



Annual Report 2014

รายงานประจำปี 2557

PRODIGY PUBLIC COMPANY LIMITED

บริษัท พรอดิจิ จำกัด (มหาชน)



English Version

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๙ ข้อมูลทางการเงิน / Financial Highlights ๙

ณ.วันที่ 31 ธันวาคม 2557	2557 2014	2556 2013	Ended 31 December 2013
ฐานะทางการเงิน			Financial Status
สินทรัพย์รวม (ล้านบาท)	693.18	558.50	Total Asset (Million Baht)
หนี้สินรวม (ล้านบาท)	200.12	280.10	Total Liabilities (Million Baht)
ส่วนของผู้ถือหุ้น (ล้านบาท)	493.06	278.40	Shareholder's Equity (Million Baht)
ผลประกอบการ			Operational Performance
รายได้รวม (ล้านบาท)	692.45	699.10	Total Revenue (Million Baht)
รายจ่ายรวม (ล้านบาท)	614.01	617.04	Total Expenses (Million Baht)
กำไรก่อนภาษีเงินได้ (ล้านบาท)	72.95	73.80	Earnings Before Income Tax (Million Baht)
กำไรสุทธิ (ล้านบาท)	58.41	59.13	Net Earnings (Million Baht)
อัตราส่วนทางการเงิน			Financial Ratio
อัตราส่วนสภาพคล่อง (เท่า)	2.32	0.86	Current Ratio (Times)
อัตรากำไรสุทธิ (%)	8.46	8.52	Net Profit Margin (%)
อัตราผลตอบแทนผู้ถือหุ้น (%)	15.14	21.24	Return On Shareholder's Equity (%)
อัตราผลตอบแทนจากสินทรัพย์ (%)	9.33	10.89	Return On Total Asset (%)
อัตราส่วนหนี้สินต่อส่วนของผู้ถือหุ้น (เท่า)	0.41	1.01	Debt to Equity (Times)
ข้อมูลต่อหุ้น			Per Share Data
กำไรต่อหุ้น (บาท)	0.25	0.30	Earnings Per Share (Baht)
มูลค่าต่อหุ้น (บาท)	1.83	1.39	Value Per Share (Baht)
จำนวนหุ้นสามัญถ่วงเฉลี่ยถ่วงน้ำหนัก (หุ้น)	229,917,808	200,000,000	The Weight Average no of Common Stock (Share)

Message from the Board

In 2014, the Company was inflicted by the gloomy economic condition, for instance the domestic consumption of the grass roots, whose purchasing power decreased because of high household debt. Furthermore, the country's political conflict dramatically impacted the tourism sector, resulting in the lower number of tourists than expected. In addition, a pause in public and private investment affected the overall economy and the global economic recession put the pressure on the export sector of Thailand, leading to the negative value. Just like almost every machine stops working, Thailand lacked the sufficient power to drive its economy forward.



For the PET industry condition in 2014, the industry struggled with the oversupply situation because the economic downturn prevented the demand from growing. This led to high competition in the market and fluctuating price of raw material. During mid year to year end, this issue obstructed the Company's management. We therefore applied 20 years of experiences to cautiously manage the situation and focus on manufacturing high-quality products and providing great service. As a result, we gained the customers' trust, which helped us get through the obstacle.

In 2015, the Company will invest in new projects to expand the production capacity after being registered as a listed company and selling its stocks to the public as the fundraising. We believe that this is a good chance to continuously improve the performance, expand the customer base, and create value and sustainable growth, which will yield great benefits to the shareholders.


On behalf of the Board, I would like to thank all employees for their full dedication and commitment as well as all shareholders, customers, business partners and stakeholders for the trust, confidence and support as always. The Company will remain committed to ensuring all stakeholders' best and sustainable interest.


A handwritten signature in blue ink, appearing to be 'Prayoon Boonprasurd'.


Assoc. Prof. Prayoon Boonprasurd

Chairman


Board of Directors and Executive Committee

Name	:	Assoc.Prof.Prayoon Boonprasurd	
Position	:	Chairman, Independent Director	
Age	:	73 Years	
Share Holding (Including related person)	:	None	
% of Shareholding Change	:	-	
Position in Other Business	:	Other Listed Companies 1 Other None Listed Company None	
Date of Appointment	:	May 2013	
Educations & Certificates	:	MBA Marketing and Operations Research, University of Detroit, U.S.A	
	:	Master of Business Administration (Hons.) National Institute of Development Administration	
	:	Bachelor of Mathematics Prasarnmitte, College of Education	
	:	Doctorial level courses study on Operations Research, University of Detroit, U.S.A	
	:	Management training on Environment Management, California State University, Hayward, U.S.A	
IOD Certification	:	Director Accreditation Program (DAP) Class 105/2013	
Present Position	:	Chairman (Independent Director) of Prodigy Public Company Limited Member of Audit Committee, Corporate Governance, Nomination and Remuneration Committee, Prodigy PCL	
	:	Independent Director and Audit Committee Member of Mahaphant Fiber Cement Public Company Limited.	
	:	Senior Advisor, Institute for Small and Medium Enterprises, Ministry of industry	
	:	Executive Committee of the Masters Degree Program in Marketing, Thammasat University	
	:		
Experiences	:	Head of Project “Promotion and Development of Hemp Industry” ISMED, Ministry of Industry	
	:	Project Advisor “Spa Industry and Herbs Development” ISMED, Ministry of Industry	
	:	Advisor to the Deputy Minister of Commerce, Ministry of Commerce	

Name	:	Miss Thipawan Uthaisang	
Position	:	Chairman of Audit Committee, Independent Director	
Age	:	56 Years	
Share Holding (Including related person)	:	None	
% of Shareholding Change	:	-	
Position in Other Business	:	Other Listed Companies 4 Other None Listed Company 1	
Date of Appointment	:	May 2013	
Educations & Certificates	:	Master Degree, MBA, Thammasat Unniversity Bachelor Degree, Faculty of Commerce and accounting, Thammasat Unniversity	
IOD Certification	:	Director Certification Program (DCP 29/2003) King Prajadhipok's Institute (9) Capital market Academy (8) National Defence College (53) Role of Compensation Committee (REC 17/2013)	
Present Position			
2013-Present	:	Chairman of Audit Committee, Prodigy Pcl	
2013-Present	:	Audit Committee, Winner Group Enterprise Pcl	
2009-Present	:	Audit Committee, Ladprao Hospital Pcl	
2009-Present	:	Audit Committee, Pailin Booknet Pcl	
2005-Present	:	Audit Committee, Eason Paint Pcl	
2001-Present	:	Managing Director, Papermate (Thailand) Co., Ltd.	
Experiences			
	:	Managing Director, M.Grand Hotel Co., Ltd.	
	:	Chief Executive officer, IEC Pcl	
	:	Managing Director, IEC Internet Co., Ltd.	

Name	:	Miss Pikul Taksinwaracharn	
Position	:	Independent Director	
Age	:	61 Years	
Share Holding (Including related person)	:	None	
% of Shareholding Change	:	-	
Position in Other Business	:	Other Listed Companies None	
	:	Other None Listed Company None	
Date of Appointment	:	May 2013	
Educations & Certificates	:	Bachelor of Economics (International Economics) Chulalongkorn University	
	:	Certificate of Top Executive program in Commerce and Trade	
		Commerce Academy	
	:	Certificate of Thailand Insurance Leadership Program	
		Office of Insurance Commission OIC	
	:	Certificate Executive, Civil Service Training Institute	
	:	Certificate Executive, Thammasat University	
IOD Certification	:	Director Accreditation Program (DAP 105/2013)	
	:	Role of the Compensation Committee (RCC 19/2014)	
Present Position			
2014 – Present	:	Independent Director and Chairman of Corporate Governance, Nomination and Remuneration Committee	
	:	Independent Director and Audit Committee Prodigy Public Co.,Ltd	
2011 – Present	:	Inspector and Evaluation Sub - Committee	
		The Support Arts and Crafts International Center of Thailand (SACICT)	
Experiences			
2010 - 2014	:	Deputy Director – General	
		Department of Business Development, Ministry of Commerce	
2007 – 2010	:	Deputy Director – General	
		Department of Internal Trade, Ministry of Commerce	
2004 - 2012	:	Commission Member	
		The Agricultural Futures Trading Commission	
2001 – 2002	:	Administrative Sub-Commission	
		The Agricultural Futures Trading Commission	

Name	:	Dr.Thanet Norabhoompipat	
Position	:	Independent Director	
Age	:	63 Years	
Share Holding (Including related person)	:	None	
% of Shareholding Change	:	-	
Position in Other Business	:	Other Listed Companies None Other None Listed Company None	
Date of Appointment	:	-	
Educations & Certificates	:	Bachelor and Master of Sciences in Civil Engineering, Massachusetts Institute of Technology, U.S.A. Doctorate Degree in Civil Engineering, Carnegie-Mellon University, U.S.A. Top Executive Program in Commerce and Trade, Class 3	
IOD Certification	:	None	
Present Position	:	Professor Directors, Her Royal Highness the Princess Mother's Medical Volunteer Foundation. Directors, Her Puey Institute	
Experiences			
1985-Present	:	Directors, Her Royal Highness the Princess Mother's Medical Volunteer Foundation.	
2007	:	Chairman, Selection Committee on Small Businesses Operating on Sufficiency Principle, Office of the Royal Development Projects Board.	
2003-2007	:	Member, Executive Board, Office of Small and Medium Enterprises Promotion (OSMEP) Public Organization.	
2000-2012	:	President, Institute for Small and Medium Enterprises Development (ISMED).	
2000-2012	:	Chairman, Selection Committee for Small Business with Distinguished Good Governance, joint program of Puey Institute, Bank of Thailand, Thai Bankers' Association and ISMED.	
1998-2000	:	Independent Director and Chairman of the Audit Committee, President Rice Products Public Company Limited.	

Name	:	Mr.Tongchai Tansutat	
Position	:	Managing Director	
Age	:	55 Years	
Share Holding (Including related person)	:	2.22% of Total Voting Shares	
% of Shareholding Change	:	-	
Position in Other Business	:	Other Listed Companies None	
	:	Other None Listed Company None	
Date of Appointment	:	March 1992	
Educations & Certificates	:	Master degree MBA, Kasetsart University	
	:	MINI MBA, Thammasat University	
	:	Holistic Finance for the Boss	
	:	The Psychology for Management	
IOD Certification	:	Directors Certification Program (DCP 170/2013)	
	:	Risk Management Committee Program (RMP 1/2013)	
	:	Company Reporting Program (CRP 8/2014)	
	:	Board Reporting Program (BRP 13/2014)	
Present Position			
1992-Present	:	Managing Director, Prodigy PCL	
Experiences			
	:	Sales Manager, cheer (Thailand) Co.,Ltd.	
	:	Sales Manager, Nakornchaisri Oil Co.,Ltd.	
	:	Retail Manager, B&T Product Co.,Ltd.	

Name	:	Mr.Visuth Vitayathanagorn	
Position	:	Director	
Age	:	61 Years	
Share Holding (Including related person)	:	4.44 % of Voting Shares	
% of Shareholding Change	:	-	
Position in Other Business	:	Other Listed Companies 2 Other Non-Listed Companies 1	
Date of Appointment	:	April 1995	
Educations & Certificate	:	Ph.D., Honorary Graduates, Marketing, Ramkhamhaeng University M.B.A., Kasesart University M.A., Political Science, Ramkhamhaeng University B.A., Business Administration, Rajabhat Institute Suan Dusit B.A., Political Science, Ramkhamhaeng University	
IOD Certification	:	Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD) Finance for Non-Finance Director, Thai Institute of Directors Association (IOD)	
Present Position	:	Director, Prodigy PCL Director, Chairman of the Executive Board, Thai Vegetable Oil PCL Director, Thai Ha PCL Chairman, Management & Psychology Company Limited.	
Experiences	:	Member of National Economic and Social Advisory Council President, Thai Vegetable Oil PCL	

Name : Mr.Charuphot Neesanant
 Position : Director
 Age : 69 Years
 Share Holding (Including related person) : 2.22% of Total Voting Shares
 % of Shareholding Change : -
 Position in Other Business : Other Listed Companies None
 : Other None Listed Company None
 Date of Appointment : April 1995
 Educations & Certificates : B.A., West Virginia University, U.S.A.
 IOD Certification : Director Accreditation Program (DAP),
 Thai Institute of Directors Association
 Present Position
 1995- Present : Director, Prodigy PCL
 Experiences
 1993-2013 : Director and Executive Director, Thai Vegetable Oil PCL
 2011-2013 : Chairman of Risk Management Committee, Thai Vegetable Oil PCL
 2009-2013 : Managing Director, Thai Vegetable Oil PCL
 2006-2011 : Risk Management Committee, Thai Vegetable Oil PCL
 2005-2009 : Executive General Manager, Thai Vegetable Oil PCL
 1994-2011 : Director and Executive Director,
 Thai Vegetable Oil International Co., Ltd.
 1994-2011 : Managing Director and Executive Director,
 China-Thai Vegetable Oil (Wuhan) Co., Ltd.




Name : Mr.Pramote Santiwattana
 Position : Director
 Age : 59 Years
 Share Holding (Including related person) : 11.26 % of Total Voting Shares
 % of Shareholding Change : -
 Position in Other Business : Other Listed Companies None
 : Other None Listed Company 4
 Date of Appointment : April 2005
 Educations & Certificates : Bachelor of Economics, Thammasat University
 IOD Certification : None
 Present Position
 2014 -Present : Chief Executive Officer
 - Thai Edible Oil Co.,Ltd.
 - Thai Ruam Jai Vegetable Oil Co.,Ltd.
 - Thai Ruam Jai KoratCo.,Ltd.
 2014 -Present : Feed Business Unit Director
 -Thai Ruam Jai Vegetable Oil Co.,Ltd.
 -Thai Ruam Jai KoratCo.,Ltd.
 1977 -Present : Executive Director
 - Thai Edible Oil Co.,Ltd.
 - Thai Ruam Jai Vegetable Oil Co.,Ltd.
 - Thai Ruam Jai KoratCo.,Ltd.
 - Yong SomjaiCo.,Ltd.



Experiences

- : Finance and Accounting Division Manager, Sales and Marketing Division Manager, Thai Edible Oil Co.,Ltd.
- : Finance and Accounting Division Manager and Sales and Marketing Division Manager, Sales and Raw Materials Purchasing Division Manager, Thai Ruam Jai Vegetable Oil Co.,Ltd.
- : Sales and Raw Materials Purchasing Division Manager, Thai Ruam Jai Korat Co.,Ltd.

Name	:	Mr.Vachara Vitayatanagorn	
Position	:	Director	
Age	:	44 Years	
Share Holding (Including related person)	:	2.22% of Total Voting Shares	
% of Shareholding Change	:	-	
Position in Other Business	:	Other Listed Companies 1	
	:	Other None Listed Company None	
Date of Appointment	:	April 2008	
Educations & Certificates	:	Master of Arts in Economic, University of Colorado at Denver, U.S.A. Bachelor	
	:	Business Administration in Finance and Banking, Assumption University	
IOD Certification	:	Directors Certification Program (DCP 174/2013)	
	:	Risk Management Committee Program (RMP 1/2013)	
	:	Effective Minute Taking (EMT 28/2014)	
	:	Company Reporting Program (CRP 8/2014)	
	:	Board Reporting Program (BRP 13/2014)	
	:	How to Develop a Risk Management Plan (HRP 5/2014)	
Present Position			
2008-Present	:	Director Prodigy PCL	
2013-Present	:	Corporate Secretary, Prodigy PCL	
2004-Present	:	Admin and Warehouse Manager, Prodigy PCL	
2004-2013	:	Marketing Manager, Prodigy PCL	
2013-Present	:	Director, Thai Vegetable Oil PCL	
Experiences			
1998-2000	:	Warehouse Manager, China-Thai Vegetable Oil Co.,Ltd.	
1993-1994	:	Finance Officer, Thai Vegetable Oil PCL	

Name	:	Mr.Wimon Wongchan
Position	:	Executive Director / Production Manager
Age	:	53 Years
Share Holding (Including related person)	:	0.07% of Total Voting Shares
% of Shareholding Change	:	-
Position in Other Business	:	None
Date of Appointment	:	June 2013
Educations & Certificates	:	B.SC. (Food Technology and Biochemical Technology), Chulalongkorn University
IOD Certification	:	Director Accreditation Program (DAP SEC/2013) How to Develop a Risk Management Plan (HRP 5/2014)
Present Position		
1992- Present	:	Production Manager, Prodigy PCL
Experiences		
1991-1992	:	Deputy Project Manager, Thai Vegetable Oil PCL
1986- 1991	:	Production Engineer, Thai Vegetable Oil PCL



Name	:	Mrs.Lakkanar Romruen
Position	:	Executive Director / Financial & Accounting Manager
Age	:	50 Years
Share Holding (Including related person)	:	None
% of Shareholding Change	:	-
Position in Other Business	:	None
Date of Appointment	:	June 2013
Educations & Certificates	:	Bachelor of Business Administration, NakhonPathom Rajabhat University
IOD Certification	:	Director Accreditation Program (DAP SEC/2013) Company Secretary Program (CSP 55/2014) Effective Minute Taking (EMT 28/2014) Company Reporting Program (CRP 8/2014) How to Develop a Risk Management Plan (HRP 5/2014)
Present Position		
2010- Present	:	Accounting and Financial Manager, Prodigy PCL
1996-2010	:	Accounting, Prodigy PCL
Experiences	:	Accountant, Thai Vegetable Oil PCL



Name : Mr.Chanachon Sripen
 Position : Executive Director / Marketing Manager
 Age : 44 Years
 Share Holding (Including related person) : None
 % of Shareholding Change : -
 Position in Other Business : None
 Date of Appointment : July 01, 2014
 Educations & Certificates : Master of Business Administration
 IOD Certification : None
 Present Position
 2014- Present : Marketing Manager, Prodigy PCL



Experiences
 : Sales Supervisor Shinwattra Computer and Communication Co.,Ltd.
 : Senior Sales and Marketing Manager Cheer (Thailand) Co.,Ltd.
 : General Manager S.Khonkaen Food Industry Public Co.,Ltd.
 : Marketing Director Major Cineplex Group

General Information

Company's name : Prodigy Plc.

