



PJW

PANJAWATTANA PLASTIC

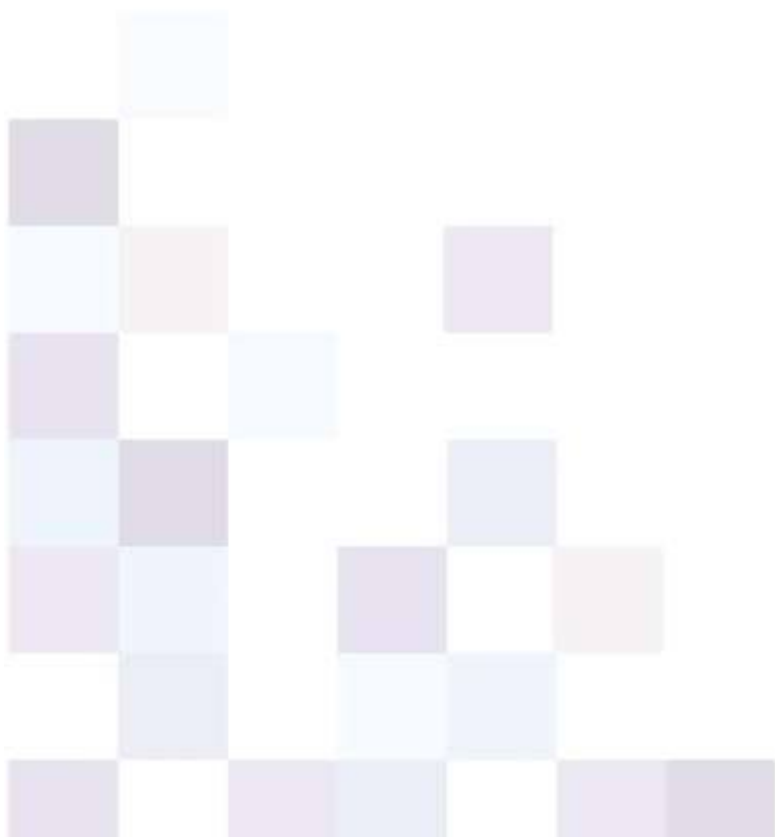
Annual Report 2021

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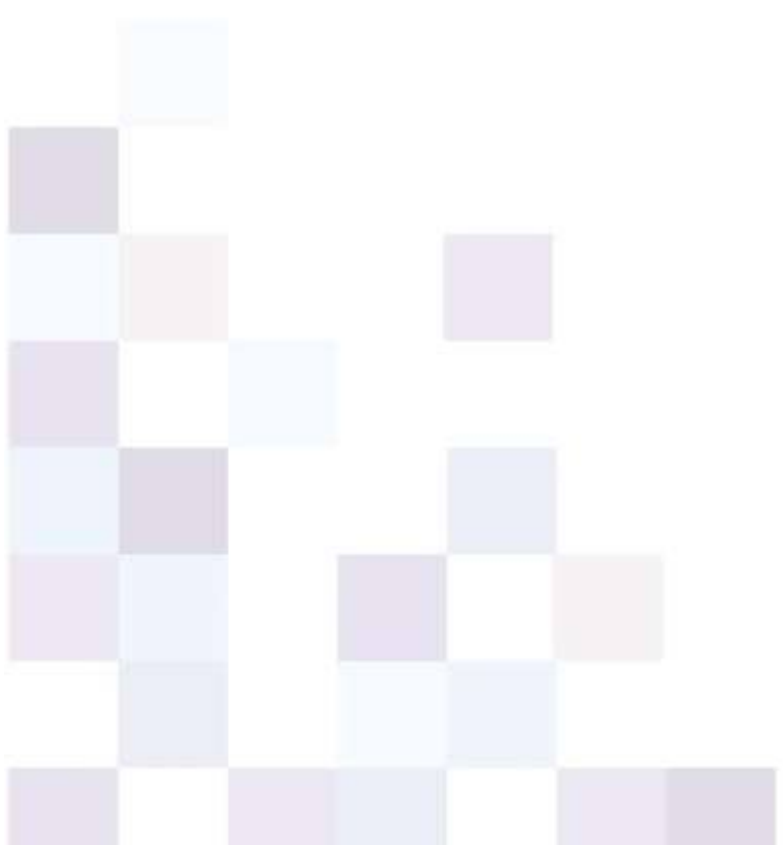
บริษัท ปัญจวัฒนาพลาสติก จำกัด (มหาชน)

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED



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Message from the Board of Directors



Dear All Shareholders, Panjawattana Plastic Public Company Limited

In 2021, the Thai economy was still heavily affected by the COVID-19 epidemic situation. The new wave, which has been intensifying since the second quarter of the year when a nationwide lockdown was announced, has continued to shrink tourism and consumer spending. As a result, the demand for lubricant packaging and consumer goods packaging dropped. Moreover, there is also the global semiconductor shortage crisis that had a signal of the beginning at the end of the year 2020 before becoming more severe in the second quarter of 2021. As a consequence, the production orders for some model cars as well as the sales of automotive parts decelerated. However, Panjawattana Plastic Public Company Limited took the opportunity from the occurred COVID crisis to pushing a cost management plan and improving production efficiency to focus on using automation systems and robots in manufacturing, using digital systems to communicate information from the production line to executives, resulting in the ability to fairly reduce production cost and providing measures to prevent the spread of the COVID-19 in factory and organization for ensuring no interruption of production. However, the said results have been derived from the cooperativeness both in part of the management and the employees for production cost management through the projects both of branches in Thailand and branches in China. Therefore, in the second half of 2021, sales were recovered in all industries due to the easing COVID-19 epidemic situation. While the cost management plan and improving production efficiency were completed in several parts. As a result, the overall operation in the second half of 2021 was gradually improved. Gross profit margin and Net profit margin was higher than the last year, so the financial position of our company and subsidiaries has returned to be steady and stable more than the previous year.

From the anticipation of the 2022 world economic trend, the Thai economy was recovered after lifting the lockdown. The quite high vaccination rate and the economic stimulus measures by the government had a positive effect on economic activities. Also, the Trend of private-sector investment was continuously recovered because of consumer confidence and the economic overview has adjusted. As a consequence, the trend of the Thai economy in 2022 will be expected to continuously go up around 3.5 – 4.5 percent. The board of directors and management have strong confidence to keep the level of profitability from the recovery of normal sales and various production efficiency improvement projects.

Panjawattana Plastic Public Company Limited has a strong intention to advance the Company to further step with the continuous stability, aiming to develop the production process, maintain its competitiveness, Paying attention to product research and development and expanding the revenue base to increase the growth rate of the business group because our company is aware of technology trends and consumer behavior trends Including electric vehicles (EV) that will replace the use of engine oil, artificial intelligence technology, Eco-friendly packaging campaigns, recycled plastic, trends about medical and health products, etc. Our company has been setting up study plans in many dimensions to increase business opportunities and formulate investment plans in accordance with strategic plans and the Company has considered the investment risk in order to achieve the Company's strategic plan by applying the principles of precaution, studying the returns, carefully analyzing the risk elements in all aspects. In terms of financing channels, the Company has maintained good relationships with several financial institutions and funding sources to support the future business expansion.

However, after passing the COVID crisis, it has caused the Board of Directors and the management team to learn and develop work processes, not just systems and improvement of working environment and growth in thought. We are proud of working and ready to be committed and mutually grow together with the Company, as well as preserve the philosophy of business operation by taking into account safety and environmental care, and to be committed in sustainable organizational development. The Board of Directors would like to deliver the gratitude to the shareholders, business partners, customers, employees, and all related parties including financial institutions that have well supported the Company's operations all the time, and asked for strong belief that the Company can carefully, concisely, and transparently sustain its commitment and dedicate in the business operations, and adheres to the principles of code of conduct, corporate governance, and sustainable development for maximum benefits of all related parties, and to be the organization with the continuous progress.



(Mr. Satit Hemmondharop)
Chief Executive Officer



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



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

Report of the Risk Management Committee



Assoc. Prof. Dr. Aekkachai Nittayagasetwat
 Chairman of the Risk Management Committee
 Panjawattana Plastic Public Company Limited

Dear Shareholders

Panjawattana Plastic Public Company Limited

In the year 2021, Thai economy was considerably affected from the COVID-19 pandemic situation, causing the negative expansion of GDP in last year at 6.1% to become positive. In addition, there was the global semiconductor shortage crisis that caused sales to shrink. It has an impact on operating results and effective cost control on the volatility of sales.

However, the Risk Management Committee also considered and held meetings to monitor and manage risk in accordance with the changing situation from external factors that cannot be controlled and considered business strategy. The investment policy and funding for enhancing financial strength, considering operational risks, and preparing for impacts of the severe COVID-19 epidemic situation in Thailand in the third quarter on business.

The Risk Management Committee comprises of 6 committees and 3 of them are independent directors with governing and supporting duty for effective companywide risk management with a focus on continuously cultivating the corporate culture of risk management.

During 2021, the Risk Management Committee held total of 2 meetings with following essences of operations

1. Reviewing policy of risk management to be suitable and consistent with changing business environments of the company and industry.

2. Considering the opinions on mitigation plan for risk transactions affecting business plan of year 2019 and regularly monitoring the progressive of and review risk management to be in the acceptable level by emphasizing on managing material risks in an organization and in each operating line and in each business segment of the company.

3. Considering and giving advice on the foreign exchange risk management plan, monitoring fluctuation as well as providing guidelines for effectively managing foreign currencies for example Forward contracts, opening foreign currency deposit accounts (FCD), etc.

4. Giving suggestion, guidelines, monitoring and assessing annual risk management result for year 2021 for risk management executives and management team in order to implement and develop an effective risk management system.

5. Giving opinions and suggestions, considering and assessing risks of investment project and business plan of the Company.

However, the Risk Management Committee committed to define and manage risks to prevent severe impacts on the Company's business plan to enable the company to achieve the organization's goals including maintaining the maximum benefits for shareholders and stakeholders.



Assoc. Prof. Dr. Aekkachai Nittayagasetwat
 Chairman of the Risk Management Committee

Report of the Nomination and Remuneration Committee



Dr. Damri Sukhotanang
 Chairman of Nomination and Remuneration Committee
 Panjawattana Plastic Public Company Limited

Dear Shareholders

Panjawattana Plastic Public Company Limited

The Nomination and Remuneration Committee (NRC) of Panjawattana Plastic Public Company Limited consists of 3 members who are experts in Various fields. The number of independent directors shall be two-thirds or more than half. The independent director is the Chairman of the Committee according to the good corporate governance policy of the Company.

The Nomination and Remuneration Committee performed duties as assigned with prudence, transparency and fairness, as well as improving operational guidelines in accordance with the company's strategy and good corporate governance policy by being aware of the maximum benefits of shareholders and stakeholders, such as setting guidelines for the consideration of remuneration for directors and executives and the selection of the nominated directors and the Chief Executive Officer that

Is fair and reasonable by considering the qualifications, knowledge, ability, experience, including diversity in many professions In order to specify the qualifications of the directors to be selected In order to get suitable qualifications and in line with the composition and structure of the directors in accordance with the strategy and mission of the company with a transparent process by allowing the minority shareholders the ability to nominate suitable individuals for selection as directors.

In 2021, NRC held one meeting to consider in part of review on policy, Charter of NRC, assessment of the whole committee and individual sub-committee, assessment of Chief Executive Officer, and consider determination of remuneration of the directors and Chief Executive Officer by considering from duties and responsibilities, performance in comparison with setting target, turnover and size of expanded and more complicated business, and comparison with the remuneration of the listed companies in the business segment in the same industry or similar size of business. The director development program was taken into consideration so that the director can perform duties more efficiently. Includes the review on determination of skills, knowledge and expertise of the Committee's composition for modernity and consistency with the organizational strategic plan.



Assoc. Prof. Dr. Dr. Damri Sukhotanang
 Chairman of Nomination and Remuneration Committee

Part 1 Business Operation and Operating Results

1. Structure and Operations of the Group

Management Policy and Philosophy



Vision:

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

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



Mission:

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

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

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

G

Generate Partnership

ร่วมใจ
สร้างพันธมิตร



R

Race with Business Dynamism

ตามโลกธุรกิจ
ต้องทันสมัย



O

Observe Trustworthiness

น่าเชื่อถือ โปร่งใส
วางใจได้



W

Work of Excellence

ผลงานเลิศ ไปไกล
จนเลื่องลือ



GROW นี้คือ...ค่านิยมของเรา... ชาวปัญญาวัฒนา

Significant Changes and Developments

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

| Year | Significant Changes and Developments |
|------|---|
| 2017 | <ul style="list-style-type: none"> The Company was awarded for Ford Q1 Certification, Ford's Commendation for Suppliers. The Company was granted for the third ranked award from Quality Control Circle (QCC) Activity of HINO The Company was upgraded from ISO 9001:2008 Standard to be ISO 9001:2015 Standard. |
| 2018 | <ul style="list-style-type: none"> The company established a subsidiary under the name Panjawattana (Jiangsu) Plastic Company Limited on 8 March 2018 to produce and sell plastic packaging for customers in the People's Republic of China with the registered capital of US Dollar 5,000,000 and paid-up share capital shall be US Dollar 3,000,000. |
| 2019 | <ul style="list-style-type: none"> The Company was awarded for ICL (Thailand) Co.,Ltd 9th Supplier Conference May 10,2019 Quality Prize The Company was awarded for The 2nd THCC Safety Activity 2019 Certificate of Completion "Level B" The Company was awarded for The 2nd Runner-Up (Group D) MCC- QCC Presentation Contest of 2019 The Company was awarded for Occupational promotion and employment of disable towards sustainability The Redemptorist Foundation for People with Disabilities The Company paid-addition share capital of Panjawattana (Jiangsu) Plastic Company Limited shall be US Dollar 1,000,000. |
| 2020 | <ul style="list-style-type: none"> Purchase of land and factory building from the related party for using by the subsidiary in operation for 60.34 Million Baht. The Company paid-addition share capital of Panjawattana (Jiangsu) Plastic Company Limited shall be US Dollar 300,000. |
| 2021 | <ul style="list-style-type: none"> Issuance of warrants to purchase the Company's ordinary shares No. 1 ("PJW-W1") for the amount not exceeding 191,359,982 units allotted by means of Right Offerings at allotment ration of 3 existing shares for 1 unit of the warrants. The warrants will have a term up to 3 years from the issuance date and 1 unit of the warrants has the right to purchase 1 ordinary shares of the Company at Baht 3 per share Reduction of the registered capital of the Company from Baht 287,040,000 to Baht 287,039,972.50 by cancelling unsubscribed 55 ordinary shares at a par value of Baht 0.50 per share Increase of the registered capital of the Company from Baht 287,039,972.50 to Baht 382,719,963.50 by issuance of 191,359,982 new ordinary shares at a par value of Baht 0.50 per share or a total amount of Baht 95,679,991.00 Allotment of up to 191,359,982 shares with a par value of Baht 0.50 per share to accommodate the exercise of right to purchase the Company's ordinary shares according to PJW-W1 The Company paid-addition share capital of Panjawattana (Jiangsu) Plastic Company Limited shall be US Dollar 200,000. |

| Year | Significant Changes and Developments |
|------|--|
| | <ul style="list-style-type: none">• Millpack Company Limited, a subsidiary company, changed its name to PJ Medical Company Limited on June 24, 2021, and increased the operational objectives of the company in being the manufacturing business of medical devices, medical products, and appliances, scientific instruments, pharmaceuticals, and chemicals. |

