPORT

รายงานประจำปี 2560

บริษัท ปันจวัฒนาพลาสติก จำกัด (มหาชน)

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED



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Message from the Board of Directors



Dear Shareholders of Panjawattana Plastic Public Company Limited

In 2017, the fluctuation of Thai economy in the second half of the year brought about a decrease in packaging demand. However, Panjawattana Plastic Public Company Limited and subsidiaries ("Company") has still been potential in retaining market share in every section and still maintained the continuous growth of sales in branches in China. Moreover, in last year, the Company has also aimed at regularly developing production efficiency for preparedness to take the opportunity of future growth and reviewing business plan to be consistent with business and industrial environment that may be changed.

In respect to automotive plastic parts and spray painting operations segment, the Company has currently been trusted as the manufacturer with leading technology and quality, resulting in continual closing of our deals one after another. In the automotive customer segment, several groups of motor vehicle customers have gradually and continuously launched new models into the market, resulting in utilization of more production capacity. The Management is confident that production capacity of spray painting operations will be fully utilized within next two years.

In respect to plastic packaging segment, despite of decrease in growth rate of the market in the second half of the year partly as the result of lack of consumer confidence on economic situation, it affected the decline in demand of lubricant packaging, fresh milk and yoghurt milk packaging. The impact on Agro chemicals packaging segment was due to flood situation in the mid-year period which was the significant obstacle of agriculture. Moreover, the factors of negative effects on overall economic expansion and buying power in household sector caused low expansion of growth rate of consumer goods and, causing the overview in low growth of domestic sales of packaging

and below estimated target at the beginning of the year. Nevertheless, the Company has still retained our stability in market share.

According to Panjawattana (Tianjin) Company Limited which is the subsidiary in China and operates the core business in manufacture of lubricant packaging, the market growth has still tended to be continued due to expansion of Chinese economy and policy of income distribution to rural zone and middle class. This has resulted in higher buying power of Chinese people in general and more expenditure of household sector.

Panjawattana Plastic Public Company Limited is truly determined to continuously drive the Company's business forward with stability in the will of production process development, competitiveness maintenance, and market expansion, together with increase of production capacity for optimization of growth rate in part of plastic packaging and automotive plastic parts groups, under concern on financial strength together with maintenance of good relationship with stakeholders.

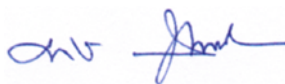
For operating plan in 2018, the Company has targeted on growth and maintenance of profitability to optimize shareholder wealth, and operate in accordance with the framework of the policy under Corporate Governance Code for protection of interests of all stakeholders. In 2018, the management team will aim at production and quality control system development, personnel development, and emphasize on research and development for maintenance of competitiveness and market expansion for increase in growth rate in various and stable industries.

The Board of Directors together with the management team and employees of the Company are proud of our works and ready to aim at pursuit of highest benefits for the Company. We also operate our business under concern on safety and environmental care, emphasis on sustainable organizational development. The Board of Directors therefore would like to deliver our gratitude to all shareholders, business partners, customers, employees, related parties and financial institutions for their well continuous supports in the Company's business operations. We promised to carry on our commitment and efforts in operating the business with carefulness and transparency and continuously upholding the principles of code of conduct, good corporate governance and sustainable development to ensure maximum benefits among all related parties and become the continual advanced organization.



(Mr. Satit Hemmondharop)

Chief Executive Officer



(Dr. Damri Sukhothanang)

Chairman of the Board of Directors



(Mr. Wiwat Hemmondharop)

Chairman of the Board of Executive
Committee

Report of the Audit and Corporate Governance Committee



Miss Charanya Sangsukdee
Chairman of the Audit and Corporate Governance
Committee

Dear Shareholders of Panjawattana Plastic Public Company Limited

The Audit and Corporate Governance Committee (ACGC) of Panjawattana Plastic Public Company Limited is comprised of 3 independent directors who are the experts on accounting, taxation, finance, management and risk management, with complete qualifications as stipulated in the Charter of the ACGC which is prepared in compliance with the guidelines and requirements of the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) with the names listed below.

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

The ACGC independently performs the duties under scope of responsibilities assigned by the Company's Board of Directors to examine and review for adequate corporate governance of the Company in operations of the Company for benefit of shareholders as a whole without any conflict of interests; and for adequate internal control system and function of the executives with honesty and accountability according to the Company's policy.

In 2017, the ACGC held 6 meetings whereas discussion and exchange of opinions were performed among the management, internal auditors and auditors on

the relevant matters. The essence of functions can be summarized as follows.

1. Accuracy, completeness and reliability of financial reporting

The ACGC quarterly and yearly reviewed financial statements and consolidated financial statements of the Company and its subsidiaries for the year 2017, which were reviewed and audited by the Company's auditors. The consideration was taken together with the auditors and the Management Department on the main accounting policies, significant financial reporting, accounting estimates, notes to financial statements and disclosures of informant information. The useful advice and comments were also given before approval and presentation to the Company's Board of Directors to ensure reliable and timely preparation of the Company's financial statements with adequate disclosures of information in financial statements to be beneficial for the users of financial statements in accordance with the set of regulations of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission, including Generally Accepted Accounting Standards. Moreover, the ACGC reviewed, studied the impact and prepared for the revised accounting standards, which will take effect in the next 3-5 years.

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

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

The ACGC reviewed the audit report of the Internal Audit Office and the assessment results of the internal control system under the framework of internal control practices of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) 2013 and guidelines of SEC, including continuous considering and monitoring the result of compliance with the recommendations in the audit report of the internal auditors and the auditors for good corporate governance, improvement on such operations, and support on risk and corruption assessment within the organization. The ACGC remarked the opinion that the Company's internal control system is adequate and efficient for business.

The ACGC considered the independence of Internal Audit Office and scope of work, and considered approving annual internal audit plan 2017 prepared according to the Company's material risks. The ACGC also focused on examining the effectiveness of the operation which is the key controlling point. The policies were reviewed to ensure that internal control system is effective both in Thailand and China. In the past, the meetings were held with the Certified Public Accountants of Panjawattana (Tianjin) Plastic Co., Ltd. and the audit report was examined, including monitoring the corrective action result based on the audit report, in order to recognize causes and problems and give advices on development and improvement of audit operation to be effective. Furthermore, the guideline for improvement of internal audit quality was taken into consideration by allowing various work units to evaluate the performance of internal auditors and independently propose comments for improvement of audit work quality. The appropriateness of budget, number of personnel, personnel training and development plan of the Internal Audit Office were taken into account to meet international standards. In addition, the ACGC regularly discussed with the Head of

the Internal Audit Office without attendance of the Management Department. The ACGC reviewed the risk management system of the Company from the meetings with the executives and the Board of Directors, and provided suggestions and improvement for more effective risk management system of the Company.

The ACGC commented that the Company's internal audit system is appropriate, effective and independent. The annual audit plan is conforming to the Company's goals and risks. The performance of the Internal Audit Department achieved the setting goals. The personnel and tools used for the audit are adequate and properly and continuously developed in line with international standards of professional practice in internal audit.

3. Compliance with the Securities and Exchange Law, the requirements of the Stock Exchange of Thailand and the laws related to the Company's business

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

4. Transactions with potential conflict of interest

The ACGC regularly considers the connected transactions or transactions with potential conflict of interests in accordance with laws, rules specified by the Capital Market Supervisory Board and other related agencies, under requirement of monitoring and reviewing of the Internal Audit Department on preliminary accuracy, and the audit of the auditors on such transactions on annual basis.

The ACGC remarked the opinion that such connected transactions considered are normal business transactions

with general, reasonable and fair commercial term which optimizes the benefit for the Company.

5. Good Corporate Governance

The ACGC gives high precedence to encouraging and emphasizing on the operations based on Corporate Governance Code and code of business conduct, including promoting and monitoring the progress of good corporate governance and social responsibility development process continuously. In 2017, good corporate governance policy, code of business conduct handbook and anti-corruption measures were reviewed and updated. Other necessary guidelines and suggestions were also provided to develop good corporate governance system to be more effective as building the confidence of all groups of stakeholders.

As the result of the Company's strict compliance with Corporate Governance Code and anti-corruption policy, and treatment to the groups of related stakeholders, as well as continuous improvement and development emphasizing on fair and thorough stakeholder treatment, the Company therefore won Good Corporate Governance Awards as follows.

- For the result from a survey of Good Corporate Governance Report of the Listed Companies for 2016, the Company was generally rated in "4 stars (very good)" criteria by the Thai Institute of Directors (IOD).

- For the result from evaluation on the quality in holding Annual General Meeting of Shareholders (AGM) in the project of evaluation on the quality in holding Annual General Meeting of Shareholders (AGM) for 2017, the Company was rated in "Excellent" criteria with a full score of 100 points. This project is organized by Thai Investors Association.

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

The ACGC considered selecting the suitable auditors and nominating the auditors by considering knowledge,

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

The ACGC considered the performance of the auditors of Dharmniti Auditing Co., Ltd. The independence and performance of the year 2017 which was the 9th year of the auditing firm and the 5th year of the auditors in signing to certify the financial statements, were evaluated. It was deemed that such auditors well comprehended on the Company's business, carried on their professional practices with independence, impartiality, experience and ability, and always handed in audit work on time. The overall performance was satisfactory with adequate independence. It was deemed appropriate to propose the Board of Directors to request the approval from the Annual General Meeting of Shareholders 2017 to appoint the following persons:

1. Mr. Poja Asvasontichai, Certified Public Accountant No. 4891; and/or
2. Mr. Thanawut Pibulsaswas, Certified Public Accountant No. 6699; and/or
3. Miss Sulalit Adsawang, Certified Public Accountant No. 7517

For year 2018, it has been the 10th year of the auditing firm and the audit fee is fixed at not exceeding 1,935,000 Baht per year, including the audit and certification fees for compliance with the condition of BOI Certificate. In case of additional audit and certification of BOI Certificate, the audit fee is charged at 40,000 Baht per certificate. In case of establishing a subsidiary during the year, the fixed audit fee shall not exceed 100,000 Baht per

company, excluding other expenses such as traveling expense for operation in upcountry. The auditors listed above have had no relationship or interest with the Company, the executives, major shareholders or parties related to such persons at all.

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

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

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



(Miss Charanya Sangsukdee)

Chairman of the Audit and Corporate Governance
Committee

Report of the Risk Management Committee



Assoc. Prof. Dr. Ekkachai Nittayakasetwat)
Chairman of the Risk Management Committee
Panjawattana Plastic Public Company Limited

Dear Shareholders

Panjawattana Plastic Public Company
Limited

Year 2017 was the year with fluctuation of Thai economic situation during the year, resulting in a decrease in demand of lubricant packaging which is the main operation in the second half of the year, and decrease in sales of fresh and yoghurt milk packaging due to below target of customer export. The aforesaid was the factor under concern and meetings for ongoing monitoring by the Risk Management Committee to be consistent with the changing situations due to uncontrollable external environmental factors and business operation strategy. The Risk Management Committee comprises of 6 committees and three of them are independent

directors with governing and supporting duty for effective companywide risk management.

During 2017, the Risk Management Committee held total of 3 meetings with following essences of operations

1. Reviewing policy of risk management to be suitable and consistent with changing business environments of the company and industry.
2. Verifying corporate vision and mission to determine the direction of sustainable growth on the framework of risk management guideline in various dimensions particularly in strategic risk and financial risk.
3. Considering the opinions on mitigation plan for risk transactions affecting business plan of year 2017 and monitoring the progress regularly for risk management to be in acceptable level under emphasis on essential risk management of the organization and in each operating line and business group of the company.
4. Giving suggestions and guidelines, monitoring and assessing annual risk management result for year 2017 for operation and development of effective risk management system by risk management team and executives directors.
5. Giving opinions and suggestions, considering and assessing risks of investment project and business plan of the Company However, the will of the Risk Management Committee is to define and manage risks not to cause severe impacts on action plans of the Company so that the Company can achieve corporate goals and maintain ultimate benefits of shareholders and related parties accordingly.



Assoc. Prof. Dr. Ekkachai Nittayakasetwat)
Chairman of the Risk Management Committee

Report of the Nomination and Remuneration Committee



Dr. Damri Sukhotanang

Chairman of Nomination and Remuneration Committee

Panjawattana Plastic Public Company Limited

Dear Shareholders

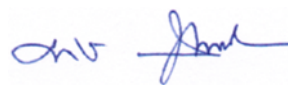
Panjawattana Plastic Public Company Limited

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

The Nomination and Remuneration Committee performed duties under NRC Charter to consider the policy and criteria according to Corporate Governance Code of the Stock Exchange of Thailand and nomination and consideration on remuneration for the directors and Chief Executive Officer to be transparent and fair for all groups of stakeholders.

In part of nomination of the directors and Chief Executive Officer, qualifications, knowledge, competences, experiences and diversity in many professional fields shall be considered to specify the qualifications of the directors required for nomination to be eligible in consistency with the composition and structure of the committee based on vision and mission of the Company under transparent process. If the members of NRC must retire by rotation at the same time, the selection method shall be in the way that the Chairman and one member of NRC select another member in replacement of the member who shall retire by rotation. The minor shareholders were given the opportunity to be able to nominate the candidates eligible for selection as directors from publicity via Stock Exchange of Thailand and website of the Company. In the shareholders' meeting in last year, no shareholders nominated the candidates into nomination process of the directors.

In 2017, NRC held the meeting to consider in part of review on policy, Charter of NRC, assessment of the whole committee and individual sub-committee, assessment of Chief Executive Officer, and consider determination of remuneration of the directors and Chief Executive Officer by considering from duties and responsibilities, performance in comparison with setting target, turnover and size of expanded and more complicated business, and comparison with the remuneration of the listed companies in the business segment in the same industry or similar size of business. The director development program was taken into consideration so that the director can perform duties more efficiently.



Dr. Damri Sukhotanang

Chairman of Nomination and Remuneration Committee



Vision:

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

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



Mission:

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

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

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

G

Generate Partnership

ร่วมใจ
สร้างพันธมิตร



R

Race with Business Dynamism

ตามโลกธุรกิจ
ต้องทันสมัย



O

Observe Trustworthiness

น่าเชื่อถือ โปร่งใส
วางใจได้



W

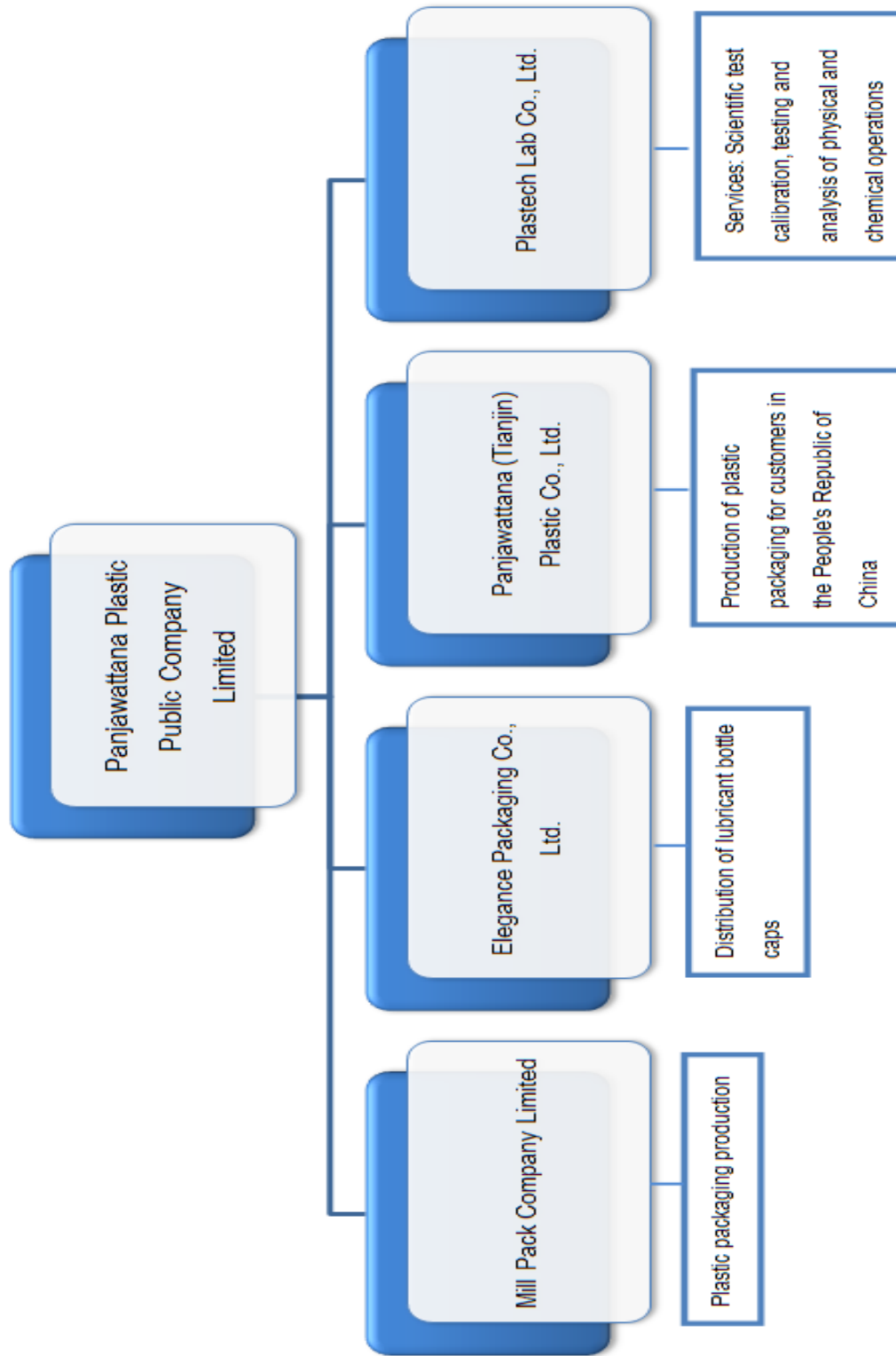
Work of Excellence

ผลงานเลิศ ไปไกล
จนเลื่องลือ



GROW นี้คือ...ค่านิยมของเรา... ชาวปัญจวัฒนา

Shareholding Structure of the Group



Overview of the Subsidiary Group's Businesses

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

Relationship with business group of major shareholders

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

Significant Changes and Developments

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

Year	Significant Changes and Developments
2013	<ul style="list-style-type: none"> The company invested in constructing a spray painting and a plastic container factory at Pin Thong 2 industrial estate in Chonburi in order to meet the demand of automobile parts market. They were approved of the investment support from the Investment Support Committee as per the Investment Support Charter No. 1044(2)/2557. The Committee approved the support on 16 October 2013.
2014	<ul style="list-style-type: none"> The company established a subsidiary under the name PJW Drink Tech Company Limited on 10 February 2014 to produce and sell non-alcohol beverage with the registered capital of THB 1,000,000 in the beginning. Increasing the registered capital of Panjawattana (Tian Jin) Plastic from USD 2.2 million to USD 2.5 million. The company established a subsidiary under the name PJW Food Pack Company Limited on 1 September 2014 to produce and sell food and non-alcohol beverage packaging with the registered capital of THB 20,000,000 in the beginning. The company made the dissolution of PJW Drink Tech Company Limited on 16 December 2014 because of management underneath same group of industrial within PJW Food Pack Company Limited. The company has awarded the Top Corporate Governance Report Awards 2014 on 27 November 2014
2015	<ul style="list-style-type: none"> The Meeting of the Shareholders of the Company for the year 2015 on 21 April 2015 resolved to increase the authorized capital of the Company previously from 276,000,000.00 Baht to be the authorized capital of 287,040,000.00 Baht through newly issuance of 22,080,000 million ordinary shares at par value of 0.5 Baht per share to support the stock dividend payment to the Company's shareholders in the rate of 25 existing shares per 1 stock dividend for total value of not more than 11,040,000.00 Baht. The Company registered for capital increase from 276,000,000.00 Baht to be 287,039,972.50 Baht on 18 May 2015. The Company has been approved for investment promotion from the Board of Investment pursuant to Investment Promotion License No. 58-2011-0-00-1-0 upon approval of the Board for promotion on 17 March 2015. The Company has been approved investment promotion from the Board of Investment pursuant to Investment Promotion License No. 58-2010-0-00-1-0 upon approval of the Board for promotion on 23 March 2015.

Year	Significant Changes and Developments
2016	<ul style="list-style-type: none"> ● PJW Food Pack Company Limited, the subsidiary, has changed its name into Plastech Lab Company Limited, on 12 May 2016 and has added the company's operating objective in parts of quantity and standard inspection service for all kinds of products, scientific testing service, standard calibration and physical and chemical laboratory testing and analysis. ● The Company has been certified for Innovation Capability and Innovative Organization for 2016 from Innovation Capability Promotion Project for Entrepreneurs in Stock Exchange of Thailand on 5 October 2016 by National Innovation Agency (Public Organization) and Stock Exchange of Thailand.
2017	<ul style="list-style-type: none"> ● The Company was awarded for Ford Q1 Certification, Ford's Commendation for Suppliers. ● The Company was granted for the third ranked award from Quality Control Circle (QCC) Activity of HINO ● The Company was upgraded from ISO 9001:2008 Standard to be ISO 9001:2015 Standard.

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 Tianjin, China

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

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

● PJW's revenue structure classified by type of customers, for the years 2015-2017

Income Structure Classified by Geography

Description	2015		2016		2017	
	Million Baht	Percent of sale	Million Baht	Percent of sale	Million Baht	Percent of sale
Domestic sales	2,540.58	93.17	2,483.21	90.05	2,417.76	89.71
Abroad sales	180.45	6.61	266.53	9.67	271.37	10.07
Gross sales	2,721.03	99.78	2,749.74	99.72	2,689.13	99.78
Other income	5.87	0.22	7.58	0.28	5.83	0.22
Total income	2,726.90	100.00	2,757.32	100.00	2,694.96	100.00

Income Structure Classified by groups of products

Description	2015		2016		2017	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
		of Growth Rate		of Growth Rate		of Growth Rate
Lubricant packaging	1,352.14	(0.92)	1,477.72	9.29	1,475.67	-0.14
Milk and yoghurt milk packaging	333.14	2.08	369.56	10.93	337.21	-8.75
Consumer goods and chemical liquid packaging	274.32	15.18	201.41	(26.58)	203.03	0.80
Automotive parts	761.43	108.25	701.04	(7.93)	673.22	-3.97
Gross sales	2,721.03	18.57	2,749.74	1.05	2,689.13	-2.20
Other income	5.87	4.08	7.58	29.13	5.83	-23.09
Total income	2,726.90	18.53	2,757.32	1.12	2,694.96	-2.26

Types of Products

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

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



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



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



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



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





● **Benefits and Conditions under BOI Privileges**

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

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

Competitive Strategy

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

The Company runs its business based on the following strategies.

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

(6) Good responsibility and relationship with customer

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

Customer Segment and Target Group

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

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

Distribution Channels

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

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

Pricing Strategy

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

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

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

Products or Services procurement

Products Procurement

Production and Production Capacity

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

Raw Materials

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

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

a) Polyethylene (PE)

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

b) Polypropylene (PP)

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

2. Dry Colorant

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

3. Stickers and Shrink films

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

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

Environmental Impact

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

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

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

● Competitive Condition and Trend of Industrial Situation

¹Gross Domestic Product (GDP) in the past Thai economic situation in 2017 expanded at 3.9% in comparison with the expansion at 3.3% in 2016, indicating the continuous economic recovery from last year. The expansion of export and investment of private sector, tourism sector, wholesale and retail were in high criteria. The supporting factor was from upturn of gross income base in economic system and the measure of government sector expenditure was the main factor. It could be seen on the expansion of export sector in continuous high criteria at 9.7% and expansion of the investment in state enterprise but the government investment decreased due to flood problem and procurement. However, the expansion of tourism sector could be seen from increase in income from tourists at 23.2% and 3.1%, being classified into income from foreign and domestic tourists, respectively.

For fiscal policy, the government sector has still maintained the policy of interest rate of 1.50% per annum under the objective to relief and support inflation development in gradual increase, as well as reinforcement of export market and government sector investment by the time where the countries with main economy have commenced to adjust the financial policy toward more normal condition.

¹The growth of market condition of automobile industry in 2017 was improved particularly in the expansion of domestic sales of cars at 13.38%. It was partly resulted from launches of new car models and more competition in sales promotion activity organizing of the entrepreneurs. The growth of the said industry was in the same direction as 2 data of automobile production that increased at 2.28%. However, export market decelerated in the countries in Asia, Middle East, Africa, Europe, and South America regions. For year 2018, it was anticipated that car production will be increased for 2.56% in total quantity of car production of 2.0 million cars by focusing on increase in production for domestic distribution at 3.25%.

¹ Office of the National Economic Development Board (NEDB)

² Office of Industrial Economics (OIE)

² Car Sales and Production Quantity

(Unit :100,000 cars)	2013	2014	2015	2016	2017
Production	24.57	18.80	19.12	19.44	19.89
(%YOY)	0.14	-23.49	1.71	1.68	2.28
Total automobile quantity	13.26	8.82	8.00	7.68	8.72
(%YOY)	-6.98	-33.52	-9.29	-3.86	13.38
Distribution volume	6.28	3.70	3.05	2.80	3.49
(%YOY)	-5.66	-41.11	-17.39	-8.35	24.60
Export volume	11.28	11.28	12.04	11.89	11.40
(%YOY)	10.27	0.00	6.81	-1.36	-4.11

¹Lubricant container industry in 2017 was anticipated that domestic market has still been able to grow. The risk factor concerned by several parties was the commencement of the electric cars on development for commercial distribution. According to critics by various institutions, it was deemed that supporting system of electric cars has not yet been prepared in part of electric charging service station, car capacity itself and adequacy of supporting resources. Thus, car in type of internal combustion engine has still been the main alternative. Nevertheless, the Company has carefully planned for support in all dimensions. For the segment of plastic container industry for consumption in overview, growth rate has been improved due to factor of household sector expenditure as well as factor from measure of government sector expenditure promotion. This could be seen from expansion of retail index at 6.6% as the expansion of almost of product categories, expansion of durable product category at 2.5%, and expansion of department store and general shops at 7.1%.