Abbreviation : PDG

Nature of business : Manufacturer and distributor of Polyethylene Terephthalate (PET) packaging

Location of Head Office : 7/3 Moo3 Bangkrabao sub-district, Nakornchaisri district, Nakornpathom province 73120

Telephone : (034) 332611-2

Fax : (034) 332613

Home Page : <http://www.prodigy.co.th>

Email : info@prodigy.co.th

Register number : 0107556000388

Registered capital : 270,000 common stocks, with par value of 0.50 baht per stock, totaling 135,000,000 baht

Paid-up registered capital : 270,000 common stocks, with par value of 0.50 baht per stock, totaling 135,000,000 baht

Office location, telephone number and names of reference

Securities registrar : Thailand Securities Depository Co., Ltd.

The Stock Exchange of Thailand Building, 4th floor 162 Ratchadapisek Road,
Klongtoey sub-district, Klongtoey district, Bangkok 10110

Tel. 02-359-1200-74 Fax. 02-651-5649

Auditors : 1. Ms. Siraporn Ouannunkun Certified Public Accountant no. 3844
or 2. Mr. Supachai Phanyawattano Certified Public Accountant no. 3930
or 3. Ms. Waraporn Prapasirikul Certified Public Accountant no. 4579

EY Office Limited

193/136-137 Ratchadapisek Road, Klongtoey sub-district, Klongtoey district,
Bangkok 10110

P.O. Box 1047 Bangkok 10501

Tel. 02-264-9090 Fax. 02-264-0789-90

Background and key changes

Prodigy Plc. ("the Company") was registered as the listed company on April 23, 1992, to manufacture and distribute Polyethylene Terephthalate packaging ("PET packaging"). The co-founders included Thai Vegetable Oil Plc. and Thai Edible Oil Co., Ltd. With the initial registered capital of 30 million baht, the registered capital has grown to 135 million baht, with paid-up registered capital of 135 million baht, as of December 31, 2014. It consisted of 270 million common stocks, with par value of 0.50 bath per stock, totaling 135,000,000 baht. The Company has neither subsidiary nor affiliate.

Below is the Company's major development from the establishment in 1992:

- | | |
|-----------|---|
| 1992 | Prodigy Co., Ltd. was established by Thai Vegetable Oil Plc. <ul style="list-style-type: none">■ Prodigy Plc. was registered on April 23, 1992, with the registered capital of 30 million baht.■ The Company ordered the first manufacturing line from the United States of America, with the production capacity of 50 tons per month. Building one, with utility space about 2,400 sq.m., was constructed to serve as production facility and warehouse. |
| 1993 | ■ The company's paid-up registered capital increased to 50 million baht due to the fundraising of Thai Edible Oil Co., Ltd. It then spent that money on the machines from Japan, with the production capacity of 30 tons per month. |
| 1996 | ■ Building two was constructed, with utility space about 2,400 sq.m., to serve as warehouse. |
| 1997 | ■ The Company ordered machinery, with production capacity of 30 tons per month, to produce large bottles (five-liter bottles). |
| 2004 | ■ Building three was constructed, with utility space about 2,700 sq.m., to serve as production facility. |
| 2007 | ■ The Company was certified with ISO 9001: 2000 by Moody International (Thailand) Ltd. |
| 2008 | ■ Building four was constructed, with utility space about 2,000 sq.m., to serve as warehouse. |
| 2005-2010 | ■ The Company continuously increased its production capacity to 500 tons a month with 15 production lines added. <ul style="list-style-type: none">■ The Company ordered more machinery from Japan to increase the production capacity by 50%. |
| 2010 | ■ The Company was certified with ISO 9001: 2008 and GMP food safety management system by Moody International (Thailand) Ltd. |

- 2011-2012 ■ The Company increased its production capacity by ordering 10 more machines.
- 2012 ■ The Company installed five automatic labeling machines, with production capacity of six million plastic bottles per month, and an automatic packing machine, with production capacity of 1.2 million plastic bottles per month.
- 2013 ■ The Company installed an automatic packaging machine, with production capacity of 2.4 million plastic bottles per month.
- 2013 ■ Building five was constructed to serve as manufacturing facility.
- 2013 ■ The Company was converted into a public company limited to become the listed company in the Stock Exchange of Thailand.
- 2014 ■ On July 29, 2014, the Securities Exchange Commission allowed the Company to purchase or sell its common stocks, as the registered securities, in the Stock Exchange of Thailand.
- 2014 ■ The Company paid the dividends of 18.9 million baht or 63% of its net profit from the operation between January and June 2014.

Policy and Business Outlook

Vision : To be the leader in packaging business with the quality and professional service.

Mission : We are committed to improving the quality of products and service to serve the customers' needs and ensure their satisfaction with advanced technology and continuously trained employees. We also consider the benefits the society and communities will gain as well as environmental friendliness.

Business Goal

The Company sets the goal to be the leader in manufacturing and distributing business of PET packaging. It aims to manufacture the high-quality, clean and safe products that meet the customers' requirements, leading to the consumers' better quality of life. Furthermore, the Company can deliver the products to the customers on time to ensure their smooth operation. It also focuses on good service by recommending the customers on how to select the proper products for their production process and improve the key production processes to ensure the maximum effectiveness of the drink or sauce filling line.

Also aiming to create long-term and sustainable growth and prosperity for the shareholders, the Company uses over 20 years of experience in PET bottle manufacturing and distribution to maximize the effectiveness of production line, reduce the production costs, and develop the Polyethylene Terephthalate (PET) packaging to serve the customers' needs. It is also the Company's policy to conduct the business with transparency and good governance to ensure the fairness and promote equality among all shareholders. With the corporate social responsibility, it is strongly committed to the communities, consumers and environment.

The Operational Policy of the Company, Subsidiaries and Affiliates

The Company has neither subsidiary nor affiliate for the investment policy related to its business to enhance its long-term competitiveness. To manage the subsidiaries or affiliates, the Company will appoint the representatives to join those companies' committee in a proper proportion and supervise their operation to ensure the proper direction and maximum benefits of the Company. Moreover, the investment request must comply with the notice of Capital Market Supervisory Board and the Securities and Exchange Commission, including the related laws, rules and regulations.

Industry Outlook and Competition

Key Policies and Nature of Market

Competition Strategy

The Company manufactures and distributes high-quality PET packaging for drinking water, juice, vegetable oil, and seasoning sauce based on the customers' requirements. Its product and service quality was widely accepted. Throughout these years, the Company has focused on the manufacturing process, starting from designing the product shapes, finding raw materials, controlling the manufacturing process, monitoring the quality and completion of the items, and punctually delivering the products to ensure that the products meet the customers' needs. In the competition, the Company applies the following strategies:

(1) Product Quality

The Company pays attention to the product quality control to ensure that the product specifications match the customers' needs. PET packaging must be clean and safe and does not react with food. The size and capacity must be consistent and meets the requirements to help the customers' bottling process run smoothly. Focusing on product design and high-quality raw materials that meet customers' needs, the Company selects new grade-A plastic resin and will never consider the recycled ones in lower quality. It also supervises and controls each and every manufacturing process as well as the quality of finished products. The quality review of finished products is divided into in two levels: 1) in-process monitoring and control 2) final monitoring and control

before the product delivery. This is to ensure that the specifications of delivered products meet the customers' requirements.

Throughout these years, the Company's PET packaging is produced in high-quality process with advanced technology from Japan to be safe for consumers and meet their needs. The manufacturing process is certified with ISO 9001:2008, Recommended International Code of Practice – General Principles of Food Hygiene CAR/RCP and GMP by Moody International (Thailand) Ltd.

In additional, the Company collaborates with the customers in designing the packaging to truly serve their usage purpose. It also develops a wide variety of products by creating new mold patterns as new options for the customers.

(2) Punctual Product Delivery

The Company focuses on the product control and punctual delivery to gain the customers' confidence. Furthermore, it manages the inventory of ready-made products for the regular customers so that the products will be promptly delivered when these customers place an order.

(3) Stable Manufacturing Process

The Company can manufacture the products that meet the customers' needs in the specific quantity and timeline thanks to the stable manufacturing process. The Company's manufacturing facility is designed as if there are two separate factories. Each has separate public utility system, such as electricity, air pump, water pump and cooling system. If the production problem occurs at any side of factory, the other can continue working to serve the customers. Moreover, as of December 31, 2014, the Company has 33 production lines, each of which can interchangeably produce the PET packaging. In case of the machine damage in any line, other lines can substitute for it.

(4) Improved Production Process to Enhance the Effective Cost Management

Throughout these years, the Company has improved the production process and cost management to enhance the competitiveness and attract the customers to purchase its products. With Cost Plus Pricing used in the industry, the Company can reduce the cost and increase the customers' competitiveness.

As the example of production process, the Company installed the automatic labeling and packing machines of PET packaging, which saves labor cost, reduces the production period, and enhances the items' efficiency.

(5) Production Cost Efficiency from Using the Machines of a Single Supplier

The Company currently manufactures PET packaging with the machine ordered from a Japanese manufacturer only, which helps it reduce the cost of parts and machine management. It can reduce the storage of parts because the machines can use parts interchangeably. Furthermore, it is easier to control the manufacturing and maintain the machines.

(6) Expert Engineer Team

Valuing the development of production engineer team, The Company sent them to attend the training in the machine factory in Japan. As a result, the current team can efficiently operate and repair the machine, without any help from outsiders. This helps the Company control the production cost very well.

(7) Responsibilities and Good Customer Relations

- Ability to increase the production capacity to serve the customers' needs: In some cases, the customers may suddenly need more products in a certain period. The Company can adjust the production line and increase the capacity to suit their needs in a short term.
- Maintaining the long-term customer relations: The Company has developed good relations with customers by properly formulating the sales promotion policy and always supporting the customers' activities. Moreover, it focuses on serving their needs by having enough products available for them and collaborating with them in packaging development to meet their needs. Furthermore, the Company's engineer team is involved in the customers' packing process at their factories.
- Keeping the customers' confidential information: Valuing the customers' confidentiality, the Company makes sure that the technical information related to the products it was hired to produce or other confidential information of the customers, including other information that affects their competitiveness and business conduct, will not be disclosed to outsiders or exploited for personal interest.

(8) Business Expansion to ASEAN Community

The opening of ASEAN Community (AC) at the end of 2015 should result in more consumption of PET packaging by member countries. In the future, the Company may consider opening the manufacturing facilities of PET packaging in other ASEAN countries, whose feasibility is now being studied by the management. In response to AC, its large customers are interested in expanding the market to ASEAN countries as well. The Company expects that the expansion will generate more orders from these entrepreneurs, which will be a good opportunity for the Company to invest and open new factories in ASEAN member countries.

Customer Character and Target Segments

Most customers of Prodigy own well-known brands in each industry as well as general consumers who want high-quality PET packaging that meet the standard. Below are the customer segments:

No.	Customer Segment	Current Customer Character
1	PET juice packaging	The medium and large juice manufacturers in Bangkok and vicinity, without their own bottle-blowing machine.
2	PET drinking water packaging	The medium and large drinking water manufacturers in Bangkok and vicinity, without their own bottle-blowing machine. This segment is hired to produce bottled drinking water for modern trade, hospitals, commercial banks and large restaurants.
3	PET vegetable oil packaging	The large vegetable oil manufacturers, such as Thai Vegetable Oil Plc., which produces A-Ngoon vegetable oil, and Thai Edible Oil Co., Ltd., which produces King rice bran oil
4	PET seasoning sauce packaging	The medium seasoning sauce manufacturers, such as fish sauce, soy sauce, vinegar and lime juice, in Bangkok and vicinity, without their own bottle-blowing machine.

The Company's target groups are located in Bangkok and vicinity, near the location of its manufacturing facilities. In case of long-distance transportation, the PET packaging may be damaged or deformed, which will affect the customers' production process.

Distribution Channels

Currently, the Company sells all products to domestic customers via several distribution channels as below to approach the target customers:

- 1) Distribution via the marketing team: The experienced, knowledgeable and capable marketing team with customer insight directly contacts the customers by visiting them and presenting the products, with the details that meets their needs. From this, the team will also learn their recent needs. Sometimes, they coordinate with several departments to present the information that suit each individual customer's requirements.
- 2) Direct contact by customers: Sometimes, the customers directly contact the Company and order the products because they were referred by the existing customers. The Company also promotes the products via website, <http://www.prodigy.co.th>, and uses its trucks as the movable media.

Throughout these years, Prodigy has delivered the products to the customers in Bangkok and vicinity for free of charge if their order meets the minimum requirement. For the customers in provincial areas, the Company charges for delivery service at actual cost.

Certificates and International Standard

The Company aims to improve the efficiency of manufacturing and management to become the widely accepted factory that meets the standard. It received the certificates of international standard as below:

Certificate	Certification Period	Certifier
ISO 9001:2008	February 13, 2014 – January 17, 2016	Intertek Certification Ltd.
GMP	January 21, 2014 – January 17, 2016	Intertek Certification Ltd.

Plastic Industry Outlook and Competition

The needs for plastic products in food packaging industry tend to continuously grow because of the different way of living. For example, the rushing urban life leads to the needs for plastic packaging. Furthermore, the plastic packaging is used to replace other types of packaging, such as glass bottle. Additionally, the current packaging industry is more interested in Carbon Footprint, which calculates the amount of carbon dioxide emitted in each step of production process. This will be the major trend for the packaging industry in the future.

The plastic industry in Thailand is important for the nation's overall economic system and plastic products are necessary for Thai people's consumption. The industry tends to grow in line with the expansion of plastic forming industry. The manufacturing process and product categories can be divided into 13 groups as follows:

No.	Manufacturing Process	Product Category	Raw Materials (Type of Plastic resin)
1	Blow Molding	Motor oil bottles/shampoo bottles	PP, PE, PET, HDPE
2	Stretch Blow Molding	PET packaging	PET, PP, HDPE
3	Injection Molding	Automotive parts, electronic parts (IC), electric appliances and shelves	Thermoplastic (PP, PE, HDPE, ABS, PS, PC)
4	Blown Film Extrusion	Plastic bags	HDPE, LDPE, LLDPE
5	Film Extrusion	Film (plastic film and adhesive tape)	PP, PE, LDPE, HDPE
6	Sheet Extrusion	Plastic sheets and folders	PP, PE, PS, PMMA
7	Pipe/Tube Extrusion	Pipes, drainpipes and PVC/PE	PVC, PE, PP
8	Profile Extrusion	Rain gutters, window edge cover, wire ways and window frames	PVD Rigid, HDPE
9	Rotational Molding	Water tanks, garbage bins and containers	PVC, PP, HDPE
10	Thermoforming	Food trays and cups	PS, PE, PP, PET
11	Laminating	Snack bags and multi-layer bags	PE, PP
12	Tape Yarn/Filament	Plastic sacks, fertilizer bags and jumbo bags	PP, HDPE, PA6, PA66, PET
13	Compressed Molding	Melamine tableware	Melamine
14	Other (Calendering, etc.)	Other plastic products	Others

Source of information: Department of Alternative Energy Development and Efficiency, Ministry of Energy

Plastic industry in 2014 was inflicted by the negative factors. The concern in domestic political issue caused ceaseless strikes, which directly affected the business confidence and needs for plastic in the first half of year. After the coup d'etat, the politics started improving. However, the domestic purchasing power faced serious difficulties because of the low price of agricultural products, sluggish tourism industry and high level of household debt. These factors were combined with the European financial crisis and recession of Chinese and Japanese economy, which did not benefit the plastic industry in 2014.

Key Factors that Impact the Plastic Industry

Domestic Drinks Market

The market of bottled drinking water in Thailand has become crucial for Thai people because the undrinkable water supply must be boiled first. Therefore, the citizen must drink clean water from the bottled water distributed in different channels. Moreover, with the changing behavior of Thai people nowadays, they prefer convenience and do not store and boil the rain for household consumption any more, which poses the positive impact to the current market of bottled water. That is why it enjoyed the continued growth in the past years. Another crucial factor that affects the needs for bottled water was the climate in Thailand. The hot weather causes the people to drink more bottled water, which benefits the overall market. If the climate becomes cooler, the effect will go in an opposite direction.

The domestic market of both alcoholic and non-alcoholic drinks projected the continued growth, unlike other businesses or products that started to be inflicted by declining economic condition from the end of 2013. The growth was stimulated by two key factors as below:

- 1) The fierce competition of drink entrepreneurs, especially in non-alcoholic category, led to sales promotion activities, which caused high amount of repeat purchase and drove the market growth.
- 2) The unusually longer period of hot and humid weather posed the positive impact on larger and more frequent consumption of the drink like drinking water, soda, juice, instant tea and mineral water.

However, in 2014, the drink market in Thailand faced several challenges that decelerated the consumption demand. The most challenging factor was more cautious or lower spending sentiment in the popular sector.

The purchasing power of the popular sector was significantly weakened because it was pressured by the potentially increasing expense burden from household debt, especially the house and automobile installment, as well as other household expenses increasing in line with the higher public utility fees, such as express way toll and transportation. The rising price of consumption goods also affected the purchasing power of this sector, especially the agricultural sector, whose products faced very low price.

The lower purchasing power put pressure on every business category, especially drinks. The customers could slow down or reduce their consumption with fewer effect compared to other necessary household expenses, such as accommodation, food, travel, education, water supply, electricity and other commodities.

The Industry Outlook of Cooking Oil and Fat in Thailand

Cooking oil and fat is necessary for the domestic consumption, both in household and restaurants. Currently, many brands of cooking oil and fat serve various needs of customers via convenient distribution channels. Moreover, the consumers today become more health conscience. These factors therefore promote the continued growth in the market of cooking oil and fat.

The consumption of cooking oil and fat increased thanks to the consumers' growing health consciousness nowadays. Consuming less animal fat to keep the cholesterol level down, they turn to more vegetable oil, which benefits the vegetable oil market. Currently, the consumers plan their expense for vegetable oil to prevent the disadvantage from animal oil consumption and oil reuse. This shows the future growth of vegetable oil.

Product and Service Provision

The Company's manufacturing facility is located in Bangkrabao sub-district, Nakornchaisri district, Nakornpathom province. The property of 17-rai and 93 sq. wa consists of the office, warehouse and production line with key machines, namely injection machine and blowing machine. The manufacturing facility was designed like two adjacent factories with separate electric system. If any problems occur in the production line of one factory, the other can still continue. Below is the Company's maximum production capacity from 2012 to 2014.

	2012	2013	2014
Maximum production capacity (million plastic bottles per month)	44.00	50.00	50.00
Ratio of average machine usage (%)	78	61	59

Remark: The Company operates in three shifts, eight hours per shift, and 26 working days per month.

Raw Material

The Company's main raw material is PET Resin purchased from the domestic manufacturers, such as Indo Rama Polymers Plc., Thai-MC Co., Ltd. and Mitsui and Company (Thailand) Co., Ltd. During the past 10 years, the Company never faced the problem of raw material shortage.

