





## Policy and Business Outlook

**Vision** : We are committed to producing the quality of products with responsibility to customers, society and environment.

**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.

## Quality and Environment Policy

: To be the leader of packaging business with the quality and professional service with regard to standardized environmental management.

-  Being a Leader refers to the company's commitment for quality products manufacturing.
-  With quality refers to the standardized products are accepted by customers.
-  Professional service refers to satisfying customers.
-  Standardized environmental management refers to managing environmental issues in accordance with regulation and laws.

**Sustainability Strategic** : Company and Social that all stakeholders will get positive impact by company's performance

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## 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 Competitions

In 2020, the Manufacturing Production Index (MPI) was at 92.17 and contracted by 3.22 per cent in the first quarter which continued to decrease follow the world economy, Thailand economy and the major partner nations, also the COVID-19 pandemic. These affect the demand for plastic use in domestic and industrial to decline. In the second quarter, the MPI of the plastic industry was contracted by 5.33 per cent from the first quarter and



also contracted by 5.22 per cent in the same period of the previous year. The overall of this quarter is caused by the deflation which continued since the first quarter because of the COVID-19 pandemic and the lockdown in Thailand; moreover, the cost of production has also decreased because the fluctuation of the crude oil price in the world economy has declined. In the third quarter, the overall has risen to 0.98 and 3.80 per cent when compares to the previous quarter and the same period of the previous year due to the relaxing lockdown measures by the government. In the fourth quarter, the plastic industry tends to slightly increase because of the rise of the demand for product packaging that packed various products at the end of the year. Nevertheless, the demand in the domestic and international is likely not really high yet there's a relax lockdown measures in the country.

Source:Thailand Plastics Industry

## 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 9001:2015, Recommended International Code of Practice – General Principles of Food Hygiene CAR/RCP, GMP and HACCP by Intertek Certification 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.

In 2020, the company has the strategy to expand in other regions both in terms of product and customer including a regular customer to build a good relationship and services if any problem occurs in the production process by the expert staffs in the company. Furthermore, another branch will be expanded in Surin province to make a distribution center in the region and also to get close to the customers as well as to decrease the transportation cost in that region.



## (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, 2020, the Company has 35 production lines, which has the capacity with 61.5 million bottles and 20 million pieces preform per month, 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.

The company will also give a suggestion in choosing the suitable bottle for the customer's product whether shape or capacity to make the most advantage from choosing the right one. Besides it helps the customer to reduce the production cost, it also helps the environment from reducing plastic use in the production process.

#### (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.

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#### (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. The expert machine suppliers are also invited to machine learning internship at the company for everyone to gain knowledge and practice. 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.



In 2020, the company understand that the COVID-19 pandemic has affected many of our customers

and when the production cost of the company has declined because of the decreased material cost, the

company has considered to reduce the customer product price two times.

■ 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.



### 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 PCL., 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.
5	Preform	The large to small PET bottle manufacturers that own blowing machine in their line.

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:

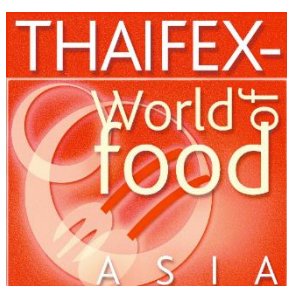
- 1) Distribution via the marketing team: The experienced, knowledgeable and capable marketing team with customer insight directly contacts the customers by visiting them and presenting the products, with the details that meets their needs. From this, the team will also learn their recent needs. Sometimes, 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. Including social network such as Facebook and Line for enables communication even more comfortable.



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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.

Meanwhile, the company also has not set up any event booth due to the COVID-19 pandemic; however, the company is still using other channels to continually communicate with our customers to get close to each group in both small and large entrepreneurship.



In the last year, the company participated in the booth to directly reach the customers groups and interested customers which will provide information and answer questions to customers both in the form of B to B groups, both major and minor. The company participated in the booth at THAIFLEX 2019 organized by the Thai Chamber of Commerce

and Mai Forum in order to increase the channel for more customers' extensions.





## 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:



## Plastic Industry Outlook and Competition

### Thailand Beverage Industry Trends in 2019 – 2021

Nowadays, there are various non-alcohol industries and entrepreneurs in Thailand.

The bottled water industry has a high investment in the beginning, but with the development of machines and the water purification technologies in present has a high advancement to purify water to reach the standard which helps to reduce the production cost, machines and the production per unit deceased. This also increases a new entrepreneur into the market. There are more than 60% in the market being controlled by the major manufacturers which have more advantage from the size, and some companies are hired by the brands or other businesses such as hotels, hospitals or producing other products. This reason caused to have more advantage in distributing the product and making a strategy in which the major manufacturers can have more market platforms to communicate through retails, modern trades, local food restaurants, and also direct Sale and online marketing (home and office delivery). Nevertheless, there are also more than 100 local brands which focus on other provinces to provide their products in a general restaurant or street foods.

**Table 3: Thai Non-Alcoholic Drink Consumption Forecast**

	% YoY				
	2015	2016	2017	2018F	2019F-2021F
Bottled Water	3.5	7.4	3.7	8-10	5-8
Carbonates	-8.9	-11.0	-3.2	-2 to 0	0-2
Energy Drinks	4.5	4.2	2.9	0-2	0-2

Source: OIE, Euromonitor, Forecast by Krungsri Research

### Bottle Water Market

In the year 2018-2021, the consumption of the bottled water market is expected to grow at the average 5-8% per year because it is a necessary product and it is a beverage that meets lifestyle in the present because consumers consider the cleanliness and safety of the product. With the certification from ISO 9001, HACCP in the bottled water product, the consumer has more confidence in consuming, so this affects the growth of the bottled water market in a small scale which has a general consumer. While a high competition from a new manufacturer is increasing, the manufacturer has to use a market strategy to expand the distribution and to push high the production cost of the entrepreneur.