¹For Thai economy in 2018, it has tended to expand in the satisfactory criteria and accelerate from 2017. It was anticipated on expansion of GDP at 3.6 - 4.6%, an improvement from the expansion of 3.3% and 3.9% in 2016 and 2017, respectively with supporting factor from world economy that will affect production sector. The industrial sector will accelerating expand and increasingly support the economy in overview. The drive of government sector expenditure, and increase in investment budget framework, mega project investment progress, as well as tourism drive which has been advantage from recovery of the main economic countries. The export sector will be satisfactorily expanded according to the trend of accelerating expansion of economic world. However, risk factors have still been from fluctuation of economic system, increasing of product prices in world market, inflation rate, and interest rate in world market with increasing trend, as well as policy of the countries with main economies and political conditions. However, it was anticipated that in 2018, Thai economy will grow from drive of public sector investment, income base of the populations in economic system, and more clarity of private sector investment.

¹The trend of world economy in 2018 was anticipated for expansion at 3.8% from influence of USA economy with trend of accelerating expansion from basic factors in economy, motivation from tax decrease, and employment promotion while the economy of Eurozone country group was anticipated for expansion at 2.4% which has been similar to expansion in last year. In accompanying with improvement of trade volume and product price in world market, it was anticipated to support the expansion of the developing countries and other emerging countries in satisfactory criteria particularly in India, Brazil and Middle East through the anticipation of expansion at 7.2%, 1.9% and 3.6%, respectively. For economy of China, it was anticipated for expansion at 6.7% with drive from private sector consumption and trend of continuous satisfactory expansion according to satisfactory criteria of export sector and improvement of domestic demand. The significant risk factors in 2018 were alteration of significant financial policy of the country that may result in higher interest rate, direction of trade barrier of USA with China, and direction of Brexit negotiation result.

¹ Office of the National Economic Development Board (NEDB)

² Office of Industrial Economics (OIE)

Risk Factors

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

1. Fluctuation in raw material prices

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

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

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

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

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

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

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

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

3. The risk of competition from new producers.

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

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

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

4. The risk of no long-term contracts.

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

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

5. Risk of Exchange Rate

Under the global economic is uncertainty, the monetary policy through interest rates, taking measures of QE to stimulate the economy in the countries around the world; the United States, European Union, or the country in Asia, where have the major economies system like China and Japan, including the domestic economic conditions are fluctuated according to different circumstances. This is the resulting in the transfer of funds, various operators whether importers or exporters are faced with the risk of exchange rate. It impacts on the business profits and its ability to conduct business. Although the Company will not be affected by fluctuations in the exchange rate as an exporter because the main income was from sales in the country, but as importers of machinery or raw materials of some kind which shall be imported from abroad. Depreciation or recovering of value of money in trading partners, it impacts on the production costs of the Company. The Company had to bear the cost more. Therefore, the Company has learned

how to hedge the risk of exchange rate. There is the track of movement of foreign exchange rates closely; including the study in an analysis of the trend of the movement of foreign currency. The Company has selected transactions of Forward or made purchasing contracts of foreign exchange in advance for situation or condition which should act reasonable in order to prevent or reduce the losses that may be caused by exchanging in the money.

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

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

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

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

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

The company's majority shareholder is the Hemmontharop groups, which hold shares in the Company totaling of 61.40 percent at March 22, 2018. Aforementioned shareholding proportion is more than 60 percent; the group of largest shareholder has the power to control the Company and influence to the Company's decision on all matters that shall be approved by the shareholders' meeting, excepting for the matters required by law or the Company's regulation specified to get the votes for third in four of the AGM. Therefore, the other shareholders of the Company have the risk from unable to collect the vote for checking and balancing the matter presented by the majority shareholder in the AGM to consider.

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

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

GENERAL INFORMATION AND OTHER KEY INFORMATION OF THE COMPANY

Company Name	: PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED
Symbol	: PJW
Registration Number	: 0107554000208
Authorized Capital	: 574,080,000 ordinary shares at par value of Baht 0.50, total in amount of Baht 287,040,000
Paid-up Capital	: 574,079,945 ordinary shares at par value of Baht 0.50, total in amount of Baht 287,039,972.50
Nature of Business	: PJW is a producer and supplier of plastic containers & closures and automotive plastic parts of high quality and with custom designs according to clients' requirements for the product brands that are recognized in each end-use industry and among consumers in general. Its products are manufactured through two main processes: blow molding and injection molding and painting. The product range cover car accessories to customers.
Registered Address (Head Office)	: No. 19, 21, Soi Ekkachai 63, Ekkachai Road, Bang Bon Sub-district, Bang Bon District, Bangkok 10150 Telephone Number: 0-2898-0018, 0-2898-1008 Facsimile Number: 0-2898-0633
Samuthsakhon Branch	: 28 Moo 2 Chaimongkol Sub-district, Muang District, Samutsakhon Province 74000 Telephone Number: 0-2150-5988, 0-3483-9130-1 Facsimile Number: 0-2150-5987
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, 0-3834-7205, 0-3834-7207 Facsimile Number: 0-3834-7189
Homepage	: www.pjw.co.th
Contact Investor Relations (For general information)	: Telephone Number: 0-2150-5988 Ext. 153 E-mail Address: ir-pjw@pjw.co.th
Contact Company Secretary	: Telephone Number: 0-2150-5988 Ext. 153
Contact the Audit Committee's Secretary	: Telephone Number: 0-2150-5988 Ext. 176 E-mail Address: ac-secretary@pjw.co.th
(For complain, notice about corruption clue, and/or infringement of code of conduct and/or good corporate governance)	

GENERAL INFORMATION OF SUBSIDIARIES

Company Name	: MILK PACK COMPANY LIMITED
Paid-up Capital	: 12,000 ordinary shares at par value of Baht 2,500 total in amount of Baht 30,000,000
Registered Address	: No. 19, 21, Soi Ekkachai 63, Ekkachai Road, Bang Bon Sub-district, Bang Bon District, Bangkok 10150 Telephone Number: 0-2898-0018 Facsimile Number: 0-2898-0633
Nature of Business	: Manufacturing of plastic packaging, mainly used for lubricant packaging for medium and small customers
Company Name	: ELEGANCE PACKAGING COMPANY LIMITED
Paid-up Capital	: 10,000 ordinary shares at par value of Baht 100 total in amount of Baht 1,000,000
Registered Address	: No. 19, 21, Soi Ekkachai 63, Ekkachai Road, Bang Bon Sub-district, Bang Bon District, Bangkok 10150 Telephone Number: 0-2150-5988, 0-3483-9130-1 Facsimile Number: 0-2150-5987
Nature of Business	: Lubricant Bottle Cap
Company Name	: PLASTECH LAB COMPANY LIMITED
Paid-up Capital	: 2,000,000 ordinary shares at par value of Baht 10 total in amount of Baht 20,000,000
Registered Address	: No. 28 Moo 2, Chaimongkol Sub-district, Muang District, Samutsakhon Province 74000 Telephone Number: 0-2150-5988, 0-3483-9130-1 Facsimile Number: 0-2150-5987
Nature of Business	: The servicing test of products and/ or standard of overall products, testing and analyzing physical and chemical of products
Company Name	: PANJAWATTANA (TIEN JIN) PLASTIC COMPANY LIMITED
Paid-up Capital	: US Dollar 5,500,000
Registered Address	: Building no.4, Hongtai Industrial Estate, No. 78 Taihua Road, Tianjin Economic-Technologic Development, Tianjin, 300457 RPC Telephone Number: (+86) 22-2532-7703 Facsimile Number: (+86) 22-2532-8323
Nature of Business	: Manufacturing of lubricant packaging for customers in Republic of China

OTHER REFERENCES

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

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

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

The investor reading from annual registration statement (From 56-1) were presented on the securities and exchange commission website at www.sec.or.th or company website at www.pjw.co.th



BOARD OF DIRECTORS



01

Dr. Damri Sukhotanang
• Board Chairman
• Independent Director



02

Mr. Kongsak Hemmontharop
• Vice Chairman



03

Mrs. Malee Hemmontharop
• Director



04

Mr. Wiwat Hemmondharop
• Director



05

Mr. Satit Hemmondharop
• Director



06

Dr. Pirun Hemmondharop
• Director



07

Miss Charanya Sangsukdee
• Chairman of Audit Committee
• Independent Director



08

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



09

Mr. Natthawut Khemayotin
• Audit Committee
• Independent Director

BOARD OF DIRECTORS

AUDIT COMMITTEE

RISK MANAGEMENT COMMITTEE

NOMINATION AND REMUNERATION COMMITTEE

BOARD OF EXECUTIVE COMMITTEE

Board of Directors

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

Audit Committee

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

Risk Management

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

NOMINATION AND REMUNERATION COMMITTEE

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

BOARD OF EXECUTIVE COMMITTEE

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

Securities Focus and Shareholders

Securities Focus

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

Shareholders Structure

As at December 31, 2017 the Company has Authorized Capital of Baht 287,040,000, divided into 574,080,000 ordinary shares with a par value of Baht 0.50., Paid-up Capital of Baht 287,039,972.50, divided into 574,079,945 ordinary shares with a par value of Baht 0.50

As at March 22, 2018 top 10 Company's major shareholders are shown below;

Shareholders' lists			As at March 22, 2018	
			Number of shares	%
<u>The Hemmontharops^{1/}</u>				
1.	Mrs. Malee Hemmontharop		110,797,874	19.30
2.	Mr. Kongsak Hemmontharop		96,169,439	16.75
3.	Mr. Wiwat Hemmondharop		69,175,360	12.05
4.	Dr. Pirun Hemmondharop		35,688,640	6.22
5.	Mr. Satit Hemmondharop		32,661,428	5.69
6.	Mrs. Jittravadee Hemmontharop		6,050,000	1.05
7.	Mr. Kridsada Hemmondharop		1,489,700	0.26
8.	Mr. Chaval Hemmondharop		455,304	0.08
Total			352,487,745	61.40
<u>The Other shareholders in top 10 list</u>				
1.	Mr. Suntorn Sripratchayaanun		13,270,880	2.31
2.	Mr. Vichiar Srimuninnimit		8,295,900	1.44
3.	Mr. Seksan Krongpanich		6,150,700	1.07
4.	Mr. Prasert Lohaviboolsub		5,031,600	0.88
Total			32,749,080	5.70
<u>Other minor shareholders</u>			188,843,120	32.90
Total			574,079,945	100.00

^{1/} The Company major's shareholders who have significant influence on conducting the Company's policy, management, or its business operation

Acquisition report of the Company's Directors and Executives

From January 1 – December 31, 2017

Name - Surname	Position	December 31, 2016	Percentage of shares (%)	Changed of shares	December 31, 2017	Percentage of shares (%)
<u>Paid-up Capital</u>		<u>574,079,945</u>			<u>574,079,945</u>	
• <u>Directors</u>						
1. Dr. Damri Sukhotanang	Board Chairman / Independent Director	260,000	0.05%	-	260,000	0.05%
2. Mr. Kongsak Hemmontharop	Director	106,169,439	18.49%	(10,000,000)	96,169,439	16.75%
3. Mrs. Malee Hemmontharop	Director/ Vice President	114,797,874	20.00%	-	114,797,874	20.00%
4. Mr. Wiwat Hemmondharop	Director/ Chairman of The Board of Executive Directors	75,225,360	13.10%	(6,050,000)	69,175,360	12.05%
5. Mr. Satit Hemmondharop	Director / Chief Executive Officer	32,661,428	5.69%	-	32,661,428	5.69%
6. Dr. Pirun Hemmondharop	Director / Vice Chief Executive Officer / Chief Administrative Officer	35,688,640	6.22%	-	35,688,640	6.22%
7. Miss Charanya Sangsukdee	Audit Committee Chairman /Independent Director	260,000	0.05%	-	260,000	0.05%
8. Assoc. Prof. Dr. Aekkachai Nittayakasetwat	Independent Director	156,000	0.03%	-	156,000	0.03%
9. Mr. Natthawut Khemayotin	Independent Director	260,000	0.05%	-	260,000	0.05%
• <u>Chief Executive</u>						
1. Mrs. Prim Chaiyawat	Chief Financial Officer/ Secretary	364,000	0.06%	-	364,000	0.06%
2. Mr. Seksan Sinbunluekul	Chief Product Engineer and Development Officer	364,000	0.06%	-	364,000	0.06%

Dividend Payment Policy

Dividend Payment Policy of the Company

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

Dividend payment policy of subsidiary companies

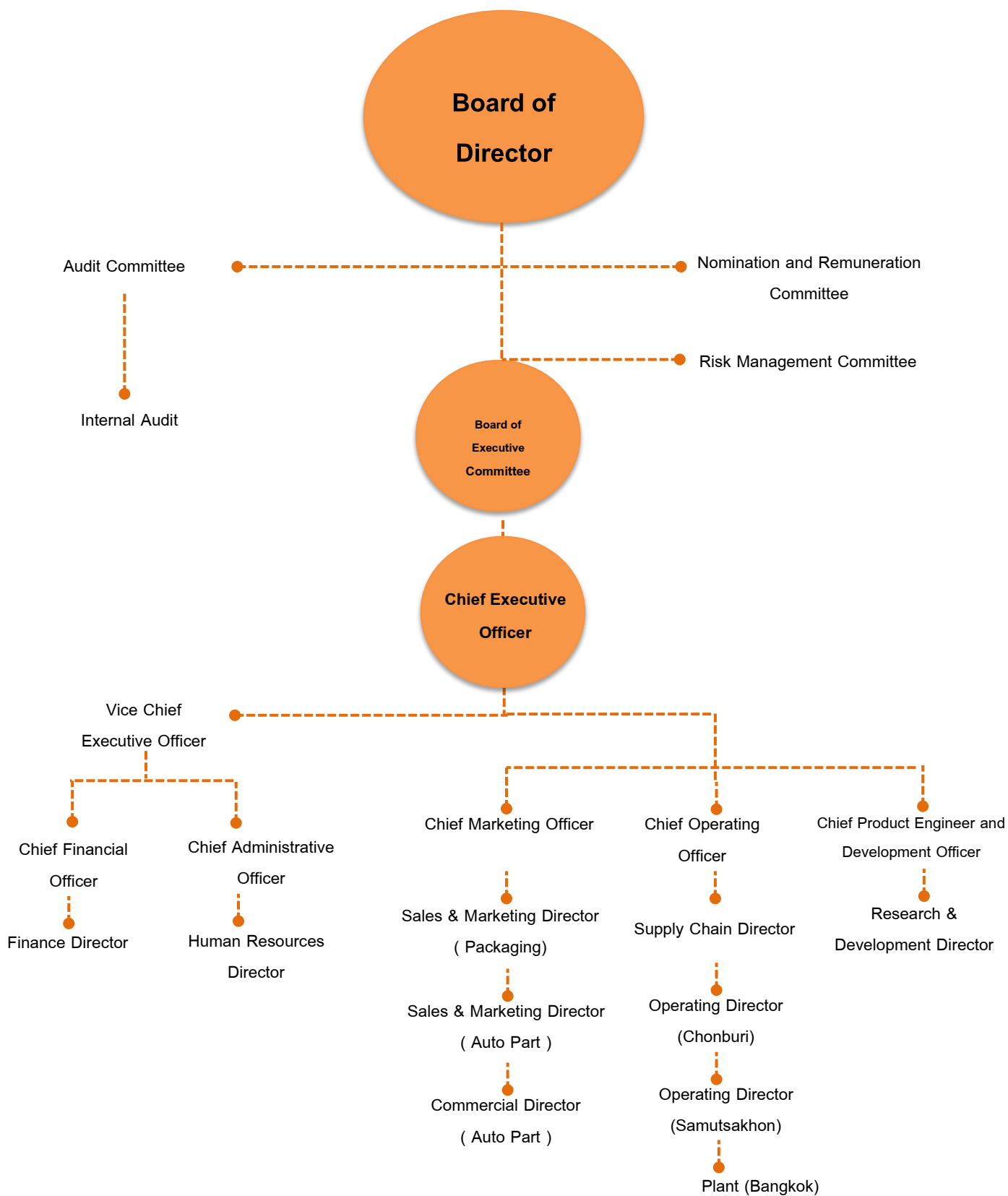
Each subsidiary company has a policy to pay dividend at the rate not less than 50% of net profit after corporate income tax in its company-only financial statements and after legal reserve. However, each subsidiary company may set to pay less than the rate specified in the policy, depending on its operational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

The dividends paid in the previous years

Year	Net profit per share (Baht/share)	Cash Dividend (Baht/share)	Stock Dividend (Existing : New)	Dividend per net profit %
2012	0.35	0.15	-	44.81
2013	0.18	0.10	-	54.63
2014	0.03	-	25 : 1	66.01
2015	0.18	0.10	-	55.92
2016	0.24	0.13	-	53.59
2017	0.07	-	-	-

Remark: *The Company's Board of Directors No. 3/2017 dated March 2, 2017 has its resolution to non-pay for dividend regarding the 2017, the Company's need working capital for the business in 2018. However, the resolution will be proposed to the 2018 Annual General Meeting of Shareholders, to be held on April 28, 2018 for further approval.

Organization Structure



Organization Structure

PJW organization structure consists of the Board of Directors, the Executive Committee, the Audit Committee, the Risk Management Committee and Nomination and Remuneration Committee. Its executives are qualified as stipulated in Section 68 of the Public Limited Companies Act 1992 and in accordance with the relevant notifications of the Capital Market Supervisory Board. The company's management structure has to consist of many persons who have different knowledge including industrial skill, finance and accounting skill, business administration skill, legal skill, international trade skill, and Good Corporate Governance skill. The Board of Directors has included independent director at least one-third of total amount members, at least 3 persons are independent director and at least 1 person being woman director. The Company has organized its management structure as follows:

Board of Directors

As of 31 December 2016, the Board of Directors is composed of nine members below:

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

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

Authorized Directors

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

Term of office

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

Scope of duties and responsibilities of the Board of Directors

1. Have power and responsibility for performance according to the laws, objectives and Articles of Association of the Company, as well as the resolutions of the shareholders' meetings, with adherence to "The Best Practices for Directors of Listed Company" as stipulated by the SET;

2. Make available the balance sheet and profit and loss statements at end of the Company accounting period that have been audited and certified by external auditors and propose to the annual general meeting of the shareholders;

3. Jointly determine vision and mission of the Company in order to correspond the goals;

4. Determine goals, directions, policies, business plans and budget of the Company; monitor and supervise the performance and administration of the Executive Committee to ensure that it is effectively and efficiently in accordance with the policies, plans and budget. The Executive Committee also has the duties to monitor and ensure that the Company has complied with the law on securities and exchange, notifications of the Capital Market

Supervisory Board, and the rules and regulations of the SET, such as connected transactions, acquisition and disposal of assets or other laws relevant to the Company's business;

5. Consider and have power to determine organization structure, appoint Executive Committee, Chief Executive Officer and other sub-committee as appropriate, and determine the scope of duties of Executive Committee, Chief Executive Officer and sub-committees. Such authorization must not be made in the manner that empowers the person to determine and approve transactions that he/she or other person may be involved in conflicts of interest or conflicts of interest in any other nature with the Company or its subsidiary (if any) (as defined in the notification of the Capital Market Supervisory Board and/or the SET, and/or other notifications of relevant agencies) except the case of approving a transaction according to the policy and criteria earlier considered and approved by the Board.

6. Prepare an Annual Report and take responsibility for preparation and disclosure of duly audited financial statements to reflect the Company's financial position and operational performance in the previous year, and present them to the annual general meeting of shareholders for their approval;

7. Ensure that the business ethics and code of conducts for the management and the employees have been made available in writing and acknowledged by the management and the employees. The Board shall earnestly monitor compliance with the code of conducts;

8. Determine and set out a risk management policy; ensure adequacy of system or procedures for risk management by setting out appropriate measures and controls to mitigate impacts on the business operations;

9. The Board may authorize one or more than one directors or any other person to act on its behalf under supervision of the Board, or may delegate power to the person within a specified timeframe as the Board deems it appropriate. The Committee may revoke, withdraw, change or correct that authorization as appropriate.

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

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

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

Executives

As of 31 December 2017, the Company has four executive members

รายชื่อ	ตำแหน่ง
1. Mr. Satit Hemmondharop	Chief Executive Officer
2. Mrs. Malee Hemmontharop	Vice President
3. Dr. Pirun Hemmondharop ^{1/}	Vice President Chief Administrative Officer
4. Mrs. Prim Chaiyawat	Chief Financial Officer / Company Secretary
5. Mr. Seksan Sinbunluekul	Chief Product Engineer and Development Officer

Remark:

Dr. Pirun Hemmondharop¹ has resolution to appointed work positions Vice President and Chief Administrative Officer in March 1, 2018

Scope of duties and responsibilities of the Chief Executive Officer:

1. Supervise, manage and perform the duties of normal business conducts for the Company's interest in accordance with the objectives and the Articles of Association, rules, regulations, resolutions, policies, work plans and budgets endorsed by the Board's and/or the shareholders' meeting under relevant laws and/or scope of authority designated by the Board of Directors;
2. Control and oversee the business operations and/or daily administration of the Company;
3. Determine and propose the Company's business policies, business plans, targets, operational plans, business strategies, annual budgets for

the Company's operations, budgets shown in annual report, management authority to the Executive Committee and Board of Directors for approval;

4. Implement the policies of Board of Directors by translating them into directions, guidelines, strategies and business targets which will be assigned to the management team for further action;
5. Oversee and follow up the performance of the executives; give advice on rectifications of problems and obstacles to ensure that the executives and management team act in accordance with the strategies and business plan and in line with the Company's policy;

6. Monitor and evaluate performances of duties of the management team; report the results of operations, management and progress of the operations to the Executive Committee, the Audit Committee and the Board of Directors on a regular basis;
7. Approve the expenditures for the Company's normal business conducts such as the purchase of property, major investment and other transactions for the Company's benefits. The power to approve shall be for normal commercial transactions in an amount not more than Bt. 15 million per item and not exceed the budget endorsed by the Board of Directors;
8. Perform any other duties as assigned by the Executive Committee or the Board.

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

Company Secretary

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

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

Remuneration of Director and Executive

● **Director**

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

○ **Monetary Remuneration**

In 2016, the Meeting of Shareholders approved and determined structure of monetary director remuneration rate in total limit of not more than 3,200,000 Baht per year as follows.

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

Director Remuneration of Panjawattana Plastic Public Company Limited paid in the Year of 2017

List	Director Remuneration (Baht) Paid in the Year 2017						
	Allowance of the Board's Meeting				Allowance of the Board's Meeting		Total (Baht)
	The Company	Audit	Risk Management	Nomination and Remuneration ^{2/}	Monthly Remuneration	Bonus	
Number of Meetings for 2017	8 Meetings	6 Meetings	3 Meetings	1 Meetings			
1.Dr. Damri Sukhotanang	200,000	-	-	15,000	120,000	300,000	635,000
2.Mr. Kongsak Hemmondharop	80,000	-	-		-		80,000
3.Mrs. Malee Hemmondharop	80,000	-	-		-		80,000
4.Mr. Wiwat Hemmondharop^{1/}	80,000	-	30,000	10,000	-		120,000
5.Mr. Satit Hemmondharop	80,000	-	30,000		-		110,000
6.Dr. Pirun Hemmondharop	80,000	-	30,000		-		110,000
7.Miss Charanya Sangsukdee	80,000	90,000	30,000		120,000	230,000	550,000
8.Assoc.Prof.Dr.Aekkachai Nittayakasetwat	80,000	60,000	45,000		120,000	230,000	535,000
9.Mr. Natthawut Khemayothin	80,000	60,000	30,000	10,000	120,000	230,000	530,000
Total	840,000	210,000	195,000	35,000	480,000	990,000	2,750,000

○ **Other Remunerations**

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

● **Executives**

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

○ **Monetary Remuneration**

The Company paid remuneration with below details for the executives.

Type	Year 2017	
	Number of Executives	Amount (Baht)
Salary and Bonus	6 ^{1/}	43,749,032
Provident Fund Contribution	6 ^{1/}	2,032,386

หมายเหตุ :

1/ 5 executives and 1 Chief Executive Officer and during 1 January – 31 December 2017

○ **Other Remunerations**

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

Personnel

As at 31 December 2017, total staffs of the Company and its subsidiaries (excluding 12 executives) have been 1,603 persons that can be divided into the following lines

Main Line	Number of Staffs	
	Year 2016	Year 2017
Management and Office	190 persons	180 persons
Marketing, Research and Development	52 persons	66 persons
Production Management and Production	1,239 persons	1357 persons
Total	1,481 persons	1,603 persons

● **Staff Remuneration**

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

Detail	Year 2016	Year 2017
Number of Staffs (persons)	1,481 persons	1,603 persons
Remuneration (Million Baht)	430.65 Million Baht	465.87 Million Baht

- **Other remunerations**

Provident fund

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

Health Insurance

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

- **Personnel development policy**

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

Internal Training

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

For manager-level employee :

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

For operating employee :

The company develops operating employees by providing courses for them to fully develop knowledge and capability according to their duty, professional line and responsibility. It is to develop skills, knowledge and capability in operating works and increasing efficiency by their line of responsibility such as Technician school, financial and accounting standard, skill of computer system and technology, marketing and sale skill and ISO system etc.

For every employee:

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

External training

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

- **Policy of personnel management and development with information technology**

The Company has applied technologies in management such as online issuance of Purchase Requisition, online disbursement of expense, as well as online leave, to support fast management, cost reduction, accuracy and maximum efficiency.

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

- Attachment Creation**

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

Corporate Governance



Corporate Governance

Panjawattana Plastic Public Company Limited has always recognized the importance of developing effective management policies, together with the advancement of organizational transparency and accountability. This will bring trust and confidence to all parties involved, resulting in sustainable business growth under the Company's Code of Conduct and compliance with relevant laws. Panjawattana Plastic has strategically developed a set of good corporate governance policies, while keep them updated to conform to the current economic and business situations aiming to generate enhanced operations capacity. With well-developed standards, the advanced business implementation has been expected to be pursued by employees of all levels, supported by various organization-based activities aiming to foster the excellence of good corporate governance. The Company has adopted the principles of good corporate governance for registered companies prescribed by the Stock Exchange of Thailand (SET) and has also taken into account the comments and suggestions featured in the annual assessment report of the Thai Institute of Directors (IOD). With the expectation to use them as guidelines for business accomplishment, the Board members, executives, and employees of Panjawattana Plastic have determined to strictly pursue such good corporate policies and rely on them in an efficient and consistent manner. In the past year, there was no situation or incident going against the approved good corporate policies, according to the following guidelines.