Customer Contact (in case that the customers need the available standard PET packaging)

1. The Company submits the samples of each PET bottle and proposes the quotation for the customers' consideration.
2. The Company discusses with the customers to agree upon the details of prices and conditions.
3. If the customers agree on the products and conditions, the Company will start manufacturing for commercial purpose and deliver the products as ordered.

Customer Contact (in case that the customers need the specific PET packaging)

1. The Company submits the details and past performance for the customers' consideration.
2. The Company allows the commercial site visit to assure the customers that its operating and manufacturing system meets the acceptable standard.
3. Technical evaluation is conducted to assess the Company's potential, capacity and quality in manufacturing the specific parts to meet the requirements.
4. The customers send the details of work, including the material types, shapes, dimensions and quantity, to the Company so that it can study the details, prepare the quotation, provide samples, and plan the production.
5. The Company studies the information and conducts cost analysis to propose the quotation to the customers.
6. The Company discusses with the customers to agree upon the details, price and conditions.
7. When the customers agree with the price, the Company will make the final sample and propose the production plan.
8. The customers review the accuracy of proposed samples and production plan.
9. If the customers agree with the samples and production plan, the Company will start manufacturing for commercial purpose and deliver the items as planned.

Risk Factors

Operational Risks

1. Fluctuating Price of PET Resin

Since PET Resin, the key raw material for PET packaging, derives from the refinement of crude oil and natural gas, the price movement of these raw materials is generally consistent with the global price of crude oil and natural gas. Even though the Company orders almost all materials from the domestic manufacturers in Thai baht, their prices usually move in the same direction as the ones in the global market, which is traded in US dollars. The fluctuation degree varies based on market condition and other factors, such as the demand and

supply level of PET Resin in 2011. The price of PET Resin rapidly escalated because of the speculation of commodity products in China, which affected the Company's gross and net profits. In 2014, the price of PET Resin rose to 50 baht/kg before gradually decreased. On the contrary, at the end of 2014, the price of PET Resin dropped significantly because of the global oil price, which took effect in the last month of 2014 and posed impact on the rapidly decreasing price of PET Resin.

If the price of those raw materials rockets, it may affect the Company's gross profit and financial status. However, it will negotiate with the customers on price adjustment based on the changing cost of PET resin. In informing them about this issue, the Company will consider from the changing price of raw materials and the trade conditions of each customer.

Even though the change in raw material prices is beyond the Company's control, it closely monitors the changes in global market by assigning the special team to track the price of raw materials, analyze the pricing trend in each period, and evaluate the Company's needs for raw materials in each period to ensure that it can optimize the raw material procurement.

2. Substandard Product Quality

The Company manufactures and distributes PET packaging that contains drink and other seasoning sauce. In the production process, the cleanliness must be taken into consideration and the packaging must not react with the products inside. Furthermore, it must consider the consumers' safety as top priority. If PET packaging does not meet the standard, is not clean, reacts with the products inside, or harms the consumers, the Company may face the lawsuit for a significant amount of damage. To use the Company's PET packaging in filling process, the bottle shape, size and volume matter. If the Company's products do not meet the requirements, the customers may not be able to use them in the automatic filling line and the Company is obligated to replace the products. This will affect the Company's performance and financial status.

However, the Company considers the quality as the key manufacturing factor, starting from selecting raw materials, using advanced and precise machine, and having the comprehensive process of quality review. Since its products are mostly related to food and beverage, the Company values the safe manufacturing control that meets the international standard. It therefore produces the items in compliance with the standard of GMP and ISO 9001:2008 by Intertek Certification Ltd., which are the respectable manufacturing criteria. It also manages the basic environment of production process, such as controlling personal hygiene, controlling pests and animal vectors, and designing the factory structure as well as machinery and manufacturing equipment, which puts more focus on preventive than corrective measure. Moreover, it serves as the basic system of food safety. Throughout these years, the Company never had serious issues about the product quality.

3. Competition in the Manufacturing and Distributing Business of PET Packaging

The consumer behavior tends to keep changing and it is not difficult to enter the manufacturing and distributing business of PET packaging because the raw materials are easy to buy and the manufacturing machines can be found anywhere. Therefore, the Company has several competitors in the market, which may lead to fiercer competition. In addition, the existing customers may consider producing PET packaging by themselves, which will pose the negative impact on the Company's performance and financial status.

Despite numerous competitors in the market, the Company has many major customers who regularly order its products. They are in the manufacturing and distributing business of bottled drinking water, juice, vegetable oil and seasoning sauce, which requires the containers whose quality meet the standard and requirements. The packaging must also focus on the cleanliness and safety. Currently, the Company enhances its competitiveness by increasing the production quality, properly controlling the production cost, focusing on the punctual product delivery, and paying attention to customer service. As the strength, the Company can design, make, and maintain the molds of PET packaging in the factory, which provides flexibility to serve the customers' needs in the designing and mold-making process. Furthermore, it has the expert internal engineer team that was trained by the foreign machine manufacturers. More importantly, the Company has high production capacity, leading to economy of scale that prevents the customers from producing PET packaging by themselves if the production amount is not high enough.

4. Over-Dependence on Large Customers and Customer Concentration Risk

Currently, the Company manufactures and distributes PET packaging for the industry of bottled drinking water, juice, vegetable oil, and seasoning sauce. In 2014, the sales revenue from top 10 largest customers accounted for 86.30% of gross revenue, which came from the related parties, namely Thai Vegetable Oil Plc. and Thai Edible Oil Co., Ltd. Normally, the Company does not make the long-term purchase agreement with the customers. Therefore, losing those large customers may affect the Company's performance and financial status.

Nevertheless, the Company focuses on the product quality, sets the competitive price, and always delivers the products on time, which lays the foundation of good customer relations. Thai Vegetable Oil Plc. has been ordering Prodigy products since the Company's establishment. Moreover, Thai Vegetable Oil Plc. is its major shareholder, with 31.85% share as of December 31, 2014. Throughout these years, the Company has tried to reduce the risk from being overly dependent on a single customer by diversifying the source of income and increasing the income ratio in other groups.

5. Change in Government Policy

Nowadays, the environmental factor is highly valued by the public and private organizations worldwide. In some countries, packaging is taxed to reduce the usage of non-environmentally friendly and hard-to-reuse packaging. The levels of taxation vary depending on the materials used, such as glass, can, plastic and paper. The countries enforcing the taxation include Germany, Ireland and the United Kingdom. If Thailand uses this law, it may affect the Company on higher cost, selling prices and competitiveness. However, the country has not enforced this law.

6. Investment in the Company's Future Projects

The Company's future projects include expanding the production line of PET packaging and installing the automatic labeling and packing machines. The success of future projects depends on various factors, including the consumers' needs, cost and source of fund, risk of related law and regulations, and domestic and global technological, political and economic change. These factors may impact the Company's performance and financial status.

However, before any investment, the Board of Directors and management carefully study the related and existing information to ensure that these projects yield high return to the Company's shareholders.

Nature of Business

Business Outlook

The Company manufactures and distributes PET packaging to the customers, who will take care of the filling process themselves. The Company can produce several shapes and sizes of bottles, ranging from 60 to 6,000 ml., based on customers' needs. The standard and specific shapes can be produced for each individual customer. The PET packaging can be divided into four categories, namely juice, vegetable oil, drinking water and seasoning sauces. Below are details of each category:

- 1) **PET juice packaging:** The Company manufactures and distributes PET juice packaging, with the size ranging from 200 to 1,000 ml. (weight from 13 to 35 g.).
- 2) **PET vegetable oil packaging:** The Company manufactures and distributes PET vegetable oil packaging, with the size ranging from 250 to 5,000 ml. (weight from 15 to 110 g.), to the manufacturer and distributor of vegetable oil. Its key customer is Thai Vegetable Oil Plc., under the trade mark of "A-Ngoon", and Thai Edible Oil Co., Ltd., under the trademark of "King".
- 3) **PET drinking water packaging:** The Company manufactures and distributes PET drinking water packaging, with the size ranging from 350 to 6,000 ml. (weight from 13 to 110 g.).
- 4) **PET seasoning sauce packaging:** The Company manufactures and distributes PET seasoning sauce packaging, with the size ranging from 60 to 2,000 ml. (weight from 6 to 67 g.).

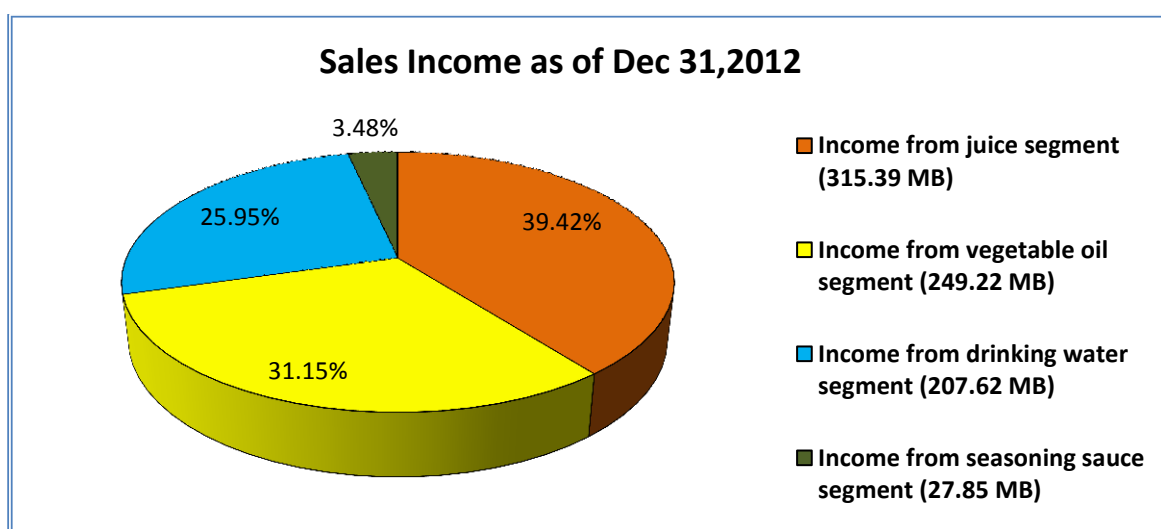
The production process of PET packaging was in high standard, with advanced Japanese technology. Safe for the consumers and meets their needs, this process is certified with ISO 9001: 2008, Recommended International Code of Practice-General Principles of Food Hygiene CAR/RCP and GMP food safety management system by Moody International (Thailand) Ltd. The Company always pays attention to the quality control to make sure that the delivered products have high-quality; therefore, it has the quality assurance policy. Currently, its manufacturing facility is located in Bangkrabao sub-district, Nakornchaisri district, Nakornpathom province. On the property of 17 rai and 23 sq. wa, the facility has the production capacity of 50 million plastic bottles per month. In 2014, the Company had the average production capacity at 59%.

The Company mainly distributes PET packaging to the key target groups in Thailand. It directly sells the products to the manufacturers and distributors of bottled drinking water, juice, vegetable oil and seasoning sauce. The Company also provides the product delivery service for the customers in Bangkok and vicinity, the major customers, for free of charge if their order meets the minimum requirement. For the customers in provincial areas, it charges for delivery service at actual cost

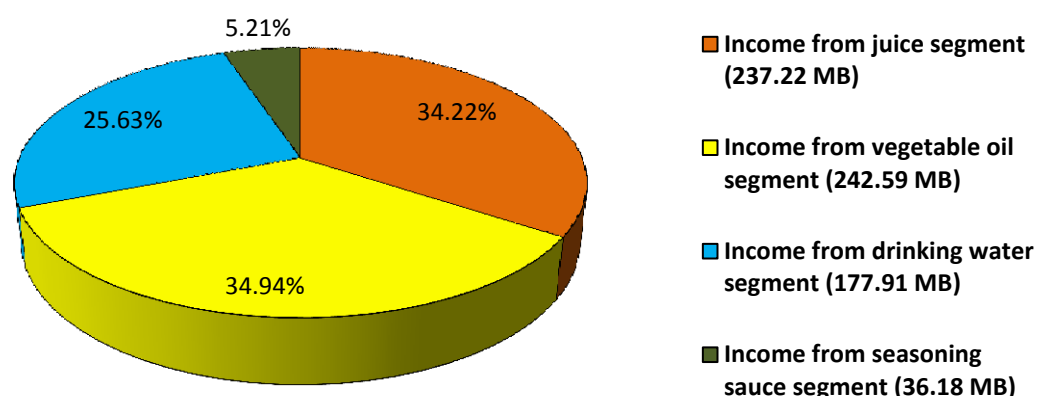
Income Structure

The company mainly earns the revenue from the customers in juice, vegetable and drinking water segment, as well as seasoning sauce without overly depending on any single group. Below shows the details of the Company's income structure:

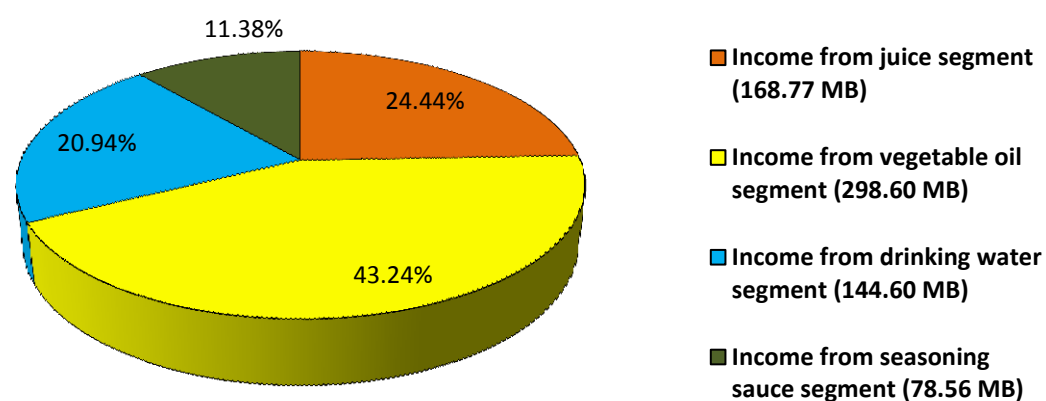
	Financial Statement in Each Fiscal Year as of					
	Dec 31, 2012		Dec 31, 2013		Dec 31, 2014	
	Income (MB)	%	Income (MB)	%	Income (MB)	%
Income from juice segment	315.39	39.42	237.53	34.22	168.77	24.44
Income from vegetable oil segment	249.22	31.15	242.59	34.94	298.60	43.24
Income from drinking water segment	207.62	25.95	177.91	25.63	144.60	20.94
Income from seasoning sauce segment	27.85	3.48	36.18	5.21	78.56	11.38
Sales income	800.08	100.00	694.21	100.00	690.53	100.00



Sales Income as of Dec 31, 2013



Sales Income as of Dec 31, 2014



The Company's income decreased in 2014 because of the country's economic downturn, unstable political situation and extremely declining household purchasing power, with the details in the below table:

Customer Segment	Financial Statement in Each Fiscal Year as of		
	Dec 31, 2012 Sales Volume (Million Bottles)	Dec 31, 2013 Sales Volume (Million Bottles)	Dec 31, 2014 Sales Volume (Million Bottles)
Juice	183.47	129.61	117.20
Vegetable oil	69.27	66.94	82.54
Drinking water	88.45	82.98	58.73
Seasoning sauce	6.10	7.91	15.67
Total	347.29	287.44	274.14

Business Conduct of Each Product Line

The Company manufactures and distributes Polyethylene Terephthalate packaging ("PET packaging") to the customers, who take care of the filling process themselves.

Product Specifications

The Company manufactures and distributes single-used plastic packaging in various shapes and sizes based on the usage requirements of customers, who are well-known brands in several industries as well as general consumers. The products, with sizes ranging from 60 to 6,000 ml., use PET resin as the key raw material in the production process.

The Company produces PET packaging with different details for each customer depending on the purpose of use. Its specifications vary, such as shape, size, color, raw materials, special property of raw materials and label.

The products are divided into four categories based on the usage, namely PET juice packaging, PET vegetable oil packaging, PET drinking water packaging and PET seasoning sauce packaging. Below are the details of each category:

PET Juice Packaging



The Company manufactures and distributes PET juice packaging, with sizes ranging from 200 to 1,000 ml. (weight from 13 to 35 g.). The packaging is available in transparent and opaque white to preserve the photosensitive drinks. The income earned from this segment accounts for 39.42%, 34.22% and 24.38% of gross income in 2012 2013 and 2014 respectively.

PET Vegetable Oil Packaging



The sizes of PET vegetable oil packaging range from 250 to 5,000 ml (weight from 15 to 110 g.). The key customers are in vegetable oil segment, namely Thai Vegetable Oil Plc, under the trademark of “A-Ngoon”, and Thai Edible Oil Co., Ltd., under the trademark of “King”. The income earned from this segment accounts for 31.15 %, 34.94% and 43.13 % of gross income in 2012, 2013 and 2014 respectively.

PET Drinking Water Packaging



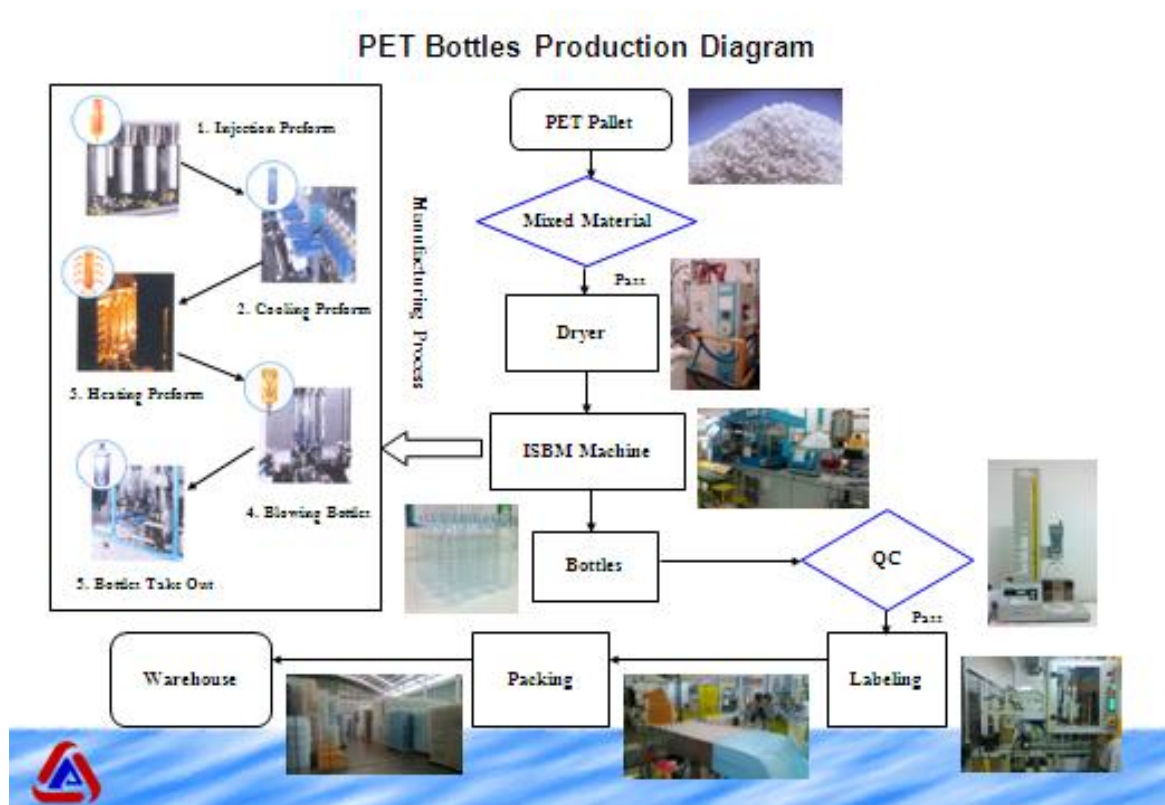
The Company manufactures and distributes PET drinking water packaging in transparent and transparent blue, with sizes ranging from 350 to 6,000 ml. (weight from 13 to 110 g.). The income earned from this segment accounts for 25.95%, 25.63% and 20.89% of gross income in 2012, 2013 and 2014 respectively.