The COVID-19 pandemic in 2020 affects the entrepreneurs, retails, restaurants, small entrepreneurs, and large entrepreneurs to temporarily shut down their businesses follow the government measurement to protect and reduce the risk of COVID-19 transmission. With this reason, it affects the overall sale revenue of the bottled water market in the first half-year, and after the relax lockdown measurement, the major manufacturers in the market increase the high competition by using strategy to scramble the target customers; for example, using labels in a limited edition forms and using favorite cartoon characters with the fonts to collect etc.



The plastic packaging manufacturers have not only focused in marketing but also environmental matter such as Carbon Footprint, which is the calculation of carbon-dioxide emission during all production processes. This aspect will be the important trend for packaging industry in the future.

Plastic packaging industry in Thailand is very important to Thailand economy because plastic packaging is considered as the necessarily products for domestic consumption and also exported products, which tend to grow with the same direction of Thailand economy. The plastic packaging business could be categorized by production processes and types of plastic products into 13 categories 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

## Key Factors that Impact the Plastic Industry

Thailand has the most important bottled water base manufacturing in the world from the demand of using plastic in the production process as the main factor in 5 industries including packaging industry, electric industry, automotive industry, construction industry, and medical industry.

With the different properties of plastic such as highly elastic, lightweight, heat resistant, chemical resistant, leak detection in both water and oil, and low-cost price, the entrepreneurs can apply these properties to produce any kind of plastic.

This factor affects the industry including the government stimulus policies, the economic trend, and international trade war

Among the consumer behavior of plastic use tend to reconsider the use of plastic by the statistic of using plastic of Thai people is around 56 kilograms per person per year. And for the manufacturer view, this is a challenge to adapt themselves to respond to this variant behavior.

However, this factor will raise the effectiveness of product development as high technology of production, especially for the upstream process and midstream.

Hence, when talking about the potential competition in the country through the new target of the industry (the new S-Curve), it is the main function to drive the economy in the future with the support factor to enhance Thai's industry for the future industry which is a high-potential raw material in manufacturing.

*In 2020*, plastic manufacturing in Thailand tends to contract due to the fluctuation of crude oil price and the world economy from the following reasons.

1. COVID-19 pandemic
2. China - United States Trade War affects Thailand's exporting plastic products to the main partner nations has declined.

The main effects

1. The Thai economy has declined and affects the overview of the production and the consumption parts within the country, so the country economy and the demand of Thai consumption the plastic tended to a downturn.
2. The level of crude oil price has high fluctuation and this affects the price of plastic pellets, the production cost, and the plastic manufacturing to be varied.
3. Both government and private organizations have Zero waste and environmental trends to anti-plastic use in their organizations.

However, the plastic industry might not be the first rank in Economic Value Added (EVA) Created of the country, but this industry can increase the income of the country in the future.

## The domestic beverage industry



The overview of the beverage market in Thailand in 2020, the Kasikorn Research Center estimates that The value should be at 4.45 hundred thousand billion baht with a contraction of 3.0 per cent when compared to the previous year. In the first half of the year, it was negative at 7.3 per cent due to the contraction of the alcohol group

mainly. Overall, the beverage market was affected by the COVID-19 pandemic which affected sales distribution of restaurants, fast food businesses that accounts for 18 - 20 percent of distribution channel. Because of the restrictions during the Lockdown and consumer's purchasing power was weak following economic conditions. Together with Thai people having a reduced lifestyle living outside the home, this is considered to be a turnaround to a contraction in 10 years again. This year is a critical year for the beverage market. For bottled water valued at more than 50 ten billion baht with the 12 per cent negative in the first half-year and it is expected that in 2021, the domestic beverage market value should improve slightly.

However, following factors could promote the beverage market.

1. On account of high competition in non-alcoholic drink sector, many marketing campaigns have been launch to reach their target group, who likely to drink water contained in bottles. These could make the repetition to purchase drinking-water bottles.
2. High temperature in Thailand makes many beverages such as drinking water, soda, fruit juices, ready-to-drink tea and electrolyte drinks to gain the benefits from the high frequency to consume.
3. The expansion of urban society and increase of income per capita have increased the needed quantity of packaging especially plastic packaging for food and beverage.
4. The expansion of smaller household due to an increase in single and married without child couples that lead to an increase in demand for individual packaging products that are suitable for household consumption and for travelling.



The drinking water market in Thailand is important to Thailand economy because of the change of current consumer behaviors, which require the comfortable and instant. This trend has a positive effect to the drinking water bottle market to be popularized which could be proofed by many selling channels across the country.



#### Growth opportunity of drinking bottle for 5 reasons

1. Consumer behavior that is more conscious about cleanliness. They drink water from bottle instead of other sources because it is believed to be cleaner. Furthermore, some people who choose to drink bottled water pay more attention to the purchase of quality and the cleanliness of the bottled water causing the bottled water market to compete in certification of production quality standard for quality certification and cleanliness of water.
2. Healthy trend and the sweetness tax is the one reason for consumers to choose bottled water to relieve thirst instead of other sweet drinking.
3. The bottled water market is highly competitive in order to usurp market sharing and circulation by investing in advertising by using famous people as well as marketing campaigns to reduce, exchange, give away for attract customers' attraction.
4. These are a variety of packing sizes to penetrate groups of people with different water intake needs such as 330 ml. of drinking water for children.
5. Launching a limited edition collection to attract collectors including designing product labels using famous cartoon characters that are known to reach customers aged 4 – 12 who will be present and future customers' base.