Part 1 The Rights of Shareholders

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

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

1. Organization of the Meeting of Shareholders

- 1.1 The Company maintains and encourages all shareholders, whether they are major or minor shareholders, foreign shareholders, or institutional investors to attend the shareholders' meeting.
- 1.2 The Company has assigned Thailand Securities Depository Company Limited, acting as the Company's securities registrar, to be responsible for delivering an invitation letter of shareholders

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

- 1.3 The information of date, time, venue and meeting agenda with clarification and supporting reason in the each proposed agenda shall be provided.
- 1.4 The Company shall facilitate the shareholders to fully exercise the right of meeting attendance and voting.
- 1.5 The Company is required to provide shareholders with an opportunity to propose an agenda in advance, reportedly starting from October to December of every year, while submitting any inquiry related to the proposed agenda ahead of the meeting by keeping shareholders informed about the updated information via the news reporting system possessed by the Stock Exchange of Thailand (SET). The Company is also required to announce rules, regulations, standards, and procedures of the meeting of shareholders via the Company's website www.pjw.co.th in the Investor Relations section.
- 1.6 In case where the shareholder is unable to attend the meeting by presence, the Company gives the opportunity to the shareholder to enable to give a proxy to the independent director or any person to attend the meeting in lieu of him/her.

2. Procedures of Meeting of Shareholders

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

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

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

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

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

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

2.5 The Company will assign an independent person to act as a counter or checker of casted votes for both shareholders' ordinary and extraordinary meetings, while being required to disclose the voting results to the meeting and record them in the minutes of the meeting of shareholders.

3. Preparation of Meeting Minutes and Introduction of Meeting Agendas

3.1 As the Company will record the minutes of the meeting of shareholders, all voting procedures will be announced to

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

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

Part 2 The Equitable Treatment of Shareholders

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

1. Disclosure of Information before the Meeting

1.1. The Company will announce the schedule of the meeting of shareholders, together with the agendas and opinions provided by members of the Board of Directors via the website of the Stock Exchange of Thailand (SET) and the Company's website at least within twenty-eight (28) days prior to the meeting date.

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

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

2. Protection of Minor Shareholders' Rights

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

2.2 The Company will not add any new agenda without informing the shareholders in advance, aiming to provide them with an opportunity to study each agenda thoroughly before making their decisions.

3. Prevention of Internal Information

3.1 The Company strictly supervises the use of internal information to prevent the exploitation of internal data for themselves or others in a wrongful or illegal manner to ensure fairness and equality to all stakeholders. The Company has developed a set of guidelines for keeping its

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

3.2 The Company has informed its members of the Board of Directors and executives about the duty to report on the holding of the Company's securities and related punishment provisions in accordance with the Securities and Exchange Act, B.E. 2535 (1992) as well as the regulations issued by the Stock Exchange of Thailand (SET). In case where any member of the Board of Directors or executive has traded the Company's securities, he will be required to report on his holding of the Company's securities, including the holding of the Company's securities represented by his spouse or child under the age of majority complying with the provision of Section 59 of the Securities and Exchange Act, B.E. 2535 (1992) within a period of three (3) official working days for the Office of the Securities and Exchange Commission (SEC)'s acknowledgement and announcement to the general public. Meanwhile, the Company's secretary will be required to report on the alteration of the holding of the Company's

securities conducted by the member of the Board of Directors or executive to the meeting on a quarterly basis.

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

4. Interests of the Board of Directors

- 4.1 The Company determines the guideline for transparent and verifiable stake holding management, particularly in consideration of related transactions between the Company and stakeholder or related party.
- 4.2 Upon occurrence of the said event, the stakeholder of that issue shall immediately report the Company for acknowledgement and not participate in considering or voting in such issue.

5. Implementation for Interconnected Transactions

In case where it is the commercial transaction with general commercial term, the said transaction shall be performed on Fair and at arms' length basis. The Company shall determine the framework of performing such transaction which is considered and approved by the Audit Committee prior to proposal to the Board of Directors for approval consideration as principle. The Management Department can approve performing such transaction if the commercial agreement of such transaction is in the similar nature as reasonable man should perform with the general contractual party under the same situation with commercial bargaining power which is free from influence in the status of director, executive, connected party of the Company or related party. The director with gain and loss shall abstain voting in such agenda. However, the Company shall prepare summary report of related party transaction performing to be reported

in the Meeting of the Audit Committee of the Company and the Meeting of the Board of Directors in every quarter.

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

Part 3 The Role of Stakeholders

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

1. Code of Conduct for Stakeholders

Panjawattana Plastic has always recognized the importance of securing the rights for all stakeholders, while realizing that all supports and comments from stakeholders will bring the greatest benefits to the Company's business operations, management, and development. Hence, the Company has managed to comply with the relevant laws and regulations, ensuring that all stakeholder-related rights are fostered in the most efficient and reliable manner.



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



Employees: The Company has remained firm to provide all of its employees with competency development

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



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



Partners and Creditors: The Company always takes into account the equality, fairness, and morality to in running its business, while keeping benefits with partners and creditors by complying with relevant laws and stay away from being involved in corrupted actions and illegal conducts of all kinds. As part of the intention to maintain a concrete relationship with both business partners and creditors, in case where the Company may accidentally or unintentionally fail to comply with any obligation under the signed agreement, the Company will collaborate with its partners and creditors to mutually seek the most effective solutions to solve an existing issue. In selecting a strategic partner, the

Company has reiterated its intention to rely on suppliers and service providers by pursuing the operational procedures, procurement schemes, assessment of service providers, and development of service providers.



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



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



Community, Society, and Environment: The Company has fostered a set of business policies with its earnest responsibility for the community, society and environment in terms of safety, quality of life, and conservation of natural resources. To make use of natural resources in an efficient manner, the Company's products, services, and operational procedures are developed in line with relevant rules, regulations, and standards required by globally renowned business organizations worldwide. Also, the Company has encouraged its employees to be more conscious of the community, society, and environment they live in, as part of the intention to promote a better quality of life for all Thai people.

2. Anti-Bribery and Corruption Policies

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

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

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

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

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

- Allowing the internal audit company to conduct its internal audit tasks to ensure effective risk management, good corporate governance, and productive suggestions on anti-bribery and corruption to be proposed to the Audit Committee accordingly.

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

3. Offense Reporting and Complaint Filing

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

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

To report on offense or file a complaint, it is required to use polite statements to clearly identify facts or circumstances. The offense reporting and complaint filing will be considered with transparency and fairness under the management and supervision of the Audit and Corporate Governance Committee, where all information related to offense reporting or complaint filing cases will be maintained with confidentiality.

Part 4 Disclosure and Transparency

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

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

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

Also, the Company has introduced its Investor Relations section served as a new contact channel, providing significant information on meetings of analysts and press conferences on the Company's performance. The newly developed channel also provides domestic and foreign investors with sufficient information regarding the Opportunity

Day in order to report the Company's performance quarterly and annually. The Company has also made debut of newsletters for the press, investment promotion activities for Thailand-based investors, and visits to the Company.

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

Part 5 Responsibilities of the Board of Directors

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

1. Structure of the Board of Directors



The Company considers establishing the Board of Directors under appropriate structure. The nomination of experts with functional honesty, vision, competency and experience, and ability to devote time for the Company shall be considered in appointing the directors of the Company to fully function and independently make decision for maximum overall interests of the Company and shareholders.

The structure of the Board of Directors is diversified with profession and specialization in the fields of industry, accounting and finance, business, management, international marketing, strategy, crisis management, law, corporate

governance, and gender. At present, the Board of Directors consists of 9 directors comprising of 5 executive directors and 4 independent directors. The term of office for each independent director is scheduled to be not more than 9 years. These independent directors may be appointed to resume the office if the Board of Directors deems that it is appropriate.

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

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

The Board of Directors possesses a set of policies mentioning that the Chairman and Chief Executive Officer must not be the same person in order to clarify responsibilities of the regulator. The Company has clearly defined the responsibilities of the Board of Directors, with effective operational and management power. The Board of Directors is required to be responsible for policy formulation and oversight of executive management at the policy level,

while the Company's executives are set to manage the organization in various extents to be in accordance with the policies set by the Chairman of the Board of Directors and Chief Executive Officer to be a different person.

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

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

2. Roles and Responsibilities of the Board of Directors

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

- Separation of Duties between Policy Formulation and Routine Administration

The Board of Directors has determined the levels of roles and responsibilities in setting corporate governance policies as well as day-to-day management strategies. As the Chairman and Chief Executive Officer are elected by the

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

- Corporate Governance Policy

The Company has established its corporate governance policies in a written form, where the Board of Directors is required to grant its approval for such policies. The Board of Directors will regularly review policies and implementation of policies. Meanwhile, the Company is required to communicate with everyone in the organization to foster a better understand towards the corporate governance policies aiming to encourage them to strictly pursue the policies. Following the Board of Directors' meeting No. 1/2013 held on February 20, 2013, the resolution had approved the Audit Committee to be renamed as the Audit and Corporate Governance Committee to play its pivotal roles in promoting, studying, revising, evaluating, and reviewing corporate governance guidelines as well as business ethics practices

of the Company, complying with the rules established by the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC).

– Code of Conduct

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

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

– Conflict of Interest

The Board of Directors has set its policies on conflicts of interests based on the basic principles that business activities must be carried out for the best interests of the Company, while being able to avoid any conflict of interest, where members of the Board of Directors, executives, and employees must review and prevent conflicting interests on a regular basis. In addition, the Company possesses a strong relationship with its subsidiaries, particularly in considering business transactions. The Company has also been urged to determine who is involved in items required to be acknowledged and considered as well as those who must not participate in the consideration or possess no authority to authorize the business transactions, including the

transactions considered by the appropriateness of prices and terms associated with outsiders.

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

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

– Internal Control

The Board of Directors has recognized the importance of supervising the internal control system at both operational and management levels. The internal control system is an important mechanism developed to ensure quality management to reduce possible business risks and enable effective business operations by appropriately allocating resources and achieving the targeted goals, while protecting properties from being damaged or leaked. This will help

everyone in the organization to comply with relevant laws and regulations as well as secure their investment plans efficiently and appropriately. As a consequence, the Company has set its obligations to empower executives and administrators in a clear written form. It effectively controls the use of the Company's assets for the highest benefits of the Company.

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

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

– Risk Management

The Board of Directors has evolved effective risk management policies to ensure safety and security of the organization as a whole. Risk Management Committee is involved mainly in monitoring and managing risks that can possibly take place anytime. At present, the Company has

appointed the Risk Management Committee to ensure that the Company's risk management is maintained and managed in the most effective manner in accordance with the well-developed risk management policies. In case of difficulties, the Company must apply its productive measures to manage and control existing risks. The Risk Management Committee is required to fully understand the causes of risks and apply corrective actions to cope efficiently with their consequences. This will clearly result in huge benefits provided for the Company, creating new business opportunities that will add a greater value to the organization.

– Report of the Board of Directors

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

3. Meeting of the Board of Directors

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

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

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

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

of Directors and the Management of the Company must respond promptly and as fully as possible.

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

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

4. Remuneration

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

5. Knowledge Development for the Board of Directors and Secretary

The Company has encouraged its Board of Directors, executives, and secretary to attend training courses and seminars that are beneficial to them. The training programs and seminars are organized by the Thai Institute of

Directors, the Stock Exchange of Thailand (SET), the Securities and Exchange Commission (SEC), and other independent agencies throughout the year. The Board of Directors, approved by the Thai Institute of Directors (detailed in the profile of each member of the Board of Directors), is required to make a visit to the production plant at least once a year to encourage the exchange of business insights between members of the Board of Directors and top executives.

6. Self-Assessment of the Board of Directors

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

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

1. Performance Evaluation of the Board Committee

- Structure and qualifications of the Board
- Roles and responsibilities of the Board
- Board Meetings
- Acting Director
- Relationship with the Management
- Self-development of directors and executives

2. Performance Evaluation of the Subcommittee

- Structure and qualifications of the Board
- Board Meetings
- Roles and responsibilities of the Board

For each topic, the Subcommittee will be required to cast votes, where the scores will be taken as the average

rating of the entire Board. The evaluation criteria will be calculated and summed up in percentage of the total score for each topic.

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

Performance Evaluation Report of the Board of Directors for 2017

Description	Assessment Result	Criteria
The Board of Directors	94.17	Excellent
The Audit and Corporate Governance Committee	90.00	Excellent
The Risk Management Committee	88.33	Excellent
The Nomination and Remuneration Committee	95.00	Excellent

7. Performance Evaluation of Chief Executive Officer

The Board of Directors has developed an annual performance appraisal for the Chief Executive Officer by using the evaluation form approved by the Stock Exchange of Thailand (SET) and use the index to measure the success of the organization versus the success of targeted goals and annual plan.

8. Succession Planning for Senior Executives

The Board of Directors has recognized the importance of the succession plan and the management development plan, relying on the career management and succession plan established by the Nomination and Remuneration Committee. The procedures and criteria for the nomination of the Board of Directors and high-ranking executives are

developed in a written form to ensure clear understanding on the scope of development.

Methods and criteria for recruiting the Board of Directors and high-ranking executives are explained below:

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

Subcommittee

The Board of Directors should focus on good corporate governance policies and it has established a subcommittee, including the Audit and Corporate Governance Committee, the Risk Management Committee, the Nomination and Remuneration Committee, and the Executive Committee consisting of qualified persons in accordance with the provision of Section 68 of the Public Limited Companies Act, B.E. 2535 (1992) and the Notification of the Capital Market Supervisory.

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

Audit and Corporate Governance Committee

As of December 31, 2017, the Audit and Corporate Governance Committee consisted of three (3) independent directors.

Name	Position	Attendance (time)
1. Miss Charanya Sangsukdee	Chairman of Audit Committee	6/6
2. Assoc. Prof. Dr. Aekkachai Nittayakasetwat	Audit Committee Member	6/6
3. Mr. Natthawut Khemayotin	Audit Committee Member	6/6

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

The three members of the Audit and Corporate Governance Committee are highly specialized in accounting, taxation, financial management, and risk management and experienced in reviewing the financial statements.

In 2017, seven board meetings were held to review quarterly financial statements and annual financial statements.

Term of Audit and Corporate Governance Committee

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

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

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

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

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

Roles and Responsibilities of the Audit and Corporate Governance Committee

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

annual report. The report must be signed by the Chairman of the Audit and Corporate Governance Committee and must contain the following information:

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

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

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

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

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

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

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

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

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

12. Monitor special investigations as necessary.

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

(A) Conflict of Interest;

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

(C) Violations of the Securities and Exchange Act, B.E. 2535 (1992), Stock Exchange of Thailand (SET)'s regulations and other relevant law

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

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

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

Risk Management Committee

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

As of December 31, 2017, the Risk Management Committee was composed of six (6) members.

Name	Position	Attendance (time)
1. Assoc. Prof. Dr. Ekkachai Nittayakasetwat	Chairman of the Risk Management Committee / Independent Director	3/3
2. Ms. Jaranya Saengsukdee	Director of the Risk Management Committee / Independent Director	3/3
3. Mr. Nattawut Khemayothin	Director of the Risk Management Committee /	3/3
4. Mr. Wiwat Hemmontharop	Independent Director Director of the Risk Management Committee	
5. Mr. Sathit Hemmontharop	Director of the Risk Management Committee	3/3
6. Dr. Pirun Hemmontharop	Director of the Risk Management Committee	3/3

Mrs. Prim Chaivat acted as Secretary to the Risk Management Committee.

Term of Risk Management Committee

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

Roles and Responsibilities of the Risk Management Committee

1. Define the risk management policy and the overall risk management frameworks of the company, including the risk management plan and prepare the risk management report. This covers various risks that influence the Company's goals and operations.
2. Consider and approve the risk influences and propose to the Board of Directors for acknowledgment.
3. Acknowledge and comment on the results of risk assessment and risk management measures to ensure that

the Company has sufficient and appropriate risk management procedures.

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

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

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

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

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

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

10. Review and revise the charter to be appropriate and consistent with the business environment and/or applicable to regulatory agencies to be proposed to the Board of Directors.

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

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

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

Nomination and Remuneration Committee

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

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

As of December 31, 2016, the Nomination and Remuneration Committee had three (3) members detailed below:

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

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

Term of the Nomination and Remuneration Committee

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

Roles and Responsibility of the Nomination and Remuneration Committee

1.1 Nomination

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

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

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

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

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

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

1.2 Remuneration

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

1.3 Other Roles and Responsibilities

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

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

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

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

1.3.5 Prepare an annual performance reports on a yearly basis.

Executive Committee

As of December 31, 2017, the Executive Committee was established with four (4) members specified as follows:

1. Mr. Wiwat Hemmontharop
Chairman of the Executive Committee
2. Mr. Sathit Hemmontharop
Director of the Executive Committee
3. Mrs. Malee Hemmontharop
Director of the Executive Committee
4. Dr. Pirun Hemmontharop
Director of the Executive Committee

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

Term of the Executive Committee

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

Roles and Responsibilities of the Executive Committee

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Nomination and Appointment of Directors and Top Executives

● **The Independent Director**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

● The Board of Directors

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

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

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

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

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

shareholders who attend the meeting and have the right to vote

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

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

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

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

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

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

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

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

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

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

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

● **The Audit and Corporate Governance Committee**

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

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

● **The Nomination and Remuneration Committee**

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

principles of recruiting and nominating candidates for the position.

- **The Risk Management Committee**

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

- **The Executive Committee**

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

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

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

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

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

Holding Position in Other Companies

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

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

2017	Course	Institute
1. Miss Charanya Sangsukdee	<ul style="list-style-type: none"> Financial Statements for Directors (FSD) Board Matters and Trends (BMT) 	The Thai Institute of Directors (IOD)
2. Assoc. Prof. Dr. Aekkachai Nittayakasetwat	<ul style="list-style-type: none"> Director Certification Program (DCP) Risk Management Program for Corporate Leaders (RCL) 	The Thai Institute of Directors (IOD)
3. Mr. Natthawut Khemayotin	<ul style="list-style-type: none"> Financial Statements for Directors (FSD) 	The Thai Institute of Directors (IOD)
4. Mr. Wiwat Hemmondharop	<ul style="list-style-type: none"> Financial Statements for Directors (FSD) 	The Thai Institute of Directors (IOD)
5. Mr. Satit Hemmondharop	<ul style="list-style-type: none"> Successful Formulation & Execution of Strategy (SFE) 	The Thai Institute of Directors (IOD)
6. Mrs. Prim Chaiyawat	<ul style="list-style-type: none"> Principle Internal Audit by J-SOX Technical work flows Class 3 Technical work flows Class 4 Anti-Corruption the Practical Guide (ACPG) CFO Innovation Forum 	The Federation of Accounting Professions Under The Royal Patronage of His Majesty the King The Thai Institute of Directors (IOD) : CFO Innovation

Supervision of the Operations of Subsidiaries

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

Supervision of Internal Information

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

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

(1992) within three (3) days following the date of the change in securities holding and notify the Company's Secretary to record changes and summaries of securities of directors and executives individually to be presented to the Board of Directors for the next meeting. Violation or non-compliance with the requirements will be penalized under Section 275 of the Securities and Exchange Act, B.E. 2535 (1992).

The Company has imposed disciplinary actions for the benefit of the Company's internal use of information

Remuneration for Auditors

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

Company's financial statements for 2017 were reviewed and commented by Mr. Pot Asawasantichai, with the Certified Public Accountant No. 4891, of Dharmniti Auditing Company Limited, appointed as the auditor of the Company for 2018 and 2017 to provide excellent accounting services for the Company and its subsidiaries. The audit fees are detailed below:

Audit Fees	2018	2017
1. Audit fees	1.935 million baht	1.905 million baht
2. Other service fees	-	-

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

Corporate Social Responsibilities : CSR



1. Business Operation with Fairness

The Company has realized and fully emphasized on the effective, transparent and verifiable management system generating the reliabilities to all relevant parties and resulting to the sustainable growth for the business. Under the ethical operation and the compliance with the relevant laws and regulations, the Company has established the policy of good corporate governance through principles and practices consistent with the good corporate governance principle of the Stock Exchange of Thailand (SEC) and the guidelines of Thai Institute of Directors (IOD) in order to enhance existing operation to obviously meet the standard as well as have written Code of Conduct for the business to communicate with the Board of Directors, executives, employees for acknowledgement and adherence continuously. Furthermore, the Company has also arranged the training programs and internal communications through different styles in order to

promote the business operation with transparency, morality, responsibility towards all stakeholders, society and environment concerns as well as to reflect values and practices which all employees should behave and perform their duties in line with the specified code of conduct to encourage the authentic and fruitful culture of good corporate governance.

2. Anti-Corruption

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

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

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

people outside the company and investors through the company's website.

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

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

In 2017, the Company had not found any problems and faults which is the materiality of corruption and operations inconsistent with relevant laws or regulations as well as the violation of business operation's code of conduct

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

3. The Respect for Human Rights

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

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

In 2017, the Company didn't receive any complaints related to the violation of Human Rights caused by the Company's business operation from both inside and outside of the Company and also didn't have any legal disputes of labor, consumer rights and business operations.

4. Fair Treating towards Labors

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

Health and Safety

The Company has realized the importance of employees' and related parties' safety and health in working, therefore, the Occupational Health and Safety Management System according to OHSAS 18001 has been applied as the

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

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

Ratio of Accidents in 2017

	Male	Female
Ratio of Accidents TCIR	4.18	0.37
(Person/ 200,000 working hours)		

Compensation and Welfare for Employees

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

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

The Development of Employees’ Knowledge and Potentials

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

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

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

However, the creation of team building is important and the Company has emphasized on the

development of teamwork skill to support the cross-functional working. The followings are the development of making decision skill and problem solving skill reflecting the effective management and leadership :

- Camping for activity of development and transfers management skill from top executive to middle executives Verona at Tublan at Prajeanburi



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



- GROW DAY



- Technician College



- 6 Step of Successful Self Development



Company trained employees

In 2017, the Company trained employees for 17,013 hours in total or 14.09 hours per person per year as average employee training hours.

5. Responsibilities towards Consumers

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

➤ **ISO 9001** is the Quality Management System to assure that the manufacturer or service provider has established and maintained the same standard of quality management system with the objective of better response for customer's needs. This standard which can be applied to every business in every industry is related to the design, development, production and service. The company is required to have awareness and set up the clear goal and effective management system principle in order to achieve the specified target.

➤ **Good Manufacturing Practice: GMP** criteria or basic conditions required for manufacturing and controlling

manufacturer to follow and practice as well as be able to produce food safely, there are 6 factors as follows

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

➤ **Hazard Analysis Critical Control Point: HACCP**

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

6. Responsibilities towards community, society and environment

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

Although the manufacturing process of the company does not have any pollution affecting to environment because all plastic scraps can be recycled, however, the Company has

realized the significance of environment, then established environmental management system in order to reduce the effect on environment and to improve surrounding better continuously by executives and all employees' intentions to practice according to the policy, the followings are the implementation of activities under the scope and practice :

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

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

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

7. Innovation and Innovation Diffusion

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

- The Company has applied Mold Flow Analysis Program for analyzing and solving problems prior to commencement of Injection Molding and B-Simulation Program for analyzing and solving problems prior to

commencement of Blow Molding to reduce Tooling Development Time and solve problems properly and accurately (virtual simulation of Blow and Injection Molding Process).

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

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

Operations and Report Preparation

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



Business Operations affecting Social Responsibility

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

Operations for Economy

In 2017, the company had key performance for economy and could provide the economic value to all stakeholders as following details :

Item	Value *
Income from sales, helping in driving economy	2,689.13
Total net Profit (Loss) to increase value to shareholder	33.96
Salary and Wages to remunerate employees **	434.95
Employees' training expenses	4.58
Donations	
- Temples	0.15
- Education	0.99
- Others	2.83
Taxes paid to government for utilizing in further development of the country ***	27.01

* Data from 2017 Financial Statement of the company

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

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

Operations for Society and Community

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

- **Project of Giving Grant-in-Aid for National Children's Day Activity to Schools** Grant-in-aid for Children's Day Activity was given to schools for 2,000 Baht per school.



- **Milk Distribution Activity for Students** at Dhammajaree School, Pak Tho Sub-district, Pak Tho District, Ratchaburi Province is for reinforcement of youth for useful nourishment.



- **Lent Candle Parade Activity** at Wat Kaeo Mongkhon, Kalong Sub-district, Mueang District, Samut Sakhon Province on 6 July 2017.



- **Chair Donation Activity** at Wat Kaeo Mongkon, Kalong Sub-district, Mueang District, Samut Sakhon Province, on 29 September 2017.



- **Project of Giving for phacoemulsification** subtotal 1 million Baht to Banphaeo hospital.



Operation for Environment

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

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

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

- The company has operated the work process following to environment law by organizing the measurement of

environment, such as measurement for weather quality, noise, heat, lighting and quality of water released from factory, the result of the inspection is qualified according to the standard specified by law.

The company has continuously organized the activity of energy usage reduction by encouraging employees to be aware of energy conservative within the organization, as well, the company has invested on efficiency improvement of machines and equipment, In 2017, the Company could reduce energy consumption from energy conservation measure in total of 391,778.87 kWh./year or total saving amount of 1,484,028.28 Baht and reduce carbon dioxide (CO₂) content for 317,672.86 kg.CO₂ /year as per the following activity implementation.

Energy Reduction Activity

Name of Project	Objective
Installation of Auto Drain Zero Loss at Air Receiver Tank	To reduce air loss when system water is discharged without wasteful release of air for saving the electricity bill of air compressor.
Replacement of HID 400 Watt. Electric Lamp to be LED High Bay 200 Watt Lamp	To enhance efficiency of lighting and reduce electricity consumptive use together with luminance to meet the value in accordance with work safety standard.
Replacement of electric lamps of the road around the factory	To reduce electricity consumptive use from LED Lamp.
Control on switching on 75 KW Air Compressor	To reduce power consumptive use from 75 Kw Air Compressor.
Work Control of Chiller System	To reduce workload of cooling unit for full effective operation

Internal control and risk management

Internal Control

The company realizes importance of providing food internal control system because current environment and business is changing all the time. Good internal control system is an essential mechanism to achieve objectives and targets of the Company. The company has audit and monitor committee that has duties to inspect the company to have suitable and effective internal control and audit and to supervise internal audit control to be really practiced along with auditing operations of the Company to be in accordance with laws on securities and exchange, requirements of Stock Exchange of Thailand and laws relevant to business of the Company.

Audit and Monitor Committee has arranged meeting for at least in every quarter to consider financial statements and audit for the company to have correct financial report that is sufficiently revealed and consider related matters or transactions that may cause conflicts of interest to corresponding with the laws and regulations of Stock Exchange of Thailand and Securities and Exchange Commission as well as supervising the company to have proper and effective internal control and audit system.

In the meeting of corporate's committee 02/2018 on 14 February 2018 in which 3 audit and monitor committees have participated, the corporate's committee assessed adequacy of internal control system of the company by using an assessment form as specified by Office of Securities and Exchange Commission. They asked questions with the management and gathered information

from the questionnaires done by the management and report of audit and monitor committee. It could be concluded from the internal control assessment of the company in 5 components as follows

1) Control Environment

The company adheres to value of integrity and virtue. The corporate's committee is independent from the management and has duties of oversight and development in operations covering environment in the organization, risk assessment, operation control, information system and communication and tracking system.