PET Seasoning Sauce Packaging



The Company manufactures and distributes PET seasoning sauce packaging, with sizes ranging from 60 to 2,000 ml. (weight from 6 to 67 g.). The income earned from this segment accounts for 3.48%, 5.21% and 11.27% of gross income in 2012, 2013 and 2014 respectively.

Production Process



Production process of PET packaging is divided into four major steps as below:

1. Preparation of Raw Materials

PET Resin was dried by hot air and desiccants to get rid of the moisture, the key factor that lowers the quality of PET packaging.



PET Resin

2. Injection Process

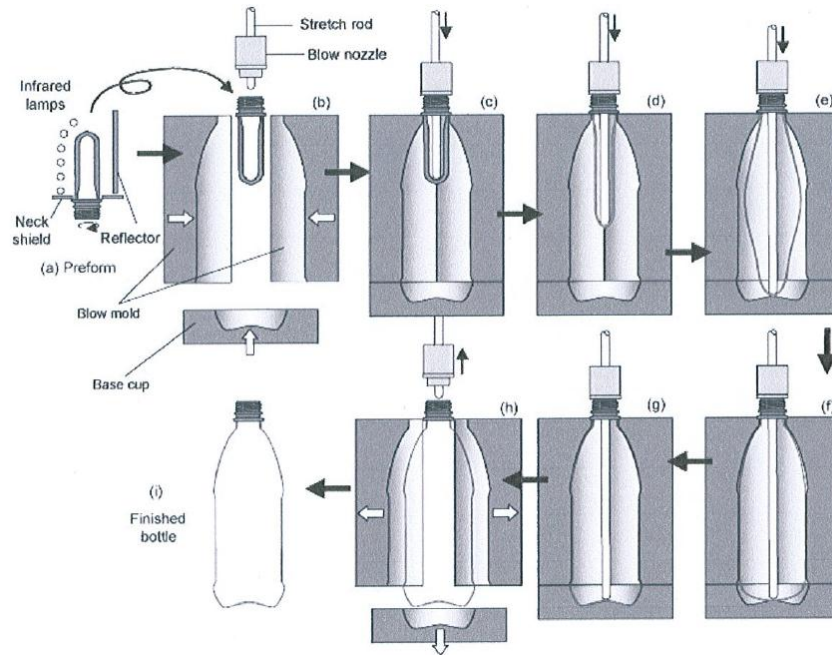
In this process, the dry PET Resin is conveyed by the air exhaust port to the machine, which melts it at 270-290 degree Celsius. The melted plastic is then injected into the mold, which shapes the Preform. This injection process uses high-quality ISBM (Injection Stretch Blow Molding) machine, manufactured by the leading company in Japan. Furthermore the anti-moisture system is installed in the manufacturing area to prevent the moisture in the air from damaging the Preform.



Preform in several shapes and sizes

3. Blowing Process

The Preform produced in the injection process will be transferred to the oven, with infrared lamps generating heat, to soften it like rubber. Next, it enters the blow mold installed on ISBM. In this process, Stretch Rod stretches the Preform and uses high-pressure air to blow and shape it into a bottle.



Blowing Process

4. Quality Review Process

In this process, the released PET packaging enters the step of quality review, done by the employees in front of the machine, to screen out the sub-standard packaging. The selected packaging will be labeled, packed, and delivered to the warehouse to be sold later.

Environmental Impact

- None-

It does not cause environmental impact because the manufacturing process uses closed plant production system.

Research and Development

Recognizing the value of research and development to increase the competitiveness, the Company constantly conducts the research and development to serve the customers' needs. To enhance its operational effectiveness, it develops the standard quality system, which is divided into the below areas:

Product Development and Production Process

Currently, the Company works with the customers in product development based on their requirements, such as producing PET packaging in colors like transparent blue and opaque white. It also continuously develops the production process to enhance the competitiveness, such as reducing the production cost and increasing the channels to gain higher revenue in the future.

Development of Standard Quality System

The Company values the development of operating system to increase its efficiency and assure the customers. It was certified with ISO 9001:2008 and GMP by Intertek Certification Ltd. With the environmental concern, in 2013, it joined the Green Industry Project of the Ministry of Industry, which encourages the industry sector to be socially and environmentally friendly. At the end of 2014, it was in progress of requesting Hazard Analysis Critical Control Point (HACCP).



Shareholder Structure and Management

Securities

As of August 26, 2014, the Company has registered capital of 135 million baht, accounting for 270,000,000 common stocks, with par value of 0.50 baht per share. The paid-up capital is 135 million baht, accounting for 270,000,000 common stocks, with par value of 0.50 baht per share.

Shareholder Structure

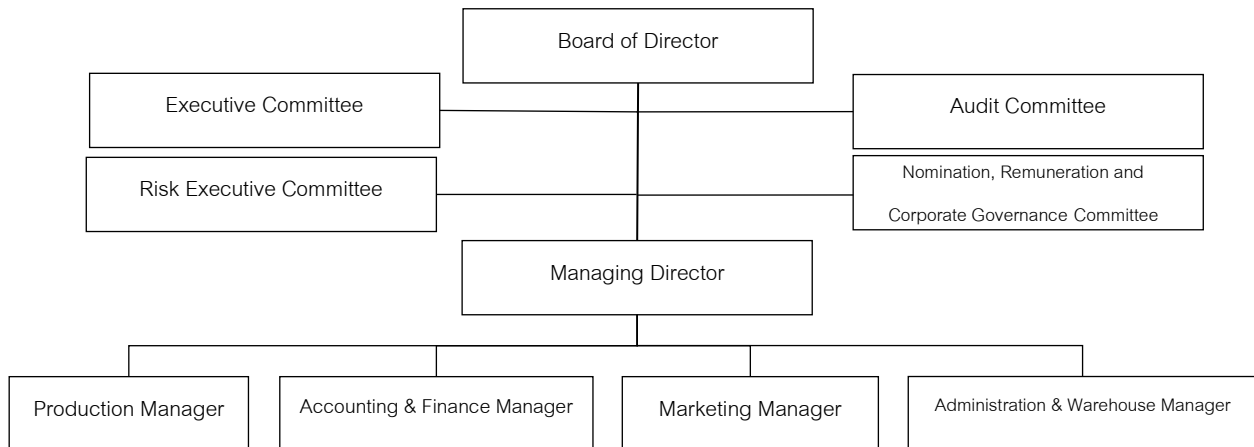
List of Shareholders	As of August 26, 2014	
	No. of Shares (Shares)	%
1. Thai Vegetable Oil Plc.	86,000,000	31.85
2. Thai Edible Oil Co., Ltd.	30,000,000	11.11
3. Mr. Visuth Vitayathanagorn	12,000,000	4.44
4. Mr. Kuna Vitayatanagorn	6,100,000	2.26
5. Miss Sudarat Vitayatanagorn	6,000,000	2.22
6. Mrs. Pattama Tangpiroontham	6,000,000	2.22
7. Mr. Vachara Vitayatanagorn	6,000,000	2.22
8. Mrs. Rattana Chanpitak	6,000,000	2.22
9. Mr. Thongchai Tansutat	6,000,000	2.22
10. Mr. Charuphot Neesanant	6,000,000	2.22
11. Mrs. Malee Amornvichaipaisarn	3,017,800	1.12
12. Mr. Somsak Sivanawin	2,800,000	1.04
13. Mr. Somkid Jatusripitak	2,400,000	0.89
14. Miss Suparat Sakwararat	1,800,000	0.67

Dividend Policy

It is the Company's policy to pay the dividend more than 50% of net profit, after the deduction of corporate income tax and provision. However, the payment rate may change depending on the liquidity, investment plan, operational plan, and terms and conditions of the agreement the Company is obligated to. The Board's resolution of dividend payment must be presented to the shareholders' meetings for the approval, except the interim dividend payment, which is under the Board's authority.

Management Structure

As of December 31, 2014, the Company's management structure consists of the Board of Directors and four sub-committees as below:



Board of Directors

As of December 31, 2014, the Board of Directors consists of nine directors as below:

Name – Last Name	Position
1. Assoc. Prof. Prayoon Boonprasert	Chairman / Independent Director/ Audit Committee
2. Miss Thipawan Uthaisang	Independent Director/ Head of Audit Committee
3. Miss Pikul Taksinwarajarn	Independent Director/ Audit Committee
4. Mr. Somsak Siwanawin	Director
5. Mr. Thongchai Tansutat	Director
6. Mr. Vachara Vitayatanagorn ¹	Director
7. Mr. Visuth Vitayathanagorn ¹	Director
8. Mr. Charuphot Neesanant	Director
9. Mr. Pramote Santiwattana ²	Director

Remarks: ¹ Director appointed by Thai Vegetable Oil Plc.

² Director appointed by Thai Edible Oil Co., Ltd.

Mr. Somsak Siwanawin resigned from the directorship, effective from February 1, 2015.

Mr. Thanet Norabhoompipat is appointed by the Board as the new director on February 23, 2015.

Mr. Vachara Vitayatanagorn serves as the Board's secretary.

Authorized Signatories

Mr. Thongchai Tansutat or Mr. Vachara Vitayatanagorn signs his name with Mr. Visuth Vitayathanagorn or Mr. Charuphot Neesanant and stamp the Company's seal.

Board's Term of Office

In each Annual General Meeting of Shareholders, one third of the Board of Directors must resign. If the number does not match one third exactly, the Board must find the closest amount possible. The resigned directors in the first and second year after the Company's register must be decided by the draw. Afterward, the directors with the longest period of directorship must resign. However, the resigned directors can be re-elected to resume the position.

Board's Scope of Authority, Work and Responsibilities

The resolution of the Board's meeting no. 2/2556 on August 7, 2013, defined the Board's scope of authority, work and responsibilities as below:

1. Conducting the tasks with integrity in compliance with law, the Company's objectives and regulations, and the resolution of shareholders' meetings as well as carefully protecting the Company's interest.
2. Approving the organization's vision and operational strategy formulated and presented by the management and elaborating the details.
3. Supervising the operation and performance of the management or any assigned parties to be aligned with the Board's policy.
4. Continuously monitoring the Company's operation to be in line with the operational plan and budget.
5. Having the management set up the credible accounting system, financial report and auditing and ensuring the sufficient and proper internal audit system.
6. Reviewing the risk management process and policy as well as monitoring the performance of Risk Management Department.
7. Deliberating and approving the acquisition and disposition of assets, investment and any operation that complies with the related law, notices, rules and regulations.
8. Deliberating and approving the connected transactions to ensure their compliance with the related law, notices, rules and regulations.
9. Preventing the conflicts of interest among the stakeholders

10. Fairly deliberating matters for the best interest of all shareholders and stakeholders. The directors must immediately inform the Company if they share the gain and loss in the contract made with the Company. For the transactions with the directors or any individual who may have the conflict of interest, those directors have no right to vote approval for those transactions.
11. Formulating the policy of good corporate governance in a written form and reviewing this policy to make sure that the Company is responsible for all stakeholders and treat them fairly.
12. If necessary, asking for the professional opinions from external parties as the reference for the right decision making.
13. Deliberating the appointment of Managing Director and sub-committees, such as Audit Committee and Executive Committee, and defining the authority of Managing Director and those sub-committees to supervise the management system and internal audit system to be in line with the policy.
14. Deliberating the appointment of secretary to ensure that the Board and the Company abide by law, notices, rules and regulations.
15. Revising or changing the scope of authority and responsibility of Audit Committee, Executive Committee and Managing Director as seen appropriate and if required.
16. Evaluating its own performance annually and finding the guideline to increase its operational effectiveness.

The authority must not be provided for or by the Board during the period that allows them and/or their attorney-in-fact to approve the transactions that he/she or those individuals may have conflicts of interest (as defined in the notices of Securities Exchange Committee or the notices of Capital Market Supervisory Board), share the gain and loss, receive any benefits, or have any conflict of interest with the Company, except approving the transactions that comply with the policies or criteria approved by the shareholders' meetings or the Board.

Qualifications of Independent Directors

The Board sets the qualifications of Independent Directors to meet the requirements of the Stock Exchange of Thailand as below:

1. Holding shares less than 1% of total stocks with voting right in holding company, subsidiaries, affiliates, major stockholders, or authorized persons who control the company. This includes the shareholding by the persons related to the independent directors.
2. Not being or having never been the director involving in the management, employee, the consultant earning salary, or authorized person controlling the holding company, subsidiaries, affiliates, same-

level subsidiaries, major stockholders, or authorized person who controls the company, except relieved from abovementioned status for at least two years before submitting the permission to the Office. However, the prohibited characteristics exclude that of civil service or consultant of government body with major shareholding or authorized persons.

3. Not being blood-related by or legally registering, in the manner of being father or mother, spouse, sibling, offspring, and spouse of the offspring of other directors, management, major shareholders, authorized person, or person nominated as Executive Director or authorized person of the subsidiaries.
4. Not having or having had the business relations with holding company, subsidiary, affiliate, major shareholder or authorized persons in the manner that may obstruct the independent exercise of discretion. Not being or having been a significant shareholder or authorized person with business relations with the holding company, subsidiary, affiliate, major shareholder or authorized person, except relieved from abovementioned status for over two years before the submitting the permission to the Office. This includes giving or receiving financial assistance through giving/receiving the loan, guaranteeing, providing the properties as collateral, including similar behavior that causes the company or contract party the debt burden to be settled with another party from 3% of net tangible assets of the company or from 20 million baht up, as which amount is lower. However, the debt burden calculation should follow the value calculation on related items as announced by the Securities Exchange Commission on Rules of Related Items, by mutatis mutandis. The consideration of such debt burden shall include debt burdens incurred at one previous year before the date of business relations with the same person.
5. Not being or having been auditor of the holding company, subsidiary, affiliate, major shareholder or authorized person and shall not be significant shareholder, authorized person or partner of auditing office with the auditor of the company, holding company, subsidiary, affiliate, major shareholder or authorized person in attachment, except relieved from such characteristic for more than two years before the date of submitting the permission at the Office.
6. Not being or having been any professional provider, which includes legal consulting or financial consulting with service fee over two million baht a year from the company, holding company, subsidiary, affiliation, major shareholder or authorized person of the applicant, and not being a significant shareholder, authorized person or partner of the professional provider, except relieved from such characteristic for more than two years before the date of submitting the permission from the Office.
7. Not being a director appointed as a representative of the company's director, major shareholder or shareholder related to the company's major shareholder.

8. Not operating similar or significantly competitive business to the company's or subsidiaries'. Not being significant partner in the partnership, director taking part in employee management, consultant with regular salary or holding shares over one percent of the total shares with voting right in other companies, or operating business similar or competing with business of the applicant or subsidiary.
9. Not having other characteristics that will hinder independent opinion related to the company's operation.

Board's Meetings

Below are the details of Board's meetings in the fiscal year as of December 31, 2013, and December 31, 2014:

Name-Last Name	No. of Participation/No. of Total Meetings	
	2013	2014
1. Mr. Somsak Sivanawin	5/6	2/5
2. Mr. Thongchai Tansutat	6/6	5/5
3. Mr. Vachara Vitayatanagorn	6/6	5/5
4. Mr. Visuth Vitayathanagorn	6/6	5/5
5. Mr. Charuphot Neesanant	6/6	4/5
6. Mr. Pramote Santiwattana	6/6	4/5
7. Assoc. Prof. Prayoon Boonprasert ¹	4/4	5/5
8. Miss Thipawan Uthaisang ¹	4/4	5/5
9. Miss Pikul Taksinwarajarn ¹	4/4	4/5

*Remark*¹ Assoc. Prof. Prayoon Boonprasert, Miss Thipawan Uthaisang and Miss Pikul Taksinwarajarn began the directorship on May 29, 2013.

Audit Committee

As of December 31, 2014, Audit Committee consists of three following directors:

Name-Last Name	Position
1. Miss Thippawan Uthaisang	Head of Audit Director
2. Assoc. Prof. Prayoon Boonprasert	Audit Director
3. Miss Pikul Taksinwarajarn	Audit Director

Miss Thippawan Uthaisang is the Audit Director with enough knowledge and experience in auditing the credibility of financial statement. Miss Lakhana Ruenrom serves as the secretary The Audit Committee.

Audit Committee's Term of Office

Audit Director has three-year term of office, except the resignation at term's end in compliance with the Company's rules. In this case, the resigned directors can be re-elected to resume the position. If the position is vacant because of other reasons than the end of term, the Board must assign the fully qualified people to be Audit Directors to ensure the complete amount of members required. The replacement will only cover the remaining term of the resigned director.