Type of Business and Nature of Business Operation

Nature of Business Operation

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

Currently, PJW has 5 factories:

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

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

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

- **Company and its subsidiaries' revenue structure classified by type of customers, for the years 2019-2021**

Company and its subsidiaries' revenue structure classified by type of customers, for the years 2019-2021 are as follows:

Income Structure Classified by Geography

| Description | 2019 | | 2019 | | 2021 | |
|---------------------|--------------|--------------|--------------|---------|--------------|---------|
| | Million Baht | Million Baht | Million Baht | Percent | Million Baht | Percent |
| Domestic sales | 2,683.17 | 2,683.17 | 2,433.67 | 86.34 | 2,434.71 | 86.34 |
| Abroad sales | 269.90 | 269.90 | 339.69 | 12.05 | 339.69 | 12.05 |
| Gross sales | 2,953.07 | 2,953.07 | 2,773.36 | 98.39 | 2,774.40 | 98.39 |
| Project income | 187.42 | 187.42 | 19.62 | 0.70 | 19.62 | 0.70 |
| Other income | 15.03 | 15.03 | 25.81 | 0.91 | 25.81 | 0.91 |
| Total income | 3,155.52 | 3,155.52 | 2,818.79 | 100.00 | 2,819.83 | 100.00 |

Income Structure Classified by groups of products

| Description | 2019 | | 2020 | | 2021 | |
|--|--------------|-------------|-----------------|---------------|-----------------|---------------|
| | Million Baht | Growth Rate | Million Baht | Growth Rate | Million Baht | Growth Rate |
| Lubricant packaging | 1,376.95 | -14.34 | 1,393.99 | 3.87 | 1,393.92 | 1.23 |
| Milk and yoghurt milk packaging | 424.67 | 18.65 | 389.40 | -8.20 | 389.40 | -8.31 |
| Consumer goods and chemical liquid packaging | 189.03 | -12.66 | 152.94 | -19.53 | 152.94 | -19.09 |
| Automotive parts | 962.42 | 22.10 | 837.03 | -16.02 | 838.14 | -12.91 |
| Gross sales | 2,953.07 | -0.57 | 2,773.36 | -6.09 | 2,774.40 | -6.05 |
| Project income | 187.41 | 2,604.33 | 19.62 | -89.53 | 19.62 | -89.53 |
| Other income | 15.04 | 56.34 | 25.81 | 71.72 | 25.81 | 71.61 |
| Total income | 3,155.52 | 5.66 | 2,818.79 | -10.67 | 2,819.83 | -10.64 |

Types of Products

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

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



- b) **Milk and yoghurt milk packaging:** The Company produces and distributes plastic packaging for containing milk and yoghurt milk of various sizes. As these plastic products are used to contain food, the Company has paid

high attention to the production process. Its production process and operation units are separated, e.g. clean room, machinery and workers, are separated from the production lines hence preventing contaminated dust and bacteria as well as enhancing quality control according to the standards of the GMP (Good Manufacturing Practice) and the HACCP (Hazard Analysis and Critical Control Point). These product sizes range from 80 ml., 100 ml., 190 ml., 200 ml., 450 ml., 830 ml., 2 liters and 5 liters.



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



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



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



● Benefits and Conditions under BOI Privileges

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

| | Panjawattana Plastic Public Co., Ltd. | | | | | | Milk Pack Co., Ltd. | | Plastech Lab Co., Ltd. |
|---|---------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|------------------------|
| | | | | | | | Bangkok Branch | Samutsakhon Branch | Chonburi Branch |
| Investment Promotion Certificate | 1080(10)/2553 | 1745(2)/2555 | 1044(2)/2557 | 58-2010-0-00-1-0 | 58-2011-0-00-1-0 | | 1379(5)/2556 | 1882(5)/2555 | 60-0646-1-00-2-0 |
| Effective Date | April 1, 2010 | March 10, 2012 | September 2, 2014 | October 25, 2016 | Unused | | October 5, 2011 | May 31, 2012 | June 23, 2017 |
| Expiry Date | March 31, 2017 | March 9, 2019 | September 1, 2021 | October 24, 2024 | - | | October 4, 2019 | May 30, 2020 | June 22, 2025 |
| Is a producer and supplier of plastic containers & closures and automotive plastic parts Type 6.12 producer and supplier of plastic containers & closures and automotive plastic parts Type | | | | | | | | | |
| Investment Promotion | | | | | | | | | |
| 1. Exemption from corporate income tax from net profit of the promoted business | Exempted for 7 years | Exempted for 7 years | Exempted for 7 years | Exempted for 8 years | Exempted for 7 years | Exempted for 8 years | Exempted for 8 years | Exempted for 8 years | Exempted for 8 years |
| 2. The period after expiry of tax exemption period which is allowed to deduct the loss from the net profit | 5 years | 5 years | 5 years | 5 years | 5 years | 5 years | 5 years | 5 years | 5 years |
| 3. Exemption/reduction of import duty for machines which are approved by BOI committee | Exempted | Exempted | Exempted | Exempted | Exempted | Exempted | Exempted | Exempted | Exempted |
| 4. Exemption of withholding tax for dividend paid to the Company's shareholders | Exempted | Exempted | Exempted | Exempted | Exempted | Exempted | Exempted | Exempted | Exempted |

Competitive Strategy

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

The Company runs its business based on the following strategies.

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

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

Customer Segment and Target Group

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

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

Distribution Channels

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

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

Pricing Strategy

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

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

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

Products or Services procurement

Products Procurement

Production and Production Capacity

Currently, the Company and its subsidiaries have 5 manufacturing plants. The 3 plants are located in Thailand; Bangkok, Samutsakorn province, Chonburi province; and another 2 plants are located in Tianjin and Jiangsu, Republic of China.

Raw Materials

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

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

a) Polyethylene (PE)

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

b) Polypropylene (PP)

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

2. Dry Colorant

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

3. Stickers and Shrink films

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

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

Environmental Impact

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

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

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

● Competitive Condition and Trend of Industrial Situation

¹ In 2021, the Thai economy showed signs of recovery. Gross Domestic Product (GDP) in last year expanded by 1.6% that better than 2020 which shrank by 6.3%. The automotive parts industry was still affected by the global semiconductor shortage crisis, so the manufacturing and distribution sectors also decelerated. However, the trend of electric vehicles that was paid attention from the public and private sectors in Thailand and lifting lockdown measures in the fourth quarter as a consequence of the consumption has returned. As a result, the overall industry outlook has improved from the last year.

² In the automobile industry in 2021, the production volume expanded more when compared to the previous year. It was the expansion of the domestic market and the export market due to lifting lockdown measures in Thailand and abroad as well as the stimulation from the government on electric vehicles that resulted in the overall outlook of the automobile and automotive parts industry in the domestic expanded from the previous year.

² Car Sales and Production Quantity

| (Unit :100,000 cars) | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|----------------------------------|-------|-------|-------|-------|---------------|---------------|
| Production | 19.44 | 19.89 | 21.65 | 20.14 | 14.00 | 16.86 |
| (%YOY) | 1.68 | 2.28 | 8.15 | -6.97 | -38.48 | 20.43 |
| Total automobile quantity | 7.68 | 8.72 | 10.42 | 10.08 | 7.00 | 7.60 |
| (%YOY) | -3.86 | 13.38 | 19.50 | -3.26 | -30.53 | 8.57 |
| Distribution volume | 2.80 | 3.49 | 4.17 | 4.12 | 2.94 | 2.31 |
| (%YOY) | -8.35 | 24.60 | 19.48 | -1.20 | -28.64 | -21.43 |
| Export volume | 11.89 | 11.40 | 11.41 | 10.54 | 7.00 | 9.60 |
| (%YOY) | -1.36 | -4.11 | 0.09 | -7.62 | -33.59 | 37.14 |

The lubricant packaging industry in 2021 has a contraction rate according to market conditions and economic conditions. For the risk factors of electric vehicles to affect the lubricant packaging industry, the management team viewed that it depends on the technology of producing electric car batteries and the concrete support of EV projects from the government. However, it will take at least five years for the process of changing technology and supply chains, and was expected that the automotive industry will focus on the hybrid segment then it will retain the internal combustion engine that will continue to be a part of future cars as a hybrid propulsion system with electric motors and engine. Consequently, internal combustion engine vehicles are still one of the main choices. However, the company has a careful support plan in

all dimensions for expanding investment or studying the possibility of various projects to support future growth as well as expanding the market and increasing the customer base in the lubricant packaging group in the domestic and abroad which will provide the sales of the lubricant group to continue to be one of the main incomes of the business.

In the plastic packaging industry for milk and fermented milk containers and the packaging of consumer products and agrochemicals, there is a decline in growth rate due to the COVID-19 epidemic situation which resulted in the reduction of sales of retail sales, convenience stores, hotels, and restaurants. However, the situation began to ease because of the economic stimulus measures of the government that launched various projects, and epidemic control measures in a limited area were enforced in some areas. As a result, sales in this sector started showing signs of recovery in the second half of the year.

From the report on the economic conditions of Thailand in 2022, it was expected that Gross Domestic Product (GDP) will grow by 3.5 - 4.5% under the key supporting factors consist of (1) the economic and world trade volume recovery (2) the driving force from the government sector spending (3) the expansion of private domestic demand. However, it was expected the expansion of the export value of goods in form of US Dollar at 4.9%, total private-sector consumption and investment at 4.3% and 4.2%, respectively, average headline inflation in the interval at 0.09 – 1.9%, and surplus current accounts at 1.0% of GDP.

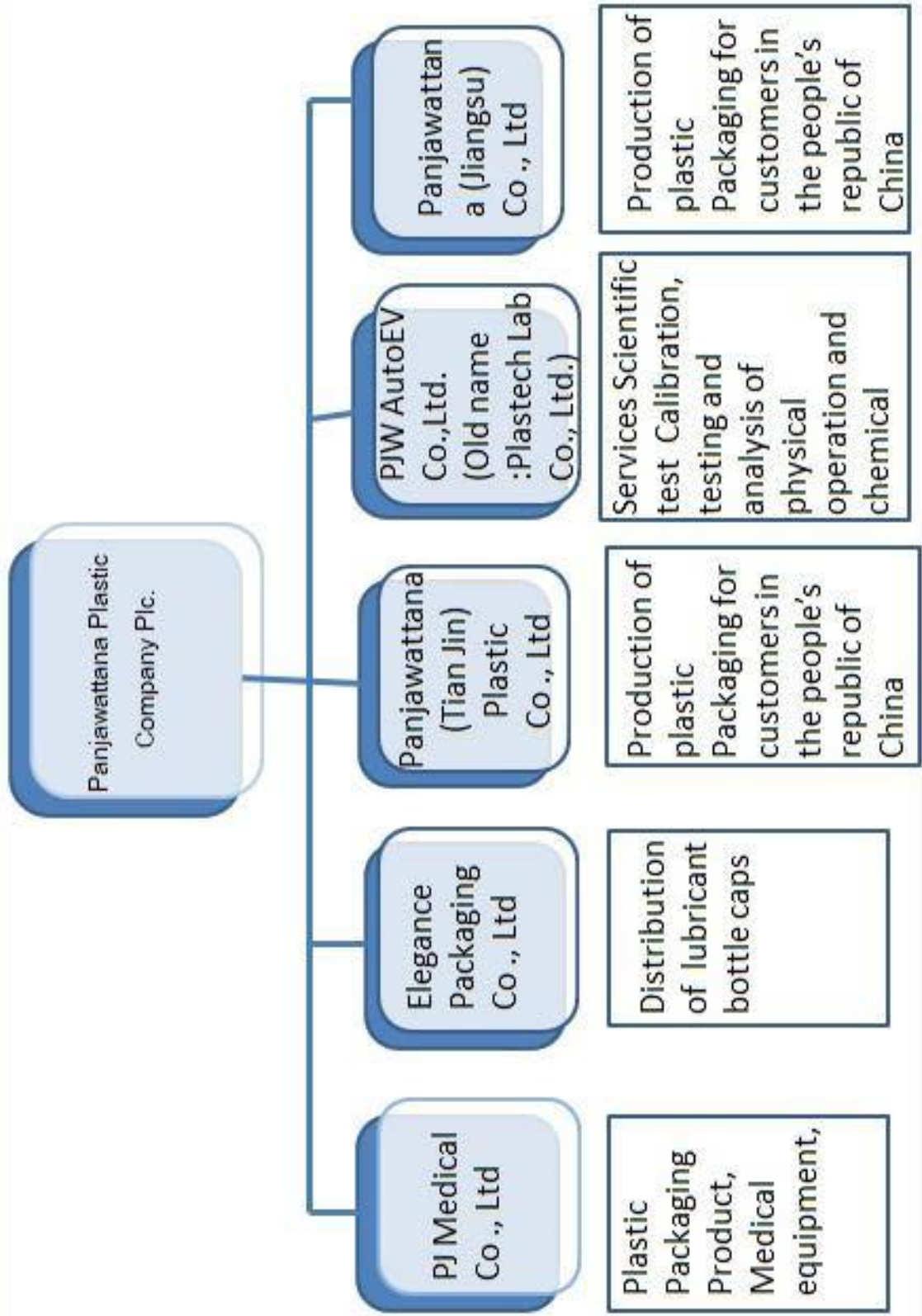
Total automobile production in 2022 was anticipated to have around 1.8 million cars, increasing by 6.78% when compared with 2021 by classifying into the production for domestic distribution around 44.45%, and the production for export of around 55.56%.