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

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

2) Risk Assessment

The company defines clear and sufficient objectives to be able to identify and evaluate risks related to achieving company's objectives. The executives and employees in every level in the organization are responsible for identifying and analyzing every type of risks that have impact on achieving objectives thoroughly and properly along with considering likelihood of corruption and

assessing changes that may affect internal control system. It includes defining risk level in organization level and institute level to specify proper management measure and to follow up the risk assessment result to be in acceptable level.

3) Control Activities

The company selects and develops control activities to be consistent with risks and special features of the company such as environment, complexity, work aspects, operation scope and other specifications by considering various formats of control activities between manual control and automated control. It is designed to contain mixed control activities including Preventive Control and detective control by recognizing allotment of duties and responsibilities in works such as approving, recording accounting list and information, handling properties separately for proper reciprocal inspection.

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

4) Information & Communication

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

disapproval along with reasons of the committee in every meeting that can be traced back about duty performing of each committee.

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

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

5) Monitoring Activities

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

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

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

Internal Audit

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

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

The company supports sufficient resources for auditing and assessing internal control in works systems and coordinating with training division to arrange training and activities to promote and educate employees. In 2017, the training by lecturer who is knowledgeable and competent in providing knowledge to in-house employees on prevention of internal corruption was organized. This is to ensure that the company operates works according to objectives and has confidence to achieve targets effectively and efficiently. Operations of the company consist of good internal control system that is good enough for running business to support

good governance of the company advocating audit and monitor committee with ultimate efficiency and effectiveness under practices according to The Professional Practice Standards of Internal Auditing specified by The Institute of Internal Auditors: IIA.

Internal Audit division made annual internal audit plan in consistence with trends and strategies of the company covering operation process of the company and subsidiary. It is provided based on risk principles focusing on critical risks that affect business operation, objectives and strategies of the company along with anti-corruption audit. The audit plan is approved by the audit and monitor committee with result report and tracking as well as compliance with suggestion from audit to audit and monitor committee for regular consideration.

However, the corporate's committee realizes that any internal control system cannot be guaranteed damages as a result of errors but it can be protected and credited in reasonable level

Risk management

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

framework of the company as well as providing risk management plan and report that covers any kinds of risk affecting goals and business operations of the company and reviewing risks of the company regularly.

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

In 2016, the company has arranged the training about risk management (basic) for personnel in many institutes with learning in class and practicing to create knowledge, and understanding in risk management process according to frameworks of COSO. They can apply knowledge to initiate risk management process under their responsible works with effectiveness and efficiency.

Connected Transaction



Transaction Approval Measure or procedure

In 2017, transactions of the company have been inspected by audit committee and approved by the company's committee and they are prioritized benefit of the company. The transactions that will happen in the future with persons may cause conflict of interest with gain and loss. Therefore, the company lets the audit committee to give opinions about necessity and suitability of that transaction. In case the audit committee has no expertise in considering transactions that possibly occur, the company will let independent experts or the auditors to give opinions about such transactions instead so as to support decision of the corporate's committees and/or audit committee and/or shareholders as the case may be. Those who have conflict of interest or gain and loss in doing transactions will have no rights to vote for approving such transaction.

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

Policy or Tendency of Connected Transaction

Sale list of plastic package with relevant companies will be continued in the manner of normal business operation. For list of consulting cost in providing machines and equipment from foreign countries not continue because the company has a plan to carry out continuous project to purchase machines and equipment of the company and its subsidiaries to support growth and replace outdated machines, it is necessary to have personnel who have technical knowledge about such machines and understand plastic production process. They will give opinions and consider deciding to purchase effective machines and equipment from abroad in reasonable price and they can give advice for further development and improvement of machine system to be consistent with objectives, policies and new product styles of the company. In term of managing production capacity and controlling capital along with coordinating works in purchasing machines and equipment, the Company has operated it fairly according to normal conditions and regulations of the company. So, the contract of service is renewed constantly. For land lease from the committee and shareholders, it is still carried on because the factory of Mill Pack Co., Ltd is located on the land of committee and shareholders. Such building is still available and that is why Mill Pack Co., Ltd needs to rent such land by making a lease agreement from the committee and shareholders of the company in reasonable rate.

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

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

For accounting year ending as of 31 December 2017, the company and its subsidiaries had transactions with persons and relevant enterprise that the auditor of the company revealed in Notes to Financial Statements. The audit committee has inspected and had opinions that every transaction is reasonable with normal commercial purpose by providing products and services for persons and relevant enterprises with reasonable price and comparing it with market price in that business. The normal terms and conditions are detailed as follows

Detail of Connected Transaction

Unit: Million Baht

<i>List of company</i>	<i>Relationship</i>	<i>Share- holding (%)</i>	<i>Essential description</i>	<i>Connected Transaction value</i>	<i>Necessity and Reasonability</i>
1. P.J. Composite Co., Ltd	B	-	- The company sold products to subsidiary	0.78	It is normal business transaction of the company. The sale price is market price with normal commercial conditions as same as general customers. The company uses structure of sale price-capital-profit as same as that the company produced and sold products to other customers
2. Mr. Pirun Montharop	B	-	- Consulting cost	0.14	The company invested in purchasing new machines to support growth and to replace outdated machines. So, it's necessary to consult with expert about equipment and machine provision
3. Mr.Kongsak Hemmontharop	B	-	- The company leased land from the committee and shareholders	1.78	It is normal business transaction of the company. Land rental is compared with market price with normal commercial conditions.

Relationship

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



Financial Highlights

Description	Consolidated Financial Statements	
	2016	2017
Statement of income (THB million)		
Sales	2,749.73	2,689.13
Total revenues	2,757.32	2,694.96
Expenses		
Cost of sales	2,284.17	2,295.20
Selling & Administrative expenses	293.05	330.80
Finance cost	34.62	36.82
Total expenses	2,611.84	2,662.82
Profit before income tax expenses	145.48	32.14
Income tax expenses ^{1/}	4.49	(1.82)
Profit for the years	140.99	33.96
 STATEMENT OF FINANCIAL POSITION (THB million)		
Total assets	2,425.53	2,557.90
Total liabilities	1,339.36	1,519.15
shareholders' equity	1,086.17	1,038.75
Total equity attributable to equity holders of the parent company	1,086.17	1,038.75
 Financial Ratio ^{2/}		
<u>Liquidity Ratio</u>		
Current ratio (times)	0.89	0.92
Quick ratio (times)	0.53	0.56
Account receivable turnover (times)	5.54	5.63
Average account receivable day on hand (days)	64.94	63.95
Inventory turnover (times)	8.51	8.59
Average Inventory day on hand (days)	42.31	41.91
Account payable turnover (times)	5.99	6.23
Average account payable day on hand (days)	60.06	57.81
Cash Cycle (days)	47.20	48.05
<u>Profitability Ratio</u>		
Gross profit margin (%)	16.93	14.65
Operating profit margin (%)	12.17	8.86
Net profit margin (%)	5.11	1.26
Return on equity (%)	13.40	3.20



Description	Consolidated Financial Statements	
	2016	2017
<u>Asset Management Ratio</u>		
Return on asset (%)	5.71	1.36
Return on fixed asset (%)	19.21	12.91
Total asset turnover (times)	1.13^{3/}	1.08^{3/}
<u>Financial Controlling Policy Ratio</u>		
Debt to equity ratio (times)	1.23	1.46
Interest coverage ratio (times)	11.11	6.99
Dividend payout ratio (%)	53.59^{4/}	-^{5/}

Remark :

- 1/ It is calculated form corporate income tax for the year and impact from expense (revenue), deferred income tax (as disclosed in note 23 to financial statements
- 2/ Financial Ratio Calculated form manual of Annual Registration Statement (From 56-1) (From 69-1) of the Office of the Securities and Exchange Commission (SEC)
- 3/ Summary from separate of Panjawattana Plastic Plc.
- 4/ 2017 Annual General Meeting of Shareholders on 28, April 2017 resolution to pay for dividend regarding the 2016 performance and retain earning as 0.13 baht/share
- 5/ The Company's Board of Directors No. 3/2018 dated March 8, 2018 has its resolution to non-pay for dividend regarding the 2017 performance and will be present to 2018 Annual General Meeting of Shareholders on April 27, 2018

Management Discussion and Analysis: MD&A

Overview of business operation and significance changes

In 2017, the Company's production capacity increased at 11.63% compared with previous year due to machinery replacement project since the beginning of the year for increase in production efficiency and support of incoming sales. Despite of increase in overview of production capacity, the production capacity decreased for 8.38% since it has been in the period of change in new product design of lubricant packaging industry and works of new models of plastic parts of automobile industry which have been in the ending period of the model which is going to be the work for commercial selling one by one. It will commence the utilization of the increasing production capacity in 2018.

In overview of turnover 2017, the Company's total sales decreased for 2.26% and total net profit was 33.96 million Baht, decreasing from 2016 with total net profit of 140.98 million Baht. The major cause was due to decrease in sales of the group of plastic parts used in automobile industry at 3.97% since it has been during the ending period of model and under minor change, and non-revenue from mold and tooling cost as last year. In section of painting plant, sales decelerated at the ending period of model as well and development cost of new model work in replacement of old model incurred. In part of sales in milk and yogurt packaging group, the decrease was due to export of customers below target, resulting in decrease in sales at 8.75%. In addition, the overall lubricant packaging group for the whole year decreased at 0.14% from requirement of lubricant packaging over 30% in period of Quarter 3 to the beginning of Quarter 4 due to poor economic condition affecting the situation of lubricant packaging industry. The decrease in sales of some sections below target was due to such unfavorable market situation while the Company has had fixed cost, depreciation and labor cost mostly in skilled labor, it then resulted in rather considerable decrease in net profit for the year from last year.

The investment in 2017 emphasized on investment in new machineries, improvement of machineries and equipment for increase in production capacity particularly at Chonburi branch where is the investment for plastic parts of automobile industry to support several items of new products which are going to be works for commercial selling one by one. In section of painting plant, investment has been carried out to support works of which their sales have been continuously closed and to improve production lines to be more proper. In section of lubricant packaging work, investment in new machineries has been carried out to improve machineries and equipment for increase in production efficiency

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

	(unit : Ton)		
	2014	2015	2016
Maximum production capacity (ton)	40,940	37,695	42,080
Percent of growth rate	10.60	-7.93	11.63
Actual output (ton)	17,633	21,022	19,261
Percent of growth rate	-3.50	19.22	-8.38
Percent of production capacity utilization	43.00	56.00	46.00

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

Description	2015	2016	2017
Ready-to-drink milk	126.46	127.92	129.38
*Benzene Octane 91 (Unleaded)	51.08	48.23	49.20
*Benzene Octane 95 (Unleaded)	287.28	306.61	311.24
*Diesel Fuel	119.33	111.16	115.93
Primary chemical product except fertilizer and Nitrogen compound	118.00	118.59	124.80
Body cleansing product and product for home usage	110.29	113.03	111.65
Passenger car, truck, bus, etc.	139.25	146.87	149.63

Source: Office of Industrial Economics

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

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

Description	2015		2016		2017	
	Million Baht	Percent of Growth Rate	Million Baht	Description	Million Baht	Percent of Growth Rate
Lubricant packaging	1,352.14	(0.92)	1,477.72	9.29	1,475.65	-0.14
Milk and yogurt packaging	333.14	2.08	369.56	10.93	337.21	-8.75
Chemical solution and consumer goods packaging	274.32	15.18	201.41	(26.58)	203.03	0.80
Automotive parts	761.43	108.25	701.04	(7.93)	673.22	-3.97
Total revenue from sales	2,721.03	18.57	2,749.73	1.05	2,689.13	-2.20
Other revenues	5.87	4.08	7.58	29.13	5.83	-23.09
Total Revenues	2,726.90	18.53	2,757.32	1.12	2,694.96	-2.26

Revenue Structure under Geographic Classification

Description	2015		2016		2017	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Domestic sales	2,540.58	93.17	2,483.21	90.05	2,417.76	89.71
Abroad sales	180.45	6.62	266.53	9.67	271.37	10.07
Total revenues from sales	2,721.03	99.78	2,749.74	99.73	2,689.13	99.78
Other revenues	5.87	0.22	7.58	0.27	5.83	0.22
Total revenues	2,726.90	100.00	2,757.32	100.00	2,694.96	100.00

From reporting the aforesaid economic situation and information of index industrial output in overview of various industries with slight growth such as the group of automobile industry, it was seen from growth index of passenger car industry at 1.88% as the result of expansion in domestic economic condition of 2017 and launches of new cars of car producers for domestic market stimulation. Nevertheless, sales of the Company returned to decrease for 3.97% since it has been during the ending period of model, and under minor change and non-revenue from mold and tooling cost as in 2016. Moreover, sales of painted automobile parts decreased from deceleration of purchase orders of the customers since it started entering into the ending period of the car model. However, in 2017, it has been in the launching period of several items of new products that are going to be works for commercial selling one by one in the following year.

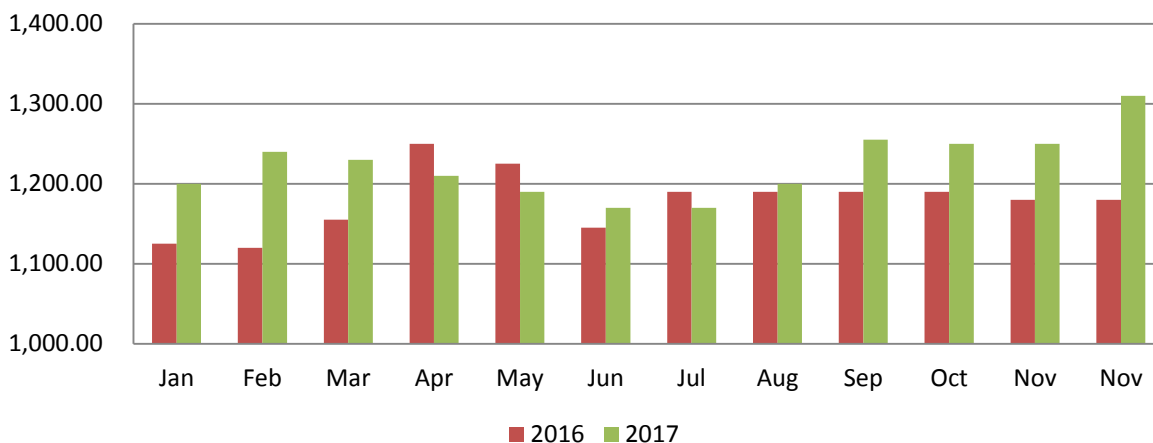
Growth rate of ready-to-drink milk industry consisting of the market of sterilized milk and other types of ready-to-drink milk such as soybean milk, corn milk, brown rice milk, etc. slightly increased but sales of the Company was below forecast due to impact from export of some customers that were below target. For oil industry, its slight growth was due to decrease in the requirement for use of lubricant packaging from factors in various segments particularly in the second half of the year, affecting decrease in sales of lubricant packaging of the Company in the period of Quarter 3 to the beginning of Quarter 4. In part of the group of packaging industry for consumer goods and chemical solution, the Company's growth of sales increased just 0.80% in consistency with the improving manufacturing industry condition of primary chemical product except fertilizer and Nitrogen due to the termination of draught but encounter of flood problem in the mid of the year, and declining industry condition of body cleansing products, products and chemicals for household usage.

Overall Operation and Profitability

In 2017, the price of HDPE pellets which are main raw materials of plastic container was decreasingly fluctuated when compared with previous year according to the direction in the price of crude oil in world market that started to be more stabilized. However, the factor of fluctuation of US Dollar currency exchange rate that started for continual appreciation resulted in the direction of the higher domestic price of plastic pellets in the ending year period. The Company has periodically considered both domestic and foreign plastic pellets and considered entering into forward contract to alleviate the impact of currency value fluctuation. Most of the customers of the Company in packaging industry have adjusted the price of raw material by referring the price announced by the Federation of Thai Industries, resulting in ability to reduce the fluctuation risk of raw material cost which is the main cost.

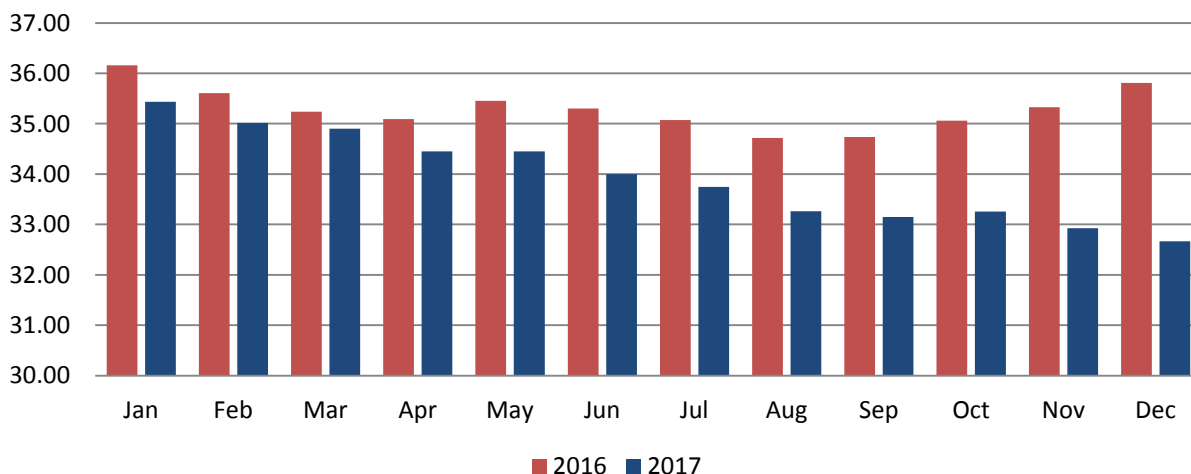
As aforesaid, total net profit of the overall operation of the Company in 2017 was 33.96 million Baht, decreasing from 2016 with total net profit of 140.98 million Baht since the section of plastic parts used in automobile industry and painting plant has been during the ending period of model and during the period of launching several items of new products, resulting in increase in cost of development of new model works in replacement old model. Moreover, the Company must be also prepared in machineries and personnel to support new sales that are going to be continually closed one by one. Therefore in 2017, the increasing burden of fixed cost and expense incurred for such preparedness but production capacity has not yet fully utilized and commercial sales will tend to be increased in 2018, resulting in decrease in net profit of 2017 from last year.

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



Source : Federation of Thai Industries

Exchange Rate Baht/USD



Source : Bank of Thailand

Asset Management Capability

In 2017, the Company and subsidiaries had total net asset increased for 132.37 million baht or an increase of 5.46% when compared with last year, mostly as the result of increase from cash and cash equivalent transaction for 72.40 million Baht due to receiving the payment of capital increase of the branch in China in September and October 2017 to support business expansion in China. Moreover, net property, plant and equipment increased for 67.89 million Baht which is the investment of new machineries for improvement of functional efficiency of machineries and equipment particularly investment for plastic parts works of automobile industry. In 2017, it has been in the period of launch several items of new products, resulting in decrease in rate of production capacity utilization in 2017. However, it has tended to utilize more production capacity in 2018 when launching for sales of new model works in commercial term one by one.

Liquidity and Adequacy of the Company's Capital

As at 31 December 2017, the Company's total liabilities increased for 179.79 million Baht compared to previous year. Most of them were derived from increasing long-term loan in Quarter 4 period to reduce burden of use of overdraft and short-term loan, and to support future business expansion. Long-term loan in part of non-current liabilities increased for 135.25 million Baht.

In 2017, the Company's Debt to Equity Ratio according to consolidated financial statements was 1.46 times, increasing from previous year at the rate of 1.23 times and Debt to Equity Ratio according to separate financial statements was 1.50 times whereas it was 1.28 times in last year. However, the increasing liabilities have been for support of future investment both in Thailand and China. Such ratio met the requirement of retaining financial ratio subject to the condition of the loan agreement entered with commercial banks for separate financial statement that defines Debt to Equity Ratio not to exceed 1.5 times.

The management of the Company anticipated that in 2018, turnover will start to be in positive signal from motivation of sales of new model of automotive parts. In last year, it was in the period of launches of several items of new products that have been works for commercial sales one by one. The spraying plant with leading technology and good quality has resulted in continuous sales closing one by one under anticipation that it can utilize higher production capacity, resulting in improvement of gross margin of 2018 more than last year. The Company has been prepared in various areas particularly in body of knowledge and personnel to support investment both in Thailand and abroad.

In part of China, with reference to resolution of the Meeting of the Board of Directors No. 3/2018 of Panjawattana Plastic Public Company Limited on 8 March 2018, it resolved to invest for establishment of new subsidiary of Panjawattana Plastic Public Company Limited at Jiangsu province in China. The registered capital of this new subsidiary is 5 million USD and will call for payment of 3 million USD to support new sales while the Company has been under procedure of the Company's registration. It was anticipated that the machineries will be started up for operation and revenue will be commenced for realization in 2019.

Debt Obligation and Management of Off-Balance Sheet Obligation

As at 31 December 2017, the Company and the subsidiaries have had debt obligation and management of off-balance sheet obligation as follows.

(Unit: Million Baht)

Obligation	Total	Maturity			
		Not more than 1 year	More than 1-3 years	More than 3-5 years	More than 5 years
Obligation of Long-Term Liabilities	639.89	199.95	246.34	193.60	-
Obligation of Financial Lease	3.78	1.80	1.87	0.11	-
Obligation of Operating Lease	22.76	19.84	2.93	-	-
Obligation of Asset Purchase	23.38	23.38	-	-	-
Obligation of Other Liabilities – Guarantee Obligation	110.14	110.14	-	-	-
Total	799.95	355.11	251.14	193.71	-

Factors or Events Affecting Future Financial Position or Overall Operation

¹According to the report of Thai economy anticipation in 2018, Gross Domestic Product (GDP) will expand for 3-4% with supporting factors of export expansion that supports the improvement of production of industrial sector and investment and consumption of private sector. It also includes recovery of revenue in agricultural sector which is the supporting factor for better household expenditure of agricultural sector.¹

²Nevertheless, the volume of automobile production in 2018 was anticipated to be 2.0 million cars, increasing for 2.56% compared to previous year. It can be divided as production for domestic distribution of 0.9 million cars, increasing for 3.25% and production for export at around 1.1 million cars, decreasing for 3.48%.² However, Thai economy will fluctuate and depend on world economy situation, oil price, terrorism, tendency of Baht currency value and impacts of international trade policy. In addition, the drive from economic stimulation measures through government's expenditure such as infrastructure investment projects, private sector investment subsidization, and border trade especially with CLMV and tourism support will be the indicator and affect Thai economy situation.

However, for the action plan in 2018, the management has still concerned on impacts of external factors in part of domestic and world economic growth rate, impacts on automobile industry and lubricant container industry after the policy of electricity-driven vehicle promotion, drought, flood and natural disasters that affected sales of agricultural chemical container and impacts on implementing the foreign trade policy of USA with tendency to apply barrier policy for trade, investment and labor. It included stability of Eurozone that many countries have commenced to have the idea to leave this group. There have been both positive and negative factors to the industry of container and plastic components for automobile industry, cost of plastic pellets and fluctuation of exchange rate as well as impacts of internal factors.

In part of cost control and increase in production efficiency to reduce loss of spray painting plant, expansion and search for new customers to support the remaining capacity of painting plant, these are factors affecting overall operations of the Company.

Therefore, in 2018, the management and the Board of Directors have considered risk of project operations for target achievement of the planned strategic plan of the company by regularly applying the principles of precaution and observation on events and external factors affecting overall operations of the Company. The Company has also concerned on increase in financing channel and study on fund raising by issuing debentures to support future growth as well as considering financial structuring to be properly consistent with investment project.

¹ Office of the National Economic Development Board (NEDB)

² Office of Industrial Economics (OIE)

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 2017 Annual Report. The financial statements were prepared in compliance with generally accepted accounting principles, which are identified by Accounting Professions Act B.E. 2004 by using proper and continually practiced accounting policies with meticulous and cautious judgment in preparing the Annual Report with adequate disclosure of significant information in the notes to financial statements, to generate maximum benefits for shareholders and investors.

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

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

The Board of Directors holds the opinion that the company's overall internal control system is adequate and suitable with capacity for building reasonable confidence that the financial statements for the Company and its subsidiaries for the year ending 31 December 2017 are reliable in accordance with the generally accepted accounting standards.