Audit Committee's Scope of Authority, Work and Responsibilities

The resolution of the Board's meeting no. 2/2556 on August 7, 2013, defined the Audit Committee's scope of authority, work and responsibilities as below:

1. Ensuring that the Company has accurate financial report, providing sufficient information.
2. Ensuring that the Company has proper and efficient internal control system and internal audit system as well as considering the independence of the Internal Audit Department. Approving the appointment, transfer or dismissal of the Head of Internal Audit Department and/or hiring of outsourced internal auditors or related departments.
3. Ensuring that the Company follows the law related to securities and the Stock Exchange of Thailand (SET), regulations of the Stock Exchange of Thailand, and the law related to the Company's business.
4. Selecting and nominating independent people to serve as the Company's auditors and proposing the remuneration of that person. Attending the meeting with the auditors, without the management's participation, for at least once a year.
5. Reviewing the connected transactions or conflicts of interest to comply with law and SET regulations and ensure that those transactions are reasonable and best benefit the Company.
6. Making the report of Audit Committee and including it in the annual report signed by the Head of Audit Committee. The report must consist of the following information:
 - 1) Comments on the accuracy and completeness of financial report
 - 2) Comments on the sufficiency of internal control system
 - 3) Comments on the compliance with the law related to the securities and Stock Exchange of Thailand, SET regulations or law related to the Company's business
 - 4) Comments on the auditors' appropriate qualifications
 - 5) Comments on the potential conflicts of interest

- 6) The number of Audit Committee's meetings and the participation of each director
 - 7) Overall comments or observation on the Committee's compliance with the charter
 - 8) Other items they think the shareholders and general investors should learn, under the scope of work and responsibilities assigned by the Board.
7. During the operation, if the Audit Committee finds or has any doubts in the following transactions or acts, which significantly affects the Company's financial status and performance, they must report to the Board to rectify the situation within appropriate timeline.
- 1) Transactions with conflict of interest
 - 2) Corruption, abnormality or errors in internal control system
 - 3) Violation of law related to securities and the Stock Exchange of Thailand, SET regulations or laws related to the Company's business.
8. Other tasks assigned by the Board and approved by the Audit Committee

To work under the scope of authority and responsibilities, the Audit Committee is authorized to invite the related management or employees to report, comment, attend the meeting, or submit the related and required documents.

The Board has the authority to change the Audit Committee's scope of authority and responsibilities as seen fit and as required.

Nomination, Remuneration and Corporate Governance Committee

As of December 31, 2014, Nomination, Remuneration and Corporate Governance Committee consists of three following directors:

Name-Last Name	Position
1. Miss Pikul Taksinwarajarn	Head of Nomination, Remuneration and Corporate Governance Director
2. Assoc. Prof. Prayoon Boonprasert	Nomination, Remuneration and Corporate Governance Director
3. Miss Thippawan Uthaisang	Nomination, Remuneration and Corporate Governance Director

Mr. Vachara Vitayatanagorn serves as the secretary of Nomination, Remuneration and Corporate Governance Committee

Terms of Office of Nomination, Remuneration and Corporate Governance Committee

Nomination, Remuneration and Corporate Governance Committee has three-year term of office and the directors whose term ends can be re-elected to resume the position. If the position is vacant because of other reasons than the end of term, the Board must assign the fully qualified people to be Audit Directors to ensure the complete amount of members required. The replacement will only cover the remaining term of the resigned director.

Scope of Authority, Work and Responsibilities of Nomination, Remuneration and Corporate Governance Committee

The resolution of the Board's meeting no. 2/2556 on August 7, 2013, defined the Nomination, Remuneration and Corporate Governance Committee's scope of authority, work and responsibilities as below:

1. Ensuring that the organization's operation properly complies with the principle of good corporate governance to maintain the standard and infuse this principle into the organizational culture. Furthermore, regularly communicating this issue to the director, management and employees.
2. Regularly reviewing and updating the principle of good corporate governance, regulations, business ethics and employees' moral to suit the business and be aligned with operational direction of Stock Exchange of Thailand and Securities Exchange Commission.
3. Deliberating and approving the promotion of the Company's corporate governance and information disclosure policy among the public.
4. Considering and selecting the qualified person to serve as the new director or recruiting the Chief Executive Officer. Setting the proper and transparent selection criteria or method to propose to the Board's meeting and/or shareholders' meetings for their approval.
5. Reporting its performance to the Board and making the report of the Nomination, Remuneration and Corporate Governance Committee, included in the Company's annual report and signed by the Head of the Committee.
6. Deliberating the guideline for the directors' and Managing Director's cash and non-cash remuneration and benefits to ensure the fair and reasonable remuneration calculation method. Then, proposing it to the Board's meeting and/or shareholders' meetings for their approval.

Risk Management Committee

As of December 31, 2014, Risk Management Committee consists of four following directors:

Name-Last Name	Position
1. Mr. Vachara Vitayatanagorn	Head of Risk Management Committee
2. Mr. Thongchai Tansutat	Risk Management Director
3. Mr. Wimon Wongchan	Risk Management Director
4. Mrs. Lakkanar Romruen	Risk Management Director

Miss Achara Pumtako serves as the secretary of Risk Management Committee.

Terms of Office of Risk Management Committee

Risk Management Committee has three-year term of office and the directors whose term ends can be re-elected to resume the position. If the position is vacant because of other reasons than the end of term, the Board must assign the fully qualified people to be Risk Management Directors to ensure the complete amount of members required. The replacement will only cover the remaining term of the resigned director.

Risk Management Committee's Scope of Authority, Work and Responsibilities

The resolution of the Board's meeting no. 2/2556 on August 7, 2013, defined the Risk Management Committee's scope of authority, work and responsibilities as below:

1. Formulating the risk management policy and proposing it to the Board for the approval.
2. Formulating the operational plan in line with the risk management policy to follow up, evaluate, and control the risks at an acceptable level.
3. Approving the use of risk assessment tools to suit the risk management policy.
4. Regularly monitoring the compliance with the risk management policy to ensure its efficiency.
5. Making sure that the resources for risk management are sufficient.
6. Informing the Audit Committee and the Board about the Company's risk status and guideline for managing those risks.

Executive Committee

As of December 31, 2014, Executive Committee consists of four following directors:

Name-Last Name	Position
1. Mr. Thongchai Tansutat	Head of Executive Committee
2. Mr. Wimon Wongchan	Executive Director
3. Mr. Vachara Vitayatanagorn	Executive Director
4. Mrs. Lakkanar Romruen	Executive Director

Mr. Vachara Vitayatanagorn serves as the secretary of Executive Committee.

Executive Committee's Terms of Office

Executive Committee has three-year term of office and the directors whose term ends can be re-elected to resume the position. If the position is vacant because of other reasons than the end of term, the Board must assign the fully qualified people to be Executive Directors to ensure the complete amount of members required. The replacement will only cover the remaining term of the resigned director.

Executive Committee's Scope of Authority, Work and Responsibilities

The resolution of the Board's meeting no. 2/2556 on August 7, 2013, defined the Executive Committee's scope of authority, work and responsibilities as below:

1. Managing and operating the Company's business in line with its goal and in compliance with the policy, guideline or operational plan set by the Board.
2. Setting the vision, operational strategy, policy, goal, guideline and action plan to suit and be in line with the economic condition and competitive situation. Proposing them to the Board for the approval.
3. Monitoring and following up the approved policy and management guideline to ensure the effective operation.
4. Having authority to approve and operate the projects with the budget lower than three million baht.
5. Operating other tasks assigned by the Board.

The authority must not be provided for or by the Executive Committee during the period that allows them and/or their attorney-in-fact to approve the transactions that he/she or those individuals may have conflicts of interest (as defined in the notices of Securities Exchange Committee or the notices of Capital Market Supervisory Board), share the gain and loss, receive any benefits, or have any conflict of interest with the Company, except approving the transactions of normal business and the ones under normal trade conditions.

Company's Secretary

The resolution of the Board's meeting no. 2/2556 on August 7, 2013, appointed Mr. Vachara Vitayatanagorn as the Company's secretary and set the scope of authority, work and responsibilities.

Secretary's Scope of Authority, Work and Responsibilities

1. Assisting and advising the Board and management on rules and law they need to know.
2. Taking care of the Board's activities, holding Board' meetings, recording the minutes of Board's meetings and shareholders' meetings, and coordinating with different parties to ensure the compliance with the resolution of Board's meetings.
3. Making and filing the following documents:
 - 1) Directors' register
 - 2) Invitation letter for the Board's meetings, minutes of Board's meeting and annual report
 - 3) Invitation letter for the shareholders' meetings and minutes of shareholders' meetings
4. Keeping the stake holding reports made by directors or management
5. Operating other tasks assigned by the Capital Market Supervisory Board.

The management

As of December 31, 2014, the management consists of four following managers:

Name-Last Name	Position
1. Mr. Thongchai Tansutat	Managing Director
2. Mr. Wimon Wongchan	Production Manager
3. Mr. Vachara Vitayatanagorn	Administration & Warehouse Manager
4. Mrs. Lakkanar Romruen	Accounting & Finance Manager
5. Mr. Chanachon Sripen	Marketing Manager

Managing Director's Scope of Authority, Work and Responsibilities

The resolution of the Board's meeting no. 2/2556 on August 7, 2013, defined the Managing Director's scope of authority, work and responsibilities as below:

1. Supervising, managing, operating, and conducting the regular business to ensure the Company's best interest and be aligned with the Company's policy, strategy and operational plan assigned by the Board and/or the resolution of the shareholders' meetings.

2. Setting the vision, operational strategy, policy, goal, guideline and action plan, proposing them to the Board for the approval, and reporting the work progress to the Board.
3. Setting and adjusting the management structure to be in line with the Company's operation and the competition in the industry.
4. Having authority to approve and operate with the budget lower than one million baht. Also able to approve and operate with the budget over one million baht for the management expenses only, such as salary, welfare, overtime and bonus, including all fees and stamp duty, commodity expenses, expenses related to raw material purchase and expenses in the agreement approved by Executive Committee and/or Board.
5. Having authority to appoint, transfer, or dismiss the employees in the lower level than Managing Director. The attorney-in-fact can be appointed to act for them.
6. Having authority to issue, revise, add, and improve the regulations and orders on the Company's operation to be aligned with its policy.
7. Deliberating the approval of connected transactions under normal trade conditions, such as product trading at selling price and offering the same trade conditions as normal customers. This must be done with the Board's approval.
8. Operating other tasks assigned by the Board.

The authority must not be provided for or by the management during the period that allows the Managing Director and/or their attorney-in-fact to approve the transactions that he/she or those individuals may have conflicts of interest (as defined in the notices of Securities Exchange Committee or the notices of Capital Market Supervisory Board), share the gain and loss, receive any benefits, or have any conflict of interest with the Company, except approving the transactions of normal business and the ones under normal trade conditions.

Recruitment of Directors and Management

The current Board together select the suitable candidates for the position of director or management based on their qualifications, which should be in line with the Company's plan. These people must be well qualified in terms of knowledge, capability, experience, and time dedication, and the qualifications must also meet Section 68 of Public Limited Companies Act B.E. 2535 (, including the edited version), the related notices of Securities Exchange Commission and the related notices of Capital Market Supervisory Board. The appointment of directors and management must be approved by the Board's meetings and/or shareholders' meetings.

Remuneration of Directors and Management

Directors' Remuneration

Below are details of the directors' remuneration in 2013, as of December 31, 2013, and in 2014, as of December 31, 2014.

Unit: Baht

Name – Last Name	At Year End as of December 31, 2013			At Year End as of December 31, 2014		
	Remuneration	Meeting Allowance	Total	Remuneration	Meeting Allowance	Total
1. Mr.Somsak Sivanawin	80,000	-	80,000	120,000	-	120,000
2. Mr.Thongchai Tansutat	80,000	-	80,000	80,000	-	80,000
3. Mr.Vachara Vitayatanagorn	80,000	-	80,000	80,000	-	80,000
4. Mr.Visuth Vitayathanagorn	176,000	34,000	210,000	176,000	40,000	216,000
5. Mr.Charuphot Neesanant	176,000	39,000	215,000	176,000	32,000	208,000
6. Mr.Pramote Santiwattana	176,000	39,000	215,000	176,000	32,000	208,000
7. Assoc.Prof. Prayoon Boonprasurd	350,000	29,000	379,000	680,000	40,000	720,000
8. Miss Thipawan Uthaisang	210,000	29,000	239,000	440,000	40,000	480,000
9. Miss Pikul Taksinwarajarn	210,000	29,000	239,000	440,000	32,000	472,000
D & O Liability Insurance	-	-	-	265,056	-	265,056
รวมทั้งสิ้น	1,538,000	199,000	1,737,000	2,633,056	216,000	2,849,056

Management's Remuneration

The remuneration of the management, both director (, excluding the compensation received as the Company's director) and non-director management, in the form of salary and bonus can be summarized as below:

Below are details of the management's remuneration in 2013, as of December 31, 2013, and in 2014, as of December 31, 2014.

	At Year End as of	
	December 31, 2013	December 31, 2014
Number (people)	4	5
Remuneration (Baht)	6,543,700	7,756,200

Provident Fund

The Company established the provident fund on August 21, 2013:

Cumulative Amount of Provident Fund	2013	2014
	575,538	1,943,862

Corporate Governance

The Company focuses on applying the corporate governance principle to its business conduct as the direction. Therefore, the Company's formulates the corporate governance policy, whose principle and operational guideline are aligned with SET good governance principle for the listed companies in 2012.

The Company's good governance principle is divided into five sections as below:

Section 1: Rights of Shareholders

Valuing the rights of shareholders, the Company encourages them to exercise their rights. Their fundamental rights include the right to purchase, sell, or transfer stocks, right to earn a part of the Company's profit in the form of dividends, right to receive sufficient information, right to attend the shareholders' meetings and exercise their right to vote for appointing or dismissing the directors, appointing the auditors, and matters that affect the Company, such as the dividend allocation, formulating or amending regulations or Memorandum of Association, increasing or issuing new stocks, and approving significant transactions.

The Company sets the below policies to support and facilitate the shareholders:

- The Company sends the invitation letters, along with the reference documents, to the shareholders at least seven days in advance or within the timeline indicated by law or notices. The letters provide date, time, venue and related regulations of shareholders' meetings. The letters must also include the agenda with the explanation and rationale, the Board's comments, proxy form indicated by the Ministry of Commerce and the list of independent directors who will act as the proxies for the shareholders and attend the shareholders' meetings if the shareholders cannot join the meeting themselves. Furthermore, the Company discloses the important information on its website before the meetings.
- Before the meeting, the Company informs the shareholders of the voting criteria and counting method. After providing information of each agenda, the Chairman of the meeting gives the shareholders a proper amount of time to express their comments and ask the Company questions. The directors and

management participate in the meeting to listen to their comments and suggestion as well as answering the questions, which can be submitted before the date of meeting.

- If the meeting consists of many agendas, such as appointing the directors, the agenda will be voted one by one.
- After each shareholders' meeting, the company makes the accurate and complete minutes, consisting of the voting process, Q&A and the voting result of each agenda – agree, disagree and no comment. It also records the list of participating and absent directors. The report on voting result will be displayed on the website of the Stock Exchange of Thailand within the same day the meeting takes place or at 9 a.m. of the next working day as the latest. The report of shareholders' meeting will be submitted to the Stock Exchange of Thailand within 14 days after the meeting and be uploaded on the Company's website.

Section 2: Equitable Treatment of Shareholders

The Company equally and fairly treats all shareholders, including managerial, non-managerial, foreign and individual shareholders under the following principles:

- The Company sends the English invitation letter together with Thai version.
- The Company conducts the meetings in sequence as indicated in the invitation letter and will not propose additional agendas without early notice unless necessary, especially the agendas that the shareholders need sufficient time to review before making any decision.
- The Company allows the minority shareholders to nominate the directors under the Company's criteria by submitting the names, along with their letter of consent, to the Chairman of the Board.
- The Company encourages the shareholders to vote for each agenda with the ballots, which are collected in the shareholders' meeting to count the votes and are stored by the Company to ensure the transparency and verifiability.
- The Company values the accurate, complete and timely information disclosure to all shareholders via the website of the Stock Exchange of Thailand and the Company.
- It is the Company's policy to prevent the directors and management from misusing the inside information for their own or shareholders' benefits.

- It is the Company's policy to prevent the directors with conflicts of interest from participating in those meeting agendas.

Section 3: Roles of Stakeholders

The Company respects the rights of all stakeholders', namely customers, employees, business partners, shareholders or investors, creditors and surrounding communities, including other groups, namely competitors and independent auditors. It therefore fairly treats these stakeholders because it believes that the good relations with all of them will promote the Company's sustainable growth.

Shareholders

1. The Company is obliged to encourage the shareholders to exercise their rights. Their fundamental rights include the right to purchase, sell, or transfer stocks, right to earn a part of the Company's profit in the form of dividends, right to receive sufficient information, right to attend the shareholders' meetings and exercise their right to vote for appointing or dismissing the directors, appointing the auditors, and matters that affect the Company, such as the dividend allocation, formulating or amending regulations or Memorandum of Association, increasing or issuing new stocks, and approving significant transactions.
2. The Company is obliged to encourage the shareholders to exercise their rights in the Annual General Meeting of Shareholders, such as right to nominate the directors and right to comment or ask questions related to the meeting agendas.
3. The Company will not do anything that violates or lessens the rights of shareholders, such as will not send the important information or documents before the shareholders' meetings and will not add the important agenda or change the crucial information without informing the shareholders in advance.

Employees

1. The Company offers the employees fair remuneration based on their performance. The evaluation is fairly conducted under the Company's criteria.
2. The Company has the policy on personnel develop by training the employees and management within the organization and assigning them to join the outsourced trainers in the topics related to their work.
3. The Company is obliged to maintain the hygienic work condition, which benefits the effective work and is safe for the employee's lives and assets.

4. The Company is obliged to guard the employees' privacy by not revealing their personal information, such as salary and medical record, to outsiders, except obligated by law or regulations.

Customers

1. The Company is obliged to build good customer relations and long-term cooperation by adhering to principle of integrity.
2. The Company focuses on providing the customers with the greatest satisfaction and confidence by delivering high-quality products and service, which are safe for the consumers and comply with the regulations. It also strictly follows the terms and conditions made with the customers.

Business Partners and Creditors

1. Considering the equality, fairness and integrity in business conduct, the Company strictly complies with law and mutual agreement.
2. Maintaining the business ethics, the Company will not dishonestly request, receive, or pay any benefits to the business partners.

Competitors

1. It is the Company's policy to support and promote the free and fair competition.
2. The Company treats the competitors by adhering to the law and best practice. It will not tarnish their reputation by slandering them with false accusation or doing anything unfair to the competition.

Government Agencies

1. It is the company's duty to abide by the related law and regulations.
2. The Company values the transparency and integrity when contacting the government officials and government agencies. It formulates the policy not to bribe the government officials in any kind to facilitate or benefit the Company.

Environment, Society and Communities

1. It is the Company's policy to conduct the business with environmental responsibility. In addition to the environmental saving, it promotes the energy efficiency.

2. The Company has the policy to conduct the business by taking the quality of society and communities into consideration and strictly abiding by law and regulations.