However, for the economic outlook in 2022, it was expected that the Manufacturing Production Index (MPI) will continue to expand due to the overview of the COVID-19 epidemic situation of workers in the workplace began to improve. This can be reflected from Industrial Labor Index in the last December which grew by 2.20% and the better distribution of vaccines in the industrial sector as well as lifting lockdown measures by the government. In export products in 2022, the world economy was expected to expand more. This is due to the expansion trend of the global manufacturing sector and increasing employment. In addition, lifting lockdown measures in the European Union is the cause of the service sector will recover and drive the European economy to grow faster which is one of the important support for the Thai export sector. In private spending, it was expected to grow consistent with the economic recovery which is supported by the easing of COVID-19 control measures and economic stimulus measures from the government. However, there are other economic factors that are uncertain and may affect economic growth including the domestic political environment and the limitations in the recovery of the economic sector especially the tourism and related services sectors that have limitations to recovery from international travel-related control measures, natural disasters, etc.

¹ Office of the National Economic Development Board (NEDB)

² Office of Industrial Economics (OIE)

Shareholding Structure of the Group



Overview of the Subsidiary Group's Businesses

| | Company | Shareholding Proportion (Percent) | Product |
|----|---|-----------------------------------|--|
| 1. | PJ Medical Co., Ltd. | 99.98 | Plastic packaging for consumption medical equipment Medical products and appliances Scientific instruments pharmaceuticals pharmaceuticals and chemicals |
| 2. | Elegance Packaging Co., Ltd. | 99.97 | Supply and distribution of lubricant bottle caps |
| 3. | Panjawattana (Tianjin) Plastic Co., Ltd. | 100.00 | Plastic packaging for customers in the People's Republic of China |
| 4. | PJW AutoEV Co.,Ltd. (Old name :Plastech Lab Co., Ltd.) | 99.99 | Services: Scientific test calibration, testing and analysis of physical and chemical operations, Manufacturing of plastic parts and molds including painting of plastic parts used in other industries. |
| 5. | Panjawattana (Jiangsu) Plastic Co., Ltd. | 100.00 | Plastic packaging for customers in the People's Republic of China |

Relationship with business group of major shareholders

For the Company's core business, it is not related to or related to other business operations of major shareholders in any way. There is only occasional correlation as a normal transaction. As for the sale of plastic packaging, it is the general market price. and with normal trading conditions as well as regular customers. The company uses the selling price-cost-profit structure. Just as the company produces and sells them to other customers. The land rental price is comparable to the market price and has normal commercial terms. Consulting fees for shareholders and directors are the rates that are in the regulations of hiring employees according to the company's policy. The details are described in the topic of management and corporate governance regarding connected transactions.

Securities Focus and Shareholders

Securities Focus

Panjawattana Plastic Public Company Limited has association to company limited on November 30, 1987 and registered to listed company in Market for Alternative Investment (MAI) on February 24, 2012

Shareholders Structure

As at December 31, 2021 the Company has Authorized Capital of Baht 382,719,963.50 divided into 765,439,927 ordinary shares with a par value of Baht 0.50, Paid-up Capital of Baht 287,039,972.50, divided into 574,079,945 ordinary shares with a par value of Baht 0.50

As at March 8, 2022 top 10 Company's major shareholders are shown below;

| Shareholders' lists | As at March 8, 2022 | |
|---|---------------------|----------------|
| | Number of shares | % |
| <u>The Hemmontharops^{1/}</u> | | |
| 1. Mrs. Malee Hemmontharop | 67,200,525 | 11.71% |
| 2. Mr. Wiwat Hemmontharop | 55,868,660 | 9.73% |
| 3. Dr. Pirun Hemmondharop | 54,930,387 | 9.57% |
| 4. Mr. Chaval Hemmondharop | 47,673,345 | 8.30% |
| 5. Mr. Kongsak Hemmondharop | 36,800,000 | 6.41% |
| 6. Mr. Satit Hemmontharop | 32,661,428 | 5.69% |
| 7. Mr. Krisada Hemmontharop | 20,420,700 | 3.56% |
| 8. Mrs. Jittravadee Hemmontharop | 6,050,000 | 1.05% |
| Total | 321,605,045 | 56.02% |
| <u>The Other shareholders in top 10 list</u> | | |
| 1. Mr. Suntorn Sripratchayaanun | 19,867,800 | 3.46% |
| 2. Mr. Pravit Thawornchaisit | 6,004,500 | 1.05% |
| Total | 25,862,300 | 4.51% |
| <u>Other minor shareholders</u> | 226,612,600 | 39.47% |
| Total | 574,079,945 | 100.00% |

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

Acquisition report of the Company's Directors and Executives
From January 1 – December 31, 2021

| Name - Surname | Position | December 31, 2020 | Percentage of shares (%) | Changed of shares | December 31, 2021 | Percentage of shares (%) |
|--|---|--------------------|--------------------------|-------------------|--------------------|--------------------------|
| <u>Paid-up Capital</u> | | <u>574,079,945</u> | | | <u>574,079,945</u> | |
| ● <u>Directors</u> | | | | | | |
| 1. Dr. Damri Sukhotanang | Board of Director Chairman/Independent Director | 260,000 | 0.05% | - | 260,000 | 0.05% |
| 2. Mr. Kongsak Hemmontharop | Director/Vice Chairman | 69,241,747 | 12.06% | - 32,441,747 | 36,800,000 | 6.41% |
| 3. Mrs. Malee Hemmontharop | Director/ Vice Chief Executive Officer | 72,725,566 | 12.67% | - 5,525,041 | 67,200,525 | 11.71% |
| 4. Mr. Wiwat Hemmondharop | Director/ Executive Committee Chairman | 55,868,660 | 9.73% | - | 55,868,660 | 9.73% |
| 5. Mr. Satit Hemmondharop | Director / Chief Executive Officer | 32,661,428 | 5.69% | - | 32,661,428 | 5.69% |
| 6. Dr. Pirun Hemmondharop | Director / Vice Chief Executive Officer / Chief Administrative Officer | 49,688,640 | 8.66% | 5,241,747 | 54,930,387 | 9.57% |
| 7. Miss Charanya Sangsukdee | Audit Committee Chairman /Independent Director | 260,000 | 0.05% | - | 260,000 | 0.05% |
| 8. Assoc. Prof. Dr. Aekkachai Nittayakasetwat | Independent Director | 156,000 | 0.03% | - | 156,000 | 0.03% |
| 9. Mr. Natthawut Khemayotin | Independent Director | 260,000 | 0.05% | - | 260,000 | 0.05% |
| ● <u>Chief Executive</u> | | | | | | |
| 1. Mrs. Prim Chaiyawat | Chief Financial Officer/ Secretary | 364,000 | 0.06% | - | 364,000 | 0.06% |
| 2. Mr. Seksan Sinbunluekul | Chief Product Engineer and Development Officer | 364,000 | 0.06% | - | 364,000 | 0.06% |
| 3. Ms. Phenchan Topbarameeekul | Chief Executive Officer | 364,000 | 0.06% | - | 364,000 | 0.06% |
| 4. Ms. Nichalak Muanpuek | Chief Operating Officer | - | - | - | - | - |

Issuance of other securities

The Extraordinary General Meeting of Shareholders No.1/2021 of Panjawattana Plastic Public Company Limited (the Company), the meeting considered and approved the issuance of warrants to purchase the Company's ordinary shares No. 1 ("PJW-W1"). The details as follows:

| Topic | Details |
|---|---|
| Type and category of Warrants | Specified the name of the holder and transferable. |
| Number of Warrants offering (units) | Not exceeding 191,359,982 units. |
| Number of underlying shares | Not exceeding 191,359,982 shares. (per value of 0.50 each) |
| Maturity of Warrants | 3 years from the date of Warrants issuance. |
| Offering price per unit | Baht 0 (Baht zero) |
| Allotment method | Warrants shall be allocated to the existing shareholders of the Company (Rights Offering) at the ratio of 3 ordinary shares for 1 unit of the Warrants. |
| The names of shareholders entitled to receive the Warrants shall be determined PJW-W1 (Record Date) | 1 July 2021 |
| Exercise price | Baht 3.00 per 1 ordinary share, unless the exercise ratio is adjusted under a rights adjustment. |
| Issuance date | 19 July 2021 |
| First Exercise date | The First anniversary date of the Warrant, which is 18 July 2022 |
| Last Exercise date and expiry date of warrants | 18 July 2024 |

As of 31 December 2021

- Number of unexercised Warrants 191,359,982 units
- Number of remaining shares reserved 191,359,982 shares.

Dividend Payment Policy

Dividend Payment Policy of the Company

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

Dividend payment policy of subsidiary companies

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

The dividends paid in past 5 years

| Year | Net profit per share (Baht/share) | Cash Dividend (Baht/share) | Stock Dividend (Existing : New) | Dividend per net profit % |
|-------|--------------------------------------|-------------------------------|------------------------------------|------------------------------|
| 2017 | 0.070 | - | - | - |
| 2018 | - | 0.080 | - | - |
| 2019 | 0.040 | - | - | - |
| 2020 | 0.150 | 0.070 | - | 46.31 |
| 2021 | 0.220 | 0.125 | - | 58.01 |
| 2022* | 0.360 | 0.080 | - | 22.38 |

Remark:

**The Company's Board of Directors No. 3/2022 dated February 19, 2022 has its resolution to pay for dividend regarding the 2021 performance at Baht 0.08 per share. However, the resolution will be proposed to the 2022 Annual General Meeting of Shareholders, to be held on April 8, 2022 for further approval. If include the Interim Dividend 2021 which paid at the rate of 0.08 Baht per share, the dividend payout ratio compared with net profit after corporate income tax deduction and legal reserve is 44.76%. This has been consistent with the Company dividend payment policy.*

2. Risk Management

Risk management plan and policy

The Company realizes the importance and necessity of implementing a risk management system consistent with international standards to manage the organization. It anticipates that the company is an important organization that creates value and credibility for the customers/partners and develops the operations to be in the same direction throughout the organization. Therefore, risk management plan and policy have been established as follows:

- 1) Operate risk management to be the responsibility of personnel at all levels to must be aware of the risks in new operations in their departments and the organization, and focus on the management of various risks to be managed under systematic internal control in a sufficient and appropriate level
- 2) Promote and encourage the use of risk management as an important tool in the company's key management that personnel at all levels must understand, come together, and cooperate to use risk management to create a good image, enhance good corporate governance and excellent management, and build confidence among shareholders/stakeholders.
- 3) Set the risk management process to be the same standard throughout the company
- 4) Promote and develop the use of modern information technology systems in the company's risk management process and encourage personnel at all levels to access thoroughly to sources of information on risk management

Risk Factors to the Company's business operations

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

1. Risk from the COVID-19 epidemic situation

From the COVID-19 epidemic situation, there are the income risk as mentioned above and the risk from disruption of production due to the epidemic within the company. Our company is aware of the aforementioned risk. Regarding the income risk, our company manages the risk by considering current reserves to have the liquidity to be able to operate the business continuously, analyzing and following up on the customer's order plan to adjust the production plan in advance in a timely manner. As for risk from disruption of production due to the epidemic within the company, our company manages the risks by setting up the company's Covid-19 epidemic Situation Administration Center to determine

measures and procedures based on the guidelines of the Ministry of Public Health Facilitate to facilitate employees to receive complete vaccinations as well as randomly infection test regularly.

2. Risk from the volatility of raw material prices

In 2021, the average price of plastic pellets in HDPE grade, which is the main raw material of plastic packaging, was quite considerably higher than the average price in the previous year because of an adjustment according to the situation in which crude oil prices in the world market had an upward direction and the demand for oil in the various activities of production sector has started to return to normal. In addition, many countries have begun to reserve oil but OPEC Plus members continued to gradually increase production capacity that would drive the price of oil in the world market to a higher level. Therefore, the price of crude oil rose. However, the product prices in the plastic packaging industry can be adjusted up or down by the price of raw materials.

3. The risk of relying on few large customers.

The company pays attention and aware of the risk of expanding the plastic packaging business and automotive parts particularly in the plastic packaging group's income which is the main revenue of the company and is sold to the country's major operators in the lubricant industry, milk and the automotive industry and enter into a sale and purchase agreement with the said customer with a relatively high order quantity and having many manufacturers in the industry giving the customer the bargaining power and the opportunity that the client may not renew the contract with the company or add to order some products from competitors. If the company loses the said customer and cannot find a replacement immediately, it may affect the consistency and continuous revenue or resulting in the company's revenue decreasing over time in the future

However, with the experience of the Company is long term, coupled with the development of products quality and the Company's products, resulting to the risk that new competitors shall hit the market, it is quite difficult. Most of customers realize the quality of the product rather than just consider the price factor only. In the past, the Company has promoted the research and development, including seeking for new technologies from public and private sector to improve in terms of production to get a quality product even better as well as reducing manufacturing costs, so as to let customers receive the highest quality products at reasonable prices.