In the past year, the drinking water's market high competition, the big manufacturers have to use price war

Strategy for switching brand that the price was the main point for consumers. Although there was the high competition but the new manufacturer increased who have seen opportunities and still a growth direction.

Water bottled market have growth and still likely to increase and the growth of drinking water, it focus the packaging of drinking water, if focus the packaging of drinking water PET and glass bottle that's the main packaging. A growth direction of water bottled is expected to grow at the average 5 – 8% per year, cause it is a necessary product and it is a beverage that meets lifestyle in the present because consumers consider the cleanliness and safety of the product. so this affects the growth of the bottled water market in a small scale which has a general consumer.

## 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, today the consumers 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.

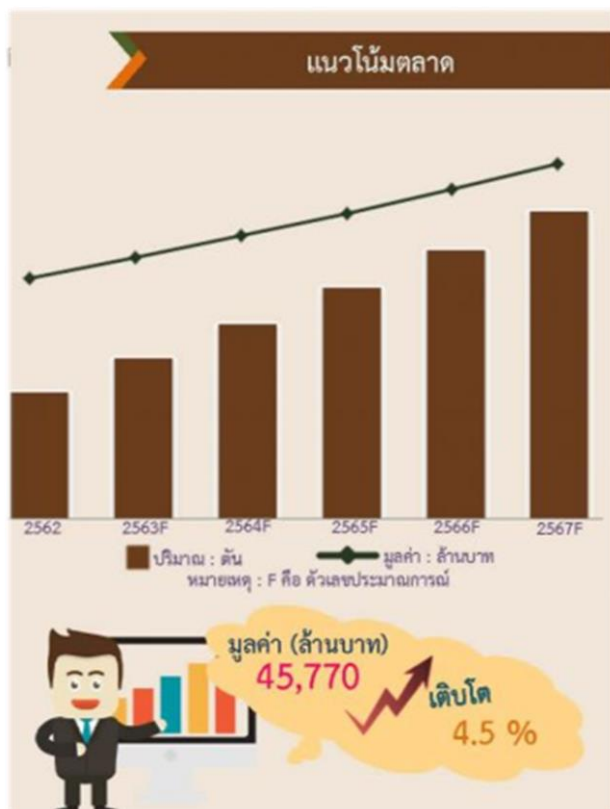
## The status of the seasoning industry

Thai people consume an average of 5.8 kg per person per year in sauces and seasonings.

Before the COVID-19 pandemic, the consumers prefer to consume ready-made food and choose to eat out

rather than buying ingredients to cook at home. But during the COVID-19 crisis, most consumers have to stay and work at home according to the COVID-19 Prevention Policy, thus this situation increases their free time and some want to save money during work from home. So, the store is not allowed to sit and dine at the store and the consumers, therefore, turned to cook more food for themselves. So the products in the sauces and seasonings are rising stars in 2020.

Thai Food Seasoning Market continues gaining the demand of the market by the statistic of the first 3 months of 2020, Thailand exported condiments valued at USD 207.64 hundred thousand million or about 1.75 billion baht which increased to 12.05% compared to the same period of 2019. In the country, the COVID-19 pandemic has caused consumers to change their consuming behavior y



cooking more food by themselves in the household, and resulting in a higher sales of seasonings as well.

### Seasoning market in Thailand

At this moment, there are some types of seasoning competition in Thailand and each category has market dominance in the condiments industry. Though this was affected by the COVID-19 epidemic last year such as having fewer sales for restaurant customers, the small-scale of consumers are increasing because they cook in their houses. The Thai seasoning market is likely to grow continuously over the long term. Since Thai food is favored by Thais and foreigners. It is an opportunity for entrepreneurs to accelerate the development of products and segments derived from Big Data to analyze and find the direction of the market to create new strategies or develop packaging to ease of use and suitable for handling to use in cooking as well as to attract more customers in the future.

### 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.

At the end of 2020, the company has established another branch in Surin province around 15 rai and 104 square wa. In the warehouse and the production line ,Below is the Company's maximum production capacity from 2018 to 2020.

	2018	2019	2020
Maximum production capacity (million plastic bottles per month)	61.50	61.50	61.50
Maximum production capacity (million preform per month)	20.00	20.00	20.00
Ratio of average machine usage (%)	40.52	39.18	40.22

*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 PCL., Thai-MC Co., Ltd. and Mitsui and Company (Thailand) Co., Ltd. During the past more than 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

In 2019, crude oil prices on world markets have fluctuated but it was downtrend direction that positive impact for PET resin prices as key raw material of our products. The plastic PET (Pet Resin), a key raw material in the production of packaging, PET bottles, as is the continued refining of crude oil and natural gas, the price of raw materials such movements in a manner consistent with the price of oil and natural gas prices in the world market. However, although the company will purchase nearly all of these manufacturers in the baht currency. However, raw material prices are likely to move in the same direction woven material prices on the world market with trade dollars. With the fluctuations that vary according to market conditions and other factors. Due to the continued upward trend of PET resin price since the first year 2018.

So if the price of raw materials rose rapidly to death is likely to affect margins and financial position of the company. However, the company will negotiate rising price with customers as the cost of plastic resin that changes to the company to inform the rising price each time. The company consider to changing prices in raw material prices and commercial conditions of each customer, they will tolerate.



Although changes in the prices of key raw materials such are beyond the Company's control. But the company was monitoring the situation of raw material prices in the global market closely. By providing a special team to track and analyze trends in raw material prices, raw material prices during the period. Including the assessment of the need for raw materials during the period. To allow companies to manage the procurement of raw material efficiency.

#### 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, HACCP and ISO 9001:2015 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.