The stakeholders can ask for the Company's information or make the complaints to the Audit Committee by mailing to the Secretary Office, in the Company's address, or sending e-mail to info@prodigy.co.th. The complaints will be kept confidential and the Audit Committee will have the issues examined, propose the solution, and report it to the Board.

Section 4: Disclosure and transparency

The Company values the complete, correct, timely and transparent information disclosure so that the shareholders and stakeholders equally receive the credible information. Moreover, it regularly updates the information on its website.

It is the Company's policy to disclose the important information to the public, for example vision and mission, nature of business, list of the Board and management, financial statement, financial report, risk factors, risk management policy, risk management methods, direct and indirect shareholding of the directors, major shareholders and top management, audit fee and other service fee of auditors and the remuneration of Board and management.

The shareholders, investors, securities analysts and public can contact Mr. Vachara Vitayatanagorn at tel. (034) 332611-2 or e-mail ir@prodigy.in.th for the Company's information.

Section 5: Board Responsibilities

As of December 31, 2013, the Company's management structure consists of the Board of Directors and four sub-committees, namely Audit Committee, Nomination, Remuneration and Corporate Governance Committee, Risk Management Committee and Executive Committee, to ensure the Company's and shareholders' long-term and maximum interest.

Board Structure

The Board consists of knowledgeable and capable directors with various experiences. They consider the important matters related to the Company's management. All directors are free to express comments in the shareholders' meetings and vote for agendas to ensure the proper, effective and transparent business conduct.

As of December 31, 2013, the Board consists of nine directors. Three of them are independent directors. The independent directors must account for one third of the Board and more than three. The directors must not

have the prohibited characters based on the notice of Securities Exchange Commission no. Gor. Jor. 8/2553 under the subject of the directors' and management's the lack of credible character and other related laws.

Board's Role, Duties and Responsibilities

The Board has duty to consider and approve the significant matters related to the operation, such as vision and mission, financial target, risks, plan and budget. It also supervises the management to ensure the efficient and effective operation in compliance with the policies and plans. The Board uses judgment to decide and work with caution, responsibility and integrity to ensure the Company's long-term benefits.

Board's Self-Assessment

The Board annually conducts the self-assessment to evaluate the performance in the past year and find the direction to enhance its efficiency.

Remuneration of Directors and Management

The Company clearly sets the Board's remuneration, which must be approved by the Annual General Meeting (AGM). The directors, who are assigned with more duties and responsibilities, such as also being the Audit Director, will receive the suitable remuneration for those duties and responsibilities. The consideration must be based on the Company's ability and the management's remuneration must be linked with the Company's performance and the operation of each management each year.

Board's Meetings

Board's Meetings focuses on quarterly tracking and verifying the performance and report from Audit Committee so that the Executive Committee can consider and operate to ensure the Company's best interest. The Board should also report the Company's major operational risks.

In each Board's meeting, the Board's secretary works on the agendas and sends the documents to the Board at least seven days before the meeting. This includes the minutes, with suggestions and comments of each sub-committee, such as the Board, Audit Committee and Executive Committee. Overall, the Company takes the minutes and submits it to each director as seen appropriate. The minutes is systematically filed, with the Board's verification and ready for the examination by the Board or related parties.

Monitoring the Use of Inside Information and Conflicts of Interest

It is the Company's policy to prevent the directors and management from misusing the inside information for their own or shareholders' interest as below:

- 1) Preventing the use of its information, the Company prohibits the departments with inside information from revealing it to the unrelated departments or people.
- 2) The management who learns the Company's crucial and financial information that affects the change in stock price must not use that information before disclosing it to the public. The management is prohibited from trading the Company's stocks for a month before the financial statement or significant information is disclosed to the public.
- 3) When the Company's securities are registered in the Stock Exchange of Thailand, the directors and management is obliged to report the securities holding based on Section 59, in compliance with the notice of Securities Exchange Commission under the subject of the making and disclosure of the directors' and management's securities holding. The number of securities to be reported includes the ones directly held by the management, spouse and children under legal age. Also taken into consideration is the indirect holding that is eventually found out that the management, spouse and children under legal age actually own those securities, such as nominee holding or holding via the personal fund.
- 4) The Company sets the disciplinary penalties for the ones who seek the interest from using or disclosing the inside information, which may damage the Company. The penalty level varies case by case, ranging from verbal warning, written warning and probation to termination of employment (firing, discharging, or dismissing), depending on the intention and severity of that misconduct.

Connected Transaction Policy

The Board formulates the following connected transaction policy to prevent the conflicts of interest and ensure the Company's best interest:

1. Directors and management report to the Company their stake holding and the related parties'.
2. When the Company gets involved with the connected transactions, they must be approved by the meetings of Executive Committee, Board or shareholders (depending on each case), except the transactions with normal trade agreement and conditions approved by the Board. The Company always complies with the connected transaction criteria in the notice of Capital Market Supervisory Board.
3. In considering the connected transactions, the Company may appoint the independent price appraiser or independent financial adviser (depending on each case) to comment on significant connected transactions.
4. The Company must set the same price and conditions of the connected transactions as those for outsiders (Arm's Length Basis), which must be fair and reasonable as well as best benefiting the Company.
5. The stakeholders of the connected transactions cannot approve or vote for this issue.

Personnel

Number of Personnel

As of December 31, 2013, and December 31, 2014, the Company had 339 and 339 employees and workers (, excluding the management) respectively, divided into the following business units:

Key Business Unit	Number of Employee (Person)	
	Dec. 31, 2013	Dec. 31, 2014
Production	290	277
HR & Administration	42	43
Accounting	4	4
Marketing	3	3
Total	339	327

Employees' Remuneration

Employees' Remuneration (, excluding the management) can be summarized as below:

Type	Employees' Remuneration (Baht)	
	End of the Fiscal Year December 31, 2013	End of the Fiscal Year December 31, 2014
Salary	52,898,345	54,358,031
Bonus	7,503,536	7,455,527
Total (salary + bonus)	60,401,881	61,813,558
Employees' benefits	804,602	1,105,542
Total remuneration	61,206,483	62,919,100

The employees do not establish any labor union. It is the Company's policy to fairly and legally treat all employees, which leads to the good employee relations.

Labor Dispute

-None-

Personnel Development Policy

The Company values the human resource development because it has been the key factor contributing to the Company's operational success. The Company focuses on developing the managing and engineering skills as well as teamwork. In the past, the Company held the trainings and seminars, with the internal and outsourced instructors, who were knowledgeable and capable. It also sent the engineer team to attend the production machinery training in Japan so that they can effectively operate and repair the machine, without any help from the Japanese engineers. This helps reduce the expenses and shorten the repair period.

Business Assets

Key Fixed Assets

As of December 31, 2014, the list of items and the net book value after the deduction of accumulated depreciation of the key fixed business assets appearing in its financial statements are as follows:

Item	Net book value (million baht)	Types of ownership	Liabilities
Land and land improvements	32,621,042.66	Owner	None
Land and building improvements, as well as office supplies and furniture and fixtures	53,308,498.46	Owner	None
Machinery, equipment and tools in the factories	247,859,191.40	Owner	None
Total	333,788,732.52		

The Company's fixed assets outlined above can be classified as follows:

Land and Buildings and Building Improvements

Location	Characteristics and size	Types of ownership	Objectives of the tenure	Liabilities
Land Nakhon Chaisri district, Nakhon Pathom province	Title deeds: no. 2338, 2339, 2360, 49998 and 50149, with an area of 17 <i>rai</i> and 93 square <i>wa</i> .	Owner	Location of the Company's factories and office	None
Buildings and building improvements Nakhon Chaisi district, Nakhon Pathom province	Five manufacturing facilities within a total area of 27,000 sq.m. and a 2-floor office with total utility space of 598 sq.m.	Owner	Location of the Company's manufacturing facilities and office	None

Machinery and Equipment

Machinery	Location	Objectives of the tenure	Liabilities
<ul style="list-style-type: none"> - PET packaging production machines in 33 production lines, with a total production capacity of approximately 50 million bottles per month. - Five automatic labeling machines, with an approximate total capacity of 6 million bottles per month. - Two automatic packing machines, with a total capacity of approximately 3.6 million bottles per month. 	Nakhon Chaisri district, Nakhon Pathom province	Used in the manufacturing process of PET packaging	None

Other Fixed Assets

Types of assets	Types of ownership	Net value after depreciation deduction (baht)	Liabilities
Office supplies and furniture and fixtures	Owner	1,527,141.11	None
Tools used in the factories	Owner	28,050,226,05	None

Intangible Business Assets

Types of assets	Types of ownership	Net value after depreciation deduction (baht)	Liabilities
Computer programs	Owner	379,500.69	None

Insurance Policies

As of December 31, 2014, the Company secured fire and catastrophe insurance policies that provide protection against fire, lightning, gas explosion, explosion, flood, storm, electrical injury, and earthquake. The details of the insurance policies are as follows:

Types	Fire and catastrophe insurance
Place insured	7/3, Mu 3, Bang Krabao sub-district, Nakhon Chaisi district, Nakhon Pathom province
Maturity	January 19, 2016, at 4.00 pm.
Sum insured	766 million baht
The insured	Prodigy Public Company Limited

Legal Disputes

As of December 31, 2014, the Company did not have any legal disputes that would affect more than five percent of the shareholders' equity or legal disputes that would have significant adverse impacts on its business.

CSR (Corporate Social Responsibility) Policy

The Company has established CSR as one of its strategies for organizational sustainable development. It has been committed to conducting business with integrity and transparency and has taken into account the benefits for, and the impacts on, all stakeholders. The areas the Company has given attention to include human rights, labor rights, fair business practices, high-quality and safe product development, and community and social development. Other areas include environmental management, creation of a good and safe working environment for its personnel, the compliance with laws and regulations concerning safety, occupational health and the environment, as well as CSR reports. Its relevant CSR policies are as follows:

1. Fair Business

The Company has adhered to fair business principles, with the Board being responsible for preventing conflicts of interest in its business operations and for encouraging employees at all levels to work with integrity and adhere to the code of conduct.

The Company has a policy toward business operations in relation to its stakeholders – shareholders, customers and competitors. Its business practice guidelines are based on integrity, fairness, and transparency, whereby personal interest that conflicts with the Company's and its stakeholders' shall not be sought and its business secrets shall be kept confidential from the stakeholders.

The Company has formulated guidelines for the operation of management and employees in accordance with its expected values, codes of ethics and responsibilities to stakeholders. It aims to standardize the management's and employees' working behavior on the basis of integrity. The relevant regulations are thoroughly disseminated to the management and employees to ensure their compliance, which is regularly monitored.

2. Respect for Human Rights

The Company requires all the directors, management and employees to respect universal human rights principles.

3. Fair Employment

Realizing that its employees are a key factor in the company's sustainability, the Company has the policy to fairly treat all employees by providing opportunities, compensation, appointment, reshuffling as well as capacity building to attain business sustainability.

4. Responsibilities for Consumers

The Company greatly focuses on the product quality, which must reach a certain standard and be hygienic and safe. To test the quality of raw materials and products in all steps of production lines, the Company applies a random sampling system. Furthermore, the Company adopts the traceability method to identify the source of raw materials. Its global manufacturing standard certificates can guarantee its product and management quality. Some examples of the standards are ISO 9001: 2008 and GMP, which are international standards for operational systems and manufacturing management systems.

5. Environmental Protection

The Company has been determined to conduct its business on the basis of safety, occupational health and a good environment, with the focus on environmentally friendly manufacturing. The fact that the Company's manufacturing system is a closed system, which does not generate air or water pollution, guarantees its commitment to environmental protection. For example, the main raw materials in PLA packaging manufacturing are derived from plants. In addition, the Company has been granted green industry certification from the Ministry of Industry.

6. Community and Social Development

The Company cooperates with government agencies in giving back to communities and society as a whole on a regular basis. It provides funding and materials for activities held by government agencies and communities. For example, the Company donated articles to agencies for activities on Children's Day and participated in community relations activities. It has joined annual community boat racing activities, as well as activities relating to monk-robe offering and donations to monks in local communities.

7. Educational Support

The Company has a project to grant "Scholarships to Employees' Children" to ease the burden of educational expense for children of employees who have low salary. This aims to promote their children's educational opportunities, which will boost their morale and create a good image for the Company.

Internal Control

Internal Control System

The Company focuses on an effective internal control system, which conforms to the principles of good corporate governance – having a transparent, fair and reliable operating system with an auditable checks and balances. This will lead to the ultimate benefits for shareholders, employees, business partners, communities and all concerned parties.

The Company has designated Sukhwamsamret Co, Ltd. to audit and assess its internal control system, and it applies the monitoring and assessment results to constantly improve its internal control system.

The auditors' remarks on the Company's internal control system.

- None -

Assessment of the Adequacy of the Internal Control System

At the Board' meeting no. 5/2557 held on December 12, 2014, which was attended by the entire Audit Committee, the adequacy of the Company's internal control system was considered in five areas: organization and the environment, risk management, operational control of the management, the information and communication system and the monitoring system. The Board saw that the Company had an internal control system that was adequate, suitable and consistent with the Adequacy Assessment Form for the Internal Control System of the Office of the Securities and Exchange Commission.

Connected Transactions

The Company's connected transactions with persons who might have conflicts of interest within the fiscal year, which ended on December 31, 2014, compared to the previous fiscal year, which ended on December 31, 2013, are summarized below.

Parties with Potential Conflicts of Interest	Nature of Relationship	Nature of Transaction	Transaction Value (Million Baht)		Necessity and Reasonableness
			End of the Fiscal Year December 31, 2013	End of the Fiscal Year December 31, 2014	
1. Thai Vegetable Oil Public Company Limited (TVO), a manufacturer and distributor of soybean oil and soybean meal.	TVO is the Company's major shareholder and shares the same directors, Mr. Visuth Vitayathanagorn and Mr. Vachara Vitayathanagorn.	The Company sells PET packaging to TVO and set the selling price and trade conditions based on market price, which are same as those the Company offers to other customers.	221	272	The sale of packaging is the Company's normal transaction. The Company sells PET packaging to TVO with the same price and trade conditions as those the Company offers to other customers. The Audit Committee sees that the transaction was normal and reasonable.
		Account receivables from packaging sales	Balance brought forward 39 Increase 221 Paid <u>216</u> Remaining <u>44</u>	Balance brought forward 44 Increase 272 Paid <u>269</u> Remaining <u>47</u>	
2. Thai Edible Oil Company Limited (TEO), a manufacturer and distributor of high quality products, including rice bran oil, defatted rice bran oil, and other rice bran products.	TEO is the Company's major shareholder and shares the same director, Mr. Pramote Santiwattana.	The Company sells PET packaging to TEO with price and trade conditions based on market price, which are the same as those the Company offered to other customers.	22	26	The sale of packaging is the Company's normal transaction. The Company sells PET packaging to TEO with the same price and trade conditions as those the Company offers to other customers. The Audit Committee sees that the transaction is normal and reasonable.
		Account receivables from packaging sales.	Balance brought forward 2 Increase 22 Paid <u>22</u> Remaining <u>2</u>	Balance brought forward 2 Increase 26 Paid <u>26</u> Remaining <u>2</u>	

Management Discussion and Analysis Report

The company's performance as of December 31, 2014 and 2013, can be summarized as below:

Unit: Million Baht	2014 Financial Statement	2013 Financial Statement	Increase (Decrease)	
			Million baht	%
Sales income	690.535	694.208	(3.673)	(0.53)
Profit from exchange rate	-	1.965	(1.965)	(100.00)
Other incomes	1.910	2.930	(1.020)	(34.81)
Total income	692.445	699.102	(6.657)	(0.95)
Cost of goods sold (COGS)	566.606	572.233	(5.627)	(0.98)
Selling expense	20.869	21.003	(0.134)	(0.64)
Administrative expense	26.619	23.800	2.819	11.84
Financial expense	5.397	8.271	(2.874)	(34.75)
Net profit	58.405	59.128	(0.723)	(1.22)

In 2014, The Company enjoyed the net profit of 58.405 million baht, decreasing 0.723 million baht or 1.22% compared to year 2013 when its net profit was 59.128 million baht. This was because the sales income declined to 690.535 million baht, 3.673 million baht or 0.53% less than the previous year. The Company's cost of goods sold decreased because of the lower price of raw material (PET resin). Compared to 2013, the selling expense in 2014 decreased by 0.135 million baht or 0.64%. On the contrary, the administrative expense rose to 2.819 million baht or 11.84% because the Company was registered as listed company. In addition, the expense of IPO sale and financial expense in 2014 dropped 2.874 baht from 2013, accounting for 34.75%, because of the repayment of short-term and long-term loan.

Performance Analysis

Sales Income

To facilitate the management, the Company divides the products into four categories:

- Vegetable oil
- Drinking water
- Juice
- Seasoning sauce and others

Unit: Million Baht	2014	2013	Increase (Decrease)	
			Million baht	No.
Sales income				
● Vegetable oil	298.596	242.590	56.006	23.09
● Drinking water	144.596	177.914	(33.318)	(18.73)
● Juice	168.774	237.527	(68.753)	(28.95)
● Seasoning sauce and others	78.569	36.177	42.392	117.18
Total sales income	690.535	694.208	(3.673)	(0.53)

In 2014, The Company earned the sales income of 56.006 million baht, accounting for 23.08%, from the vegetable oil packaging thanks to more demand in the market. The sales of drinking water packaging decreased 33.318 million baht or 18.73% while the sales in juice category decreased 68.753 million baht or 28.95% because the domestic and global economic condition worsened and the populist projects weakened the domestic purchasing power. Some customers produced certain products themselves. The sales of seasoning sauce packaging increased 42.393 million baht or 117.18% because the Company gained several new customer segments, namely vinegar and seasoning sauce.

Other incomes

In 2014, other incomes declined 2.985 million baht or 60.98% mainly because the Company earned 1.965-million-baht profit from the exchange rate in 2013.

Cost of Goods Sold

The Company's cost of goods sold in 2013 was 566.606 million baht, decreasing 5.627 million baht or 0.98% from 2013. The gross profit in 2014 was 123.929 million baht, increasing 1.954 million baht or 1.60% from 2013 because of the fluctuating price of raw material, which rose dramatically during mid-year but decreased at the end of year. Moreover, the effective procurement system helped lower the production cost.

Selling Expense

In 2014, the selling expense was 20.869 million baht, which slightly decreased 0.64% when compared to 21.003 million baht in 2013, in line with the declining sales volume. The expense mainly came from the logistics cost.