4. The risk of competition from new producers.

Since the business of plastic packaging and automotive parts manufacturing requires not very high investment, the business structure is not complex, therefore, the sole risk is the new operators entering to compete in this industry or even the customers, if they have the idea to produce the plastic packaging by themselves, they can do it. Additionally, the launch of the ASEAN Economic Community or AEC also makes the market more independent, the production base may be move into the country, resulting in more competitors in the industry, and the price competition is more intense than ever as well.

However, the Company's potential and the development of products in terms of quality and as desired by customers create the customers' satisfactions and increase their confidence in the Company's products. In addition, the management of production efficiency, production and service delivery with rapidity to timely serve a variety of customers and the financial security also help to enhance the production capacity, the improvement of production process helps to

increase the productivity, as well as the product research and development helps to make differentiation and to support the growth of customers, these make the customers remain their trustfulness and be our business partners for a long time over decades.

5. The risk of no long-term contracts.

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

The customers in the plastics parts for automotive, the risk of termination of production is very low as well. Typically the operator will not change manufacturers until version of the product is clear or having problems of quality. The average age of products is appropriate 3-5 years, depending on the style and appearance of the products in each industry. However, the Company has various customers in the industries. None of customer has sales amount more than 30% of total sales, in order to diversify the risk of income from no long-term contracts.

6. Foreign exchange risk

In 2021, the Thai baht against the US dollar was highly volatile. The Thai Baht appreciated at the beginning of the year and turned to depreciate sharply, which is the largest currency drop over the past four years, in the second half of the year. The cause of this volatility is Thailand was still heavily affected by the Covid-19 epidemic, but the US dollar has been supported by continually US economic recovering after the COVID-19 epidemic situation in the country has eased.

The trend of the baht-to-dollar exchange rate in 2022 will be expected to remain volatile. The trend will depreciate more than the end of 2021 because of the pressure of the US policy interest rate adjustment. The increase in the US policy rate in 2022 may not be according to the direction of the Thai policy rate that needs to remain at a low level to support the recovery of the Thai economy. At the same time, the difference in interest yields could result in money from Asia flowing back to the US more than the previous. As a consequence, in 2022, a trend of the US dollar will continually appreciate, but the Thai baht and other Asian currencies will depreciate.

Although the company had not been affected by the exchange rate fluctuations as an exporter because the main income is from domestic sales but as an importer of machinery or raw material that must be imported from foreign countries. The depreciation of the baht affects the cost of production of the company and causing the company to bear the increased cost. Therefore, the company has studied how to prevent foreign exchange risk and closely following news about the movement of foreign exchange rates including the study of the analysis of the trend of foreign currency movements. The Company have chosen to use Forward transactions or forward foreign exchange contracts in situations or conditions that it deems appropriate to do to reduce cost, prevent or reduce the losses that may be caused by the change of currency

7. Risks from changes in consumer trends and behavior

Electric Vehicle (EV) trend

Thailand is becoming the world's major production base for electric vehicles and parts. The National Electric Vehicle Policy Committee has issued the guidelines for promoting electric vehicles (EV) under the EV30@30 campaign. The guidelines have set the target for the production of ZEV (Zero Emission Vehicle) to achieve at least 30% of total automotive production in 2030 to lead Thailand into a low-carbon society in the future. From the meeting of the National Electric Vehicle Policy Committee No. 2/2564 on May 12, 2021, they set goals of the production and the use of ZEV as a starting point for collaborating among all relevant sectors to achieve in 2030 consisting of

- The goal of production is 725,000 passenger cars and pickup trucks, 675,000 motorcycles, 34,000 buses, and trucks. Moreover, the production of tricycles, passenger ships, and rail trains has been also promoted.
- The goal of promoting the use of electric vehicles is 440,000 passenger cars and pickup trucks, 650,000 motorcycles, 33,000 buses, and trucks. Also, targeting the encouragement for public electric vehicle charging stations with fast charge 12,000 heads and 1,450 battery swapping stations for electric motorcycles. In addition, there are measures to promote ZEV in various fields including the encouragement of electric vehicle and parts industry by setting the standards of vehicles and important parts, the plan for supporting electric vehicle and parts entrepreneurs to transition to entrepreneurs about electric vehicles, the plan for developing personnel and manpower, the encouragement for the use of electric vehicles from tax and non-tax measures by the Quick win measure to support the use of electric motorcycles in commercial transport businesses and government agencies, the development of infrastructure for electric vehicles such as charging station, the development of laws and regulations which relate to charging and promoting smart grid technology, the encouragement for the electric vehicle battery industry and the use of domestically produced batteries and the plan for managing used battery and developing manpower.

Bioplastics packaging trend

Nowadays, the cost of bioplastics is still higher than conventional plastics because they are produced from agricultural raw materials that have the cost of cultivation. In addition, some limitations of bioplastics, which are not completely interchangeable with conventional plastics, must take time to develop. As a result, the use of bioplastics is still one of the options and can expand only in a specific market (Niche Market). However, the production system of the company that does the injection process and blow molding process can support the use of bioplastic pellets by using a little investment cost to improve machines and equipment. Besides, at present, our company uses recycled plastic pellets in the blow molding process of the production of plastic packaging, which is a type that can be recycled in the blow molding process 100%, thereby reducing the amount of plastic waste from restrictions on the use of recycled plastic pellets.

Our Company has regularly studied and considered the risks in this matter for considering to adjust the strategies and determining the direction of investment expansion to support the change of trends and consumer behavior.

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

The company's majority shareholder is the Hemmontharop groups, which hold shares in the Company totaling of 56.02 percent at March 8, 2022. The group of largest shareholder has the power to control the Company and influence to

the Company's decision on all matters that shall be approved by the shareholders' meeting, excepting for the matters required by law or the Company's regulation specified to get the votes for third in four of the AGM. Therefore, the other shareholders of the Company have the risk from unable to collect the vote for checking and balancing the matter presented by the majority shareholder in the AGM to consider.

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

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

3. Driving business for sustainability



Sustainability Management Policies and Goals

The company is committed to conducting business based on good corporate governance. The key goal is sustainable growth of the organization that creates values covering all 3 dimensions which are economy, society, and environment in the business chain. including formulating a sustainable development strategy to deliver a good quality of life to all groups of stakeholders.

Sustainability goals in 2021

Economic Dimension

PJW is committed to be a good corporate governance organization, have integrity in business operations, be transparent and verifiable organization to create the value added for the business and consider all groups of stakeholders. The company recognizes the importance of product development and good service. by supporting the creation of innovations to meet and create customer satisfaction and develop quality growth strategies with partners through efficient supply chain management with sustainability in mind.

Social Dimension

Safety and Health

- Number of fatal accidents of employees and business partners 0 every year.
- The rate of accidents leading to time lost for employees and business partners is 0 in 2021.

Staff training

- Increase the hours of training for employees at all levels not less than 12 per hours per person per year by 2022.

Community Development and Engagement

- 90% community satisfaction
- More than 80% of factory workers are local people

Environment Dimension

Energy and Climate Change Management

- Reduce greenhouse gas emissions by 10% by 2021, 20% by 2022.
- Reduce energy consumption by 10% by 2021.

Waste Management

- Reduce the transmission of hazardous and non-hazardous waste according to the law, a decrease of 10% from the year 2020.

Reducing waste from the production process

- Reduce waste from production processes by 10% in 2022 compared to 2021.

Managing impact on stakeholders in the business value chain

Business Value Chain

The company focuses on the management of the entire value chain of the business, from upstream to downstream to enhance the quality of life and better environment from the process of procuring raw materials both in the country and abroad until the production process that considers the impact on the community and the environment, marketing and distribution of products that are standardized and quickly respond to the needs of customers and consumers.

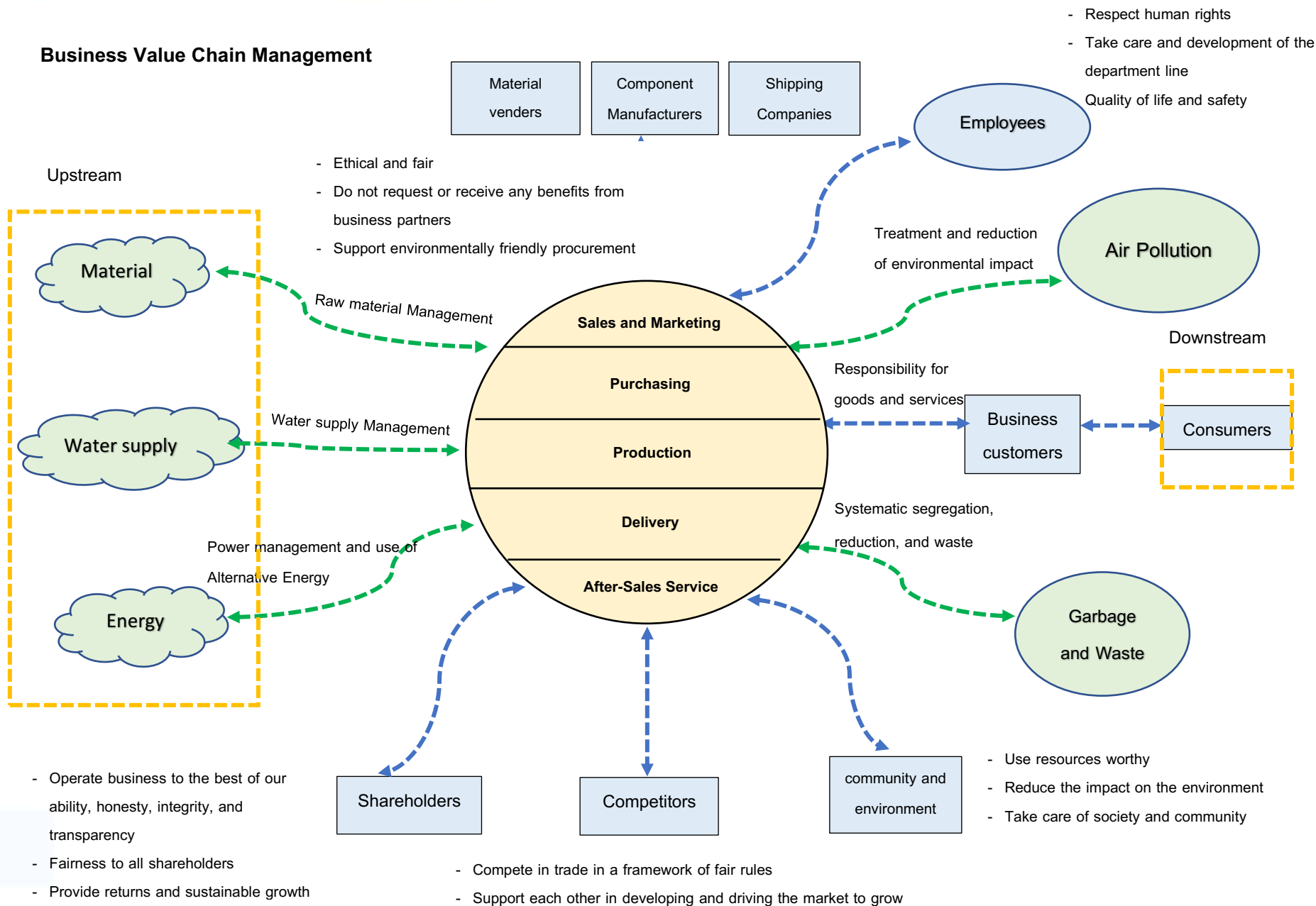
Business Value Chain Stakeholder Analysis

The company analyzes key stakeholder groups both internally and externally who are related to the business value chain and provide opportunities for participation through two-way communication to receive opinions,

suggestions, and reflect needs. and expectations of stakeholders in the Company's business operations as follows:

| Stakeholders | Needs and Expectations |
|---|---|
| <p><i>Shareholders</i></p>  | <ul style="list-style-type: none"> - Business performance and growth - Good Corporate Governance Management with transparency - Company Operations Information - Paying dividends appropriately |
| <p><i>Employees</i></p>  | <ul style="list-style-type: none"> - Learning and developing skills and increase the potential to be in line with business changes - Employee care appropriate welfare including safety Good occupational health of employees |
| <p><i>Customers</i></p>  | <ul style="list-style-type: none"> - Quality products and services that meet the needs of customers and environmentally friendly |
| <p><i>Venders</i></p>  | <ul style="list-style-type: none"> - Support the knowledge of operations that consider the environment, society, and business ethics to enhance the operations of partners and to reduce operational and reputation risks |
| <p><i>Competitors</i></p>  | <ul style="list-style-type: none"> - Support the knowledge of operations that consider the environment, society, and business ethics to enhance the operations of partners and to reduce operational and reputation risks |
| <p><i>Public sector</i></p>  | <ul style="list-style-type: none"> - Cooperate with the government and present guidelines for sustainable development - Transparently disclose information about business operations |
| <p><i>Community, Society and Environment</i></p>  | <ul style="list-style-type: none"> - Supervising operations to not affect the community and environment - Learning and development to create career stability and income |

Business Value Chain Management



Sustainability Management in Environmental Dimensions

Environmental Policies and Practices

The company realizes the importance of environmental protection to prevent and be responsible for impacts that may occur from operations both inside and outside the establishment, the "Environmental Policy" has been formulated with details as follows:

1. The company is committed to comply with environmental laws and regulations.
2. The company will comply with the requirements of the ISO14001 environmental management system, including the environmental requirements of customers and communities.
3. The company is committed to control the production process of products to protect the environment and its impact on the environment as well as continually improve processes that have an impact on the environment.
4. The Company will promote and support activities to protect and reduce environmental impacts where employees and stakeholders at all levels participate.
5. The Company will take action to prevent, control and reduce the loss of natural resources and energy to reduce the impact on the environment.
6. The company will systematically manage waste and continuously reduce the amount of waste that causes pollution to the environment.
7. The company will review and communicate the results of environmental activities to employees and stakeholders at all levels.