(Dr. Damri Sukhotanang)
Chairman of the Board



(Mr. Wiwat Hemmondharop)
Chairman of Executive Board

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

**REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

INDEPENDENT AUDITOR'S REPORT

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

Opinion

I have audited the consolidated financial statements of Panjawattana Plastic Public Company Limited, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2017 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and I have audited the separate financial statements of Panjawattana Plastic Public Company Limited (the Company), which comprise the statement of financial position as at December 31, 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of Panjawattana Plastic Public Company Limited, and its subsidiaries as at December 31, 2017, and its consolidated financial performance and its consolidated cash flows for the year then ended and the separate financial position of Panjawattana Plastic Public Company Limited as at December 31, 2017, and its financial performance and its cash flows for the year then ended in accordance with Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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

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Revenue from sales of goods

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

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

- Assessing and testing the Company's IT system and its internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls, and with special consideration given to expanding the scope of the testing of the internal controls which respond to the above risks.
- Applying a sampling method to select sales transactions to assess whether revenue recognition was consistent with the conditions and incoterms, and whether it was in compliance with the Company's policy.
- On a sampling basis, examining supporting documents for actual sales transactions occurring during the year and near the end of the accounting period.
- Reviewing credit notes that the Company issued after the period-end.
- Performing analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

Other Information

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

My opinion on the financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements and separate financial statements or, if such disclosures are inadequate, to modify our opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

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

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

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

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

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

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

(Mr. Pojana Asavasontichai)

Certified Public Accountant

Registration No. 4891

Dharmniti Auditing Company Limited

Bangkok, Thailand

February 14, 2018

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2017

		<u>ASSETS</u>			
		Baht			
		Consolidated financial statements		Separate financial statements	
		As at December	As at December	As at December	As at December
Note		31, 2017	31, 2016	31, 2017	31, 2016
Current assets					
Cash and cash equivalents	3.4, 5	110,755,485.74	38,358,888.10	23,637,126.59	10,853,050.85
Short-term loans to a subsidiary	4	-	-	9,754,380.00	10,697,640.00
Trade and other accounts receivable	3.5, 4, 6	469,272,047.25	486,054,543.47	426,011,087.50	457,614,997.75
Inventories	3.6, 7	263,747,840.70	270,686,069.61	218,921,594.53	226,921,444.64
Other current assets	8	108,347,744.67	89,013,640.98	86,351,420.57	82,622,347.74
Total current assets		952,123,118.36	884,113,142.16	764,675,609.19	788,709,480.98
Non-current assets					
Long-term loans to a subsidiary	4	-	-	9,754,380.00	10,697,640.00
Investment in subsidiaries	3.8, 9	-	-	229,029,548.30	127,144,777.20
Property, plant and equipment	3.9, 10	1,566,253,687.26	1,498,360,711.83	1,382,904,125.15	1,316,928,112.80
Computer software	3.11, 11	7,085,101.22	7,500,074.02	6,701,148.19	7,044,427.74
Deferred tax assets	12	1,887,005.20	-	1,887,005.20	-
Other non-current assets		30,550,389.38	35,556,895.31	26,798,906.98	30,772,686.16
Total non-current assets		1,605,776,183.06	1,541,417,681.16	1,657,075,113.82	1,492,587,643.90
Total assets		2,557,899,301.42	2,425,530,823.32	2,421,750,723.01	2,281,297,124.88

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, 2017

LIABILITIES AND SHAREHOLDERS' EQUITY

		Baht			
		Consolidated financial statements		Separate financial statements	
		As at December	As at December	As at December	As at December
Note		31, 2017	31, 2016	31, 2017	31, 2016
Current liabilities					
Bank overdrafts and short-term loans from financial institutions					
13		363,583,975.75	390,199,038.18	313,624,975.75	318,355,087.70
4		-	-	1,000,000.00	12,000,000.00
4		375,023,172.25	362,140,833.70	406,843,964.34	423,730,568.48
Current portion of long-term liabilities					
15		199,946,192.69	132,563,030.95	184,426,618.38	114,784,072.16
16		1,796,065.95	3,192,146.41	1,796,065.95	3,192,146.41
		1,676,264.89	1,089,164.48	-	-
		60,419,594.40	76,140,104.02	53,927,544.65	69,968,932.03
14		28,455,356.45	23,787,866.60	26,326,150.60	20,594,651.17
		1,030,900,622.38	989,112,184.34	987,945,319.67	962,625,457.95
Non-current liabilities					
15		439,943,328.74	304,693,798.22	421,786,582.57	274,818,353.43
16		1,980,898.95	3,031,071.31	1,980,898.95	3,031,071.31
17		46,172,027.68	39,667,829.68	43,246,729.08	37,171,751.08
12		134,815.79	2,839,311.82	-	2,551,058.06
		20,000.00	20,000.00	20,000.00	20,000.00
		488,251,071.16	350,252,011.03	467,034,210.60	317,592,233.88
Total liabilities		1,519,151,693.54	1,339,364,195.37	1,454,979,530.27	1,280,217,691.83

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, 2017

LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

		Baht			
		Consolidated financial statements		Separate financial statements	
		As at December	As at December	As at December	As at December
Note		31, 2017	31, 2016	31, 2017	31, 2016
Shareholders' equity					
Share capital					
Authorized share capital					
	574,080,000 ordinary shares of Baht 0.50 each	287,040,000.00	287,040,000.00	287,040,000.00	287,040,000.00
Issued and fully paid-up share capital					
	574,079,945 ordinary shares of Baht 0.50 each	287,039,972.50	287,039,972.50	287,039,972.50	287,039,972.50
	Premium on share capital	338,128,000.00	338,128,000.00	338,128,000.00	338,128,000.00
Retained earnings					
Appropriated					
	Legal reserve	18 28,703,997.25	28,703,997.25	28,703,997.25	28,703,997.25
	Unappropriated	383,209,813.57	423,892,256.53	320,294,183.08	354,657,432.11
Other components of equity					
Differences on the fixed assets acquired under common					
	control company	10 -	-	(7,394,960.09)	(7,449,968.81)
Deficits from business combination under					
	common control company	3,086,493.16	3,086,493.16	-	-
	Differences from translation of foreign entity	(1,420,668.60)	5,315,908.51	-	-
Total equity attributable to equity holders					
	of the parent company	1,038,747,607.88	1,086,166,627.95	966,771,192.74	1,001,079,433.05
Non - controlling interests					
	Total shareholders' equity	1,038,747,607.88	1,086,166,627.95	966,771,192.74	1,001,079,433.05
Total liabilities and shareholders' equity					
		2,557,899,301.42	2,425,530,823.32	2,421,750,723.01	2,281,297,124.88

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, 2017

		Baht			
		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
Revenues	3.3				
Sales	4, 26, 29	2,689,127,260.14	2,749,734,350.83	2,468,353,521.62	2,558,152,075.85
Dividend income	19	-	-	54,786,200.00	56,585,600.00
Other income	4, 26, 29	5,829,059.29	7,580,980.76	8,898,237.00	14,275,308.70
Total revenues		2,694,956,319.43	2,757,315,331.59	2,532,037,958.62	2,629,012,984.55
Expenses	3.3				
Cost of sales	4	2,295,196,025.16	2,284,171,272.86	2,172,357,346.18	2,197,877,446.32
Selling expense		108,458,019.51	95,322,392.61	102,964,498.11	87,850,537.07
Administrative expenses	4	222,345,832.37	197,728,371.23	190,274,676.67	173,404,912.88
Finance cost		36,817,434.64	34,616,387.18	30,612,487.10	30,285,932.54
Total expenses		2,662,817,311.68	2,611,838,423.88	2,496,209,008.06	2,489,418,828.81
Profit before income tax expenses		32,139,007.75	145,476,907.71	35,828,950.56	139,594,155.74
Income tax expenses	3.19, 23, 29	(1,822,612.14)	4,490,939.13	(4,438,063.26)	327,882.77
Profit for the years		33,961,619.89	140,985,968.58	40,267,013.82	139,266,272.97
Other comprehensive income					
Items that will to not be reclassified to profit or loss					
Actuarial gain (loss) on define employee benefit plans	17	-	(3,234,582.00)	-	(2,846,676.00)
Item that may be reclassified subsequently to profit or loss					
Differences on the fixed assets acquired under common control company		-	-	55,008.72	110,003.61
Differences from translation of foreign entity		(6,736,577.11)	(8,136,778.03)	-	-
Other comprehensive income for the years		(6,736,577.11)	(11,371,360.03)	55,008.72	(2,736,672.39)
Total comprehensive income for the years		27,225,042.78	129,614,608.55	40,322,022.54	136,529,600.58

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, 2017

		Baht			
		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
Profit attributable to					
Equity holders of the parent company		33,961,619.89	140,985,968.58	40,267,013.82	139,266,272.97
Non - controlling interests of the subsidiary		-	-	-	-
		<u>33,961,619.89</u>	<u>140,985,968.58</u>	<u>40,267,013.82</u>	<u>139,266,272.97</u>
Total comprehensive income attributable to					
Equity holders of the parent company		27,225,042.78	129,614,608.55	40,322,022.54	136,529,600.58
Non - controlling interests of the subsidiary		-	-	-	-
		<u>27,225,042.78</u>	<u>129,614,608.55</u>	<u>40,322,022.54</u>	<u>136,529,600.58</u>
Earnings per share	3.17, 25				
Basic earnings per share					
Profit attributable to equity holders of the parent company		<u>0.06</u>	<u>0.25</u>	<u>0.07</u>	<u>0.24</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, 2017

		Baht									
		Equity holders of the parent company					Non - controlling interests			Total shareholders' equity	
		Issued and paid-up share capital	Retained earnings			Other components of equity		Total		equity attributable to equity holders of the parent company	
			Premium on share capital	Legal reserve	Unappropriated	Deficits from business combination under common control	Differences from translation of foreign entity				
Note											
Consolidated financial statement											
	Balance as at January 1, 2016	287,039,972.50	338,128,000.00	28,703,997.25	343,562,664.45	3,086,493.16	13,452,686.54	1,013,973,813.90	4,691,135.67	1,018,664,949.57	
19	Dividend	-	-	-	(57,421,794.50)	-	-	(57,421,794.50)	-	(57,421,794.50)	
	Total comprehensive income for the year	-	-	-	140,985,968.58	-	(8,136,778.03)	132,849,190.55	-	132,849,190.55	
2	Decrease in non-controlling interests of subsidiary	-	-	-	-	-	-	-	(4,691,135.67)	(4,691,135.67)	
17	Actuarial gain (loss) on define employee benefit plans	-	-	-	(3,234,582.00)	-	-	(3,234,582.00)	-	(3,234,582.00)	
	Balance as at December 31, 2016	287,039,972.50	338,128,000.00	28,703,997.25	423,892,256.53	3,086,493.16	5,315,908.51	1,086,166,627.95	-	1,086,166,627.95	
19	Dividend	-	-	-	(74,644,062.85)	-	-	(74,644,062.85)	-	(74,644,062.85)	
	Total comprehensive income for the year	-	-	-	33,961,619.89	-	(6,736,577.11)	27,225,042.78	-	27,225,042.78	
	Balance as at December 31, 2017	287,039,972.50	338,128,000.00	28,703,997.25	383,209,813.57	3,086,493.16	(1,420,668.60)	1,038,747,607.88	-	1,038,747,607.88	

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, 2017

	Note	Baht					Total
		Issued and paid-up share capital	Retained earnings		Differences on the fixed assets acquired under common control company		
			Premium on share capital	Legal reserve		Unappropriated	
<u>Separate financial statement</u>							
Balance as at January 1, 2016		287,039,972.50	338,128,000.00	28,703,997.25	275,645,229.64	(7,559,972.42)	921,957,226.97
Dividend	19	-	-	-	(57,407,394.50)	-	(57,407,394.50)
Total comprehensive income for the year		-	-	-	139,266,272.97	110,003.61	139,376,276.58
Actuarial gain (loss) on define employee benefit plans	17	-	-	-	(2,846,676.00)	-	(2,846,676.00)
Balance as at December 31, 2016		287,039,972.50	338,128,000.00	28,703,997.25	354,657,432.11	(7,449,968.81)	1,001,079,433.05
Dividend	19	-	-	-	(74,630,262.85)	-	(74,630,262.85)
Total comprehensive income for the year		-	-	-	40,267,013.82	55,008.72	40,322,022.54
Balance as at December 31, 2017		287,039,972.50	338,128,000.00	28,703,997.25	320,294,183.08	(7,394,960.09)	966,771,192.74

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, 2017

	Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<u>Cash flows from operating activities :</u>				
Profit for the years	33,961,619.89	140,985,968.58	40,267,013.82	139,266,272.97
Reconciliations of profit for the years to net cash provided by (used in) operating activities :				
Allowance for doubtful accounts (reversal)	(2,081,910.29)	(2,012,600.83)	(2,081,910.29)	(2,012,600.83)
Allowance for declining in value of inventories (reversal)	8,908,221.10	143,331.61	7,988,993.89	71,184.93
Depreciation and amortization	169,182,232.29	154,538,986.88	145,392,473.47	132,662,702.75
Amortization of mold	7,818,549.84	8,994,342.88	7,738,748.37	8,918,799.23
Unrealize (gain) loss on exchange rate	152,662.69	66,273.29	2,039,182.69	296.85
(Gain) loss on sales of fixed assets	99,914.89	746,922.69	99,914.89	856,926.30
Loss on write off fixed assets and computer software	1,068,055.62	881,470.57	1,068,055.62	524,279.76
Provision for employee benefit	5,894,636.00	6,547,375.98	5,508,103.00	6,194,375.98
Dividend income	-	-	(54,786,200.00)	(56,585,600.00)
Interest expenses	36,817,434.64	34,616,387.18	30,612,487.10	30,285,932.54
Income tax expenses	(1,822,612.14)	4,490,939.13	(4,438,063.26)	327,882.77
Profit provided by operating activities before changes in operating assets and liabilities	259,998,804.53	349,999,397.96	179,408,799.30	260,510,453.25
(Increase) decrease in operating assets				
Trade and other accounts receivable	18,802,439.40	22,081,414.52	33,623,853.43	30,705,287.33
Inventories	(1,969,992.20)	(4,576,395.17)	10,856.22	14,005,730.29
Other current assets	(44,374,015.06)	35,174,979.44	(32,799,194.20)	26,952,621.90
Mold for amortization	(5,848,491.82)	(4,621,456.89)	(5,848,491.82)	(4,621,456.89)
Other non-current assets	3,036,447.91	7,088,462.78	2,083,522.63	(1,141,229.06)
Increase (decrease) in operating liabilities				
Trade and other accounts payable	8,189,597.73	(35,182,454.83)	(21,249,628.14)	23,984,175.77
Accrued expense	(15,720,509.62)	344,627.01	(16,041,387.38)	(585,991.99)
Other current liabilities	4,667,489.85	(16,066,553.68)	5,731,499.43	(17,106,741.89)
Cash provided by (used in) operating activities	226,781,770.72	354,242,021.14	144,919,829.47	332,702,848.71
Paid to employee benefit	-	(100,200.00)	-	-
Payment of corporate income tax and withholding income tax	(4,430,589.84)	(8,719,512.63)	(2,248,801.16)	(4,203,520.10)
Net cash provided by operating activities	222,351,180.88	345,422,308.51	142,671,028.31	328,499,328.61

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, 2017

	Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<u>Cash flows from investing activities :</u>				
Cash received (piad) for investment in subsidiaries	-	-	(101,884,771.10)	-
Cash paid for short-term loans to a subsidiary	-	-	-	(10,807,850.00)
Cash paid for long-term loans to a subsidiary	-	-	-	(10,521,453.56)
Cash received from dividend	-	-	54,786,200.00	56,585,600.00
Cash received from sales of fixed assets	2,470,418.02	800,563.67	2,470,418.02	800,563.67
Cash paid for purchase of fixed assets	(184,992,326.75)	(175,287,805.63)	(159,841,357.27)	(128,020,172.23)
Cash paid for deposit from purchase of fixed assets	(21,741,968.88)	(49,030,681.41)	(17,471,758.88)	(48,790,681.41)
Cash paid for purchase of computer software	(861,219.17)	(120,300.00)	(861,219.17)	(120,300.00)
Net cash used in investing activities	(205,125,096.78)	(223,638,223.37)	(222,802,488.40)	(140,874,293.53)
<u>Cash flows from financing activities :</u>				
(Increase) decrease in saving deposits with restrictions on use	-	5,500,000.00	-	5,500,000.00
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	(26,615,062.43)	(80,892,561.82)	(4,730,111.95)	(128,644,912.30)
Cash received paid from short-term loans from other individual	-	(90,000,000.00)	-	(90,000,000.00)
Cash received paid from short-term loans from a subsidiary	-	-	(11,000,000.00)	(3,000,000.00)
Cash received from long-term from financial institution	340,750,962.18	207,374,642.86	336,516,075.36	200,000,000.00
Cash paid for long-term loans	(138,118,269.93)	(136,147,610.60)	(119,905,300.00)	(145,062,400.00)
Cash paid for dividend	(74,644,062.85)	(57,421,794.50)	(74,630,262.85)	(57,407,394.50)
Cash paid for liabilities under financial lease contract payable	(3,289,252.63)	(5,490,372.68)	(3,289,252.63)	(5,490,372.68)
Cash paid for interest expenses	(36,207,872.64)	(34,110,303.16)	(30,045,612.10)	(29,817,776.52)
Net cash provided (used) by financing activities	61,876,441.70	(191,187,999.90)	92,915,535.83	(253,922,856.00)
Differences from translation of foreign entity	(6,705,928.16)	2,029,660.49	-	-
Decrease in cash from non-controlling interest that the company no longer has control	-	(4,691,135.67)	-	-
Net increase (decrease) in cash and cash equivalents	72,396,597.64	(72,065,389.94)	12,784,075.74	(66,297,820.92)
Cash and cash equivalents, at beginning of the year	38,358,888.10	110,424,278.04	10,853,050.85	77,150,871.77
Cash and cash equivalents, at end of the year	110,755,485.74	38,358,888.10	23,637,126.59	10,853,050.85
<u>Supplemental disclosure of cash flows information :-</u>				
Cash and cash equivalents consisted of				
Deposits from purchase of fixed assets, paid in the previous period	49,030,681.41	16,202,329.40	48,790,681.41	10,023,329.40
Account payable from purchase fixed asset - other companies	4,602,045.24	2,849,556.24	4,272,328.42	839,393.50
Liabilities under financial lease contracts	842,999.81	2,043,000.00	842,999.81	2,043,000.00

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, 2017

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, 2017 and 2016, the operating branches are as follows :

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

(b) Nature of the Company's business

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

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

2. CRITERIA FOR THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENT

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

Company	Type	Location	Shareholding ratio	
			(Percentage of registered shares amount)	
			2017	2016
<u>Subsidiaries:-</u>				
Millpack Co., Ltd.	Manufacturer and distribution of packaging	Bangkok	99.98%	99.98%
Elegance Packaging Co., Ltd.	Trading of lid and plastic resins	Bangkok	99.97%	99.97%
Panjawatana (Tianjin) Plastic Co., Ltd.	Manufacturer and distribution of packaging	Tianjin (China)	100.00%	100.00%
Plastech lab Co.,Ltd.	Provide service to check the amount/standards of all goods and inspect all types of measurement tools.	Samuthsakhon	99.99%	99.99%
<u>A combination of entities or business under common control :-</u>				
Paniawatana Marketing Co.. Ltd *	Manufacturer (Dorment)	Bangkok	-	-

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2017

* On June 13, 2016, the shareholder and former management of Panjawatana Marketing Co.,Ltd. Who are the same shareholder and management of Panjawatana Plastic Public Company Limited has sold and transferred the stock to other unrelated persons. Therefore, since June 13, 2016 onwards, Panjawatana Marketing Co.,Ltd. does not have status as business under common control or with significant influence and is not included in the preparation of consolidated financial statements as at December 31,2016.

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

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis for preparation of the financial statements

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

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

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

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2017

3.2 The accounting standards are effective in the current year

The Federation of Accounting Professions (FAP) has issued Notifications to mandate the revised accounting standards, financial reporting standards, and interpretations of accounting and financial reporting standards, which are effective for the fiscal year beginning on or after January 1, 2017 are as follows:

TAS 1 (revised 2016)	Presentation of Financial Statements
TAS 2 (revised 2016)	Inventories
TAS 7 (revised 2016)	Statement of Cash Flows
TAS 8 (revised 2016)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2016)	Events After the Reporting Period
TAS 11 (revised 2016)	Construction Contracts
TAS 12 (revised 2016)	Income Taxes
TAS 16 (revised 2016)	Property, Plant and Equipment
TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 19 (revised 2016)	Employee Benefits
TAS 20 (revised 2016)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2016)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2016)	Borrowing Costs
TAS 24 (revised 2016)	Related Party Disclosures
TAS 26 (revised 2016)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2016)	Separate Financial Statements
TAS 28 (revised 2016)	Investments in Associates and Joint Ventures
TAS 29 (revised 2016)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2016)	Earnings Per Share
TAS 34 (revised 2016)	Interim Financial Reporting
TAS 36 (revised 2016)	Impairment of Assets
TAS 37 (revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2016)	Intangible assets
TAS 40 (revised 2016)	Investment Property
TAS 41 (revised 2016)	Agriculture

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2017

TAS 104 (revised 2016)	Accounting for Trouble Debt Restructuring
TAS 105 (revised 2016)	Accounting for Investments in Debt and Equity Securities
TAS 107 (revised 2016)	Financial Instruments Disclosure and Presentation
TFRS 2 (revised 2016)	Share-Based Payment
TFRS 3 (revised 2016)	Business Combinations
TFRS 4 (revised 2016)	Insurance Contracts
TFRS 5 (revised 2016)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2016)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2016)	Operating Segments
TFRS 10 (revised 2016)	Consolidated Financial Statements
TFRS 11 (revised 2016)	Joint Arrangements
TFRS 12 (revised 2016)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2016)	Fair Value Measurement
TSIC 10 (revised 2016)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2016)	Operating Leases - Incentives
TSIC 25 (revised 2016)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2016)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2016)	Service Concession Arrangements: Disclosure
TSIC 31 (revised 2016)	Revenue-Barter Transactions Involving Advertising Services
TSIC 32 (revised 2016)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2016)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2016)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2016)	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2016)	Applying the Restatement Approach under TAS 29 (revised 2016) Financial Reporting in Hyperinflationary Economics
TFRIC 10 (revised 2016)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2016)	Service Concession Arrangements

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2017

TFRIC 13 (revised 2016)	Customer Loyalty Programmes
TFRIC 14 (revised 2016)	TAS 19 (revised 2016) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2016)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2016)	Distributions of Non - cash Assets to Owners
TFRIC 18 (revised 2016)	Transfers of Assets from Customers
TFRIC 20 (revised 2016)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2016)	Levies

The management of the Company and its subsidiaries evaluated that these revised accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standards interpretations do not have any significant impact on the financial statements in current year.

3.3 Recognition of revenues and expenses

Sale of goods

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

Interest income

The Company and its subsidiaries recognized interest income on the accrued basis by consider the effective rate.

Other income and expense

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

3.4 Cash and cash equivalents

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

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2017

3.5 Trade accounts receivable

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

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

3.6 Inventories

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

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

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

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

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

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

3.7 Mold for amortization

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

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2017

3.8 Investment in subsidiaries

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

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

3.9 Property, plant and equipment

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

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

The initial perception value

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

Remaining value at the disabled

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

Depreciation

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

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

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2017

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

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

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

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

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

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

3.10 Borrowing costs

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

3.11 Intangible assets

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

Amortization

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

	years
Computer software	5, 10

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2017

3.12 Impairment of assets

The Company and its subsidiaries reviews the impairment of assets for property, plant and equipment and other assets whenever events indicate that the carrying value of an asset exceeds its recoverable amount. The review is made for individual assets or for the cash-generating unit.

In case that the carrying value of an asset exceeds its recoverable amount, the Company and its subsidiaries will recognize the impairment losses in the statements of comprehensive income. And this impairment losses shall be reversed to be an other income, when impairment indications moved or declined.

3.13 Employee Benefits

Short-term employment benefits

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

Post-employment benefits (Defined contribution plans)

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

Post-employment benefits (Defined benefit plans)

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

The obligation under the defined benefit plan is calculated based on the actuarial principles by a qualified independent actuary using the projected unit credit method. Such estimates are made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and inflation rate.

Actuarial gains and losses for post-employment benefits of the employees are recognized immediately in other comprehensive income as apart of retain earning.

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2017

3.14 Foreign currency transactions

Items included in the financial statements of each entity in the Company and its subsidiaries are measured using Thai Baht. The consolidated financial statement are presented in Thai Baht.

Transactions denominated in foreign currencies during the year are translated into Baht at the rates of exchange ruling on the transaction dates. Realized gains and losses on foreign exchange transactions are recognized in the statements of comprehensive income as incurred. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated into Baht at the exchange rates ruling at that date. Unrealized gains and losses on exchange are recognized in the statements of comprehensive income when incurred.

The statements of comprehensive income and cash flows of foreign entities are translated into the Company and its subsidiaries' reporting currency at the average exchange rates for the year and financial position report are translated at the exchange rates ruling on the financial position report date and shareholders' equity is translated at the rates prevailing on the transaction date.

3.15 Finance lease

Leases of assets that substantially transfer to the Company and its subsidiaries all the rewards and risks of ownership of assets and that the Company and its subsidiaries intends to exercise the option of the leases to purchase the assets at the expiration of the lease term, are accounted for as finance leases.

At the inception of a finance lease, the cost of the asset is recorded together with the obligation, excluding the interest element, to pay future rentals. Finance charges are charged to the current period operations at the effective rate of interest.

3.16 Operating lease

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under an operating lease are recognized as expense on a straight-line basis over the lease term.

3.17 Earnings per share

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

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2017

3.18 Related parties

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

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

3.19 Income tax

Income tax comprises current income tax and deferred tax.

Current tax

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

Deferred tax

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

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

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

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2017

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

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

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

3.20 Significant accounting judgements and estimates

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

Allowance for doubtful accounts

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

Allowance for declining in value of inventory

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

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2017

Leases

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

Property, plant and equipment/Depreciation

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

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

Deferred tax assets

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

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2017

4. TRANSACTIONS WITH RELATED PERSON AND RELATED COMPANIES

The Company has transactions with its related person and related companies. The significant related transactions shown in this financial statement are applied by normal prices of business which are based on general marketing price or inter - company contract price, in case of unable to refer to any market price.