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### 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. which came from the related parties, namely Thai Vegetable Oil PCL. 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 PCL. has been ordering

Prodigy products since the Company's establishment. Moreover, Thai Vegetable Oil PCL. is its major shareholder, with 31.85% share as of August 24, 2017. 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 project for investment injection preform machine and blowing machine that increase the production line for supporting the customer's needs. 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.

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#### 7. Risk from the trend of reduce using plastic in Domestic and abroad

Currently, the trend reduce using plastic for reducing the volume of plastic waste that get feedback by both the public and private sectors in Domestic, so the some producers have adapted packaging which supported 4R trend (reuse, reduce, recycle and replace). The several all of government and private sector have set this campaign, it's determined measure for seriously abidance such as the hospital refrains from using plastic bags by campaigning those who are treated to bring plastic bags to receive medicines or the convenience stores refrain providing plastic bags including establishing departments to manage plastic waste and etc.

But limited for operation especially, in Thailand, the using recycle plastic (rPET) packaging contain food and beverage, Notification of the Public Health (No.295) No.8 It's prohibited to use plastic container made from re-used plastic exempt using for packaging fruits with peel. Although the documentation sector has urged the consideration of amendment of the said law, it has not yet achieved as concrete results. Therefore, it has not been able to create much confidence for entrepreneurs.

#### 8. The risk of using other materials instead of plastic

Due to the large amount of plastic waste affecting the environment including the cycle of all organisms in the ecosystem, these encourage many sectors to become aware and join the campaign to reduce the amount of plastic waste including the reduction of plastic consumption. The one of the ways to reduce plastic consumption is finding alternative material's with similar features and able to meet the needs of users.

Besides reducing and eliminating the use of plastic as a public relations campaigns to raise awareness in the country, the important factor that is to be implemented in parallel with the management of plastic waste correctly and efficiently.

#### 9. Cybersecurity Risk

Cybersecurity risk is important and has a direct impact on the company, especially the company's system such as network, accounting and financial systems, and customer database are the personal systems of the company possession. If there is a problem with the information system of the company. The access to such information will affect the company's operations and reputation.

The company; therefore, has planned and invested in developing the systems to support technology and to protect against cyber threats such as improving computer networks to be ready to use and to avoid the failure of the network (Network) and the server (Server) in order to use continuously. And to set the security control measures such as the computer security system (Firewall) and the right to access the information.

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#### 10. The risk from the pandemic

From the situation of the coronavirus outbreak in 2020 that has spread to all regions of the country, it is a situation that affects all sectors. This is an unpremeditated situation causing most of the industrial operations in the country to be affected both directly and indirectly. In a macro way of the overall economy of the country, the main industries that drive the economy both exports and tourism were hit hard. As a result of this effect, the country takes time for economic recovery.

#### 11. The risk of changes in consumer behavior

With the changing lifestyle from smaller households, the expansion of urban society and the changing of consumer lifestyles during the COVID-19 pandemic has emerged a new trend to respond to their convenience which is ordering products and services through various platforms. Especially for restaurant operators, they have a new channel for selling products and another important channel is delivery, which is a very popular channel in the New Normal era. Because of this new trend, the company sees the opportunities for business growth as consumers will consume more beverages through PET bottle packaging, so if the company can reach or meet the needs of the service providers in those channels. This may allow the company to increase the distribution channels and expand customer base.



## 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 56 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 PCL., 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.).
- 5) **Preform group** for the customers to blow bottle themselves

The company produce and distribute preform to the customers who blow bottle themselves or their blowing machine. At present, there are 2 size for preform as 13.5 g and 31 g. The company launched them in second quarter of 2018. The company has emphasized the expansion the customers' base in the out of town especially drinking water group that have been continuous growth.

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: 2015, Recommended International Code of Practice-General Principles of Food Hygiene CAR/RCP and GMP food safety management system and HACCP by Intertek Certification 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 93 sq. wa, the facility has the production capacity of 61.5 million plastic bottles per month. In 2020, the Company had the average production capacity at 61.5 million pieces per month and preform 20 million pieces per month.

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, seasoning sauce and preform. In order that, the Company also provides the product delivery service for the customers in Bangkok and



vicinity and expansion to other provinces especially, preform launched in the second quarter 2018. The company 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

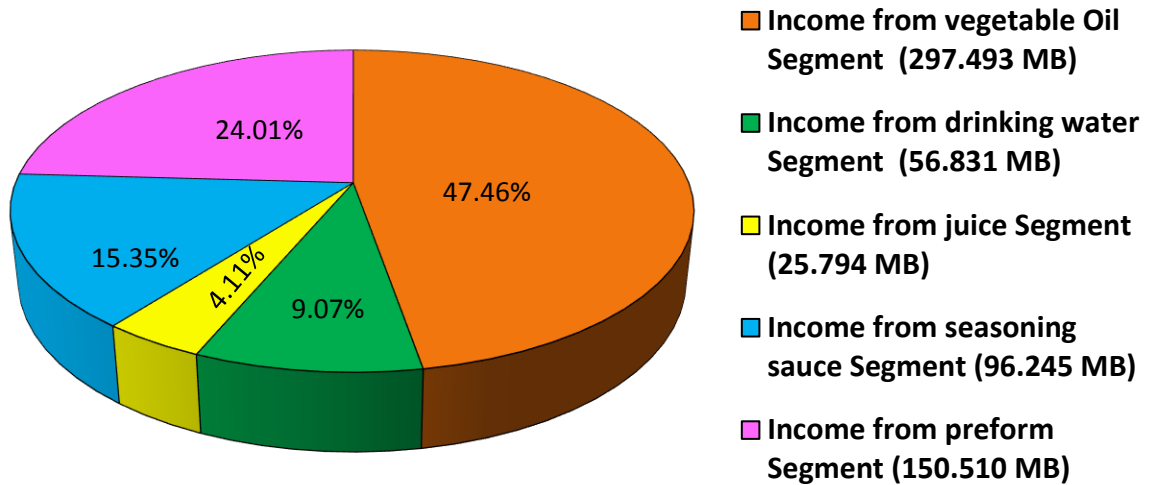
The company mainly earned income from the customers in juice, vegetable and drinking water segment, as well as seasoning sauce and preform without overly depending on any single group. The company earned income each a group below shows the details of the Company's income structure:

	Dec 31, 2020		Dec 31, 2019		Dec 31, 2018	
	Income	%	Income	%	Income	%
	(MB)		(MB)		(MB)	
Income from vegetable Oil Segment	297.493	47.46	280.470	41.68	355.148	50.74
Income from drinking water Segment	56.831	9.07	97.728	14.52	108.634	15.52
Income from juice Segment	25.794	4.11	104.205	15.49	139.751	19.96
Income from seasoning sauce and other Segment	96.245	15.35	91.208	13.56	75.848	10.84
Income from preform segment	150.510	24.01	99.235	14.75	20.602	2.94
<b>Sales Income</b>	<b>626.873</b>	<b>100</b>	<b>672.846</b>	<b>100</b>	<b>699.983</b>	<b>100</b>

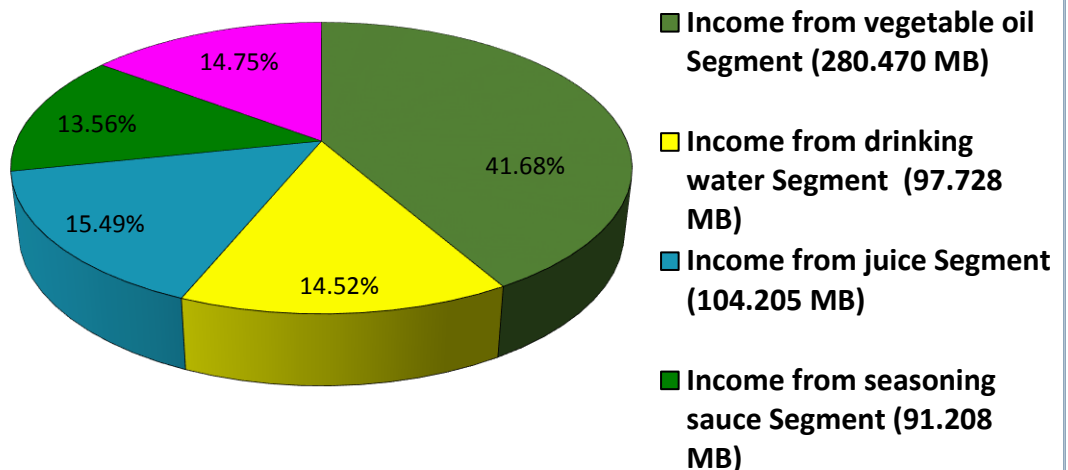




### Sale Income As of Dec 31,2020

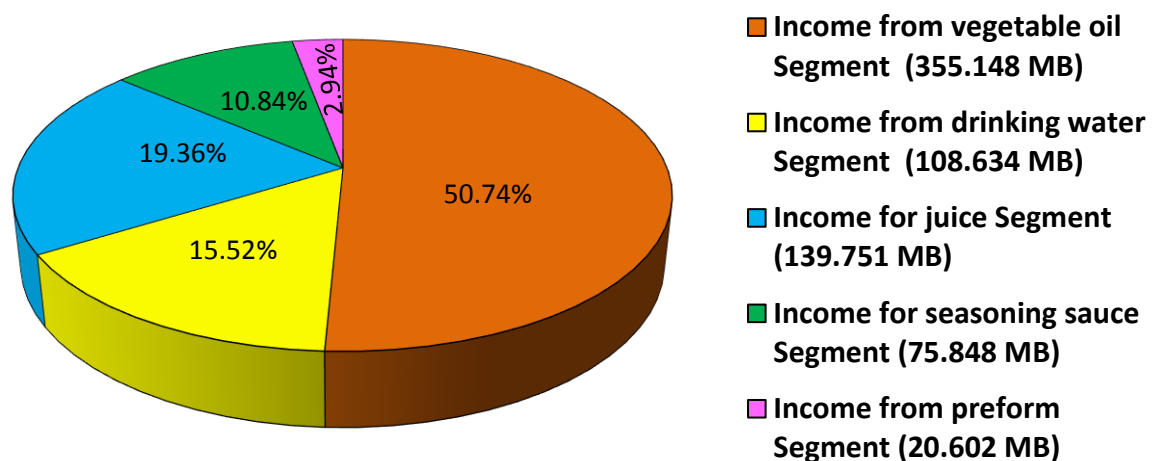


### Sales Income As of Dec 31, 2019



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### Sale Income As of Dec 31,2018



## 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 and preform to the customers who take of the blowing bottles themselves.

## Product Specifications

The Company manufactures and distributes plastic PET 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. 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, PET seasoning sauce packaging and Preform. 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 56 g.). The packaging is available in transparent and opaque white to preserve the photosensitive drinks. The income earned from this segment accounts for 19.96%, 15.49% and 4.11% of gross income in 2018, 2019 and 2020 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 PCL., 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 50.74 %, 41.68% and 47.46 % of gross income in 2018, 2019 and 2020 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 15.52%, 14.52% and 9.07% of gross income in 2018, 2019 and 2020 respectively.