In addition, the company has set "Energy Policy" as a guideline to promote energy use for maximum efficiency by making energy conservation a part of the company's operations and continuously improve the efficiency and appropriateness of the use of corporate resources. Energy

saving is the responsibility of executives and employees at all levels.

Environmental Performance

The company has driven the efficient use of resources in all processes of its supply chain as follows:

1. Power Management

From the policy to reduce dependence on energy or used fuel, in 2021, the company started a project to generate electricity from solar energy to generate electricity for use in factories and buildings which is considered as one of the useful renewable energies because it uses sunlight, which is an existing natural resource and is a clean energy that does not cause the environment toxic. It started installing Solar PV rooftops capable of generating 182,824 kWh megawatts of electricity, resulting in the company reducing its electricity bill by 5% in 2021.



2. Waste Management, Waste and Pollution

The company has managed waste and waste that occurs in the production process comply with R (Reduce, Reuse, Recycle) principles. There is a waste separation management system along with creating awareness among employees in the factory.

In 2021, there were 44,739 kilograms of general waste, recyclable waste such as cans, paper, and plastic scraps, totaling 228,324 kilograms, of which the company has used the waste disposal service to dispose of it legally. In addition, the Company conducts environmental quality measurements at least once a year. In 2021, it was found that the air quality, noise, and light standards were within the normal range as required by law. and has established a disbursement-payment system Electronic raw materials and semi-finished goods to reduce the use of paper The system who wants to use it will notify the need via electronic system to the store or warehouse instead of using paper, which can reduce the amount of paper about 150,240 sheets per year or reduce the cost of 27,620.80 baht per year.



3. Management to reduce greenhouse gas emissions

The Company participated in the Carbon Footprint promotion project with the Greenhouse Gas Management Organization (Public Organization) or TGO, In 2021 the atmosphere by up to 12,554.50 Ton TonCO₂e per year, which is a the company reduces greenhouse gas emissions, which is a decrease of 1180.78 TonCO₂e from 2020 by the certification body Bureau Veritas (Thailand).

Sustainability Management in

Social Dimensions

Social Policy and Practice

Operations with sustainability in the social dimension, the Company focuses on engaging and listening to the real needs of stakeholders, employees, communities, society, and business partners in the supply chain by defining important policies related to society as follows:

- 👉 **Human Rights Policy**
- 👉 **Safety, Occupational Health and Environment Policy**

Social Performance

Personnel Development

The company has a policy to develop personnel at all levels regularly. All employees are regarded as valuable resources and is the key to supporting business operations achieve the goal Therefore, the company is determined to develop the organization to be a learning organization to enhance knowledge and ability develop the potential of employees This will benefit the company in having efficient personnel to be able to create works for the company including self-development and advancement in work and grow with the company by providing an annual training plan for both internal and external.

2021 Training Hours

| By branch | Number of training hours (hours) | Total number of employees (person) | Number of training hours (average hours/person) |
|--------------|----------------------------------|------------------------------------|---|
| Samutsakorn | 621 | 606 | 1.02 |
| Chonburi | 147.5 | 684 | 0.22 |
| Bangbon | 12 | 85 | 0.14 |
| China | 656 | 86 | 7.63 |
| Total | 1,436.5 | 1,461 | 9.01 |

Safety, Occupational Health

In 2021, the company has provided Primary firefighting and fire evacuation training courses including safety training in specific areas such as driving a forklift safely, etc.

Statistics of accidents for the year 2021

The number of accidents leading to time off from work exceeded 3 days is 4 times.

The number of accidents leading to time off from work not exceeded 3 days is 20 times.

There's no number of employees died from accidents at work.



Participation in community and social development

The Company has built a good relationship with society and the environment by reducing the environmental impact and avoiding any operations that may have a negative impact on the quality of life of the communities surrounding the establishment including to promote and support the following activities,

1. Donated 600,000 baht to Ban Phaeo Eye Hospital to purchase medical equipment



2. Donate 2,000 baht to Chaimongkol Subdistrict Administrative Organization to help those whom affected by the epidemic of COVID-19.



3. Donate money to the Labor Protection and Welfare Office Samutsakorn Province, amounting to 2,000 baht to support the Royal Education Program for Thai monks Samutsakorn Province.

4. Management Discussion and Analysis: MD&A

Financial Highlights

| Description | Consolidated Financial Statements | |
|---|-----------------------------------|-----------------|
| | 2020 | 2021 |
| Statement of income (THB million) | | |
| Sales | 2,774.41 | 3,057.12 |
| Total revenues | 2,819.83 | 3,086.80 |
| Expenses | | |
| Cost of sales | 2,233.06 | 2,489.77 |
| Cost of project | 32.44 | 10.73 |
| Selling & Administrative expenses | 386.42 | 338.21 |
| Finance cost | 53.97 | 48.81 |
| Total expenses | 2,708.22 | 2,884.17 |
| Profit before income tax expenses | 111.61 | 202.63 |
| Income tax expenses ^{1/} | (3.44) | 33.16 |
| Profit for the years | 115.05 | 169.47 |
| STATEMENT OF FINANCIAL POSITION (THB million) | | |
| Total assets | 2,882.28 | 3,028.42 |
| Total liabilities | 1,779.45 | 1,838.35 |
| shareholders' equity | 1,102.82 | 1,190.06 |
| Total equity attributable to equity holders of the parent company | 1,102.82 | 1,190.06 |
| Financial Ratio ^{2/} | | |
| <u>Liquidity Ratio</u> | | |
| Current ratio (times) | 0.88 | 0.90 |
| Quick ratio (times) | 0.63 | 0.62 |
| Account receivable turnover (times) | 4.13 | 4.45 |
| Average account receivable day on hand (days) | 87.12 | 80.88 |
| Inventory turnover (times) | 8.12 | 8.95 |
| Average Inventory day on hand (days) | 44.32 | 40.22 |
| Account payable turnover (times) | 4.85 | 5.30 |
| Average account payable day on hand (days) | 74.24 | 67.92 |
| Cash Cycle (days) | 57.20 | 53.18 |
| <u>Profitability Ratio</u> | | |
| Gross profit margin (%) | 19.51 | 18.56 |
| Operating profit margin (%) | 14.16 | 15.42 |
| Net profit margin (%) | 4.08 | 5.49 |
| Return on equity (%) | 10.86 | 14.78 |

| Description | Consolidated Financial Statements | |
|--|-----------------------------------|---------------------|
| | 2020 | 2021 |
| <u>Asset Management Ratio</u> | | |
| Return on asset (%) | 5.68 | 8.51 |
| Return on fixed asset (%) | 18.70 | 21.13 |
| Total asset turnover (times) | 0.97 | 1.04 |
| <u>Financial Controlling Policy Ratio</u> | | |
| Debt to equity ratio (times) | 1.61 | 1.54 |
| Interest coverage ratio (times) | 3.07 | 5.15 |
| Dividend payout ratio (%) | 58.01 | 44.76 ^{3/} |

Remark:

- 1/ It is calculated form corporate income tax for the year and impact from expense (revenue), deferred income tax (as disclosed in note 31 to financial statements
- 2/ Financial Ratio Calculated form manual of Annual Registration Statement (From 56-1) (From 69-1) of the Office of the Securities and Exchange Commission (SEC)
- 3/ The Company's Board of Directors No. 3/2022 dated February 19, 2022 has its resolution to pay for dividend regarding the 2021 performance as 0.08 baht/share and will be present to 2022 Annual General Meeting of Shareholders on 2022 April 8, 2022.

If include the Interim Dividend 2021 which paid at the rate of 0.08 Baht per share, the dividend payout ratio compared with net profit after corporate income tax deduction and legal reserve is 44.76%. This has been consistent with the Company dividend payment policy.

Management Discussion and Analysis: MD&A

Overview of business operation and significance changes

In 2021, from the impact of the COVID-19 pandemic situations, the Company has carried out the policy for reducing the investment according to the risk management plan to ensure the maintenance of positive turnover, and coping with the state of emergency so that the business can be continuously operated. Therefore, the investment has not been made to purchase machines for production capacity expansion in Thailand. It can be seen that the maximum production capacity has been slightly increased or increased by 0.93%

The production capacity of the company in 2021 slightly increased to 46.3% from the previous year which was 42.5% due to the COVID-19 epidemic situation that has begun to worsen since the second quarter when the nationwide lockdown was announced. From the situation, the tourism and consumer businesses were continued to shrink, so the demand for products in the consumer product packaging industry decreased. Moreover, the global semiconductor shortage crisis also had a signal of the beginning at the end of the year 2020 before becoming more severe in the second quarter of 2021 which was the cause of orders for some models to slow down that affect sales in the automotive parts. However, the company has pushed a cost management plan and improved production efficiency to focus on using automation systems and robots in the manufacturing and using digital systems to communicate information from the production line to executives which caused the company can control production costs that provide to increase the gross profit margin and the higher net profit margin than the previous year.

Production Capacity and Rate of Total Production Capacity Utilization of the Company (unit : Ton)

| | 2019 | 2020 | 2021 |
|---|--------|--------|--------|
| Maximum production capacity (ton) | 50,181 | 52,017 | 52,500 |
| Percent of growth rate | 6.15 | 3.66 | 0.93 |
| Actual output (ton) | 22,114 | 22,121 | 24,283 |
| Percent of growth rate | -4.34 | 0.03 | 9.78 |
| Percent of production capacity utilization | 44.1 | 42.5 | 46.3 |

Income Structure Classified by groups of products

| Description | 2019 | | 2020 | | 2021 | |
|--|-----------------|------------------------|-----------------|------------------------|-----------------|------------------------|
| | Million Baht | Percent of Growth Rate | Million Baht | Percent of Growth Rate | Million Baht | Percent of Growth Rate |
| Lubricant packaging | 1,376.95 | -14.34 | 1,393.92 | 1.23 | 1,635.25 | 17.31 |
| Milk and yoghurt milk packaging | 424.67 | 18.65 | 389.40 | -8.31 | 430.85 | 10.64 |
| Consumer goods and chemical liquid packaging | 189.03 | -12.66 | 152.94 | -19.09 | 125.65 | -17.84 |
| Automotive parts | 962.42 | 22.10 | 838.14 | -12.91 | 865.37 | 3.25 |
| Gross sales | 2,953.07 | -0.57 | 2,774.40 | -6.05 | 3,057.12 | 10.19 |
| Project income | 187.41 | 2,604.33 | 19.62 | -89.53 | 10.33 | -47.35 |
| Other income | 15.04 | 56.34 | 25.81 | 71.61 | 19.34 | -25.07 |

| | | | | | | |
|---------------------|----------|------|----------|--------|----------|------|
| Total income | 3,155.52 | 5.66 | 2,819.83 | -10.64 | 3,086.80 | 9.47 |
|---------------------|----------|------|----------|--------|----------|------|

Income Structure Classified by Geography

| Description | 2019 | | 2020 | | 2021 | |
|---------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | Million Baht | Percent of sale | Million Baht | Percent of sale | Million Baht | Percent of sale |
| Domestic sales | 2,683.17 | 85.03 | 2,434.71 | 86.34 | 2,665.61 | 86.36 |
| Abroad sales | 269.90 | 8.55 | 339.69 | 12.05 | 391.52 | 12.68 |
| Gross sales | 2,953.07 | 93.58 | 2,774.40 | 98.39 | 3,057.12 | 99.04 |
| Project income | 187.42 | 5.94 | 19.62 | 0.70 | 10.33 | 0.33 |
| Other income | 15.03 | 0.48 | 25.81 | 0.91 | 19.34 | 0.63 |
| Total income | 3,155.52 | 100.00 | 2,819.83 | 100.00 | 3,086.80 | 100.00 |

Index of Industrial Output of Each Product Related to the Company's Product

| Description | 2019 | 2020 | 2021 |
|--|--------|--------|---------------|
| Ready-to-drink milk | 118.32 | 121.20 | 118.11 |
| *Benzene Octane 91 (Unleaded) | 76.02 | 81.02 | 96.46 |
| *Benzene Octane 95 (Unleaded) | 109.56 | 116.40 | 110.44 |
| *Diesel Fuel | 100.90 | 104.22 | 102.80 |
| Primary chemical product except fertilizer and Nitrogen compound | 111.85 | 107.77 | 117.50 |
| Passenger car, truck, bus, etc. | 107.65 | 73.73 | 83.65 |

Source: Office of Industrial Economics

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

The Company's total revenue for the previous year increased by 266.96 million baht or 9.47%. Most of the sales revenue increased from the sales of the lubricant packaging industry that grew 17.31% which was benefited from the increase of the sales at the beginning of the year before the lockdown. As a result, sales returned to close to the pre-COVID-19 period in 2018. In addition, the overall gasoline and diesel index were stable. In the milk and fermented milk packaging industry, the company's sales increased by 10.64% although the production index of ready-to-drink milk fell due to new product launches and gaining more market share. In the packaging of consumer products and chemical reagents, they were affected by the COVID-19 epidemic situation and severe flooding in the middle of the year that resulted in a drop in sales by more than 17.84%.