Relationship conditions :

Name	Country	Relationship
Subsidiaries:-		
Millpack Co., Ltd.	Thailand	Share and management
Elegance Packaging Co., Ltd.	Thailand	Share and management
Panjawatana (Tianjin) Plastic Co., Ltd.	Tianjin (China)	Share and management
Plastech lab Co.,Ltd.	Thailand	Share and management
Other related parties:-		
P.J. Composite Co., Ltd.	Thailand	Share and director
Mr. Kongsak Hemmontharop	Thailand	Share and director
Mr. Pirun Hemmontharop	Thailand	Share and director

Significant transactions with related person and related companies show in this interim financial statement are applied by normal price of business which are based on general marketing price or inter-company contract price incase of on able to refer to any market price are as follows :

Transaction in statement of comprehensive income	Relationship
Sale	Market price less discount
Gain on sales of fixed assets	Mutual agreed price
Interest income	As agreed in the agreement
Other income	Mutual agreed price
Purchase of goods	Market price less discount
Rental and service expenses	Mutual agreed price
Administration expenses	Mutual agreed price
Professional fee	Mutual agreed price
Interest expense	As agreed in the agreement

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2017

Significant transactions with related companies for the years ended December 31, 2017 and 2016 are as follows :

Transaction	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Sale				
Subsidiaries:-				
Millpack Co., Ltd.	-	-	20,980	45,680
Elegance Packaging Co., Ltd.	-	-	54,768	52,167
Panjawatana (Tianjin) Plastic Co.,Ltd.	-	-	-	3,527
Other related parties:-				
P.J. Composite Co., Ltd.	777	6,325	777	6,325
	<u>777</u>	<u>6,325</u>	<u>76,525</u>	<u>107,699</u>
Interest income				
Subsidiaries:-				
Panjawatana (Tianjin) Plastic Co.,Ltd.	-	-	819	338
Dividend income				
Subsidiaries:-				
Millpack Co., Ltd.	-	-	52,787	51,589
Elegance Packaging Co., Ltd.	-	-	1,999	4,998
	<u>-</u>	<u>-</u>	<u>54,786</u>	<u>56,587</u>
Other income				
Subsidiaries:-				
Millpack Co., Ltd.	-	-	3,680	5,966
Elegance Packaging Co., Ltd.	-	-	540	540
Plastech lab Co., Ltd.	-	-	532	-
	<u>-</u>	<u>-</u>	<u>4,752</u>	<u>6,506</u>
Purchase of goods				
Subsidiaries:-				
Millpack Co., Ltd.	-	-	455,157	549,037
Elegance Packaging Co., Ltd.	-	-	101,977	108,742
	<u>-</u>	<u>-</u>	<u>557,134</u>	<u>657,779</u>
Rental and service expenses				
Subsidiaries:-				
Plastech lab Co., Ltd.	-	-	696	-
Other related parties:-				
Mr. Kongsak Hemmontharop	1,781	1,620	-	-
	<u>1,781</u>	<u>1,620</u>	<u>696</u>	<u>-</u>
Interest expense				
Subsidiaries:-				
Plastech lab Co.,Ltd.	-	-	210	567
Professional fee				
Other related parties:-				
Mr. Pirun Hemmontharop	140	920	140	920
Remuneration for executive				
Short-term benefit	65,129	43,278	65,129	43,278
Benefit after leaving the Company	1,460	1,970	1,460	1,970
Other long-term benefit	-	-	-	-
Total	<u>66,589</u>	<u>45,248</u>	<u>66,589</u>	<u>45,248</u>

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2017

Outstanding balances with related companies as at December 31, 2017 and 2016 are as follows:

	Thousand Baht			
	Consolidated financial statement		Separate financial statement	
	2017	2016	2017	2016
Short-term loans to				
Subsidiaries:-				
Panjawatana (Tianjin) Plastic Co., Ltd.	-	-	9,754 *	10,698
Long-term loans to				
Subsidiaries:-				
Panjawatana (Tianjin) Plastic Co., Ltd.	-	-	9,754 **	10,697
Trade and other account receivable				
Subsidiaries:-				
Millpack Co., Ltd.	-	-	2,552	7,181
Elegance Packaging Co., Ltd.	-	-	7,118	14,946
Panjawatana (Tianjin) Plastic Co., Ltd.	-	-	1,259	2,441
Plastech lab Co.,Ltd.	-	-	28	198
Other related parties:-				
P.J. Composite Co., Ltd.	-	55	-	55
	-	55	10,957	24,821
Short-term loans				
Subsidiaries:-				
Plastech lab Co.,Ltd.	-	-	1,000 **	12,000 **
Trade and other account payable				
Subsidiaries:-				
Millpack Co., Ltd.	-	-	114,997	118,509
Elegance Packaging Co., Ltd.	-	-	28,779	42,397
Panjawatana (Tianjin) Plastic Co., Ltd.	-	-	249	256
	-	-	144,025	161,162

* Short-term loans to a subsidiary have mutual loan agreement at the amount of USD 300,000 (Baht 9.75 million) with a term of 1 year and carries interest rate at 4.00% per annum.

** Long-term loans to a subsidiary have mutual loan agreement at the amount of USD 300,000 (Baht 9.75 million) with a term of 3 years and carries interest rate at 4.00% per annum.

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

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2017

5. CASH AND CASH EQUIVALENT

Cash and cash equivalents consisted of :-

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash in hand	420	429	190	190
Cash at banks - current account	103,338	36,844	16,459	9,587
Cash at banks - savings account	6,997	1,086	6,988	1,076
Total	110,755	38,359	23,637	10,853

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

6. TRADE AND OTHER ACCOUNTS RECEIVABLE

Trade and other accounts receivable consisted of :-

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<u>Related Companies</u>				
Not yet due	-	55	7,549	15,239
Overdue				
Less than 3 months	-	-	-	3,599
3 - 6 months	-	-	-	-
6 - 12 months	-	-	-	-
More than 12 months	-	-	-	-
	-	55	7,549	18,838
<u>Third parties</u>				
Not yet due	365,525	336,063	314,341	291,703
Overdue				
Less than 3 months	103,394	142,463	100,359	133,645
3 - 6 months	329	4,919	329	4,891
6 - 12 months	198	4,671	198	4,671
More than 12 months	-	140	-	140
	469,446	488,256	415,227	435,050
Total	469,446	488,311	422,776	453,888
<u>Less</u> Allowance for doubtful accounts	(174)	(2,256)	(174)	(2,256)
Trade accounts receivable, net	469,272	486,055	422,602	451,632
Other accounts receivable				
<u>Related Company</u>	-	-	3,409	5,983
Trade and other accounts receivable, net	469,272	486,055	426,011	457,615

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2017

The movement of allowance for doubtful accounts during the years were as follow:

	Thousand Baht	
	Consolidated financial statements /	
	Separate financial statements	
	2017	2016
Allowance for doubtful accounts- beginning	2,256	4,268
<u>Add</u> Increase within years	134	2,256
<u>Less</u> Decrease within years	(2,216)	(4,268)
Allowance for doubtful accounts- ending	174	2,256

7. INVENTORIES

Inventories consisted of :-

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Finished goods	90,080	96,551	70,449	75,631
Work in process	36,329	37,920	32,076	33,346
Raw material	93,654	91,792	75,679	76,920
Supplies	43,187	30,926	38,995	27,222
Mold	16,249	19,427	16,249	19,427
Goods in transit	2,606	3,519	2,606	3,519
	282,105	280,135	236,054	236,065
<u>Less</u> Allowance for diminution at net realizable value	(18,357)	(9,449)	(17,132)	(9,144)
Inventories - net	263,748	270,686	218,922	226,921

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

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Allowance for diminution at net realizable value - beginning	9,449	9,305	9,144	9,072
<u>Add</u> Reserve within years	9,681	1,788	8,761	1,716
<u>Less</u> Transferred out within years	(773)	(1,644)	(773)	(1,644)
<u>Less</u> Write off within years	-	-	-	-
Allowance for diminution at net realizable value - ending	18,357	9,449	17,132	9,144

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2017

8. OTHER CURRENT ASSETS

Other current assets consisted of : -

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Deposit from the acquisition of assets	28,530	49,031	17,471	48,791
Deposit paid to mold	47,398	10,205	47,398	10,205
Other current assets - net	32,420	29,778	21,482	23,626
Total	108,348	89,014	86,351	82,622

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2017

9. INVESTMENT IN SUBSIDIARIES

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

	Name	Paid up share capital (Thousand Baht)		(%)		Equity method (Thousand Baht)		Cost method present in statements of financial position (Thousand Baht)		Dividend income for the year (Thousand Baht)	
		2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
In Thailand											
1.	Millpack Co., Ltd.	30,000	30,000	99.98	99.98	82,537	87,614	29,993	29,993	52,787	51,589
2.	Elegance Packaging Co., Ltd.	1,000	1,000	99.97	99.97	(213) *	759	999	999	1,999	4,998
3.	Plastech lab Co., Ltd.	20,000	20,000	99.99	99.99	16,072	18,186	20,000	20,000	-	-
In Foreign											
4.	Panjawatana (Tianjin) Plastic Co., Ltd.	178,037	76,153	100.00	100.00	199,581	103,016	178,038	76,153	-	-
						297,977	209,575	229,030	127,145	54,786	56,587

* The investment in Elegance Packaging Co., Ltd. by equity method as at December 31, 2017 has the negative balance amounted Baht 213,016.51 due to the continuously earnings dividend until the excess value of investment. However, the Company has also gained a profit under common control company from the business acquisition of Elegance Packaging Co., Ltd. at the amount of Baht 2,834,697.63 presented under deficits from business combination under common control company.

Investment increase during the year

According to the Minutes of the Board of Director's Meeting No. 6/2017 held on August 14, 2017, it has been approved to increase the capital in Panjawatana (Tianjin) Plastic Co.,Ltd. (subsidiary) at the amount of USD 3,000,000. On 22 September 2017, the Company paid for capital increase amount of USD 1,000,000 or equaled to Baht 34,640,171.39. Subsequently on 27 October 2017, the Company paid for the remaining capital increase amount of USD 2,000,000 or equaled to Baht 67,250,885.21.

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2017

10. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consisted of :-

	Thousand Baht			
	Consolidated financial statements			
	Balance as at	Movement during the year		
	December 31, 2016	Addition	Deduction	Transfer in (Transfer out)
<u>At cost</u>				
Land	110,029	-	-	-
Plant and office building	310,645	-	-	-
Improvements on building	92,369	10,048	(31)	5,729
Support machine system	287,415	9,854	(68)	37,960
Machinery and equipment	1,234,822	100,154	(9,987)	98,500
Office equipment	48,090	6,303	(1,456)	922
Vehicles	73,795	1,137	(400)	-
Equipment in progress	50,030	116,240	(1,113)	(143,111)
Total	2,207,195	243,736	(13,055)	-
<u>Less Accumulated depreciation</u>				
Plant and office building	64,408	10,508	-	-
Improvements on building	35,555	8,300	(28)	-
Support machine system	94,569	24,090	(62)	-
Machinery and equipment	447,468	116,272	(3,636)	-
Office equipment	28,908	5,799	(1,169)	-
Vehicles	31,545	2,956	(200)	-
Total	702,453	167,925	(5,095)	-
Differences from translation of foreign entity	(6,381)			
Property, plant and equipment - net	1,498,361			1,566,254

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2017

	Thousand Baht			
	Consolidated financial statements			
	Balance as at	Movement during the year		
	December 31, 2015	Addition	Deduction	Transfer in (Transfer out)
<u>At cost</u>				
Land	110,029	-	-	-
Plant and office building	310,645	-	-	-
Improvements on building	88,096	2,309	(180)	2,144
Support machine system	282,241	1,856	(26)	3,344
Machinery and equipment	1,113,794	79,625	(2,512)	43,915
Office equipment	42,303	6,223	(893)	457
Vehicles	74,185	2,724	(3,114)	-
Equipment in progress	1,612	100,986	(2,708)	(49,860)
Total	2,022,905	193,723	(9,433)	-
<u>Less Accumulated depreciation</u>				
Plant and office building	53,900	10,508	-	-
Improvements on building	28,795	6,814	(54)	-
Support machine system	72,974	21,618	(23)	-
Machinery and equipment	345,748	103,616	(1,896)	-
Office equipment	22,937	6,454	(483)	-
Vehicles	29,051	4,304	(1,810)	-
Total	553,405	153,314	(4,266)	-
Difference from translation				
of foreign entity	3,748			(6,381)
Property, plant and equipment - net	1,473,248			1,498,361

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2017

	Thousand Baht			
	Separate financial statements			
	Balance as at	Movement during the year		
	December 31, 2016	Addition	Deduction	Transfer in (Transfer out)
<u>At cost</u>				
Land	110,029	-	-	-
Plant and office building	296,535	-	-	-
Improvements on building	89,562	8,694	(31)	5,728
Support machine system	274,029	9,854	(68)	37,951
Machinery and equipment	995,029	76,404	(9,707)	93,795
Office equipment	45,330	5,650	(1,431)	922
Vehicles	73,565	1,137	(400)	-
Equipment in progress	36,280	112,262	(8)	(138,396)
Total	1,920,359	214,001	(11,645)	-
<u>Less Accumulated depreciation</u>				
Plant and office building	50,297	10,509	-	-
Improvements on building	33,210	7,988	(29)	-
Support machine system	88,887	22,842	(62)	-
Machinery and equipment	372,297	94,518	(6,365)	-
Office equipment	27,299	5,417	(1,153)	-
Vehicles	31,441	2,915	(200)	-
Total	603,431	144,189	(7,809)	-
Property, plant and equipment - net	1,316,928			1,382,904

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PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2017

During the year 2017, the Company and its subsidiaries have additional invested in fixed assets at the amount of Baht 243.74 million that is the improve factory building at amount of Baht 10.05 million purchase machineries to increase capacity and replace the existing machineries and to improve production capacity of equipment at the amount of Baht 225.14 million purchase office equipment at the amount of Baht 6.30 million and purchase vehicles for management at the amount of Baht 1.14 million.

During the first quarter of 2017, the Company has sold the machineries and equipment to a local subsidiary at the book value (at cost Baht 5.22 million, accumulated depreciation Baht 2.97 million)

Depreciation for the years ended December 31, 2017 and 2016 consist of :

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cost of sales	155,789	144,154	137,075	118,047
Administration expense	7,721	9,160	7,114	8,924
Depreciation for the year	163,510	153,314	144,189	126,971

As at December 31, 2017 and 2016, the Company has the difference from the purchase of assets in the same entity group in total amount of Baht 7,394,960.09 and Baht 7,449,968.81, respectively. The Company has recorded the difference between purchase price and selling price from the purchase of property, plant and equipment from Panjawattana Marketing Company Limited in the account "Differences on fixed assets acquired under common control company" which separately shown in the shareholders' equity.

As at December 31, 2017 and 2016, the Company and its subsidiaries have total fixed assets at cost of Baht 254.14 million and 175.64 million, respectively, the depreciation of total fixed assets are already calculated until full useful life but are still in use.

Land and buildings which acquired as above, some have mortgaged as collateral for loans granted by local commercial banks as discussed in Note 13 and 15.

As at December 31, 2017 and 2016, the Company and its subsidiaries have insured for insurance against loss for protection of these fixed assets, such as, vehicles in the rate of hundred percent, buildings and constructions located in Bangkok, Chonburi and Samutsakhon province and assets of the factory located in Bangkok, Samutsakhon, Chonburi province and Tianjin (China). Most beneficiaries are lenders from financial institutions and leasing companies. For Tainjin (China), the beneficiary is the subsidiary in China.

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2017

11. COMPUTER SOFTWARE

Computer software consisted of:-

	Thousand Baht			
	Consolidated financial statements			
	Balance as at	Movement during the year		Balance as at
	December 31, 2016	Addition	Deduction	December 31, 2017
				(Transfer out)
<u>At cost</u>				
Computer software	20,724	861	-	-
<u>Less</u> Accumulated amortization	13,159	1,245	-	-
Differences from translation of				
foreign entity	(65)			
Intangible assets - net	7,500			7,085

	Thousand Baht			
	Consolidated financial statements			
	Balance as at	Movement during the year		Balance as at
	December 31, 2015	Addition	Deduction	December 31, 2016
				(Transfer out)
<u>At cost</u>				
Computer software	20,940	120	(336)	-
<u>Less</u> Accumulated amortization	11,969	1,206	(16)	-
Differences from translation				
of foreign entity	(27)			
Intangible assets - net	8,944			7,500

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2017

	Thousand Baht			
	Separate financial statements			
	Balance as at	Movement during the year		
	December 31, 2016	Addition	Deduction	Transfer in (Transfer out)
<u>At cost</u>				
Computer software	19,972	861	-	-
<u>Less Accumulated amortization</u>	<u>12,928</u>	<u>1,204</u>	<u>-</u>	<u>-</u>
Intangible assets - net	<u>7,044</u>			<u>6,701</u>

	Thousand Baht			
	Separate financial statements			
	Balance as at	Movement during the year		
	December 31, 2015	Addition	Deduction	Transfer in (Transfer out)
<u>At cost</u>				
Computer software	19,852	120	-	-
<u>Less Accumulated amortization</u>	<u>11,779</u>	<u>1,149</u>	<u>-</u>	<u>-</u>
Intangible assets - net	<u>8,073</u>			<u>7,044</u>

	Thousand Baht			
	Consolidated financial statement		Separate financial statement	
	2017	2016	2017	2016
Amortization for the year	1,245	1,206	1,204	1,149

12. DEFERRED TAX ASSETS AND DEFERED TAX LIABILITIES

Deferred tax assets and deferred tax liabilities as follows:-

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Deferred tax assets	12,949	8,595	12,794	8,593
Deferred tax liabilities	(11,197)	(11,434)	(10,907)	(11,144)
Net	<u>1,752</u>	<u>(2,839)</u>	<u>1,887</u>	<u>(2,551)</u>

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2017

Changes in deferred tax liabilities for the year ended December 31, 2017 and 2016 are summarized as follows:-

Thousand Baht				
Consolidated financial statements				
	Balance as at	Revenue (expenses) during the year		Balance as at
	December 31, 2016	In profit or loss	In other comprehensive income	December 31, 2017
Deferred tax assets:				
Trade account receivable	-	2	-	2
Inventories	1,039	2,562	-	3,601
Other current assets	-	49	-	49
Property, plant, and equipment	1,531	712	-	2,243
Provisions for employee benefits	6,025	1,029	-	7,054
Total	8,595	4,354	-	12,949
Deferred tax liabilities:				
Property, plant, and equipment	11,434	(237)	-	11,197
Total	11,434	(237)	-	11,197
Net	(2,839)			1,752

Thousand Baht				
Consolidated financial statements				
	Balance as at	Revenue (expenses) during the year		Balance as at
	December 31, 2015	In profit or loss	In other comprehensive income	December 31, 2016
Deferred tax assets:				
Inventories	1,175	(136)	-	1,039
Property, plant, and equipment	506	1,025	-	1,531
Provisions for employee benefits	5,205	820	-	6,025
Total	6,886	1,709	-	8,595
Deferred tax liabilities:				
Property, plant, and equipment	13,492	(2,058)	-	11,434
Total	13,492	(2,058)	-	11,434
Net	(6,606)			(2,839)

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

DECEMBER 31, 2017

Thousand Baht				
Separate financial statements				
	Balance as at	Revenue (expenses) during the year		Balance as at
	December 31, 2016	In profit or loss	In other comprehensive income	December 31, 2017
Deferred tax assets:				
Trade account receivable	-	2	-	2
Inventories	1,039	2,562	-	3,601
Other current assets	-	49	-	49
Property, plant, and equipment	1,529	714	-	2,243
Provisions for employee benefits	6,025	874	-	6,899
Total	8,593	4,201	-	12,794
Deferred tax liabilities:				
Property, plant, and equipment	11,144	(237)	-	10,907
Net	11,144	(237)	-	10,907
	(2,551)			1,887

Thousand Baht				
Separate financial statements				
	Balance as at	Revenue (expenses) during the year		Balance as at
	December 31, 2015	In profit or loss	In other comprehensive income	December 31, 2016
Deferred tax assets:				
Inventories	1,175	(136)	-	1,039
Property, plant, and equipment	395	1,134	-	1,529
Provisions for employee benefits	5,205	820	-	6,025
Total	6,775	1,818	-	8,593
Deferred tax liabilities:				
Property, plant, and equipment	13,202	(2,058)	-	11,144
Total	13,202	(2,058)	-	11,144
Net	(6,427)			(2,551)

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2017

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

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

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Overdraft	2,770	-	2,770	-
Promissory notes	329,959	324,544	280,000	252,700
Trust receipt	30,855	65,655	30,855	65,655
Total	<u>363,584</u>	<u>390,199</u>	<u>313,625</u>	<u>318,355</u>

As at December 2017 and 2016, the Company and its subsidiaries have bank overdraft and short-term loans from financial institution with 7 local commercial bank and 2 foreign commercial bank as follow :

As at December 31, 2017, the Company and its subsidiaries have bank overdraft in limit of Baht 69.80 million at interest rate set by the bank and has short-term loan in term of promissory note in limit of Baht 550 million and CNY 12 million at interest rate set by the bank, opening limit of letter of credit and do trust receipt for ordering machineries from foreign country in limit of Baht 321.44 million (Total limit of Baht 941.24 million and CNY 12 million).

As at and December 31, 2016, the Company and its subsidiary have bank overdraft in limit of Baht 50 million at interest rate set by the bank and has short-term loan in term of promissory note in limit of Baht 640 million and CNY 6 million at interest rate set by the bank, opening limit of letter of credit and do trust receipt for ordering machineries from foreign countries in limit of Baht 67.89 million (Total limit of Baht 757.89 million and CNY 6 million)

The overdraft and short-term loan lines are secured by mortgage of property and construction of the Company and company's machinery as well as the benefits from property insurance for using as collateral for credit limit. (see note 10).

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2017

14. OTHER CURRENT LIABILITIES

Other current liabilities consisted of :-

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Deposit received to mold	18,602	10,140	18,602	10,140
Other current liabilities	9,853	13,648	7,724	10,455
Total	28,455	23,788	26,326	20,595

15. LONG-TERM LOANS

Long-term loans consist of :-

Loans	Thousand Baht			
	Consolidated financial statements			Balance as at December 31, 2017
	Balance as at December 31, 2016	Increase	Decrease	
1. Baht 40.00 million	3,982	-	(3,982)	-
2. Baht 40.00 million	6,840	-	(6,840)	-
3. Baht 80.00 million	25,060	-	(16,080)	8,980
4. Baht 60.80 million	24,800	-	(12,000)	12,800
5. Baht 80.00 million	39,547	-	(20,642)	18,905
6. Baht 147.20 million	53,680	-	(29,400)	24,280
7. Baht 41.00 million*	28,923	-	(7,638)	21,285
8. Baht 48.00 million	5,226	37,890	(7,074)	36,042
9. Baht 40.00 million	23,394	-	(8,040)	15,354
10. Baht 200.00 million	200,000	-	(13,360)	186,640
11. Baht 80.00 million	-	73,626	(69)	73,557
12. Baht 225.00 million	-	225,000	-	225,000
13. Baht 30.00 million	3,923	-	(3,923)	-
14. Baht 13.70 million	7,092	-	(2,736)	4,356
15. CNY 7.00 million	14,790	-	(6,335)	8,455
16. CNY 2.00 million	-	4,235	-	4,235
Total	437,257	340,751	(138,119)	639,889
Less payment due within one year	(132,563)			(199,946)
Net	304,694			439,943

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2017

Loans	Thousand Baht			
	Separate financial statements			Balance as at December 31, 2017
	Balance as at December 31, 2016	Increase	Decrease	
1. Baht 40.00 million	3,982	-	(3,982)	-
2. Baht 40.00 million	6,840	-	(6,840)	-
3. Baht 80.00 million	25,060	-	(16,080)	8,980
4. Baht 60.80 million	24,800	-	(12,000)	12,800
5. Baht 80.00 million	39,547	-	(20,642)	18,905
6. Baht 147.20 million	53,680	-	(29,400)	24,280
7. Baht 41.00 million	7,073	-	(2,418)	4,655
8. Baht 48.00 million	5,226	37,890	(7,074)	36,042
9. Baht 40.00 million	23,394	-	(8,040)	15,354
10. Baht 200.00 million	200,000	-	(13,360)	186,640
11. Baht 80.00 million	-	73,626	(69)	73,557
12. Baht 225.00 million	-	225,000	-	225,000
Total	389,602	336,516	(119,905)	606,213
Less payment due within one year	(114,784)			(184,426)
Net	274,818			421,787

As at December 31, 2017, there is a loan from 3 local Commercial banks and 1 foreign Commercial bank (loan amount Baht 1,125.70 million and CNY 9.00 million) which consists of :-

Loan 1st On November 16, 2010, the Company has entered into loan agreement in amount of Baht 40 million with the interest rate set by the bank. Repayment the principle, excluding interest are 60 installments at the amount of Baht 667,000.00 per month. The final payment will pay the remaining amount which starts the first installment on July 31, 2012. The Company has paid in fully amount during the year 2017.

Loan 2rd On December 25, 2012, the Company has entered into loan agreement in amount of Baht 40 million with the interest rate set by the bank. Repayment the principle, excluding interest are 54 installments at the amount of Baht 740,000.00 per month. The final payment will pay the remaining amount which starts the first installment on August 31, 2013. The Company has paid in fully amount during the year 2017.

Loan 3th On September 4, 2012, the Company has entered into loan agreement in amount of Baht 80 million with the interest rate set by the bank. Repayment the principle excluding interest are 60 installments at the amount of Baht 1,340,000.00 per month. The final payment will pay the remaining amount which starts the first installment on August 31, 2013.

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2017

- Loan 4th On July 24, 2013, the Company has entered into loan agreement in amount of Baht 60.80 million with the interest rate set by the bank. Repayment the principle, excluding interest are 60 installment at the amount Baht of 1,000,000.00 per month. The final payment will pay the remaining amount which starts the first installment on January 31, 2014.
- Loan 5th On July 10, 2013, the Company has entered into loan agreement in amount of Baht 80 million with the interest rate set by the bank. Repayment the principle excluding interest are 48 installments at the amount of Baht 1,650,000.00 per month. The final payment will pay the remaining amount which starts the first installment on November 30, 2014.
- Loan 6th On July 24, 2013, the Company has entered into loan agreement in amount of Baht 147.20 million with the interest rate set by the bank. Repayment the principle excluding interest are 60 installments at the amount of Baht 2,450,000.00 per month. The final payment will pay the remaining amount which starts the first installment on January 31, 2014.
- Loan 7th On April 9, 2014, the Company entered into a loan agreement in the principal amount of Baht 10.80 million with the interest rate set by the bank. Repayment of the principal excluding interest are 70 installments at the amount of Baht 135,000.00 per month. The final payment will pay the remaining amount which starts the first installment on April 30, 2015. During the year 2015, the Company increase loan in the principle amount of Baht 30.20 million. Repayment of principal excluding interest are 70 installments at the amount of Baht 504,000.00 per month. The final payment will pay the remaining amount which starts the first installment on January 31, 2016. during the year of 2016 had been transferred at the amount of Baht 26.20 million to a local subsidiary as a borrower with the interest rate set by bank. The repayment of principal excluding interest has been made for 60 installments at Baht 435,000.00 per installment. The final installment will pay the remaining balance. The first installment is started in April 2016
- Loan 8th On June 24, 2014, the Company and its subsidiary in Thailand entered into a loan agreement in the principal total amount of Baht 48 million with the interest rate set by the bank. As at December 31, 2015, the loan has been drawn and used in the amount of Baht 10.11 million. Repayment of the principal excluding interest are 77 installment at the amount of Baht 800,000.00 per month which starts the first installment on November 30, 2015. During the year 2016, the Company has changed repayment of the principal to Baht 168,500.00 per month the final installment will pay the remaining amount which starts the first installment on March 31, 2016. During the year 2017, the Subsidiary increase loan in the principle amount of Baht 37.89 million. Repayment of principal excluding interest are 60 installments at the amount of Baht 631,500.00 per month. The final payment will pay the remaining amount which starts the first installment on May 31, 2017.