Administrative Expense

In 2014, the administrative expense was 26.619 million baht, which increased 2.819 million baht or 11.85% when compared to 23.800 million baht in 2013. The key expense was derived from the adjustment of employees' salary base, fee of financial advisers and operating expense of Company register in the Stock Exchange of Thailand.

Financial Expense

In 2014, the financial expense was 5.397 million baht, which decreased 2.874 million baht or 34.75% when compared to 8.271 million baht in 2013. That was because the Company repaid the loan after entering the Stock Exchange of Thailand

Analysis of Financial Status

Unit: Million Baht	Dec 31, 2014	Dec 31, 2013	Increase (Decrease)	
			Million baht	No.
Assets				
Current assets	352.073	177.925	174.148	97.88
Non-current assets	341.107	380.575	(39.468)	(10.37)
Total assets	693.180	558.50	134.688	24.11
Liabilities				
Current liabilities	152.067	206.476	(54.409)	(26.35)
Non-current liabilities	48.056	73.621	(25.565)	(34.73)
Total liabilities	200.123	280.097	(79.974)	(28.55)
Shareholder's equity				
Shareholder's equity of the Company	493.057	278.403	214.654	77.10
Total liabilities and shareholder's equity	693.180	558.500	134.680	24.11

Assets

As of December 31, 2014, the Company earned the total assets of 693.180 million baht, 134.68 million baht or 24.11% more than the previous year, with the following details:

- The current assets grew 174.148 million baht or 97.88% mainly because of the increasing cash, cash equivalents and account receivable.
- The non-current assets decreased 39.468 million baht or 10.37% mainly because the value of land, building and equipment declined 42.582 million baht, caused by the higher depreciation and deferred tax assets, 0.201 million baht, and the increasing non-current assets of 2.913 million baht.

Liabilities

As of December 31, 2014, the Company had the total liabilities of 200.123 million baht, 79.974 million baht or 28.55% less than the previous year, with the following details:

- The current liabilities decreased 54.409 million baht or 26.35% mainly because the Company repaid the loan to the financial institutes.
- The non-current liabilities decreased 25.565 million baht or 34.73% mainly because of the decreasing long-term loan of the Company.

Shareholders' Equity

As of December 31, 2014, the Company had the total shareholders' equity of 493.057 million baht, 214.654 million baht or 77.10% more than the previous year, mainly because of the cumulative profits from the performance in 2013. However, the Company paid the total dividends of 34.900 million baht on the second half of 2013 and the first half of 2014. The other contributing factor was the adjustment of stock value and the stock selling.

Liquidity

Unit: Million Baht	Dec 31, 2014	Dec 31, 2013	Increase (Decrease)	
			Million baht	No.
Operating cash flow	96.551	129.077	(32.526)	(25.19)
Cash flow from investment activities	(11.918)	(20.885)	8.967	42.93
Cash flow from fundraising activities	72.999	(94.898)	167.897	176.92
Increasing (decreasing) net cash and cash equivalents	157.632	13.294	-	-
Cash and cash equivalents at the beginning of year	26.808	13.514	13.294	98.38
Cash and cash equivalents at the end of year	184.440	26.808	157.632	588.03

At the end of 2014, the Company earned cash and cash equivalents of 184.440 million baht, increasing 157.632 million baht or 588.03%, with the below details:

- Operating cash flow of 96.551 million baht
- 11.98-million-baht cash flow for the investment activities in 2014 was derived from the investment in building and equipment and intangible assets.
- Cash flow from fundraising activities of 72.999 million baht was caused by the issuance of common stocks worth 190.177 million baht and 34.900-million-baht dividend payment.

In conclusion, the Company earned more cash and cash equivalents worth 157.632 million baht. When combined with 26.807-million-baht cash at the beginning of year, the remaining cash and cash equivalents at the end of year was 184.440 million baht.

Key Financial Ratio

	Unit	Financial Statement as of	
		Dec. 31, 2014	Dec. 31, 2013
Liquidity ratio			
Liquidity ratio	time (s)	2.32	0.86
Quick ratio	time (s)	2.15	0.70
Cash ratio	time (s)	0.54	0.56
Account receivable turnover	time (s)	5.52	5.37
Average collection period	day (s)	66.12	67.05
Inventory turnover	time (s)	22.61	37.55
Average sales period	day (s)	16.14	9.59
Account payable turnover	time (s)	4.90	4.89
Repayment period	day (s)	74.49	73.62
Cash cycle	day (s)	7.77	3.03
Profitability ratio			
Gross profit	%	17.95	17.57
Net profit	%	8.46	8.47
Return on equity (ROE)	%	15.14	20.45
Efficiency ratio			
Return on asset	%	9.33	10.15
Return on fixed asset	%	31.70	28.89
Asset turnover	time (s)	1.11	1.20
Financial ratio			
Debt to equity ratio	time (s)	0.41	1.01
Interest coverage ratio	time (s)	12.52	20.06
Cash basis	time (s)	0.93	0.79
Dividend payout ratio	%	78.59	27.06

Liquidity Ratio

Liquidity ratio as of December 31, 2014, was 2.32 times, 0.86 times higher than 2013. The quick ratio and cash ratio was 2.15 and 0.54 times respectively. In 2014, the cash cycle was 7.77 days, increasing from 3.03 days in 2013, because of the similar average collection period, 66.12 days in 2014 and 67.05 days in 2015.

Profitability Ratio

In 2014, the profitability ratio, namely gross profit, net profit and return on equity (ROE), was at 17.95 %, 8.46 % and 15.14 % respectively. Between these two years, the gross profit did not show major difference, resulting in the same ratio of net profit.

Efficiency Ratio

In 2014, the return on asset and asset turnover was at 9.33% and 1.11 times respectively, decreasing from 2013 because of lower profits. The return on fixed asset in 2014 was at 31.70%, 2.81% more than year 2013, which was at 28.89 %.

Financial Policy

As of December 31, 2014, the Company had the liabilities of 200.123 million baht and the shareholders' equity of 493.056 million baht. The debt to equity ratio was 0.41 times, 1.01 times lower than year 2013. The dividend payout ratio was at 78.59 %, increasing from 27.06 % in 2013.

REPORT OF THE AUDIT COMMITTEE TO SHAREHOLDERS

Dear Shareholders of Prodigy Public Company Limited

The Audit Committee of Prodigy Public Company Limited consists of Miss Thipawan Uthaisang as Chairman of Audit Committee, Assoc.Prof. Prayoon Boonprasurd and Miss Pikul Taksinwaracharn as Member of Audit Committee

The Audit Committee performed our duty as entrusted by the Board of Directors. The meeting was held on 4 times in 2014 and once in 2015 on 23 February 2015. The Audit Committee performed the Following tasks during the year.



- The Audit Committee had reviewed the quarterly financial statement and the year 2014 financial statement with the executives and the auditor to make sure that the financial statement of the Company were prepared in accordance with GAPP and the information were disclosed adequately, completely and in reliable manner. In addition, the Audit Committee also took notice and acknowledged for the ways to solve problems that would be benefit to the Company. Disclosure of related transaction between the Company was also reviewed to ensure that the Company complied with business conditions and criteria required by the Stock Exchange of Thailand.
- In the Audit Committee meeting no.1/2015 held on 23 February 2015, the Audit Committee reviewed the 2015 annual audit plan, proposed by outsourcing independent internal audit from Aim to Prosperity Co., Ltd. in terms of adequate and effective internal control system by considering from the report of Internal Audit and gave recommendations to Internal Auditor for more effective operations regarding the monitoring and the solving of problems reported in the Auditing Report especially in essential matters. The goal is to make sure that all units have a proper internal control system that can prevent or at least reduce risk.
- The Audit Committee reviewed risk management policy and its guidelines. The Internal Audit Department was also requested to perform a risk management system to ensure that the Company has sufficient and appropriate procedures and practices in place to prevent and mitigate risks that might occur. Also we reviewed that was the transaction of approval authority (and the levels thereof) to ensure for the compliance the policy. The goal is to ensure efficiency and linkages with the internal control system.
- The Audit Committee reviewed and selected the external auditor and determined their remuneration for the year 2015 by considering the compliance of the selection procedure with the guidelines approved by the Committee, taking into account the qualifications of the audit firm and the auditors. In order to increase assurance that the auditor was independent, The Committee formulated a policy in conformity with the Securities and Exchange Commission ("SEC")'s notification to rotate the Company's auditors every five years.

- Good corporate governance-One of the Company's priorities is to manage the business according to the principles of good corporate governance for the purpose of transparency and ethics so that shareholders, investors and all stakeholders have confidence in us.

The Audit Committee gave the opinion that in year 2014 the Company's internal control and management control systems are adequate and appropriate. All procedures were followed to ensure that the Company has conducted its business consistent with related laws and the information were disclosed in the financial statement is accurate, complete and reliable.

The Audit Committee reviewed the auditor's performance in the past year as well as the audit fee and recommended the Board of Directors to proposed to 2015 Annual General Meeting of Shareholders to appoint Miss.Siraporn Ouaanunkun (CPA No.3844), Mr.Supachai Phanyawattano (CPA No.3930) and Miss.Waraporn Prapasirikul (CPA No.4579) from EY Office Limited as the auditor of Company for year 2015

23 February 2015

On behalf of the Audit Committee



(Miss Thipawan Uthaisang)

Chairman of the Audit Committee

Prodigy Public Co., Ltd.

Independent Auditor's Report

To the Shareholders of Prodigy Public Company Limited

I have audited the accompanying financial statements of Prodigy Public Company Limited which comprise the statement of financial position as at 31 December 2014, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Prodigy Public Company Limited as at 31 December 2014, and its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Siraporn Ouaanunkun
Certified Public Accountant (Thailand) No. 3844

EY Office Limited
Bangkok: 23 February 2015

Prodigy Public Company Limited**Statement of financial position****As at 31 December 2014**

			(Unit: Baht)
	<u>Note</u>	<u>2014</u>	<u>2013</u>
Assets			
Current assets			
Cash and cash equivalents	7	184,440,332	26,807,747
Trade receivables	8	132,357,260	117,693,871
Inventories	9	25,348,015	24,771,822
Material supplies	9	8,798,030	7,879,233
Other current assets		1,129,689	772,181
Total current assets		<u>352,073,326</u>	<u>177,924,854</u>
Non-current assets			
Property, plant and equipment	10	335,927,347	378,581,834
Intangible assets -computer software	11	379,501	307,746
Deferred tax assets	19	1,741,263	1,540,146
Other non-current assets		3,058,684	145,205
Total non-current assets		<u>341,106,795</u>	<u>380,574,931</u>
Total assets		<u><u>693,180,121</u></u>	<u><u>558,499,785</u></u>

The accompanying notes are an integral part of the financial statements.

Prodigy Public Company Limited**Statement of financial position (continued)****As at 31 December 2014**

		(Unit: Baht)	
	<u>Note</u>	<u>2014</u>	<u>2013</u>
Liabilities and shareholders' equity			
Current liabilities			
Short-term loans from financial institutions	12	-	25,000,000
Trade and other payables	13	116,826,729	114,544,013
Current portion of long-term loans	14	26,570,408	57,278,216
Income tax payable		6,082,776	6,891,203
Other current liabilities		2,587,072	2,762,077
Total current liabilities		<u>152,066,985</u>	<u>206,475,509</u>
Non-current liabilities			
Long-term loans, net of current portion	14	39,350,000	65,920,409
Provision for long-term employee benefits	15	8,706,315	7,700,731
Total non-current liabilities		<u>48,056,315</u>	<u>73,621,140</u>
Total liabilities		<u>200,123,300</u>	<u>280,096,649</u>

The accompanying notes are an integral part of the financial statements.

Prodigy Public Company Limited**Statement of financial position (continued)****As at 31 December 2014**

(Unit: Baht)

	<u>Note</u>	<u>2014</u>	<u>2013</u>
Shareholders' equity			
Share capital			
Registered			
270,000,000 ordinary shares of Baht 0.5 each	16	135,000,000	135,000,000
Issued and fully paid up			
270,000,000 ordinary shares of Baht 0.5 each			
(2013: 200,000,000 ordinary shares of Baht 0.5 each)	16	135,000,000	100,000,000
Share premium	16	156,342,080	-
Retained earnings			
Appropriated-statutory reserve	17	13,500,000	10,000,000
Unappropriated		188,214,741	168,403,136
Total shareholders' equity		493,056,821	278,403,136
Total liabilities and shareholders' equity		693,180,121	558,499,785
		-	-

The accompanying notes are an integral part of the financial statements.

Directors

Prodigy Public Company Limited
Statement of comprehensive income
For the year ended 31 December 2014

(Unit: Baht)

	<u>Note</u>	<u>2014</u>	<u>2013</u>
Profit or loss:			
Revenues			
Sales		690,535,423	694,207,994
Gain on exchange		-	1,965,383
Other income		1,910,267	2,929,733
Total revenues		<u>692,445,690</u>	<u>699,103,110</u>
Expenses			
Cost of sales		566,606,097	572,233,381
Selling expenses		20,868,937	21,002,826
Administrative expenses		26,619,000	23,800,248
Total expenses		<u>614,094,034</u>	<u>617,036,455</u>
Profit before finance cost and income tax expenses		<u>78,351,656</u>	<u>82,066,655</u>
Finance cost		(5,397,468)	(8,271,244)
Profit before income tax expenses		<u>72,954,188</u>	<u>73,795,411</u>
Income tax expenses	19	(14,548,949)	(14,667,746)
Profit for the year		<u>58,405,239</u>	<u>59,127,665</u>
Other comprehensive income:			
Actuarial losses	15	(242,042)	-
Income tax effect	19	48,408	-
Other comprehensive income for the year		<u>(193,634)</u>	<u>-</u>
Total comprehensive income for the year		<u>58,211,605</u>	<u>59,127,665</u>
Earnings per share	20		
Basis earnings per share		<u>0.25</u>	<u>0.30</u>
Weighted average number of ordinary shares (shares)		<u>229,917,808</u>	<u>200,000,000</u>

The accompanying notes are an integral part of the financial statements.

Prodigy Public Company Limited**Cash flow statement****For the year ended 31 December 2014**

	(Unit: Baht)	
	<u>2014</u>	<u>2013</u>
Cash flows from operating activities		
Profit before tax	72,954,188	73,795,411
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities		
Gain on sales of machinery and equipment	(340,000)	(495,325)
Depreciation and amortisation	54,840,975	55,117,949
Reversal of allowance for impairment loss on assets	-	(347,467)
Reversal of allowance for diminution in value of inventories	-	(321,322)
Reversal of allowance for doubtful accounts	-	(15,285)
Provision for long-term employee benefits	1,105,542	844,071
Interest expenses	5,129,837	8,030,174
Profit from operating activities before change in operating assets and liabilities	133,690,542	136,608,206
Operating assets (increase) decrease		
Trade receivables	(14,663,389)	20,930,870
Inventories and material supplies	(1,494,990)	6,139,712
Other current assets	(357,508)	1,052,229
Other non-current assets	(2,913,479)	(123,400)
Operating liabilities increase (decrease)		
Trade and other payables	2,486,223	(4,971,265)
Other current liabilities	(175,006)	960,716
Provision for long-term employee benefits	(342,000)	(130,000)
Cash flows from operating activities	116,230,393	160,467,068
Cash paid for interest expenses	(5,333,344)	(8,006,752)
Cash paid for corporate income tax	(14,345,605)	(23,383,185)
Net cash flows from operating activities	<u>96,551,444</u>	<u>129,077,131</u>

The accompanying notes are an integral part of the financial statements.

Prodigy Public Company Limited**Cash flow statement (continued)****For the year ended 31 December 2014**

	(Unit: Baht)	
	<u>2014</u>	<u>2013</u>
Cash flows from investing activities		
Aquisition of property, plant and equipment	(12,355,743)	(21,044,274)
Proceed from sales of equipment	600,000	495,327
Increase in intangible assets	(162,500)	(336,130)
Net cash flows used in investing activities	<u>(11,918,243)</u>	<u>(20,885,077)</u>
Cash flows from financing activities		
Increase (decrease) in short-term loans from financial institutions	(25,000,000)	25,000,000
Decrease in trust receipts	-	(47,349,953)
Cash receipts from long-term loans	-	70,000,000
Repayment of long-terms	(57,278,216)	(61,995,000)
Cash receipt from issuance of ordinary shares	190,177,600	-
Dividend paid	(34,900,000)	(80,553,166)
Net cash flows from (used in) financing activities	<u>72,999,384</u>	<u>(94,898,119)</u>
Net increase in cash and cash equivalents	<u>157,632,585</u>	<u>13,293,935</u>
Cash and cash equivalents at beginning of year	<u>26,807,747</u>	<u>13,513,812</u>
Cash and cash equivalents at end of year	<u><u>184,440,332</u></u>	<u><u>26,807,747</u></u>
	-	-

The accompanying notes are an integral part of the financial statements.

Prodigy Public Company Limited

Statement of changes in shareholders' equity

For the year ended 31 December 2014

(Unit: Baht)

	Issued and fully paid-up share capital	Share premium	Retained earnings		Total
			Appropriated	Unappropriated	
Balance as at 1 January 2013	50,000,000	-	5,000,000	244,828,637	299,828,637
Profit for the year	-	-	-	59,127,665	59,127,665
Dividend paid (Note 23)	-	-	-	(80,553,166)	(80,553,166)
Stock dividend (Note 23)	50,000,000	-	-	(50,000,000)	-
Unappropriated retained earnings transferred to statutory reserve	-	-	5,000,000	(5,000,000)	-
Balance as at 31 December 2013	<u>100,000,000</u>	<u>-</u>	<u>10,000,000</u>	<u>168,403,136</u>	<u>278,403,136</u>
					-
Balance as at 1 January 2014	100,000,000	-	10,000,000	168,403,136	278,403,136
Profit for the year	-	-	-	58,405,239	58,405,239
Other comprehensive income for the year	-	-	-	(193,634)	(193,634)
Total comprehensive income for the year	-	-	-	58,211,605	58,211,605
Dividend paid (Note 23)	-	-	-	(34,900,000)	(34,900,000)
Issuance of ordinary shares (Note 16)	35,000,000	156,342,080	-	-	191,342,080
Unappropriated retained earnings transferred to statutory reserve	-	-	3,500,000	(3,500,000)	-
Balance as at 31 December 2014	<u>135,000,000</u>	<u>156,342,080</u>	<u>13,500,000</u>	<u>188,214,741</u>	<u>493,056,821</u>
					-

The accompanying notes are an integral part of the financial statements.