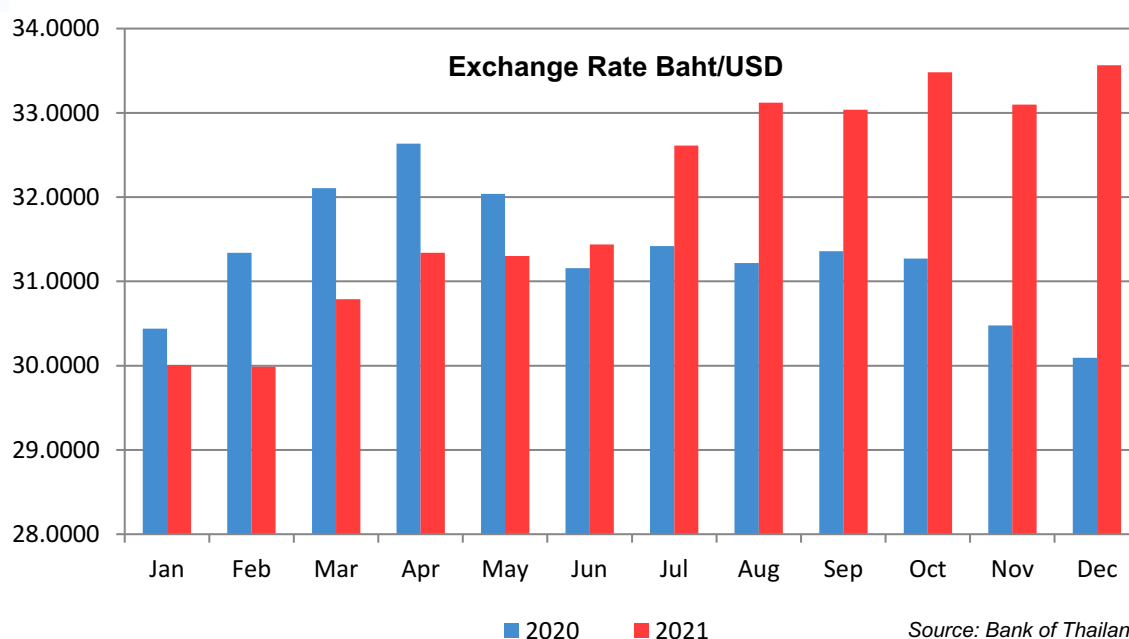
The passenger car industry index grew slightly by 9.92% from the previous year which decreased by 33.92%. The recovery has not returned to normal due to the semiconductor chip shortage crisis, so automotive parts grew only 3.25%.

Performance and profitability

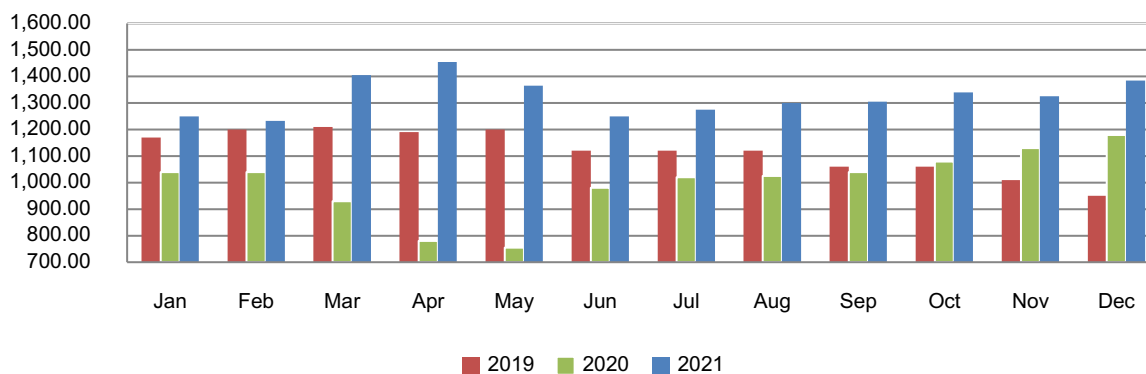
In 2021, the price of HDPE Grade thermoplastics as main raw materials of plastic packaging was higher than the price of 2020 in average. It was the adaptation according to the direction of the declining oil price based on the deflation of the world economy, resulting in the existing demand of crude oils in low criteria in accompany with the existing production capacity of crude oils inside OPEC Group and OPEC Plus Group in high level, causing the steady crude oil price in low

level and the inability to be much increased. In addition, the industry using plastics as components, such as motor vehicles, electric appliances, and construction segment, has been affected from COVID-19 pandemic, causing an encounter on the recession of worldwide economic activities both in manufacturing and trade sector, particularly in the first-half period of the year, and resulting in the reduction of the overall plastic product requirement, except the disposable plastic products, such as medical devices and food container. However, in the second-half period of the year, the COVID-19 pandemic situations in various countries have been improved and the alleviation of lockdown measure has been commenced to ensure that the business sector can start continuing its operations. Therefore, the plastic usage requirement in industrial sector has been higher adjusted, resulting in the commencement of the trend of higher thermoplastic price in the year-end period. Therefore, to reduce the impact from fluctuation of thermoplastic price, and Baht value fluctuation, the Company has periodically considered both domestic and foreign thermoplastic price and considered entering into the forward contract for foreign currency. However, most customers of the Company in packaging industry will adjust the raw material price by referring the price announced by the Federation of Thai Industries, resulting in the ability to mitigate risk from the fluctuation of raw material cost as the main cost.

Overall operating results in 2021, the company and its subsidiaries had a total net profit of 169.47 million baht which increased by 54.42 million baht or 47.30% compared to the previous year. Total gross profit margin dropped slightly from 19.5% to 18.6% as the price of plastic pellets, a key raw material, has continued to rise since the beginning of 2021. In addition, the company had additional expenses for dealing with the new wave of the COVID-19 pandemic situations including costs related to making bubbles and seals, costs related to the company's field hospitals, cost of COVID-19 test kits and vaccine costs, etc. However, the company can better control production costs and administrative expenses, and closely follow up the fluctuation of customer orders to plan the production as efficiently as possible. Also, the company managed costs and improved production efficiency by focusing on using automation systems and robots in manufacturing, using digital systems to communicate information from the production line to executives, controlling sales and administrative expenses. Financial costs were reduced due to the lack of borrowing to invest in new projects in the year according to the slow down investments policy for coping with various emergency situations from the COVID-19 pandemic situations. Consequently, the total net profit margin was 5.5% which increased from the previous year by 4.1%.



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



Source: Federation of Thai Industries

Asset Management Capability

As at 31 December 2021, total assets in the consolidated financial statements of the Company and its subsidiaries increased by 146.14 Million Baht or 5.07% when compared with last year as an increase from non-current assets of 146.14 Million Baht. Most of them was an increase from inventory by 90.14 Million Baht that including the increase from the new model mold during production about 36.50 million baht, more raw materials and products to support higher orders and more expensive raw material price, cash and cash equivalents increased by 40.08 Million Baht, account receivables and other debtor increased by 40.81 Million Baht due to higher sales compared to the end of the year and other non-current assets decreased by 6.47 Million Baht because there was no major investment projects during the year and the company just invested for improving production efficiency and replaced old machines and equipment.

Liquidity and Adequacy of the Company's Capital

As at 31 December 2021, total liabilities in the consolidated financial statements of the Company and its subsidiaries increased by 58.90 Million Baht or 3.31% when compared with last year as a decrease from current liabilities (Exclude, Current portion of long-term liabilities) of 148.17 Million. Most of these came from trade payables, other payables, and short-term borrowings to support higher operating assets. Long-term borrowings and lease liabilities (Including the portion due within 1 year) decreased by 89.27 million baht net from additional borrowing and payment. Debt to total equity ratio as at 31 December 2021 was at 1.54 times (as of 31 December 2020 : 1.61 times)

The Company's cash flows from operating for 2021 was 350.79 Million Baht, decreased from last year by 219.31 Million Baht because the company spent more reserve funds on inventories caused by the increase from the new model mold during production as well as more raw materials and products to support higher orders.

Debt Obligation and Management of Off-Balance Sheet Obligation

As at 31 December 2021, the Company and the subsidiaries have had debt obligation and management of off-balance sheet obligation as follows.

(Unit: Million Baht)

| Obligation | Total | Maturity | | | |
|--|---------------|----------------------|---------------------|---------------------|-------------------|
| | | Not more than 1 year | More than 1-3 years | More than 3-5 years | More than 5 years |
| Obligation of Asset Purchase | 64.30 | 64.30 | - | - | - |
| Obligation of Other Liabilities – Guarantee Obligation | 61.92 | 61.92 | - | - | - |
| Total | 126.22 | 126.22 | - | - | - |

Factors or Events Affecting Future Financial Position or Overall Operation

¹From the reporting of Thai economy prediction in 2022, it was expected that GDP will be expanded by 3.5% - 4.5% under the key supporting factors consisting of: (1) the trend of the economic and world trade volume recovery, (2) the driving force from the government sector spending, (3) the return to expand the private sector domestic demand, and However, it was expected the expansion of the export value of goods in form of US Dollar at 4.9%, total private sector consumption and investment at 4.3% and 4.2%, respectively, average headline inflation in the interval of 0.09 – 1.9%, and surplus current accounts at 1.0% of GDP.

²Total automobile production in 2021 was anticipated to have around 1.8 million cars, increasing by 6.78% when compared with 2021 by classifying into the production for domestic distribution of around 44.45%, and the production for export of around 55.56%.

However, for the economic trend in 2022, it was expected that the Manufacturing Production Index (MPI) will continue to expand due to the overview of the COVID-19 epidemic situation of workers in the workplace began to improve. This can be reflected from Industrial Labor Index in the last December, which grew by 2.20%, and the better distribution of vaccines in the industrial sector as well as lifting lockdown measures by the government. In export products in 2022, the world economy was expected to expand more. This is due to the expansion trend of the global manufacturing sector and increasing employment. In addition, lifting lockdown measures in the European Union is the cause of the service sector will recover and drive the European economy to grow faster which is one of the important support for the Thai export sector. In private spending, it was expected to grow consistent with the economic recovery which is supported by the easing of COVID-19 control measures and economic stimulus measures from the government. However, there are other economic factors that are uncertain and may affect economic growth including the domestic political environment and the limitations in the recovery of the economic sectors especially the tourism and related services sectors that have limitations to recovery from international travel-related control measures, natural disasters, etc.

The Company has still taken into account the operating plan in 2021 due to the impact from external factors both in part of the growth rate of domestic economy and of world economy, the economic impact from the new wave of the COVID-19 pandemic, the impact toward the automotive and lubricant packaging industries after the EV industry promotion policy, drought, flood, and natural disaster conditions affecting sales volume of the agricultural chemical group packaging, and the impact of the world economy both of positive and the negative factors toward the plastic packaging and parts industry for automobile industry, the cost of thermoplastic price and fluctuation of exchange rate. However, the Company's management expected that in 2021, turnover will tend to be continuously improved because the Thai economic outlook was expected to expand in the range of 3.5 - 4.5%. The board of directors and the management have strong confidence to keep the level of profitability from the recovery of sales to normal and various production efficiency improvement projects.

Moreover, it was supported by the increasing sales of customers in the automotive parts group and a spray painting factory that have commercial sales in early 2022.

The management and the Board of Directors have still focused on considering the risk of the project implementations to ensure that the Company's planned strategic plans achieve the targets, using the principles of the regular carefulness and observation on the events and external factors affecting the overall operation of the Company, and consideration on financial structuring to be appropriately consistent with the investment project. The cost control and the increase in production efficiency, the promotion of research and development, and acquisition of commercial alliances, are entirely the factors affecting the operations of the Group determined by the management and the Board of Directors in the Company's strategic plan.

¹ Office of the National Economic Development Board (NEDB)

² Office of Industrial Economics (OIE)

5. GENERAL INFORMATION AND OTHER KEY INFORMATION OF THE COMPANY

| | |
|--|--|
| Company Name | : PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED |
| Symbol | : PJW |
| Registration Number | : 0107554000208 |
| Authorized Capital | : 765,439,927.00 ordinary shares at par value of Baht 0.50, total in amount of Baht 382,719,963.50 |
| Paid-up Capital | : 574,079,945 ordinary shares at par value of Baht 0.50, total in amount of Baht 287,039,972.50 |
| Nature of Business | : PJW is a producer and supplier of plastic containers & closures and automotive plastic parts of high quality and with custom designs according to clients' requirements for the product brands that are recognized in each end-use industry and among consumers in general. Its products are manufactured through two main processes: blow molding and injection molding and painting. The product range cover car accessories to customers. |
| Registered Address (Head Office) | : No. 19, 21, Soi Ekkachai 63, Ekkachai Road, Klong Bang Bon Sub-district, Bang Bon District, Bangkok 10150 Telephone Number: 0-2898-0018, 0-2898-1008 Facsimile Number: 0-2898-0633 |
| Samuthsakhon Branch | : 28 Moo 2 Chaimongkol Sub-district, Muang District, Samutsakhon Province 74000 Telephone Number: 0-2150-5988, 0-3483-9130-1 Facsimile Number: 0-2150-5987 |
| Chonburi Branch | : Pin Thong Industrial Estate 2, No. 150/62 Moo 9, Nhong Kham Sub-district, Sriracha District, Chonburi Province 20110 Telephone Number: 0-3304-8081-4, 0-3834-7187-8 Facsimile Number: 0-3304-8085, 0-3834-7189 |
| Homepage | : www.pjw.co.th |
| Contact Investor Relations (For general information) | : Telephone Number: 0-2150-5988 Ext. 153 E-mail Address: ir-pjw@pjw.co.th |
| Contact Company Secretary | : Telephone Number: 0-2150-5988 Ext. 153 |
| Contact the Audit Committee's Secretary (For complain, notice about corruption clue, and/or infringement of code of conduct and/or good corporate governance) | : Telephone Number: 0-2150-5988 Ext. 176 E-mail Address: ac-secretary@pjw.co.th |