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2017

- Loan 9th On July 24, 2013, the Company entered into a loan agreement in the principal amount of Baht 40 million with the interest rate set by the bank. During the year 2015, the Company has increased loan in the principal amount of Baht 32.77 million. Repayment of the principal excluding interest are 60 installments at the amount of Baht 670,000.00 per month. The final payment will pay the remaining amount which starts the first installment on November 30, 2015.
- Loan 10th On September 7, 2016, the Company has entered into a loan agreement in amount of Baht 200 million with the interest rate set by the bank. Repayment the principal, excluding interest, are 60 installments at the amount of Baht 3,340,000.00 per month. The final payment will pay the remaining amount which starts the first installment on September 30, 2017.
- Loan 11th On March 16, 2017, a subsidiary in Thailand entered into loan agreement in amount of Baht 80 million with the interest rate set by the bank. As at December 31, 2017, the subsidiary has used loans in the amount of Bath 73.56 million. Repayment the principle and interest are 60 installments at the amount of Baht 1,330,000.00 per month. The final payment will pay the remaining amount which starts the first installment on March 31, 2018.
- Loan 12th On Decmber 26, 2017, the Company entered into a loan agreement in the principal amount of Baht 225 million with the interest rate set by the bank. Repayment of the principal excluding interest are 60 installments at the amount of Baht 3,814,000.00 per month. The final payment will pay the remaining amount which starts the first installment on January 31, 2018.
- Loan 13th On October 4, 2012, a subsidiary in Thailand entered into a loan agreement in amount of Baht 30 million with the interest rate set by the bank. Repayment of the principal 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 Company has paid in fully amount during the year 2017.

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2016

Loan 14th On April 9, 2014, the subsidiary in Thailand entered into a loan agreement in the principal amount of Baht 6.85 million with the interest rate set by the bank. Repayment of the principal excluding interest are 60 installments at the amount of Baht 114,000.00 per month. The final payment will pay the remaining amount which starts the first installment on January 31, 2015. During the year 2015, the subsidiary has increased loan in the principal amount of Baht 5.60 million. Repayment of principal excluding interest are 60 installments at the amount of Baht 114,000.00 per month. The final payment will pay the remaining amount which starts the first installment on February 28, 2015.

Loan 15th On August 27, 2015, an overseas subsidiary has entered into a loan agreement for the limit of CNY 4.00 million. On October 14, 2016, the overseas subsidiary has increased the loan in the amount of CNY 3.00 million total as new loan at the amount of CNY 7.00 million with the interest rate set by the bank. As at December 31, 2017, the overseas subsidiary has used loans in the amount of CNY 3.44 million. Repayment of the principal excluding interest are for 12 installments at the amount of CNY 286,418.75 per month (3 months = 1 installment). The final payment will pay the remaining amount which starts the first installment on August 21, 2016.

Loan 16th On January 6, 2017, an overseas subsidiary has entered into a loan agreement for the limit of CNY 2.00 million with the interest rate set by the bank. As at March 31, 2017, the overseas subsidiary has used loans in the amount of CNY 0.85 million. Repayment of the principal excluding interest are for 9 installments at the amount of CNY 94,886.67 per month (3 months = 1 installment). The final payment will pay the remaining amount which starts the first installment on January 10, 2018.

The loans facilities mentioned above are secured in full amounts by land and building of the Company and by machineries of the Company and its subsidiary and its insurance benefits. (see note 10)

The loans facilities have interest rates set by bank.

The Company has to comply with the conditions as specified in the significant agreements by referencing the separate financial statements as follows:

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

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2017

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								
	2017				2016			
	Principal	Deferred	Input VAT	Total Payment	Principal	Deferred	Input VAT	Total Payment
		Interest				Interest		
Payment due within one year	1,796	138	-	1,934	3,192	230	-	3,422
Payment due after one year								
But not over five years	1,981	80	-	2,061	3,031	155	-	3,186
Total	3,777	218	-	3,995	6,223	385	-	6,608

Thousand Baht								
Separate financial statements								
	2017				2016			
	Principal	Deferred	Input VAT	Total Payment	Principal	Deferred	Input VAT	Total Payment
		Interest				Interest		
Payment due within one year	1,796	138	-	1,934	3,192	230	-	3,422
Payment due after one year								
But not over five years	1,981	80	-	2,061	3,031	155	-	3,186
Total	3,777	218	-	3,995	6,223	385	-	6,608

During the years 2017 and 2016, the Company had entered into 1 contract and 2 contracts for vehicles and machinery lease. The total amount of the contracts are Baht 864,048 and Baht 2,097,196.27, respectively.

As at December 31, 2017, the Company and its subsidiaries have vehicles and machinery long-term lease agreements in the form of finance lease with local leasing companies, totally 1 places with 9 contracts. The total amounts of the contracts value are of Baht 7,765,147.15 (excluding of VAT). Installments period are 48 months and the total repayments are of Baht 151,718.76 (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 11 contracts in the total of Bath 2,352,127.21 (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, 2017

17. Employee benefit obligations

As at December 31, 2017 and 2016, the Company and its subsidiaries have defined benefit obligations as follow:-

The statements of financial position

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Defined benefit obligations Beginning balance	39,668	29,480	37,172	27,663
Current service costs and interest	6,504	7,053	6,075	6,662
Actuarial gain(loss) on define employee benefit plans	-	3,235	-	2,847
Benefits paid by the plan	-	(100)	-	-
Defined benefit obligations at Ending balance	<u>46,172</u>	<u>39,668</u>	<u>43,247</u>	<u>37,172</u>

Expense recognized in statement of comprehensive income

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Include in profit or loss :				
Current service costs				
Cost of sales	2,646	2,599	2,267	2,253
Administrative expenses	1,789	1,978	1,781	1,971
Management and directors' benefit expenses	1,460	1,970	1,460	1,970
	<u>5,895</u>	<u>6,547</u>	<u>5,508</u>	<u>6,194</u>
Interest on obligation	609	506	567	468
Total	<u>6,504</u>	<u>7,053</u>	<u>6,075</u>	<u>6,662</u>
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	-	(613)	-	(610)
Financial assumptions changes	-	3,318	-	3,123
Experience adjustments	-	530	-	334
	<u>-</u>	<u>3,235</u>	<u>-</u>	<u>2,847</u>

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2017

Principal actuarial assumptions at the reporting date

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Discount rate	1.71%, 1.75%, 1.55%	1.71%, 1.75%, 1.55%	1.55%	1.55%
Salary increase rate	3%	3%	3%	3%
Employee turnover rate	5-18%	5-18%	10-46%	10-46%
Employee turnover rate	7-85%	7-85%	10-85%	10-85%
Disability rate	5% of	5% of	5% of	5% of
	Thai's Mortality	Thai's Mortality	Thai's Mortality	Thai's Mortality
	Rate (2008)	Rate (2008)	Rate (2008)	Rate (2008)
Mortality rate	100% of Thai's	100% of Thai's	100% of Thai's	100% of Thai's
	Mortality Rate (2008)	Mortality Rate (2008)	Mortality Rate (2008)	Mortality Rate (2008)

Sensitivity analysis

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2017 and 2016 are summarized below:

	Thousand Baht			
	2017		2016	
	1% increase	1% decrease	1% increase	1% decrease
Discount rate	(2,018)	2,229	(1,876)	2,074
Salary increase rate	2,803	(2,575)	2,173	(2,000)
Turnover rate	(2,167)	1,094	(2,016)	1,016

	Separate financial statement (Thousand Baht)			
	2017		2016	
	1% increase	1% decrease	1% increase	1% decrease
Discount rate	(1,189)	2,003	(2,018)	2,229
Salary increase rate	2,535	(2,338)	1,958	(2,575)
Turnover rate	(1,956)	947	(1,827)	1,094

18. LEGAL RESERVE

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

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2017

19. ALLOCATION OF RETAINED EARNINGS

Parent Company

Year 2017

According to the General Meeting of Shareholders' No. 1/2017 dated April 28, 2017, it has approved to pay the dividends to the Company's shareholders at Baht 0.13 per share, totalling not over Baht 74,630,392.85, from the net profit from operation since January 1, 2016 to December 31, 2016 of the promoted business which was exempt from corporate income tax at Baht 0.07 per share and from the net profit of the non-promoted business under the tax rate enforcement of 20 percent of the net profit at Baht 0.06 per share. The dividend payment is scheduled on May 24, 2017.

Year 2016

According to the General Meeting of Shareholders' No. 1/2016 dated April 25, 2016, it has a resolution to approve the appropriation of legal reserve in amount of Baht 1,103,997.25 totaling legal reserve in amount of Baht 28,703,997.25. This amount is not less than 10% of the registered authorized capital in the total amount Baht 57,407,994.50. It is paid from the net profit and net earnings of the entities that have been promoted and exempted from the corporate income tax in the rate of Baht 0.07 per share and from the net profit of the non-promoted entities under the applicable tax rate 20% of the net profit in the rate of Baht 0.03 per share. The dividend was paid on May 23, 2016.

Subsidiaries

Year 2017

According to the Extraordinary General Meeting of Shareholders' No.1/2017 of Millpack Co., Ltd.(a subsidiary) on August 31, 2017, which has approved the resolution to pay the dividend from unappropriated retained earnings as at December 31, 2016 at Baht 4,400.00 per share, at the total amount of Baht 52,800,000.00 without setting any additional legal reserve as the company has set the legal reserve not less than 10% of the registered capital. Payment will be made on September 21, 2017.

According to the Extraordinary General Meeting of Shareholders' No. 1/2017 of Elegance Packaging Co., Ltd. (a subsidiary) on August 31, 2017, which has approved the resolution to pay the dividend from unappropriated retained earnings as at December 31, 2016 at Baht 200 per share, at the total amount of Baht 2,000,000.00 without setting any additional legal reserve as the company has set the legal reserve not less than 10% of the registered capital. Payment will be made on September 21, 2017.

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

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Year 2016

According to the Extraordinary General Meeting of Shareholders' No. 1/2016 of Millpack Co., Ltd. (a subsidiary) on September 12, 2016, which has approved the resolution to pay the dividend from unappropriated retained earnings as at December 31, 2015 at Baht 4,300.00 per share, at the total amount of Baht 51,600,000.00 without setting any additional legal reserve as the company has set the legal reserve not less than 10% of the registered capital. Payment will be made on September 21, 2016.

According to the Extraordinary General Meeting of Shareholders' No. 1/2016 of Elegance Packaging Co., Ltd. (a subsidiary) on September 12, 2016, which has approved the resolution to pay the dividend from unappropriated retained earnings as at December 31, 2015 at Baht 500 per share, at the total amount of Baht 5,000,000.00 without setting any additional legal reserve as the company has set the legal reserve not less than 10% of the registered capital. Payment will be made on September 21, 2016.

20. PROVIDENT FUND

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

Provident funds' expense for the years ended December 31, 2017 and 2016 are as follow:-

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Provident funds' expense	6,272	5,116	5,991	4,902

21. CREDIT LIMIT

As at December 31, 2017 and 2016 the Company and its subsidiaries have many credit limits with seven financial intuitions. The total amounts of credit limit are of Baht 2,471.50 million, USD 7 million and CNY 13 million and Baht 2,009.70 million, USD 2 million and CNY 21 million respectively which have variety purposes, such as loan for working capital, overdrafts, loan to building construction. The bank issuing the guarantee and open letters of credit with trust receipts, As at December 31, 2017, the Company and its subsidiaries have used loans and other bank facilities, totaling of Baht 1,505.89 million. The remaining credit limits are of Baht 942.99 million and it has used loans, totaling of CNY 5.29 million. The remaining Credit limited are of CNY 15.71 million. This credit secured by the mortgage company's land (Please see note 10) and giving beneficiary of sum insured of the company's fixed assets to the financial intuitions.

As at December 31, 2017 and 2016, the Company has a credit limit with a local bank for Standby Letter of Credit at the total limit amount of Bath 62.50 million and Baht 80.00 million respectively, which is secured by some machineries of the Company.

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2017

22. REMUNERATION FOR EXECUTIVE

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

23. TAX EXPENSE (INCOME)

23.1 Major components of tax expense (income)

For the years ended December 31, 2017 and 2016 consisted of:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Income tax expense (income) shown in profit or loss :				
Current tax expense:				
Income tax expense for the year	2,768	8,258	-	4,204
Deferred tax expense (income):				
Changes in temporary differences relating to the original recognition and reversal	(4,591)	(3,767)	(4,438)	(3,876)
Total	(1,823)	4,491	(4,438)	328

23.2 A numerical reconciliation between tax expense (income) and the product of accounting profit multiplied by the applicable tax rate

For the years ended December 31, 2017 and 2016 which are summarized as follows:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Accounting profit (loss) for the year	32,139	145,477	35,829	139,594
The applicable tax rate (%)	20%	20%	20%	20%
Tax expense (income) at the applicable tax rate	6,428	29,095	7,166	27,919
Reconciliation items:				
Tax effect of expenses that are not deductible in determining tax profit:				
- Expenses not allowed as expenses in determining taxable profit	2,200	1,726	2,200	1,579
Tax effect of income or profit that are not required in determining taxable profit:				
- Exemption of non-taxable dividend income	-	-	(10,958)	(11,317)
- The exemption of profit of the promoted business (BOI)	(18,415)	(18,783)	(10,531)	(8,810)
- Expense for tax deductible	(1,346)	(7,258)	(1,346)	(7,256)
Unrecognized tax losses on deferred tax assets	8,057	-	8,057	-
Others	1,253	(289)	974	(1,787)
Total reconciliation items	(8,251)	(24,604)	(11,604)	(27,591)
Total tax expense (income)	(1,823)	4,491	(4,438)	328

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2017

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

For the years ended December 31, 2017 and 2016 are summarized as follows:

	Consolidated financial statements			
	2017		2016	
	Tax amount (Thousand Baht)	Tax rate (%)	Tax amount (Thousand Baht)	Tax rate (%)
Accounting profit (loss) before tax expense for the year	32,139		145,477	
Tax expense (income) at the applicable tax rate	6,428	20.00	29,095	20.00
Reconciliation items	(8,251)	(25.67)	(24,604)	(16.91)
Tax expense (income) at the average effective tax rate	<u>(1,823)</u>	<u>(5.67)</u>	<u>4,491</u>	<u>3.09</u>

	Separate financial statements			
	2017		2016	
	Tax amount (Thousand Baht)	Tax rate (%)	Tax amount (Thousand Baht)	Tax rate (%)
Accounting profit (loss) before tax expense for the year	35,829		139,594	
Tax expense (income) at the applicable tax rate	7,166	20.00	27,919	20.00
Reconciliation items	(11,604)	(32.39)	(27,591)	(19.77)
Tax expense (income) at the average effective tax rate	<u>(4,438)</u>	<u>(12.39)</u>	<u>328</u>	<u>0.23</u>

24. EXPENSE BY NATURE

Expense by nature has significant transaction for the years ended December 31, 2017 and 2016 are as follows:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Changes in finished goods and work in progress	8,062	(20,697)	6,452	(13,623)
Purchases of finished goods	115,954	128,861	532,243	640,539
Used raw material and wasteful supply	1,460,580	1,374,099	913,680	790,215
Expenses for employees	465,865	443,306	405,397	385,342
Depreciation and amortization	169,182	154,520	145,392	128,120

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2017

25. EARNINGS PER SHARE

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

		Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Profit (loss) for the period of ordinary share's					
shareholders	(Thousand Baht)	33,962	140,986	40,267	139,266
Weighted average number of ordinary share	(Thousand Share)	574,080	574,080	574,080	574,080
Basic earnings per share	(Baht per share)	0.06	0.25	0.07	0.24

26. PROPOSAL OF FINANCIAL INFORMATION CLASSIFIED BY SEGMENT

The company group has presented the financial information by the operating segment in the primary format for reporting. Operating segment is based on the system of management and internal reporting structure that is reported to the highest decision-making authority for the operation of the company group as the basis for determining the segment.

Assets, revenues and results of operations of the segment are directly related to the segment or can be reasonably allocated to the segment.

Regarding segment information for evaluating the results of operations and allocation of resources for the management, the company group evaluates the capability of operation by the gross margin rate.

Reported segments

The company group presents the main business segments as follows:

Segment 1	Plant - Samuthsakhon
Segment 2	Plant - Chonburi
Segment 3	Plant - Bangkok
Segment 4	Plant - Tianjin
Segment 5	Business trading segment

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2017

Thousand Baht															
Consolidated financial information															
		Industrial in Thailand				Total		Industrial in China		Trading in Thailand		Elimination		Total	
Samutskhok		Bangkok		Chonburi											
2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2016	2016
For the year ended December 31															
Revenues															
- External customers	1,122,971	1,229,937	166,074	177,151	1,103,562	1,049,738	2,392,607	2,456,826	238,870	238,007	57,650	54,901	-	2,689,127	2,749,734
- Group	75,748	101,160	197,011	207,803	1,105	214	273,864	309,177	-	-	154,913	177,319	(428,777)	(486,496)	-
Total	1,198,719	1,331,097	363,085	384,954	1,104,667	1,049,952	2,666,471	2,766,003	238,870	238,007	212,563	232,220	(428,777)	(486,496)	2,749,734
Segment gross profit	144,513	184,374	36,746	38,695	178,905	204,243	360,164	427,312	27,156	28,135	3,769	3,759	2,842	6,537	465,563

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2017

Major customer

Revenues from the major customer of the Company and its subsidiaries's industrial and trading segment in Thailand represent approximately Baht 1,053 million for the year 2017 (Baht 830 million for the year 2016) of the Company and its subsidiaries's total revenues.

27. LONG-TERM LEASE AND SERVICE AGREEMENT

As at December 31, 2017 and 2016, the Company and its subsidiaries have long-term lease agreements as follows:

- 27.1 The Company has entered into product storage service agreement with a three local company for 2 - 3 years, starting from September 1, 2015 - September 30, 2018 with the service fee Baht 713,020 per month.
- 27.2 A subsidiary in the foreign country has entered into the lease for factory buildings and service with a company in china (Tianjin) for three years, starting from February 1, 2017 with the rental fee as follows :
 - Year 2017, Baht 1,242,884.23 per month (equal Yuan 244,802 referred to exchange rate 5.0771 Baht)
 - Year 2016, Baht 1,277,009.63 per month (equal Yuan 244,802, referred to exchange rate 5.2165 Baht)
- 27.3 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, 2017 and contract renewal for 3 more years with the rental fee Baht 148,456.00 per month.
- 27.4 The Company had entered into the lease for factory to Millpack Company Limited (subsidiary) for three years, starting on January 1, 2016 - December 31, 2017 and rental rate of Baht 628,000 per month and contract renewal for 3 more years. And in July of 2016 , the Company had adjusted the lease due to the reduction in the lease are a strating July 1, 2016 with the rental and service fee Baht 270,000 month.
- 27.5 The Company had entered into the lease and service for factory to Plastech Lab Company Limited (subsidiary) for three years, starting on January 1, 2017 - December 31, 2019 and rental rate of Baht 44,040 per month. The contract renewal is every 3 years.

As at December 31, 2017 and 2016, the Company and its subsidiaries have commitments to pay the property/asset and service rental fee under the outstanding contract as follows:

	Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<u>Paid within</u>				
1 year	19,838	22,992	7,230	6,048
More than 1 year but not over 5 years	2,926	38,139	1,144	5,528
More than 5 years	-	-	-	-

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2017

28. RIGHTS AND BENEFITS UNDER THE INVESTMENT PROMOTION ACT

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

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2017

29. THE OPERATIONS OF COMPANY

The Company and its subsidiaries have revenue from domestic sales which separating the part that have been promoted in investment and part that not be promoted in investment for the years ended December 31, 2017 and 2016 as follows:

Thousand Baht						
Consolidated financial statements						
	2017			2016		
	Business that have been promoted in investment (Note 28)	Business that not be promoted in investment	Total	Business that have been promoted in investment (Note 28)	Business that not be promoted in investment	Total
Revenue						
Sales	720,211	1,968,916	2,689,127	812,015	1,937,719	2,749,734
Other Revenues	956	4,873	5,829	118	7,463	7,581
Total Revenues	<u>721,167</u>	<u>1,973,789</u>	<u>2,694,956</u>	<u>812,133</u>	<u>1,945,182</u>	<u>2,757,315</u>

Thousand Baht						
Separate financial statements						
	2017			2016		
	Business that have been promoted in investment (Note 28)	Business that not be promoted in investment	Total	Business that have been promoted in investment (Note 28)	Business that not be promoted in investment	Total
Revenue						
Sales	720,211	1,748,143	2,468,354	812,015	1,746,137	2,558,152
Dividend income	-	54,786	54,786	-	56,586	56,586
Other Revenues	776	8,122	8,898	15	14,260	14,275
Total Revenues	<u>720,987</u>	<u>1,811,051</u>	<u>2,532,038</u>	<u>812,030</u>	<u>1,816,983</u>	<u>2,629,013</u>

30. FINANCIAL INSTRUMENTS

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

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

Credit risk

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

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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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, 2017, the Company has made foreign currency forward contract in order to prevent foreign currency risk amount 6 contracts as follows:

Currency	Contract	Bought amount	Contractual rate (Baht)
USD	6	1,400,000	32.50 - 33.09

As at December 31, 2017, it has outstanding foreign currency liability as follows:

Consolidated financial statement		
Currency	Liability	Average selling exchange rate As at December 31, 2017 (Baht per foreign currency)
USD	481,661.49	32.8472
EUR	79,530.01	39.3938
JPY	3,007,580.00	0.29363
CNY	663,399.54	5.0771

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
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Separate financial statement		
Currency	Liability	Average selling exchange rate As at December 31, 2017 (Baht per foreign currency)
USD	481,661.49	32.8472
EUR	79,530.01	39.3938
JPY	3,007,580.00	0.29363
CNY	663,399.54	5.0771

As at December 31, 2016, it has outstanding foreign currency liability as follows:

Consolidated financial statement		
Currency	Liability	Average selling exchange rate As at December 31, 2016 (Baht per foreign currency)
USD	586,118.35	36.0025
EUR	61,013.25	38.1362
JPY	3,900,200.00	0.311335
CNY	13,777,185.12	5.2165

Separate financial statement		
Currency	Liability	Average selling exchange rate As at December 31, 2016 (Baht per foreign currency)
USD	586,118.35	36.0025
EUR	61,013.25	38.1362
JPY	3,900,200.00	0.311335
CNY	49,000.00	5.2165

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.

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31. FOREIGN CURRENCY FORWARD CONTRACT

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

As at December 31, 2017, the Company has foreign currency forward contract for purchases of inventories from overseas as follows (see note 30):

Currency	Contract	Bought amount	Contractual rate (Baht)
USD	6	1,400,000	32.50 - 33.09

As at December 31, 2016, the Company has foreign currency forward contract for purchases of inventories from China as follows (see note 30):

Currency	Contract	Bought amount	Contractual rate (Baht)
USD	2	400,000.00	34.69 - 34.80

32. INTEREST RATE SWAP CONTRACTS

As at December 31, 2017, the Company has interest rate swap with financial institution for hedge interest rate exposure of long-term debts for Baht currency totalling Baht 200 million. All counterparties agree to pay the interest and the notional amount according to terms and conditions of the contracts.

33. FUND MANAGEMENT

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

34. COMMITMENTS AND CONTINGENT LIABILITIES

As at December 31, 2017, the Company had commitments and contingent liabilities as follows:

- 34.1 The Company and its subsidiary granted two local banks to issue a letter of guarantee for electricity consumption in factory in the amount of Baht 15.33 million.
- 34.2 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 94.81 million.
- 34.3 The company and its subsidiary had obligation that was agreed to acquire machinery and equipment in the amount of Baht 23.38 million.

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35. EVENTS AFTER THE REPORTING PERIOD

According to the minutes of the Board of Directors' Meeting No.1/2018 held on February 7, 2018, has a resolution approve Panjawatana (Tianjin) Plastic Co., Ltd., a subsidiary in Tianjin China, to enter into land purchasing agreement ,not exceeding 18 Rai 3 Ngan, with totaling value not exceeding CNY 24.2 million or equivalent to Thai Baht in the amount of Baht 120 million (excluding tax) and enter into factory building construction agreement ,approximately 20,000 sq.m. and 10,000 sq.m. in the 1st and the 2nd phase respectively, with totaling value not exceeding CNY 60.5 million or equivalent to Thai Baht in the amount of Baht 300 million (excluding tax).

The purpose of the acquisition in land and building in the new location is for replacement of current operating lease to support business expansion. In addition, the acquisition will support future growth opportunity in China. The Company and its subsidiary will use the working capital and the loan from financial institution both in Thailand and in China in consideration of the compliance with the conditions as specified in the current loan agreements.

Regarding the sourcing of Landlord and Construction Contractor, the Company will consider quality, price and the party must not have a relationship in term of a connected person according to the Notification of the Capital Market Supervisory Board No. TorChor.20/2551 Re: Rules on Connected Transaction and the Notification of the of Governors of the Stock Exchange of Thailand No. Bor/Por 22-01 Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546.

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

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

These revised accounting standards which are effective for the fiscal year beginning on or after January 1, 2018 are as follows:

TAS 1 (revised 2017)	Presentation of Financial Statements
TAS 2 (revised 2017)	Inventories
TAS 7 (revised 2017)	Statement of Cash Flows
TAS 8 (revised 2017)	Accounting Policies, Changes in Accounting Estimates and Errors

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TAS 10 (revised 2017)	Events After the Reporting Period
TAS 11 (revised 2017)	Construction Contracts
TAS 12 (revised 2017)	Income Taxes
TAS 16 (revised 2017)	Property, Plant and Equipment
TAS 17 (revised 2017)	Leases
TAS 18 (revised 2017)	Revenue
TAS 19 (revised 2017)	Employee Benefits
TAS 20 (revised 2017)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2017)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2017)	Borrowing Costs
TAS 24 (revised 2017)	Related Party Disclosures
TAS 26 (revised 2017)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2017)	Separate Financial Statements
TAS 28 (revised 2017)	Investments in Associates and Joint Ventures
TAS 29 (revised 2017)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2017)	Earnings Per Share
TAS 34 (revised 2017)	Interim Financial Reporting
TAS 36 (revised 2017)	Impairment of Assets
TAS 37 (revised 2017)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2017)	Intangible assets
TAS 40 (revised 2017)	Investment Property
TAS 41 (revised 2017)	Agriculture
TFRS 2 (revised 2017)	Share-Based Payment
TFRS 3 (revised 2017)	Business Combinations
TFRS 4 (revised 2017)	Insurance Contracts
TFRS 5 (revised 2017)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2017)	Exploration for and Evaluation of Mineral Resource
TFRS 8 (revised 2017)	Operating Segments
TFRS 10 (revised 2017)	Consolidated Financial Statements
TFRS 11 (revised 2017)	Joint Arrangements

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TFRS 12 (revised 2017)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2017)	Fair Value Measurement
TSIC 10 (revised 2017)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2017)	Operating Leases - Incentives
TSIC 25 (revised 2017)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2017)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2017)	Service Concession Arrangements: Disclosure
TSIC 31 (revised 2017)	Revenue-Barter Transactions Involving Advertising Services
TSIC 32 (revised 2017)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2017)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2017)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2017)	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2017)	Applying the Restatement Approach under TAS 29 (revised 2017) Financial Reporting in Hyperinflationary Economics
TFRIC 10 (revised 2017)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2017)	Service Concession Arrangements
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 14 (revised 2017)	TAS 19 (revised 2017) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2017)	Distributions of Non - cash Assets to Owners
TFRIC 18 (revised 2017)	Transfers of Assets from Customers
TFRIC 20 (revised 2017)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2017)	Levies

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NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2017

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

37. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Board of Directors of the Company on February 14, 2018 .