## PET Seasoning Sauce Packaging



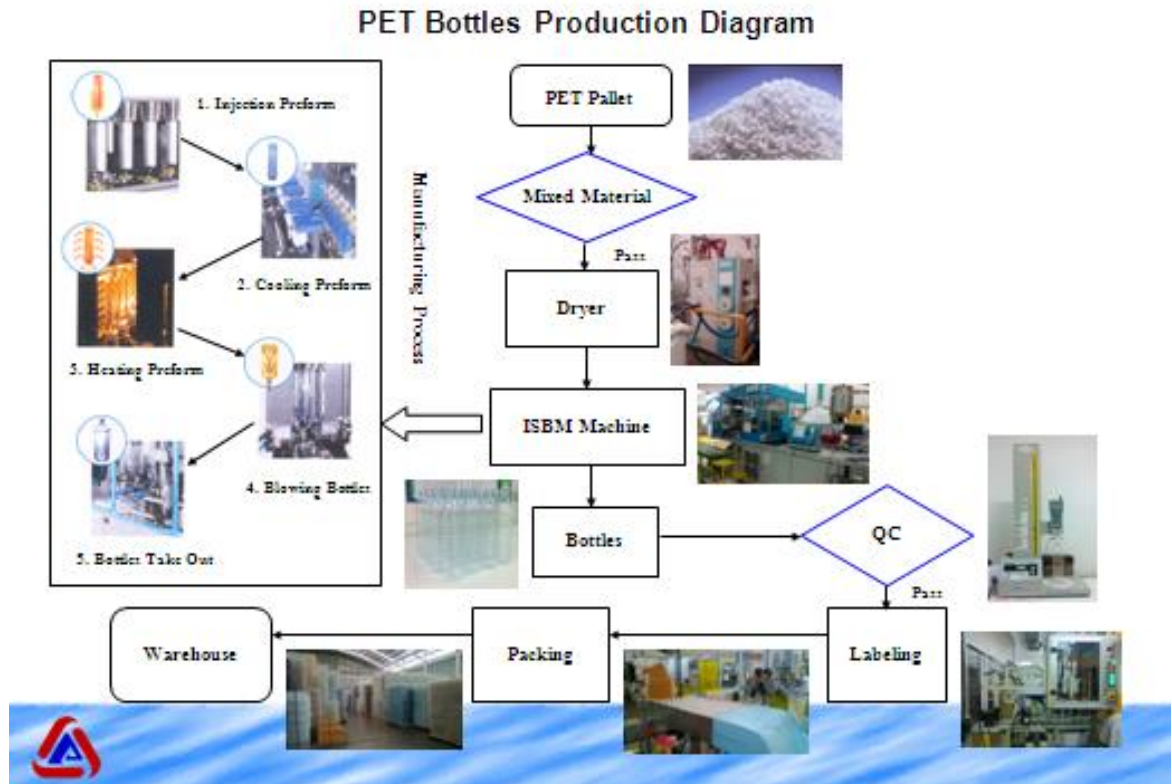
The Company manufactures and distributes PET seasoning sauce packaging, with sizes ranging from 60 to 2,000 ml. (weight from 6 to 67 g.). The income earned from this segment accounts for 10.84%, 13.56% and 15.35% of gross income in 2018, 2019 and 2020 respectively.

## Preform (for blowing bottle)



The Company manufactures and distributes Preform for blowing bottle. Present, the Company produces preform 2 sizes as 13.5 g. and 31 g. both of size in transparent and transparent blue. The company has distributed in the second quarter in 2018, they are earned income for this product for 14.75% and 24.01% of gross income in 2019 and 2020 respectively.





*Production Process*

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

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#### 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





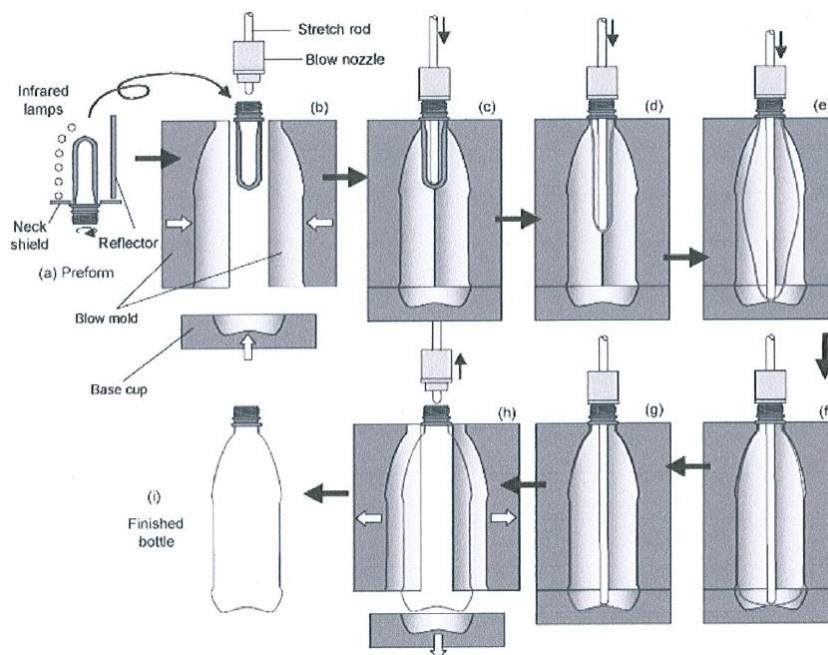
process uses high-quality ISBM (Injection Stretch Blow Molding) machine, manufactured by the leading company in Japan. Furthermore the anti-moisture system is installed in the manufacturing area to prevent the moisture in the air from damaging the Preform.



*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.



#### 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 9001:2015, GMP and HACCP by Intertek Certification Ltd. With the environmental concern, it



joined the Green Industry Project of the Ministry of Industry, which encourages the industry sector to be socially and environmentally friendly.