GENERAL INFORMATION OF SUBSIDIARIES

| | |
|----------------------------|--|
| Company Name | : MILK PACK COMPANY LIMITED |
| Paid-up Capital | : 12,000 ordinary shares at par value of Baht 2,500 total in amount of Baht 30,000,000 |
| Nature of Business | : Manufacturing of plastic packaging, mainly used for lubricant packaging for medium and small customers |
| Registered Address | : No. 19, 21, Soi Ekkachai 63, Ekkachai Road, Klong Bang Bon Sub-district, Bang Bon District, Bangkok 10150 Telephone Number: 0-2898-0018 Facsimile Number: 0-2898-0633 |
| Samuthsakhon Branch | : 28 Moo 2 Chaimongkol Sub-district, Muang District, Samutsakhon Province 74000 Telephone Number: 0-2150-5988, 0-3483-9130-1 Facsimile Number: 0-2150-5987 |
| Company Name | : ELEGANCE PACKAGING COMPANY LIMITED |
| Paid-up Capital | : 10,000 ordinary shares at par value of Baht 100 total in amount of Baht 1,000,000 |
| Registered Address | : No. 19, 21, Soi Ekkachai 63, Ekkachai Road, Klong Bang Bon Sub-district, Bang Bon District, Bangkok 10150 Telephone Number: 0-2150-5988, 0-3483-9130-1 Facsimile Number: 0-2150-5987 |
| Nature of Business | : Lubricant Bottle Cap |
| Company Name | : PJW AotoEV COMPANY LIMITED (Old name : PLASTECH LAB COMPANY LIMITED) |
| Paid-up Capital | : 2,000,000 ordinary shares at par value of Baht 10 total in amount of Baht 20,000,000 |
| Nature of Business | : The servicing test of products and/ or standard of overall products, testing and analyzing physical and chemical of products, manufacturing of plastic parts and molds including painting of plastic parts used in other industries. |
| Registered Address | : No.28 Moo2, Chaimongkol Sub-district, Muang District, Samutsakhon Province 74000 Telephone Number: 0-2150-5988, 0-3483-9130-1 Facsimile Number: 0-2150-5987 |
| Chonburi Branch | : Pin Thong Industrial Estate 2, No. 150/62 Moo 9, Nhong Kham Sub-district, Sriracha District, Chonburi Province 20110 Telephone Number: 0-3304-8081-4, 0-3834-7187-8 Facsimile Number: 0-3304-8085, 0-3834-7189 |

Company Name : PANJAWATTANA (TIANJIN) PLASTIC COMPANY LIMITED
Paid-up Capital : US Dollar 5,500,000
Registered Address : Building no.4, Hongtai Industrial Estate, No.78 Taihua Road,Tianjin Economic-
 Technologic Development, Tianjin, 300457 RPC
 Telephone Number: (+86) 22-2532-7703
 Facsimile Number: (+86) 22-2532-8323
Nature of Business : Manufacturing of lubricant packaging for customers in Republic of China

Company Name : PANJAWATTANA (JIANGSU) PLASTIC COMPANY LIMITED
Paid-up Capital : US Dollar 5,000,000 and paid-up share capital shall be US Dollar 4,500,000.
Registered Address : Building no.3 Plainvim (Taicang) Industrial Park, 525 Lingang South Road,
 yuewang shaxi Town, Taicang City ,Jiangsu 215421 PRC
 Telephone Number: (+86) 0512 56660092
Nature of Business : Manufacturing of lubricant packaging for customers in Republic of China

OTHER REFERENCES

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

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

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

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

Part 2 Corporate Governance

6. Corporate Governance

Overview of Corporate Governance Policies and Practices



Panjawattana Plastic Public Company Limited has always recognized the importance of developing effective management policies, together with the advancement of organizational transparency and accountability. This will bring trust and confidence to all parties involved, resulting in sustainable business growth under the Company's Code of Conduct and compliance with relevant laws. Panjawattana Plastic has strategically developed a set of good corporate governance policies, while keep them updated to conform to the current economic and business situations aiming to generate enhanced operations capacity. With well-developed standards, the advanced business implementation has been expected to be pursued by employees of all levels, supported by various organization-based activities aiming to foster the

adopted the principles of good corporate governance for

registered companies prescribed by the Stock Exchange of Thailand (SET) and has also taken into account the comments and suggestions featured in the annual assessment report of the Thai Institute of Directors (IOD). With the expectation to use them as guidelines for business accomplishment, the Board members, executives, and employees of Panjawattana Plastic have determined to strictly pursue such good corporate policies and rely on them in an efficient and consistent manner. In the past year, there was no situation or incident going against the approved good corporate policies, according to the following guidelines.

➤ Corporate Governance

Part 1 The Rights of Shareholders

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

Panjawattana Plastic recognizes and values fundamental rights of shareholders, both as investors in securities and as owners of the Company, including trading or transferred shares, sharing of profits for the Company, obtaining the Company's news and information in a sufficient manner in order to be authorized for casting a vote as well as appointing or removing a member of the Board of Directors or an auditor.

Shareholders are also required to be responsible for matters that affect the Company, including the allocation of dividends, determination or amendment of rules and regulations and requirements of the Memorandum of Understanding (MOU), maximization or minimization of capital, approval of special transactions, and proposal of inquiries or expression of opinions on various issues acknowledged and approved by the Board of Directors in the meeting of shareholders.

1. Organization of the Meeting of Shareholders

1.1 The Company maintains and encourages all shareholders, whether they are major or minor shareholders, foreign shareholders, or institutional investors to attend the shareholders' meeting.

1.2 The Company has assigned Thailand Securities Depository Company Limited, acting as the Company's securities registrar, to be responsible for delivering an invitation letter of shareholders

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

1.3 The information of date, time, venue and meeting agenda with clarification and supporting reason in the each proposed agenda shall be provided.

1.4 The Company shall facilitate the shareholders to fully exercise the right of meeting attendance and voting.

1.5 The Company is required to provide shareholders with an opportunity to propose an agenda in advance,

reportedly starting from October to December of every year, while submitting any inquiry related to the proposed agenda ahead of the meeting by keeping shareholders informed about the updated information via the news reporting system possessed by the Stock Exchange of Thailand (SET). The Company is also required to announce rules, regulations, standards, and procedures of the meeting of shareholders via the Company's website www.pjw.co.th in the Investor Relations section.

1.6 In case where the shareholder is unable to attend the meeting by presence, the Company gives the opportunity to the shareholder to enable to give a proxy to the independent director or any person to attend the meeting in lieu of him/her.

2. Procedures of Meeting of Shareholders

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

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

2.3 At the meeting of shareholders, all shareholders will be authorized to express their opinions, comments, suggestions, and inquiries on particular agendas in an unbiased manner. In the meantime, there will be members of the Board of Directors and related executives present in the meeting to be responsible for all proposed inquiries. Important issues and resolutions of agendas will be recorded in the minutes of the meeting of shareholders aiming to unveil transparency and accountability of implementation, where the Chairman of the meeting of

shareholders will mainly be responsible for the allocation of time required for each agenda.

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

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

3. Preparation of Meeting Minutes and Introduction of Meeting Agendas

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

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

Part 2 The Equitable Treatment of Shareholders

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

1. Disclosure of Information before the Meeting

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

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

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

2. Protection of Minor Shareholders' Rights

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

2.2 The Company will not add any new agenda without informing the shareholders in advance, aiming to

provide them with an opportunity to study each agenda thoroughly before making their decisions.

3.Prevention of Internal Information

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

3.2 The Company has informed its members of the Board of Directors and executives about the duty to report on the holding of the Company's securities and related punishment provisions in accordance with the Securities and Exchange Act, B.E. 2535 (1992) as well as the regulations issued by the Stock Exchange of Thailand (SET). In case where any member of the Board of Directors or executive has traded the Company's securities, he will be required to report on his holding of the Company's securities, including the holding of the Company's securities represented by his spouse or child under the age of majority complying with the provision of Section 59 of the Securities and Exchange Act,

B.E. 2535 (1992) within a period of three (3) official working days for the Office of the Securities and Exchange Commission (SEC)'s acknowledgement and announcement to the general public. Meanwhile, the Company's secretary will be required to report on the alteration of the holding of the Company's securities conducted by the member of the Board of Directors or executive to the meeting on a quarterly basis.

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

4. Interests of the Board of Directors

4.1 The Company determines the guideline for transparent and verifiable stake holding management, particularly in consideration of related transactions between the Company and stakeholder or related party.

4.2 Upon occurrence of the said event, the stakeholder of that issue shall immediately report the Company for acknowledgement and not participate in considering or voting in such issue

5. Implementation for Interconnected Transactions

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

The director with gain and loss shall abstain voting in such agenda. However, the Company shall prepare summary report of related party transaction performing to be reported in the Meeting of the Audit Committee of the Company and the Meeting of the Board of Directors in every quarter.

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

Part 3 The Role of Stakeholders

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

1. Code of Conduct for Stakeholders

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

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

Employees : The company has a policy to pay compensation to employees at all levels appropriately both in the short term in accordance with the Company's performance each year in line with the compensation of companies in the same industry. The pay and compensation of employees at all levels are surveyed with external organizations. And in the long run, the performance and potential of employees are clearly measured. The company will pay reasonable compensation to employees with high knowledge and skills including providing career growth in accordance with the Company's succession plan. The company has taken care of various welfare matters to employees appropriately by reviewing various welfare arrangements regularly to be consistent with changing economic and social conditions including the establishment of a provident fund for employees. The Company has remained firm to provide all of its employees with competency development projects. Admittedly, all employees are considered valuable resources that will lead the Company to splendid business achievement. The working atmosphere will promote the effectiveness of teamwork and development of employees' competency to advance their careers and secure their occupational opportunities at the same time, guaranteed by appropriate remunerations rewarded for enhanced quality of operations and management, supported by the principles of occupational health and safety, where employees at all levels are expected to work together in harmony with equality and compassion.

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

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

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

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

Community, Society, and Environment : The Company has fostered a set of business policies with its earnest responsibility for the community, society and environment in terms of safety, quality of life, and conservation of natural

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

2. Anti-Bribery and Corruption Policies

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

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

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

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

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

- Allowing the internal audit company to conduct its internal audit tasks to ensure effective risk management, good corporate governance, and productive suggestions on

anti-bribery and corruption to be proposed to the Audit Committee accordingly.

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

3. Offense Reporting and Complaint Filing

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

1. CG Report

Tel: 02-150-5988 or 034-839-130 # 153 And 176

E-mail: cgreport@pjw.co.th

2. Corporate Secretary Office or Internal Audit Office addressed to:

Panjawattana Plastic Public Company Limited 28 Moo 2 Rata II Road, Chai Mongkhon sub-district, Mueang Samut Sakhon district, Samut Sakhon province 74000

3. Audit Committee Email: info@taxspecialist.co.th

Secretary Audit and Corporate Governance Committee Email : ac-secretary@pjw.co.th

addressed to: Panjawattana Plastic Public Company Limited 28 Moo 2 Rata II Road, Chai Mongkhon sub-district, Mueang Samut Sakhon district, Samut Sakhon province 74000

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

Part 4 Disclosure and Transparency

Key Concept: *The Company is required to disclose the significant information related to the Company's financial and*

non-financial transactions in an accurate and transparent manner based on the principles of convenient accessibility, absolute equality and enhanced trustworthiness.

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

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

Also, the Company has introduced its Investor Relations section served as a new contact channel, providing significant information on meetings of analysts and press conferences on the Company's performance. The newly developed channel also provides domestic and foreign investors with sufficient information regarding the Opportunity Day in order to report the Company's performance quarterly and annually. The Company has also made debut of newsletters for the press, investment promotion activities for Thailand-based investors, and visits to the Company.

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

Part 5 Responsibilities of the Board of Directors

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

1. Structure of the Board of Directors

The structure of the Board of Directors is diversified with profession and specialization in the fields of industry, accounting and finance, business, management, international marketing, strategy, crisis management, law, corporate governance, and gender. At present, the Board of Directors consists of 9 directors comprising of 5 executive directors and 4 independent directors. The term of office for each independent director is scheduled to be not more than 9 years. These independent directors may be appointed to resume the office if the Board of Directors deems that it is appropriate.

According to the Company's regulations, for every annual general meeting, at least one third of the members of the Board of Directors are due to be retired. In case where the number of members of the Board of Directors cannot be divided into three parts, it is required to remain the number

closest to one-third. Members of the Board of Directors who will be retired in the first year and the second year after the registration are required to draw tickets for resignation. For the following year, members of the Board of Directors who have been in place for the longest period of time are required to be retired. However, the retiring directors may be re-elected.

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

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

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

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

2. Roles and Responsibilities of the Board of Directors

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

- Separation of Duties between Policy Formulation and Routine Administration

The Board of Directors has determined the levels of roles and responsibilities in setting corporate governance policies as well as day-to-day management strategies. As the Chairman and Chief Executive Officer are elected by the Board of Directors, the Chairman and Chief Executive Officer cannot be the same person. They are considered leaders and key players in making decisions on corporate policies. Consequently, the Board of Directors' meeting has been required to consider and set business goals with the Management aiming to manage and supervise the Board of Directors' meeting efficiently and effectively by encouraging all members of the Board of Directors to participate in the meeting and express their opinions independently. The Chairman has been expected to chair the Company's meeting of shareholders. The Chairman is not required to participate in day-to-day management, but is anticipated to offer a continuing support and guidance to the Management through

the Chief Executive Officer. At the same time, the Chief Executive Officer is responsible for managing the Company within the authority delegated by the Board of Directors (details of roles and responsibilities of the Chief Executive Officer are required to be disclosed under the Management Structure).

- Code of Conduct

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

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

- Conflict of Interest

The Board of Directors has set its policies on conflicts of interests based on the basic principles that business activities must be carried out for the best interests of the Company, while being able to avoid any conflict of interest, where members of the Board of Directors, executives, and employees must review and prevent conflicting interests on a regular basis. In addition, the Company possesses a strong relationship with its subsidiaries, particularly in considering business transactions. The Company has also been urged to determine who is involved in items required to be

acknowledged and considered as well as those who must not participate in the consideration or possess no authority to authorize the business transactions, including the transactions considered by the appropriateness of prices and terms associated with outsiders.