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

● Directors

1. Dr. Damri Sukhotanang

Age	68 years
Position	Board Chairman / Independent Director / Nomination and Remuneration Committee Chairman
Education	<ul style="list-style-type: none"> - Bachelor's degree in Chemical Technology (Hon.), Faculty of Science, Chulalongkorn University - Master's degree in Ceramic Engineering, University of Missouri at Rolla, U.S.A. - Doctoral degree in Ceramic Engineering, University of Missouri at Rolla, U.S.A. - Diploma, National Defense College, Class 44 - Certificate, Senior Executive Courses Class 14, Office of Civil Service Commission
Training Courses	Thai Institute of Directors <ul style="list-style-type: none"> - Financial Statement for Director (FSD) Class 20/2013 - Director Certification Program (DCP) Class DCP70/2006
Work Experiences	<ul style="list-style-type: none"> - 2014–Present Board Chairman/ Independent Director/Nomination and Remuneration Committee Chairman : Panjawattana Plastic Plc. - 2009 – Present Audit Committee member/ Independent Director : Siam Steel Service Center Plc. - 2011–2014 Board Chairman/ Independent Director : Panjawattana Plastic Plc. - 2008 - 2009 Permanent Secretary Ministry of Industry - 2003 – 2008 Deputy Permanent Secretary Ministry of Industry - 2000 – 2003 Director, Office of Industrial Economics Ministry of Industry - 1999 – 2000 Director-General, Department of Industrial Promotion Ministry of Industry
Current job positions in any listed company	
Listed company	- Siam Steel Service Center Plc.
Non-listed company	-None-
<u>In any companies which may result in a conflict of interest with the Company</u>	
First Appointment	2011 15, July
Term of office	6 years
Percentage of shares at 2017 31, December	Ordinary shares 260,000 shares, representing 0.05 percent
Trading shares in 2017	-None-
Percentage of shares of spouse and minors	-None-
(as at December 31, 2017)	
Having the following parent relationship with Directors and Executives	- None
Direct and indirect interests in the Company or in the relevant subsidiaries	- None
Meeting attendance in 2017	Board of Directors 8/8



2. Mr. Kongsak Hemmontharop

Age	78 years
Position	Director / Vice Chairman
Education	- Primary School, Sawang Wittaya School
Training Course	Thai Institute of Directors - Director Accreditation Program Class 90/2011
Work Experience	- 2011 – Present Vice Chairman : Panjawattana Plastic Plc. - 2010 – Present Director : Mill Pack Co., Ltd. - 2003 – Present Director : Elegance Packaging Co., Ltd. - 1987 – 2011 Director : Panjawattana Plastic Co., Ltd.
Current job positions in any listed company	
Listed company	- None
Non-listed company	2 Companies as follows ; 1) Mill Pack Co., Ltd. 2) Elegance Packaging Co., Ltd.
<u>In any companies which may result in a conflict of interest with the Company</u>	-None-
First Appointment	2011 1, March
Term of office	7 years
Percentage of shares at 2017 31, December	Ordinary shares 96,169,439 shares, representing 16.75 percent
Trading shares in 2017	-None-
Percentage of shares of spouse and minors (as at December 31, 2017)	Ordinary shares 114,797,874 shares, representing 20.00 percent
Having the following parent relationship with Directors and Executives	- Husband of Mrs. Malee Hemmontharop - Father of Mr. Wiwat, Mr. Satit, Mr. Pirun Hemmondharop
Direct and indirect interests in the Company or in the relevant subsidiaries	-None-
Meeting attendance in 2017	Board of Directors 8/8

3. Mrs. Malee Hemmontharop

Age	74 years
Position	Director / Executive Committee Member / Vice Chief Executive Officer
Education	- Primary School, Ban Paew Wittaya School
Training Courses	Thai Institute of Directors - Director Accreditation Program Class 90/2011
Work Experience	- 2013–Present Director/ Vice Vice Chief Executive Officer / Chief Administrative Officer / Executive Committee : Panjawattana Plastic Plc.

- 2011–2013 Director / Vice Chief Executive Officer : Panjawattana Plastic Plc.
- 2014–Present Director : Plastech Lab Co., Ltd.
(Old Name : PJW Food Pack Co., Ltd.)
- 2014–2015 Director : PJW Drinktech Co., Ltd.
- 2011–Present Director : Elegance Packaging Co., Ltd.
- 2011–Present Director : Panjawattana Plastic (Tianjin) Co., Ltd.
- 2011–Present Director : PCP Marketing Co., Ltd.
- 1990–Present Director : Mill Pack Co., Ltd.

Current job positions in any listed company

Listed company - None

Non-listed company 5 Companies as follows ;

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

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

First Appointment 2011 1, March

Term of office 7 years

Percentage of shares at 2017 31, December Ordinary shares 114,797,874 shares,
representing 20.00 percent

Trading shares in 2017 -None-

Percentage of shares of spouse and minors (as at December 31, 2017) Ordinary shares 96,169,439 shares, representing 16.75 percent

Having the following parent relationship with Directors and Executives

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

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

Meeting attendance in 2017 Board of Directors 8/8

4. Mr. Wiwat Hemmondharop

Age 52 years

Position Director / Risk Management Committee Member / Nomination and Remuneration Committee
Member / Chairman of the Board of Executive Directors

Education

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

Training Courses

- Thai Institute of Directors
- Financial Statements for Director (FSD) Class 33
- Chartered Director Class (CDC) Class 2014
- Director Certification Program Class 32/2003

Capital Market Academy

- Capital Market Academy Leader Program Class 24

Training Courses	The Securities Exchange of Thailand
	- Thailand CG Forum : Governance as a driving force for business sustainability
Work Experience	- 2015–Present Director / Risk Management Committee Member Nomination and Remuneration Committee Member / Chairman of the Board of Executive Directors : Panjawattana Plastic Plc.
	- 2014–Present Director : Plastech Lab Co., Ltd. (Old Name : PJW Food Pack Co., Ltd.)
	- 2014–2015 Director / Nomination and Remuneration Committee Member / Chairman of the Board of Executive Directors : Panjawattana Plastic Plc.
	- 2014–2015 Director : PJW Drinktech Co., Ltd.
	- 2011– Present Director : Panjawattana Plastic (Tianjin) Co., Ltd.
	- 2011–2013 Director / Chairman of the Board of Executive Directors : Panjawattana Plastic Plc.
	- 2010–Present Director : Mill Pack Co., Ltd.
	- 2010–Present Director : Thammanamai Health Cuisine Co., Ltd
	- 2008–Present Director : Composite Marketing Co., Ltd. (Old Name : Panjawattana Marketing Co., Ltd.)
	- 2005–Present Director : Pan Asia Chemical Co., Ltd.
	- 2004–2010 Director : Elegance Packaging Co., Ltd.
	- 1987–2011 Director : Panjawattana Marketing Co., Ltd.

Current job positions in any listed company

Listed company -None-

Non-listed company 6 Companies as follows ;

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

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

-None-

First Appointment	1987 30, November
Term of office	30 years
Percentage of shares at 2017 31, December	Ordinary shares 69,175,360 shares, representing 12.05 percent
Trading shares in 2017	Transfer Ordinary shares 6,050,000
Percentage of shares of spouse and minors (as at December 31, 2017)	Ordinary shares 6,050,000 shares, representing 1.05 percent

Having the following parent relationship with Directors and Executives	- Son of Mr. Kongsak and Mrs. Malee Hemmontharop
	- Elder brother of Mr. Satit, Mr. Pirun Hemmondharop
Direct and indirect interests in the Company or in the relevant subsidiaries	-None-
Meeting attendance in 2017	Board of Directors 8/8
	Nomination and Remuneration Committee 1/1
	Risk Management Committee ^{1/} 3/3

5. Mr. Satit Hemmondharop

Age	50 years
Position	Director / Executive Committee Member / Risk Management Committee Member/ Chief Executive Officer /Chief Marketing Officer (acting)
Education	<ul style="list-style-type: none"> - Bachelor's degree in Commerce and Accountancy, Thammasat University - Master's degree in Marketing (English program), Thammasat University - Diploma, Human Resource Management, Sasin Graduate Institute of Business Administration of Chulalongkorn University
Training Courses	Thai Institute of Directors <ul style="list-style-type: none"> - Successful Formulation Execution of Strategy (SFE) Class 29/2017 - Risk Management Committee Program (RMP) Class 2/2013 - Role of the Compensation Committee Class 11/2011 - Director Certification Program Class 121/2011 - Purposefully Designing a winning culture - Laws vs Business Practice – An Insider's view
Work Experience	<ul style="list-style-type: none"> - 2014–Present Director/Executive Committee Member/Risk Management Committee Member/ Chief Executive Officer / Chief Marketing Officer (acting): Panjawattana Plastic Plc. - 2011–2014 Director/Executive Committee Member/Risk Management Committee Member/ Chief Executive Officer : Panjawattana Plastic Plc. - 2014–Present Director : Plastech Lab Co., Ltd. (Old Name : PJW Food Pack Co., Ltd.) - 2014–2015 Director : PJW Drinktech Co., Ltd. - 1996–Present Director : Mill Pack Co., Ltd. - 2003 – 2011 Director : Panjawattana Marketing Co., Ltd. - 1993 - 2003 Executive Committee Member : Panjawattana Marketing Co., Ltd. - 1991 - 1993 Production Manager : Panjawattana Marketing Co., Ltd.
Current job positions in any listed company	
Listed company	- None
Non-listed company	2 Companies as follows ; <ol style="list-style-type: none"> 1. Mill Pack Co., Ltd. 2. Plastech Lab Co., Ltd.
<u>In any companies which may result in a conflict of interest with the Company</u>	-None-



First Appointment	1992 9, October
Term of office	25 years
Percentage of shares at 2017 31, December	Ordinary shares 32,661,428 shares, representing 5.69 percent
Trading shares in 2017	-None-
Percentage of shares of spouse and minors (as at December 31, 2017)	-None-
Having the following parent relationship with Directors and Executives	- Son of Mr. Kongsak and Mrs. Malee Hemmontharop - Younger brother of Mr. Wiwat/ Elder brother of Mr. Pirun Hemmondharop
Direct and indirect interests in the Company or in the relevant subsidiaries	- None
Meeting attendance in 2017	Board of Directors 8/8 Risk Management Committee 3/3

6. Dr. Pirun Hemmondharop

Age	44 years
Position	Director / Risk Management Committee / Vice Chief Executive Officer / Chief Administrative Officer
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	Thai Institute of Directors - Director Accreditation Program Class 90/2011 - Director Certification Program Class 150/2011 - Director Breakfast Talk Class 2/2011 - Financial Statements for Director Class 13/2011 Thai Listed Companies Association - TLCA Executive Development Program Class 13/2014 Federation of Accounting Professions - Risk Management (Advance) Class 2/2016 - Risk Management (Standard) Class 2/2016 King Prajadhipok's Institute - Diploma, Public Economics for executive Class 11/2013 Thammasat University - Thammasat Leadership Program (TLP) Class 5

Work Experience	- 2017 -Present	Director / Risk Management Committee / Vice Chief Executive Officer / Chief Administrative Officer : Panjawattana Plastic Plc.
	- 2013 -2017	Director / Risk Management Committee : Panjawattana Plastic Plc.
	- 2013 -Present	Director : Composite Holding Co., Ltd.
	- 2011 -Present	Director : Elegance Packaging Co., Ltd.
	- 2011 -Present	Director : PJ Composite Co., Ltd.
	- 2011 -Present	Director : Panjawatna (Tianjin) Co., Ltd.
	- 2010 -Present	Director : Thammanamai Health Cuisine Co., Ltd
	- 2011 -2013	Director / Executive Committee Member/ Vice President/ Chief Operating Officer and Supply Chain - Samutsakhon Branch : Panjawattana Plastic Plc.
	- 2008 -2011	Chief Operating Officer / Chief Human Resource Officer : Panjawattana Plastic Plc.
	- 2004-2008	Director, Course Director, Master's degree in Management : College of Management, Mahidol University

Current job positions in any listed company

Listed company -None-

Non-listed company 5 Companies as follows ;

1. Panjawatna (Tianjin) Co., Ltd.
2. Elegance Packaging Co., Ltd.
3. PJ Composite Co., Ltd.
4. Composite Holding Co., Ltd.
5. Thammanamai Health Cuisine Co., Ltd

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

First Appointment	2011 28, January
Term of office	7 years
Percentage of shares at 2017 31, December	Ordinary shares 35,688,640 shares, representing 6.22 percent
Trading shares in 2016	-None-
Percentage of shares of spouse and minors (as at December 31, 2017)	-None-
Having the following parent relationship with Directors and Executives	- Son of Mr. Kongsak and Mrs. Malee Hemmontharop - Younger brother of Mr. Wiwat and Mr. Satit Hemmondharop
Direct and indirect interests in the Company or in the relevant subsidiaries	- None
Meeting attendance in 2017	Board of Directors 8/8 Risk Management Committee 3/3

7. Miss Charanya Sangsukdee

Age	53 years
Position	Director / Independent Director / Chairman of Audit Committee / Risk Management Committee Member
Education	<ul style="list-style-type: none"> - Bachelor's degree in Management Science, Sukhothaimathirath Open University - Master's degree in Business Administration, Kasetsart University - Mini Master of Management Program NIDA, University of California at Berkeley, USA
Training Courses	Thai Institute of Directors <ul style="list-style-type: none"> - Audit Committee Forum Class 1/2016 - Family Business Governance for Sustainability Class 2/2015 - Anti-Corruption for Executive Program Class 14/2015 - Anti-Corruption: The Practical Guide Class 16/2015 - Monitor the system of Internal Control and Risk Class 7/2009 - Monitor of the Quality of Financial Reporting Class 9/2009 - Monitor the Internal Audit Function Class 6/2009
Training Courses	<ul style="list-style-type: none"> - Monitor Fraud Risk Management Class 1/2009 - Director Certification Program Class 9/2007 - Audit Committee Program Class 27/2009 - Director Accreditation Program Class 6/2007
Work Experience	<ul style="list-style-type: none"> - 2011–Present Director / Independent Director / Chairman of Audit Committee / Risk Management Committee Member : Panjawattana Plastic Plc. - 1997–Present Managing Director : Tax Specialist Co., Ltd. - 1996–Present Managing Director : Bangkok Training Center Co., Ltd. - 2007-2011 Audit Committee member / Independent Director : Group Lease Plc. - 2006-2011 Audit Committee member/Independent Director : Globlex Holding Management Plc
Current job positions in any listed company	
Listed company	-None-
Non-listed company	2 Companies as follows ; <ol style="list-style-type: none"> 1. Tax Specialist Co., Ltd. 2. Bangkok Training Center Co., Ltd.
<u>In any companies which may result in a conflict of interest with the Company</u>	
	-None-
First Appointment	2011 28, January
Term of office	7 years
Percentage of shares at 2017 31, December	Ordinary shares 260,000 shares, representing 0.05 percent
Trading shares in 2017	-None-
Percentage of shares of spouse and minors (as at December 31, 2017)	-None-
Having the following parent relationship with Directors and Executives	-None-
Direct and indirect interests in the Company or in the relevant subsidiaries	-None-

Meeting attendance in 2017	Board of Directors	8/8
	Audit Committee	6/6
	Risk Management Committee	3/3

8. Assoc. Prof. Dr. Aekkachai Nittayakasetwat

Position	Director / Independent Director Audit Committee member / Chairman of Risk Management Committee	
Age	54 years	
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.	Thai Institute of Directors : - Certificate of Attendance Director Certification Program Class 240/2017 - Certificate of Attendance Risk Management Program for Corporate Leaders Class 9/2017 - Certificate of Attendance Compensation Survey Class 1/2011	
Training Courses	- Certificate of Attendance Risk Management Committees Program Class 2/2013 - Certificate of Attendance Role of the Compensation Committee Class 12/2011 - Certificate of Attendance Director Accreditation Program (DAP) Class 35/2005	
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 : UAC Global Public Company Limited (Old Name : Universal Adsorbents & Chemicals Plc.) - 2009 – Present Director and Audit Committee member GT Wealth Management Co., Ltd. - 2008 – Present Director/ Audit Committee Member Getabec Co., Ltd. - 2006 – Present Independent Director/ Audit Committee member TRC Construction Co., Ltd. - 2007 – 2010 Dean Faculty of Business Administration National Institute of Development Administration - 2004 – 2006 Deputy Dean Faculty of Business Administration National Institute of Development Administration	

Current job positions in any listed company

Listed company	- UAC Global Plc. - Stars Microelectronics (Thailand) Plc. - TRC Construction Plc. - Getabec Plc.
Non-listed company	1 Companies as follows ; 1) GT Wealth Management Co., Ltd

<u>In any companies which may result in a conflict of interest with the Company</u>	-None-						
First Appointment	2011 28, January						
Term of office	7 years						
Percentage of shares at 2017 31, December	Ordinary shares 156,000 shares, representing 0.03 percent						
Trading shares in 2017	-None-						
Percentage of shares of spouse and minors (as at December 31, 2017)	-None-						
Having the following parent relationship with Directors and Executives	-None-						
Direct and indirect interests in the Company or in the relevant subsidiaries	-None-						
Meeting attendance in 2017	<table> <tr> <td>Board of Directors</td><td>8/8</td></tr> <tr> <td>Audit Committee</td><td>6/6</td></tr> <tr> <td>Risk Management Committee</td><td>3/3</td></tr> </table>	Board of Directors	8/8	Audit Committee	6/6	Risk Management Committee	3/3
Board of Directors	8/8						
Audit Committee	6/6						
Risk Management Committee	3/3						

9. Mr. Natthawut Khemayotin

Position	Director / Independent Director / Audit Committee member / Risk Management Committee member / Nomination and Remuneration Committee member	
Age	49 years	
Education	- Bachelor's degree in Commerce and Accountancy, Thammasat University - Master's degree in Business Administration, University of Dallas, Irving, Texas	
Training Courses	Thai Institute of Directors - Driving Strategic Success with IT Governance (ITG) Class 3/2016 - Remuneration Survey Reporting 2014 - Risk Management Committee Program (RMP) Class 2/2013 - Director Certification Program Class 70/2006	
Work Experience	- 2014–Present - 2011–2014 - 2013–Present - 2004–Present - 2005–2009	Director / Independent Director / Audit Committee member / Risk Management Committee member / Nomination and Remuneration Committee member : Panjawattana Plastic Plc. Director / Independent Director / Audit Committee member / Risk Management Committee member : Panjawattana Plastic Plc. Managing Director : North Caribbean Inter Trade Co., Ltd. Managing Director : Nu Na Co., Ltd. Managing Director : Globlex Holding Management Plc

Work Experience

- 2002–2005 Assistant Director, The Board of Directors Bureau : Seamico Securities Plc.
- 2001–2002 Senior Officer, Investment Banking Department : Thai Military Bank Plc.

Current job positions in any listed company

Listed company - None

Non-listed company 2 Companies as follows ;

1. Nu Na Co., Ltd.
2. North Caribbean Inter Trade Co., Ltd.

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

First Appointment	2011 28, January								
Term of office	6 years								
Percentage of shares at 2017 31, December	Ordinary shares 260,000 shares, representing 0.05 percent								
Trading shares in 2017	-None-								
Percentage of shares of spouse and minors (as at December 31, 2017)	-None-								
Having the following parent relationship with Directors and Executives	-None-								
Direct and indirect interests in the Company or in the relevant subsidiaries	-None-								
Meeting attendance in 2017	<table border="0"> <tr> <td>Board of Directors</td> <td>8/8</td> </tr> <tr> <td>Audit Committee</td> <td>6/6</td> </tr> <tr> <td>Risk Management Committee</td> <td>3/3</td> </tr> <tr> <td>Nomination and Remuneration Committee</td> <td>1/1</td> </tr> </table>	Board of Directors	8/8	Audit Committee	6/6	Risk Management Committee	3/3	Nomination and Remuneration Committee	1/1
Board of Directors	8/8								
Audit Committee	6/6								
Risk Management Committee	3/3								
Nomination and Remuneration Committee	1/1								

● **Executives, Company's Secretary**

1. Mrs. Prim Chaiyawat

Position	President of Financial Officer/ Company's Secretary
Age	42 years
Education	<ul style="list-style-type: none"> - Bachelor's degree in Commerce and Accountancy, Thammasat University - Master's degree in Business Administration, Kasetsart University
Training Courses	Thai Institute of Directors <ul style="list-style-type: none"> - Anti-Corruption the Practical Guide Class 36/2017 - Audit Committee Program Class 37/2011 - Monitoring Fraud Risk Management Class 6/2011 - Effective Minute Taking Class 19/2011 - Company Secretary Program Class 37/2010 - Monitor of the Quality of Financial Reporting Class 9/2009 Thai Listed Companies Association <ul style="list-style-type: none"> - Principal Law and related regulation of Listed Company Program Class 11/2014 - Company Secretary Training Program Class 29/2014 Federation of Accounting Professions <ul style="list-style-type: none"> - Principle Internal Audit by J-SOX - Technical work flows Class 3

- Technical work flows Class 4
- Risk Management (Advance) Class 2/2016
- Risk Management (Standard) Class 2/2016
- Anti-Corruption in Organization Class 5
- Consolidated Financial Management
- Beyond Treasury Management

Other

- CFO Innovation Forum (CFO Innovation)
- Certificate of Merger and Acquisition Analysis : Thailand Securities Institute
- Certificate of Provision Raise Funds by Bond Issue : Thai BMA
- Management Communication : Sasin Business English
- Thailand CG Forum : Governance as a driving force for business sustainability
: The Securities Exchange of Thailand
- Draft Transfer Pricing Law : PWC

Work Experience	- 2014–Present	President of Financial Officer/ Company's Secretary : Panjawattana Plastic Plc.
	- 2011–2014	Finance Director/ Company's Secretary : Panjawattana Plastic Plc.
	- 2008–2011	Finance Director/ Company's Secretary : Panjawattana Plastic Co., Ltd.
	- 2006–2007	Accounting Manager : Panjawattana Plastic Co., Ltd.
	- 2003–2006	Chief, Budget and Finance Section : Panjawattana Plastic Co., Ltd.
	- 2001–2002	Senior Tax Auditor Ernst & Young Corporate
	- 1997–2001	Senior Auditor Ernst & Young Office Limited

Current job positions in any listed company

Listed company - None

Non-listed company - None

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

First Appointment - None

Term of office - None

Percentage of shares at 2017 31, December Ordinary shares 340,000 shares, representing 0.06 percent

Trading shares in 2017 -None-

Percentage of shares of spouse and minors (as at December 31, 2017) -None-

2. Mr. Seksan Sinbunluekul

Position	Chief Product Engineer and Development Officer
Age	44 years
Education	- Bachelor's degree in Plastic Technology, Rajamangala University of Technology
Work Experience	<ul style="list-style-type: none"> - 2016–Present Chief Product Engineer and Development Officer : Panjawattana Plastic Plc. - 2011–2016 Research and Development Director : Panjawattana Plastic Plc. - 1996–2011 Research and Development Director : Panjawattana Plastic Co., Ltd.
Current job positions in any listed company	
Listed company	- None
Non-listed company	- None
<u>In any companies which may result in a conflict of interest with the Company</u>	- None
First Appointment	- None
Term of office	- None
Percentage of shares at 2017 31, December	Ordinary shares 364,000 shares, representing 0.06 percent
Trading shares in 2017	-None-
Percentage of shares of spouse and minors (as at December 31, 2017)	-None-

● Head of Internal Audit

1. Miss Supattra Nitjaya

Position	Head of Internal Audit
Age	29 years
Education	- Bachelor's Degree in Industrial Management Program, Dhurakij Pundit University
Training Courses	Federation of Accounting Professions under the Royal Patronage of His Majesty the King - Risk Assessment Method for Internal Audit Planning The Institute of Internal Auditors of Thailand (IIAT) - Compliance and Compliance Audit The Stock Exchange of Thailand - Key mechanisms for regulating and creating business value added. - Corporate Social Responsibility Management For sustainable development. The Securities and Exchange Commission, Thailand - Thailand's Investment Governance Code.
Work Experience	<ul style="list-style-type: none"> - 2015–Present Head of Internal Audit : Panjawattana Plastic Plc. - 2014–2015 Internal Audit Officer : Panjawattana Plastic Plc. - 2013–2014 Qsys Auditor : Marine Gold Products Co., Ltd. - 2011–2013 Engineering Officer : : Index Interfern Co., Ltd.



Current job positions in any listed company

Listed company

-None-

Non-listed company

-None-

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

-None-

First Appointment

-None-

Term of office

-None-

Percentage of shares at 2017 31, December

-None-

Trading shares in 2017

-None-

Percentage of shares of spouse and minors (as at December 31, 2017)

-None-



Directors and Executives with Controlling Power

Name	Panjawattana Plastic Plc. Position	Subsidiaries			
		Mill Pack Co., Ltd. : MPC	Elegance Packaging Co., Ltd. : EPC	Panjawattana Plastic (Tianjin) Co., Ltd. : PJT	Plastech Lab Co., Ltd. : PTL
1. Dr. Damri Sukhotanang	Board Chairman / Independent Director	-	-	-	-
2. Mr. Kongsak Hemmontharop	Director	Director	Director		
3. Mr. Wiwat Hemmondharop	Director / Chairman of the Board of Executive Directors	Director	-	Director	Director
4. Mrs. Malee Hemmontharop	Director / Vice Chief Executive Officer	Director	Director	Director	Director
5. Mr. Satit Hemmondharop	Director / Chief Executive Officer	Director	-	-	Director
6. Dr. Pirun Hemmondharop	Director / Vice Chief Executive Officer / Chief Administrative Officer	-	Director	Director	-
7. Miss Charanya Sangsukdee	Chairman of Audit Committee / Independent Director	-	-	-	-
8. Assoc. Prof. Dr. Aekkachai Nittayakasetwat	Independent Director	-	-	-	-
9. Mr. Natthawut Khemayotin	Independent Director	-	-	-	-
10. Mrs. Prim Chaiyawat	Chief Financial Officer/ Company's Secretary	-	-	-	-
11. Mr. Seksan Sinbunluekul	Chief Product Engineer and Development Officer	-	-	-	-

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