## Operational Risks

### 1. Fluctuating Price of PET Resin

In 2020, crude oil prices on world markets have fluctuated but it was downtrend direction that positive impact for PET resin prices as key raw material of our products. The plastic PET (Pet Resin), a key raw material in the production of packaging, PET bottles, as is the continued refining of crude oil and natural gas, the price of raw materials such movements in a manner consistent with the price of oil and natural gas prices in the world market. However, although the company will purchase nearly all of these manufacturers in the baht currency. However, raw material prices are likely to move in the same direction woven material prices on the world market with trade dollars. With the fluctuations that vary according to market conditions and other factors .

So if the price of raw materials rose rapidly to death is likely to affect margins and financial position of the company. However, the company will negotiate rising price with customers as the cost of plastic resin that changes to the company to inform the rising price each time. The company consider to changing prices in raw material prices and commercial conditions of each customer, they will tolerate.



Although changes in the prices of key raw materials such are beyond the Company's control. But the company was monitoring the situation of raw material prices in the global market closely. By providing a special team to track and analyze trends in raw material prices, raw material prices during the period. Including the assessment of the need for raw materials during the period. To allow companies to manage the procurement of raw material efficiency.

### 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, HACCP and ISO 9001:2015 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. which came from the related parties, namely Thai Vegetable Oil PCL. 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 PCL. has been ordering Prodigy products since the Company's establishment. Moreover, Thai Vegetable Oil PCL. is its major shareholder, with 31.85% share as of December 31<sup>st</sup>, 2020. 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.

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The Company's project for investment injection preform machine and blowing machine that increase the production line for supporting the customer's needs. 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.

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**8. The risk of using other materials instead of plastic**

Due to the large amount of plastic waste affecting the environment including the cycle of all organisms in the ecosystem, these encourage many sectors to become aware and join the campaign to reduce the amount of plastic waste including the reduction of plastic consumption. The one of the ways to reduce plastic consumption is finding alternative material's with similar features and able to meet the needs of users.

Besides reducing and eliminating the use of plastic as a public relations campaigns to raise awareness in the country, the important factor that is to be implemented in parallel with the management of plastic waste correctly and efficiently.

**9. Cybersecurity Risk**

Cybersecurity risk is important and has a direct impact on the company, especially the company's system such as network, accounting and financial systems, and customer database are the personal systems of the company possession. If there is a problem with the information system of the company. The access to such information will affect the company's operations and reputation.

The company; therefore, has planned and invested in developing the systems to support technology and to protect against cyber threats such as improving computer networks to be ready to use and to avoid the failure of the network (Network) and the server (Server) in order to use continuously. And to set the security control measures such as the computer security system (Firewall) and the right to access the information.

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**10. The risk from the pandemic**

From the situation of the coronavirus outbreak in 2020 that has spread to all regions of the country, it is a situation that affects all sectors. This is an unpremeditated situation causing most of the industrial operations in the country to be affected both directly and indirectly. In a macro way of the overall economy of the country, the main industries that drive the economy both exports and tourism were hit hard. As a result of this effect, the country takes time for economic recovery.

**11. The risk of changes in consumer behavior**

With the changing lifestyle from smaller households, the expansion of urban society and the changing of consumer lifestyles during the COVID-19 pandemic has emerged a new trend to respond to their convenience which is ordering products and services through various platforms. Especially for restaurant operators, they have a new channel for selling products and another important channel is delivery, which is a very popular channel in the New Normal era. Because of this new trend, the company sees the opportunities for business growth as consumers will consume more beverages through PET bottle packaging, so if the company can reach or meet the needs of the service providers in those channels. This may allow the company to increase the distribution channels and expand customer base.


**Business Assets**
**Key Fixed Assets**

As of December 31, 2020, 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	45,306,536.66	Owner	None
Building and building improvements, as well as office supplies and furniture and fixtures	76,086,979.25	Owner	None
Machinery, equipment and tools in the factories	175,260,533.33	Owner	None
Vehicles	4,277,985.59	Owner	None
Intangibles Assets	61,634.12	Owner	None
<b>Total</b>	<b>300,993,668.93</b>		

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

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**Land and Buildings and Building Improvements**

Location	Characteristics and size	Types of ownership	Objectives of the tenure	Liabilities
<b>Land</b> NakornChaisri district, NakornPathom 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
<b>Buildings and building improvements</b> NakornChaisri district, NakornPathom province	Five manufacturing facilities within a total area of 27,000 sq.m. and a 2-floor office with total utility space of 11,801 sq.m.	Owner	Location of the Company's manufacturing facilities and office	None
<b>Land</b> Buruesi sub-district, Maung District Surin Province	Title deeds: no193806 ,193,807 with an area of 15 <i>rai</i> and 302 square <i>wa</i> . total utility space of 2,408 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"> <li>- PET packaging production machines in 35 production lines, with a total production capacity of approximately 61.5 million bottles per month.</li> <li>- Preform production machine 1 production line, with a total capacity of approximately 20 million pieces per month.</li> <li>- Five automatic labeling machines, with an approximate total capacity of 6 million bottles per month.</li> <li>- Six automatic packing machines, with a total capacity of approximately 10.8 million bottles per month.</li> <li>- Three set of automatic opp labeling machines with capacity 36 million bottles per month.</li> <li>- One set of bottle silk screen machine with capacity 1 million bottles per month.</li> </ul>	NakornChaisri district, NakornPathom province	Used in the manufacturing process of PET packaging	None
<ul style="list-style-type: none"> <li>- PET packaging production machines in 2 production lines, with a total production capacity of approximately 2 million bottles per month.</li> <li>- PET blowing machines in 1 production lines, with a total production capacity of approximately 3.6 million bottles per month.</li> <li>- 1 Automatic packing machine, with a total capacity of approximately 1.88 million bottles per month.</li> <li>- 1 set of automatic opp labeling machines with capacity 12 million bottles per month.</li> </ul>	Buruesi Sub-district, Maung District, Surin 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	2,044,604	None
Tools used in the factories	Owner	36,660,658.46	None