Prodigy Public Company Limited
Notes to financial statements
For the year ended 31 December 2014

1. General information

Prodigy Public Company Limited (“the Company”) registered the change of its status to a public company limited on 6 June 2013. The Company was incorporated and domiciled in Thailand. Its parent company is Thai Vegetable Oil Public Company Limited, which was incorporated in Thailand. The Company is principally engaged in the producing and distributing packaging. The registered office of the Company is at 7/3 Moo 3, Bang Krabao, Nakhon Chaisi, Nakhon Pathom.

2. Basis of preparation

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

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 the Thai language financial statements.

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

3. New financial reporting standards

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

(a) Financial reporting standards that became effective in the current accounting year

Conceptual Framework for Financial Reporting (revised 2014)

Accounting Standards:

TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Ventures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets

Financial Reporting Standards:

TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments

Accounting Standard Interpretations:

TSIC 15	Operating Leases - Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosures
TSIC 32	Intangible Assets - Web Site Costs

Financial Reporting Standard Interpretations:

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers
Accounting Treatment Guidance for Stock Dividend	

These financial reporting standards were amended primarily to align their content with the corresponding International Financial Reporting Standards. Most of the changes were directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of the accounting standards. These financial reporting standards do not have any significant impact on the financial statements.

(b) Financial reporting standards that will become effective in the future

The Federation of Accounting Professions has issued a number of revised and new financial reporting standards that become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of accounting standards. The management of the Company believes they will not have any significant impact on the financial statements in the year in which they are adopted. However, some of these financial reporting standards involve changes to key principles, as discussed below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognise actuarial gains and losses immediately in other comprehensive income while the existing standard allows the entity to recognise such gains and losses immediately in profit or loss, or in other comprehensive income, or to recognise them gradually in profit or loss.

This revised standard does not have any impact on the financial statements as the Company already recognised actuarial gains and losses immediately in other comprehensive income.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurements. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effect of the change from the adoption of this standard is to be recognised prospectively.

Based on the preliminary analysis, the management of the Company believes that this standard will not have any significant impact on the Company financial statement.

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

4.2 Cash and cash equivalents

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

4.3 Trade accounts receivable

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

4.4 Inventories and material supplies

Finished goods are valued at the lower of cost (average cost method) and net realisable value and includes all production costs and attributable factory overheads

Raw materials and packages are valued at the lower of cost (average cost method) and net realisable value and are charged to production costs whenever consumed.

Material supplies are valued at the lower of cost (specific method) and net realisable value.

4.5 Property, plant and equipment/Depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of building and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Buildings and building improvements	20	years
Machinery and equipment	10	years
Factory tools and equipment	5	years
Furniture and fixtures	5	years
Motor vehicles	5	years

Depreciation is included in determining income. No depreciation is provided on land and construction in progress.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.6 Intangible assets

Intangible assets are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Computer software	5 years

4.7 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

4.8 Foreign currencies

The financial statements are presented in Baht, which is also the Company's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of the reporting period.

Gains and losses on exchange are included in determining income.

4.9 Impairment of assets

At the end of each reporting period, the Company performs impairment reviews in respect of the property, plant and equipment whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

4.10 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits and other long-term employee benefits

Defined contribution plans

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

Defined benefit plans

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

For the first-time adoption of TAS 19 Employee Benefits in 2011, the Company elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, through an adjustment to the beginning balance of retained earnings in 2011.

4.11 Provision

Provisions are recognised when the Company has present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.12 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5. Use of accounting estimates

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

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 Company's plant and equipment and to review estimate 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 impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Deferred tax assets

Deferred tax assets are recognised 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 utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

6. Related party transactions

During the years, the Company had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Million Baht)

	For the year ended		Pricing policy
	31 December		
	<u>2014</u>	<u>2013</u>	
<u>Transactions with parent company</u>			
Sales of goods	272	221	Normal prices charged to ordinary customers
<u>Transactions with related company</u>			
Sales of goods	26	22	Normal prices charged to ordinary customers

As at 31 December 2014 and 2013, the balances of the accounts between the Company and those related parties are as follows:

(Unit: Thousand Baht)

	<u>2014</u>	<u>2013</u>
<u>Trade receivables - related parties (Note 8)</u>		
Parent company	47,152	44,656
Related company (related by common directors)	2,210	1,533
Total trade receivables - related parties	<u>49,362</u>	<u>46,189</u>

Directors and management's benefits

During the years ended 31 December 2014 and 2013, the Company had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	<u>2014</u>	<u>2013</u>
Short-term employee benefits	10.3	7.5
Post-employment benefits	0.3	0.3
Total	<u>10.6</u>	<u>7.8</u>

7. Cash and cash equivalents

	(Unit: Thousand Baht)	
	<u>2014</u>	<u>2013</u>
Cash	60	60
Bank deposits	184,380	26,748
Total	<u>184,440</u>	<u>26,808</u>

As at 31 December 2014, bank deposits in saving accounts carried interests 0.375 percent per annum (2013: 0.5 percent per annum).

8. Trade receivables

	(Unit: Thousand Baht)	
	<u>2014</u>	<u>2013</u>
<u>Trade receivables - related parties</u>		
Aged on the basis of due dates		
Not yet due	27,382	22,898
Past due up to 3 months	21,980	23,291
Total trade receivables - related parties	<u>49,362</u>	<u>46,189</u>
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	27,027	21,020
Past due		
Up to 3 months	54,542	48,127
3 - 6 months	1,008	189
6 - 12 months	-	741
Over 12 months	1,222	1,042
Returned cheques	344	1,534
Total	<u>84,143</u>	<u>72,653</u>
Less: Allowance for doubtful debts	<u>(1,148)</u>	<u>(1,148)</u>
Total trade receivables - unrelated parties, net	<u>82,995</u>	<u>71,505</u>
Total trade receivable - net	<u>132,357</u>	<u>117,694</u>

9. Inventories and material supplies

(Unit: Thousand Baht)

	Cost		Reduce cost to net realisable value		Inventories-net	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Finished goods	11,746	14,050	-	-	11,746	14,050
Raw materials	10,464	8,008	-	-	10,464	8,008
Packaging	3,138	2,714	-	-	3,138	2,714
Total inventories	<u>25,348</u>	<u>24,772</u>	<u>-</u>	<u>-</u>	<u>25,348</u>	<u>24,772</u>
Material supplies	<u>8,798</u>	<u>7,879</u>	<u>-</u>	<u>-</u>	<u>8,798</u>	<u>7,879</u>

10. Property, plant and equipment

(Unit: Thousand Baht)

	Land and land improvements	Building and improvements	Machinery and equipment	Factory tools and equipment	Furniture and fixtures	Motor vehicles	Construction in progress	Total
Cost:								
1 January 2013	32,428	65,211	544,348	107,370	3,243	4,756	88,411	845,767
Additions	193	487	-	549	434	2,490	16,891	21,044
Disposals	-	-	-	-	-	(1,647)	-	(1,647)
Transfers	-	25,581	65,696	11,516	14	-	(102,807)	-
31 December 2013	32,621	91,279	610,044	119,435	3,691	5,599	2,495	865,164
Additions	-	296	-	755	698	20	10,586	12,355
Disposals	-	-	-	-	-	-	(260)	(260)
Transfers	-	-	674	11,583	-	-	(12,257)	-
31 December 2014	32,621	91,575	610,718	131,773	4,389	5,619	564	877,259
Accumulated depreciation:								
1 January 2013	-	31,996	306,487	87,401	2,659	4,605	-	433,148
Depreciation for the year	-	3,848	43,268	7,516	244	205	-	55,081
Depreciation on disposals	-	-	-	-	-	(1,647)	-	(1,647)
31 December 2013	-	35,844	349,755	94,917	2,903	3,163	-	486,582
Depreciation for the year	-	3,950	41,154	8,806	338	502	-	54,750
31 December 2014	-	39,794	390,909	103,723	3,241	3,665	-	541,332

(Unit: Thousand Baht)

	Land and land improvements	Building and building improvements	Machinery and equipment	Factory tools and equipment	Furniture and fixtures	Motor vehicles	Construction in progress	Total
Allowance for impairment loss:								
1 January 2013	-	-	347	-	-	-	-	347
Decrease during the year	-	-	(347)	-	-	-	-	(347)
31 December 2013	-	-	-	-	-	-	-	-
31 December 2014	-	-	-	-	-	-	-	-
Net book value:								
31 December 2013	32,621	55,435	260,289	24,518	788	2,436	2,495	378,582
31 December 2014	32,621	51,781	219,809	28,050	1,148	1,954	564	335,927
Depreciation for the year								
2013 (Baht 51 million included in manufacturing cost and the balance in selling and administrative expenses)								55,081
2014 (Baht 51 million included in manufacturing cost and the balance in selling and administrative expenses)								54,750

As at 31 December 2014, certain plant and equipment items of the Company have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 315 million (2013: Baht 262 million).

11. Intangible assets - computer software

The net book value of intangible assets as at 31 December 2014 and 2013 is presented below.

	(Unit: Thousand Baht)	
	<u>2014</u>	<u>2013</u>
Cost	552	389
<u>Less</u> Accumulated depreciation	(172)	(81)
Net book value	<u>380</u>	<u>308</u>

A reconciliation of the net book value of intangible assets for the years 2014 and 2013 is presented below.

	(Unit: Thousand Baht)	
	<u>2014</u>	<u>2013</u>
Net book value at beginning of year	308	8
Acquisition of computer software	163	336
Amortisation	(91)	(36)
Net book value at end of year	<u>380</u>	<u>308</u>

12. Credit facilities of bank overdrafts, short-term loans from financial institutions and trust receipts

Short-term loans of the Company were charged interest at the rate 4 to 4.1 percent.

The agreements for the credit facilities obtained from banks and financial institutions contain covenants with which the Company must comply. These relate to, among other things, the maintenance of financial ratios and restrictions on the creation of lien or encumbrance over its assets without prior consent from banks.

13. Trade and other payables

	(Unit: Thousand Baht)	
	<u>2014</u>	<u>2013</u>
Trade payables	105,973	106,681
Other payables	2,203	1,473
Accrued expenses	8,651	6,390
Total trade and other payables	<u>116,827</u>	<u>114,544</u>

14. Long-term loans

(Unit: Thousand Baht)				
Loans	Interest rate (%)	Repayment conditions	2014	2013
1.	FDR+2.75	Monthly installments as from 2010 to 2015	3,170	20,798
2.	MLR-2	Monthly installments as from 2011 to 2017	18,750	42,800
3.	MLR-2.5	Monthly installments as from 2013 to 2018	44,000	59,600
Total			65,920	123,198
Less: Current portion			(26,570)	(57,278)
Long-term loans, net of current portion			39,350	65,920

The loan agreements contain covenants that, among other things, require the Company to be restricted on the disposal of its assets or the creation of lien thereon without prior consent from banks and the maintenance of certain financial ratios.

During the year 2013, the Company received the relaxation for not complying with such covenants from financial institutions. Subsequently in February 2014, the financial institutions cancelled such covenants for the Company.

15. Provision for long-term employee benefits

Provision for long-term employee benefits, which is compensations on employees' retirement, was as follows:

(Unit: Thousand Baht)		
	<u>2014</u>	<u>2013</u>
Defined benefit obligation at beginning of year	7,701	6,987
Current service cost	798	582
Interest cost	307	262
Benefits paid during the year	(342)	(130)
Actuarial losses	242	-
Provisions for long-term employee benefits at end of year	<u>8,706</u>	<u>7,701</u>

Long-term employee benefit expenses included in the profit or loss was as follows:

	(Unit: Thousand Baht)	
	<u>2014</u>	<u>2013</u>
Current service cost	798	582
Interest cost	307	262
Total expenses recognised in profit or loss	<u>1,105</u>	<u>844</u>
Line items under which such expenses are included in profit or loss		
Cost of sales	666	439
Selling and administrative expenses	439	405

The cumulative amount of actuarial losses recognised in other comprehensive income and taken as part of retained earnings of the Company as at 31 December 2014 amounted to Baht 0.2 million

Principal actuarial assumptions at the valuation date were as follows:

	(Unit: Thousand Baht)	
	<u>2014</u>	<u>2013</u>
	(% per annum)	(% per annum)
Discount rate	4.1	4
Future salary increase rate (depending on age of employee)	3.5 - 6.5	3.5 - 6.5
Staff turnover rate	0 - 23	0 - 23

Amounts of defined benefit obligation for the current and previous four periods are as follows:

	(Unit: Thousand Baht)	
	<u>Defined benefit obligation</u>	<u>Experience adjustments on the obligations</u>
Year 2014	8,706	61
Year 2013	7,701	-
Year 2012	6,987	-
Year 2011	6,194	-
Year 2010	5,547	-

16. Share capital

On 29 July 2013, The Company registered the increase in its registered share capital from Baht 50 million (5 million ordinary shares with a par value of Baht 10 each) to Baht 100 million (10 million ordinary shares with a par value of Baht 10 each) by issuing 5 million ordinary shares with a par value of Baht 10 each to accommodate the stock dividend payment (As mentioned in Note 23 to the financial statements).

On 29 August 2013, the Extraordinary General Meeting of shareholders No. 2/2013 passed the resolution approved the change of the par value of its ordinary shares from 10 million ordinary shares of Baht 10 each to 200 million ordinary shares of Baht 0.5 each and approved the increase of registered share capital from Baht 100 million to Baht 135 million through the issuance of 70 million ordinary shares, a par value of Baht 0.5 each, to reserve for initial public offering.

From 21 to 23 July 2014, the Company made a public offering of the 70 million additional shares at a price of Baht 2.8 per share, or for a total of Baht 196 million. On 24 July 2014, the Company received payment of this share capital increment. The Company registered the increase in its paid-up capital with the Ministry of Commerce on 25 July 2014. The Company incurred expenses relating to the share offering amounting to approximately Baht 5 million (net of income tax of Baht 1 million), and these expenses were recorded as a deduction against share premium.

On 29 July 2014, the Stock Exchange of Thailand approved the listing of the ordinary shares of the Company to Market for Alternative Investment (MAI).

17. Statutory reserve

According to the Thai Civil and Commercial Code, the Company is required to set aside to a statutory reserve an amount equal to at least 5 percent of its net profit each time the Company pays out a dividend, until the reserve reaches 10 percent of its registered share capital. The statutory reserve cannot be used for dividend payment. At present, the statutory reserve has fully been set aside.

18. Expenses by nature

	(Unit: Thousand Baht)	
	<u>2014</u>	<u>2013</u>
Salary and wages and other employee benefits	69,931	67,750
Depreciation and amortisation	54,841	55,118
Transportation expenses	18,231	18,660
Raw materials and consumables used	324,650	346,417
Purchase of finished goods	48,945	38,368
Changes in inventories of finished goods	2,304	2,382

19. Income tax

Income tax expenses for the years ended 31 December 2014 and 2013 are made up as follows:

	(Unit: Thousand Baht)	
	<u>2014</u>	<u>2013</u>
Current income tax:		
Current income tax charge	13,538	14,741
Deferred tax:		
Relating to origination and reversal of temporary differences	(153)	(73)
Effects of income tax related to the share offering (Note 16)	<u>1,164</u>	<u>-</u>
Income tax expense reported in the statement of comprehensive income	<u><u>14,549</u></u>	<u><u>14,668</u></u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2014 and 2013 are as follows:

	(Unit: Thousand Baht)	
	<u>2014</u>	<u>2013</u>
Deferred tax relating to actuarial losses	<u>(48)</u>	<u>-</u>

The reconciliation between accounting profit and income tax expenses is shown below.

	(Unit: Thousand Baht)	
	<u>2014</u>	<u>2013</u>
Accounting profit before tax	<u>72,954</u>	<u>73,795</u>
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by income tax rate	14,591	14,759
Effects of:		
Non-deductible expenses	52	68
Additional expense deductions allowed	(94)	(70)
Exemption of income	-	(89)
Total	<u>(42)</u>	<u>(91)</u>
Income tax expenses reported in the statement of comprehensive income	<u><u>14,549</u></u>	<u><u>14,668</u></u>

The components of deferred tax assets are as follows:

		(Unit: Thousand Baht)	
		Statements of financial position	
		As at	As at
		31 December 2014	31 December 2013
Deferred tax assets			
Provision for long-term employee benefits		1,741	1,540
Total		1,741	1,540

20. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

The following table sets forth the computation of basic earnings per share:

		For the year ended	
		31 December	
		<u>2014</u>	<u>2013</u>
Profit for the year (Thousand Baht)		58,212	59,128
Weighted average number of ordinary shares			
(Thousand shares)		229,918	200,000
Earnings per share (Baht per share)		0.25	0.30

21. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Company is principally engaged in the manufacture and distribution of packaging products. Its operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area.

Major Customers

For the year 2014, the Company has revenue from two major customers in amount of Baht 272 million and Baht 88 million. (2013: Baht 221 million and Baht 118 million).

22. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 3 percent of basic salary. The fund, which is managed by BBL Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2014, the Company contributed Baht 0.9 million (2013: Baht 0.3 million) to the fund.

23. Dividend

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
Dividends for 2013	The Annual General Meeting of the Company's shareholders on 23 April 2014	16,000	0.08
Interim dividends for 2014	Board of Directors' meeting on 7 August 2014	18,900	0.07
Total dividends for the year 2014		34,900	0.15
Dividends for 2012	The Annual General Meeting of the Company's shareholders on 23 April 2013		
- Cash dividend		75,000	15.00
- Stock dividend of 5,000,000 ordinary shares		50,000	10.00
Interim dividends for 2013	Extraordinary General Meeting of shareholders on 10 July 2013		
- Cash dividend		5,553	1.11
Total dividends for the year 2013		130,553	26.11

24. Commitments and contingent liabilities

24.1 Capital commitments

As at 31 December 2014, the Company had capital commitments of approximately Baht 5 million relating to the acquisition of factory tools and equipment (2013: Baht 2 million).

24.2 Guarantees

As at 31 December 2014, there were outstanding bank guarantees of approximately Baht 8 million issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business of the Company (2013: Baht 8 million). The outstanding bank guarantees are related to guarantee electricity use.

25. Financial instruments

25.1 Financial risk management

The Company's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade receivables, trade and other payables, and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company is exposed to credit risk primarily with respect to trade accounts receivable. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Company does not have high concentration of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivables as stated in the statement of financial position.

Interest rate risk

The Company's exposure to interest rate risk relates primarily to their cash at banks, and short-term and long-term borrowings. However, since most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal. The detail of cash at banks, and long-term loans are set out in Notes to the financial statements No.7, 12 and 14, respectively.

25.2 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature, and loans bear interest at rates close to market interest rates, their fair values are not expected to be materially different from the amounts presented in the statements of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

26. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2014, the Company's debt-to-equity ratio was 0.4:1 (2013: 1:1).

27. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised directors on 23 February 2015.



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