#### Intangible Business Assets

Types of assets	Types of ownership	Net value after depreciation deduction (baht)	Liabilities
Computer programs	Owner	19,816.29	None

#### Insurance Policies

As of December 31, 2020, 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 (1)	7/3, Moo 3, Bang Krabao sub-district, NakornChaisri district, NakornPathom province
Maturity	January 19, 2022, at 4.00 pm.
Sum insured	787 million baht
The insured	Prodigy Public Company Limited
Place insured (2)	Branch , No.55 , Buruesi sub-district, Maung district, Surin jprovince
Maturity	November 25, 2021, at 4.00 pm.
Sum insured	100 million baht
The insured	Prodigy Public Company Limited





#### Legal Disputes

As of December 31, 2020, 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.



### General Information

Company's name : Prodigy PCL.

Abbreviation	: PDG
Nature of business	: Manufacturer and distributor of Polyethylene Terephthalate (PET) packaging
Location of Head Office	: 7/3 Moo 3 Bangkrabao sub-district, Nakornchaisri district, Nakornpathom province 73120
Telephone	: (034) 332611-2 , (034) 228298-301
Fax	: (034) 332613
Location of Branch	: 55 Moo 1 Buruesi sub-district, Mueng district, Surin province
Home Page	: <a href="http://www.prodigy.co.th">http://www.prodigy.co.th</a>
Email	: <a href="mailto:info@prodigy.co.th">info@prodigy.co.th</a>
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

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Office location, telephone number and names of reference

Securities registrar : Thailand Securities Depository Co., Ltd.

The Stock Exchange of Thailand Building, 93 Ratchadapisek Road,  
Dindaeng, Dindaeng, Bangkok 10400  
Tel. 02-009-9000 Fax. 02-009-9992

Auditors : 1. Mrs. Chonlaros Suntiasvaraporn Certified Public Accountant no.4523  
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 PCL. ("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 PCL. 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, 2017. 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:

1993	<p>Prodigy Co., Ltd. was established by Thai Vegetable Oil Plc.</p> <ul style="list-style-type: none"> <li>● Prodigy PCL. was registered on April 23, 1992, with the registered capital of 30 million baht.</li> <li>● 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.</li> <li>● 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.</li> </ul>
1996	<ul style="list-style-type: none"> <li>● Building two was constructed, with utility space about 2,400 sq.m., to serve as warehouse.</li> </ul>
1997	<ul style="list-style-type: none"> <li>● The Company ordered machinery, with production capacity of 30 tons per month, to produce large bottles (five-liter bottles).</li> </ul>
2004	<ul style="list-style-type: none"> <li>● Building three was constructed, with utility space about 2,700 sq.m., to serve as production facility.</li> </ul>
2007	<ul style="list-style-type: none"> <li>● The Company was certified with ISO 9001: 2000 by Intertek Certification Ltd.</li> </ul>
2008	<ul style="list-style-type: none"> <li>● Building four was constructed, with utility space about 2,000 sq.m., to serve as warehouse.</li> </ul>
2005 -	<ul style="list-style-type: none"> <li>● The Company continuously increased its production capacity to 500 tons a month with 15 production lines added.</li> </ul>
2010	<ul style="list-style-type: none"> <li>● The Company ordered more machinery from Japan to increase the production capacity by 50%.</li> </ul>
2010	<ul style="list-style-type: none"> <li>● The Company was certified with ISO 9001: 2008 and GMP food safety management system by Intertek Certification Ltd.</li> </ul>



2011-2012	<ul style="list-style-type: none"> <li>The Company increased its production capacity by ordering 10 more machines.</li> </ul>
2012	<ul style="list-style-type: none"> <li>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.</li> </ul>
2013	<ul style="list-style-type: none"> <li>The Company installed an automatic packaging machine, with production capacity of 2.4 million plastic bottles per month.</li> </ul>
2013	<ul style="list-style-type: none"> <li>Building five was constructed to serve as manufacturing facility.</li> </ul>
2013	<ul style="list-style-type: none"> <li>The Company was converted into a public company limited to become the listed company in the Stock Exchange of Thailand.</li> </ul>
2014	<ul style="list-style-type: none"> <li>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.</li> </ul>
2014	<ul style="list-style-type: none"> <li>The Company paid the dividends of 18.9 million baht from the operation between January and June 2014.</li> </ul>
2015	<ul style="list-style-type: none"> <li>The Company was certified with Green Industry by Ministry of Industry</li> </ul>
2016	<ul style="list-style-type: none"> <li>The Company was certified with ISO 9001: 2015 by Intertek Certification Ltd.</li> </ul>
2017	<ul style="list-style-type: none"> <li>Expanding the area of Building five for installing new machine</li> <li>investment new machine for new product "preform" to serve expanding of business</li> </ul>
2018	<ul style="list-style-type: none"> <li>Distribution New Product "Preform"</li> <li>The Company was certified By Thailand's Collective Action Coalition Against Corruption "CAC"</li> </ul>
2019	<ul style="list-style-type: none"> <li>To be ranked score "Very good" Level of CG Scoring</li> <li>To be ranked dividend payment continuously every year on board of MAI Forum 2019</li> </ul>
2020	<ul style="list-style-type: none"> <li>Building new factory construction at Surin Province since October 2020 for service customer in Southern Isaan.</li> </ul>