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

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

– Internal Control

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

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

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

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

– Risk Management

The Board of Directors has evolved effective risk management policies to ensure safety and security of the organization as a whole. Risk Management Committee is involved mainly in monitoring and managing risks that can possibly take place anytime. At present, the Company has appointed the Risk Management Committee to ensure that the Company's risk management is maintained and managed in the most effective manner in accordance with the well-

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

– Report of the Board of Directors

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

3. Meeting of the Board of Directors

The Board of Directors will schedule its meeting in advance each year to allow all members of the Board of Directors to allocate time and be prepared to participate in the meeting in every 3-month period, where additional meetings may be required. With clear agendas, documents must be submitted at least within five (5) business days prior to the actual meeting date. In case where any urgent case may arise, the Board of Directors is allowed to call an urgent meeting as necessary, where the minutes of the meeting and the collection of certified

reports for reference and verification will be recorded. In addition, the Company has prepared its performance report to be submitted to the Board of Directors on a monthly basis as member of the Board of Directors can consistently monitor the performance of the Management.

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

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

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

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

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

4. Remuneration for directors and senior management

The Company has a policy to pay remuneration to directors and management at an appropriate level. The Nomination and Remuneration Committee is responsible for determining the remuneration policy for directors and senior management including the Chief Executive Officer and

proposing the principles and appropriate remunerations to the Board of Directors to propose to the shareholders' meeting for further approval.

1. Policy and Rules for the Remuneration of the Board of Directors.

The Board of Directors determines the directors' remuneration in 2 types: 1. Meeting allowance per meeting attendance 2. Monthly remuneration and director's bonus by considering the performance of the company and alignment with the company's short-term and long-term strategies and goals including the duties and responsibilities of each director.

2. Policies and criteria for senior management compensation,

The Chief Executive Officer, is reviewed by the Nomination and Remuneration Committee to review and propose to the Board of Directors for approval. The remuneration is determined in accordance with the Company's compensation structure which is a competitive rate in the same business segment to retain quality management. Executives who have been assigned additional duties and responsibilities will receive additional compensation as appropriate.

5. Knowledge Development for the Board of Directors

The Company has encouraged its Board of Directors, executives, and secretary to attend training courses and seminars that are beneficial to them. The training programs and seminars are organized by the Thai Institute of Directors, the Stock Exchange of Thailand (SET), the Securities and Exchange Commission (SEC), and other independent agencies throughout the year. The Board of Directors, approved by the Thai Institute of Directors (detailed in the profile of each member of the Board of Directors), is required to make a visit to the production plant at least once a year to encourage the exchange of business insights between members of the Board of Directors and top executives.

6. Self-Assessment of the Board of Directors

The Board of Directors has been urged to participate in a self-assessment program to evaluate its performance. Expected to be conducted on a yearly basis, the results obtained from self-assessment will help improve the efficiency

of operations and management. The self-assessment form has been approved by the Stock Exchange of Thailand (SET).

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

1. Performance Evaluation of the Board Committee

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

2. Performance Evaluation of the Subcommittee

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

For each topic, the Subcommittee will be required to cast votes, where the scores will be taken as the average rating of the entire Board.

For each topic, the Subcommittee will be required to cast votes, where the scores will be taken as the average rating of the entire Board. The evaluation criteria will be calculated and summed up in percentage of the total score for each topic.

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

7. Performance Evaluation of Chief Executive Officer

The Board of Directors Is an annual assessment of the performance of the Chief Executive Officer on an annual basis By using the evaluation form of the Chief Executive Officer of the Stock Exchange of Thailand And use the index to measure the success of the organization compared to the achievement of goals and annual plans Core Competency, Managerial Competency through the nomination and remuneration committee And report the evaluation results and

opinions of the directors to the Chief Executive Officer to acknowledge for further improvement and development

8. Succession Planning for Senior Executives

The Board of Directors Has given priority to the establishment of a succession plan and an executive development plan for the succession of the senior management positions of the company in order to be able to continuously manage the work and be able to select personnel with competency and competency Ready to hold such important positions

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

9. Nomination and Appointment of Directors and Top Executives

- **The Independent Director**

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

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

an independent director who has the qualifications specified above to assume the position.

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

1. Hold not more than 1.0% of the total voting shares of the Company, its parent company, subsidiary company, associated company, major shareholder or the controlling person of the company, including the shareholding of related persons of the independent director.
2. Not considered a member of the management team, a consultant with a regular salary or the controlling authority of the Company, its parent company, its subsidiaries, affiliated companies, subsidiaries, major shareholders or of the controlling person of the Company, unless it has ceased to exist at least two (2) years prior to the date of being appointed as an independent director.
3. Possess no blood relationship by legal registration in the manner of a parent, spouse, sibling, and child, including the spouse of a child, an executive, a major shareholder's controlling authority or the person who will be proposed to be the executive or controlling person of the Company or its subsidiaries.
4. Never have a business relationship with the Company, parent company, subsidiary, associated company, Major Shareholders or the controlling authority of the company in a manner that may interfere with the exercise of independent judgment or a significant shareholder or controlling persons of persons having business relationships with the Company, parent company, subsidiary company, associated company, major shareholder or the controlling authority of the company, unless it has ceased to exist at least two years prior to the date of being appointed as an independent director.
5. Not being the auditor of the Company, parent company, subsidiary company, associated company, major shareholder, or the controlling authority of the Company and is not considered a significant shareholder, controlling authority, or partner of the audit firm.

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

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

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

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

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

● The Board of Directors

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

1. Possess the qualifications complying with the Public Limited Company Act, the Securities and Exchange Act, rules of the Securities and Exchange Commission, rules of the

Stock Exchange of Thailand and principles of good corporate governance.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- **The Audit and Corporate Governance Committee**

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

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

- **The Nomination and Remuneration Committee**

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

- **The Risk Management Committee**

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

- **The Executive Committee**

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

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

Business Ethics

The Company operates with responsibility, transparency, and fairness, which has continued to operate within the code of conduct framework and based on balanced and sustainable interests. The company has issued business ethics as a manual for the company's directors, management, and personnel at all levels to perform their duties in order to ensure that all employees of the company and its subsidiaries understand the principles, and have operational guidelines throughout the organization for the maximum benefit of all stakeholders fairly.

Business ethics includes principles, guidelines, and examples with advice on how to consider important and necessary things to perform tasks in accordance with the goals of the organization, including 10 subjects as follows:

| Moral aspect | Property care aspect |
|--|---|
| 1 Human and Labor rights 2 Environment, Health, and Safety | 7 Treatment of information and property (including intellectual property) |
| Ethical aspect | Business aspect |
| 3 Anti-corruption 4 Gifts and Entertainment 5 Conflict of interest 6 Political action | 8 Disclosure and Communication 9 Company transactions 10 Commercial competition |

The company has published the code of conduct on the company's website: www.pjw.co.th

The company communicates by training employees. There are examples of events involved in each operation in order for employees to understand the principles and practices of 10 subjects and can be implemented especially those related to duties and responsibilities. In addition, there are the correct practices in the case that employees may encounter unethical actions and organizing a training course

on ethical behavior as part of the orientation of new employees and the supervisor.

The significant changes and developments of policies, practices, and corporate governance systems in the previous year

At the board of directors Meeting No. 3/2022 on February 19, 2022, the board of directors who be approved by the audit and corporate governance committee reviewed the corporate governance policies and results of compliance with the principles of Corporate Governance Code (CG Code) in each subject to ensure that operations are carried out according to the code of conduct as appropriate for the company's business operations. However, for the principles that cannot comply with the current corporate governance policy, the board of directors considered the appropriate measures to replace the subject and recorded them in part of the board's resolution for the audit and corporate governance committee to nominate and set remuneration, review and present to the board of directors for annually reviewing. In 2021, there are the principles of CG Code that the company has not yet applied in its business operations as follows:

Topics

1. The company did not disclose details of the CEO's remuneration

Reason/ Necessity

The company disclosed the details of the chief executive officer and/or director's remuneration including in the executive board's remuneration, so it was not disclosed separately.

2. The board of directors must consist of more than 50% of independent directors

Reason/ Necessity

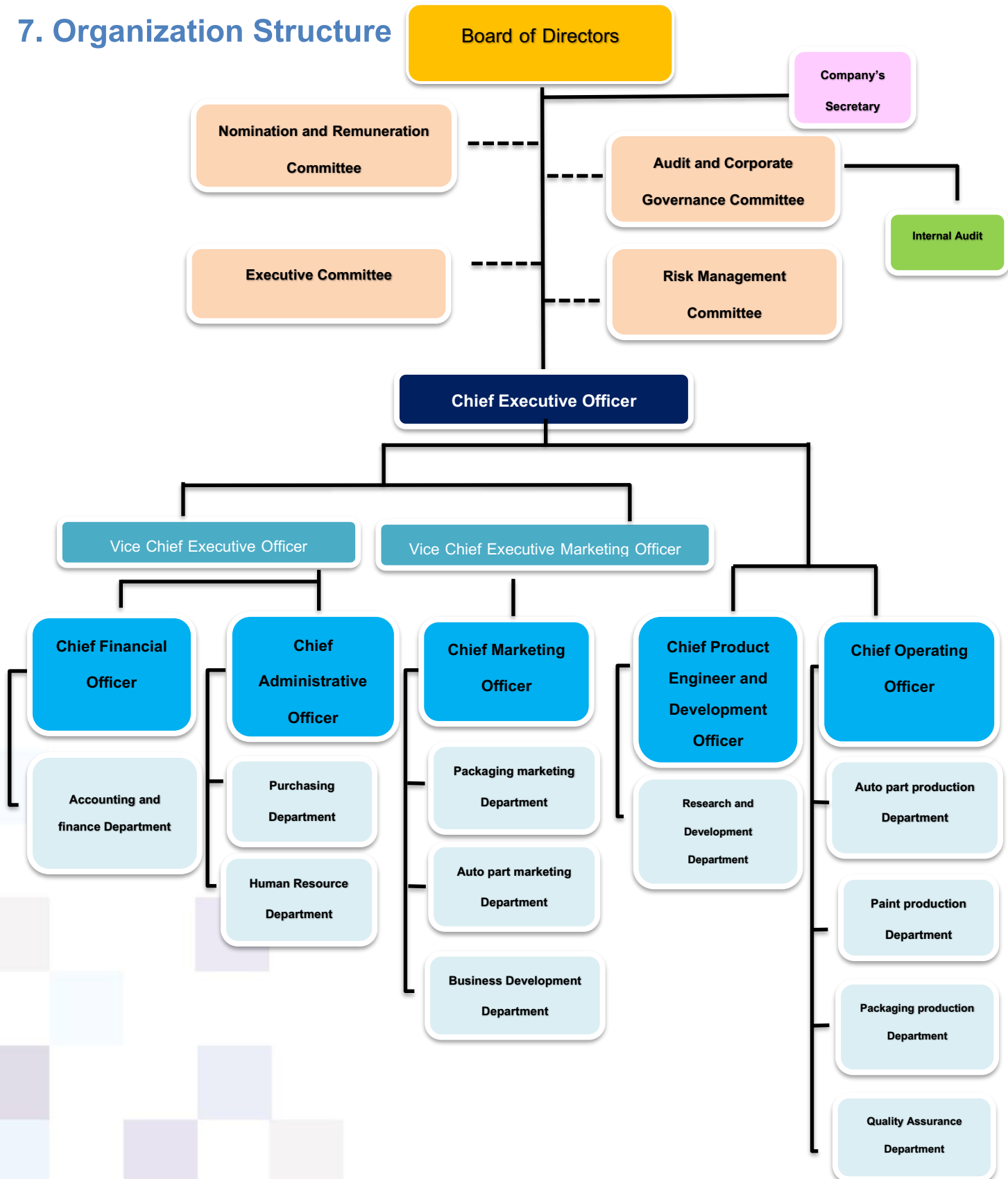
The company has studied the restructuring of the board of directors and considered as appropriate for the current business of the company. The company has 4 independent directors out of a total of 9 directors, which is 44.44% of all directors.

3. Independent directors continuously hold the position not more than 9 years.

Reason/ Necessity

According to the company's articles of association, one-third of the directors retire every year who is the longest-serving director to retire. The remuneration and nomination committee considers electing the appropriate directors to propose to the board for approval. Therefore, the company considers setting a policy to limit the number of years to hold the position. However, there are exceptions for some directors who have important and necessary qualifications for the company's business operations to be re-appointed or hold the position more than 9 years, because it needs to keep continuity in the independent director's tenure with the necessary experience to support the performance of the board of directors to achieve its goals.

7. Organization Structure



BOARD OF DIRECTORS



01

Dr. Damri Sukhotanang
 • Board Chairman
 • Independent Director



02

Mr. Kongsak Hemmontharop
 • Vice Chairman Director



03

Mrs. Malee Hemmontharop
 • Director



04

Mr. Wiwat Hemmondharop
 • Director



05

Mr. Satit Hemmondharop
 • Director



06

Dr. Pirun Hemmondharop
 • Director



07

Miss Charanya Sangsukdee
 • Chairman of Audit and Corporate
 Governance Committee
 • Independent Director



08

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



09

Mr. Natthawut Khemayotin
 • Audit and Corporate
 Governance Committee
 • Independent Director

BOARD OF DIRECTORS

AUDIT COMMITTEE

RISK MANAGEMENT COMMITTEE

NOMINATION AND REMUNERATION COMMITTEE

BOARD OF EXECUTIVE COMMITTEE

Board of Directors

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

Audit Committee

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

Risk Management

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

NOMINATION AND REMUNERATION COMMITTEE

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

BOARD OF EXECUTIVE COMMITTEE

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

Authorized Directors

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

Director Term of office

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

Independent directors have a term of office not exceeding 9 years. In order to comply with the good corporate governance guidelines of the Stock Exchange of Thailand, those independent directors may be reappointed if the Board of Directors sees that is appropriate.

Scope of duties and responsibilities of the Board of Directors

1. The Board of Directors has the authority and responsibility to manage the company in accordance with the law. Company objectives and the articles of association.

As well as the resolution of the shareholders' meeting, based on the principle of "good practices for directors of listed companies" as prescribed by the Stock Exchange of Thailand

2 Participate in setting the Company's vision and mission so that the executives and employees aim in the same direction and reviewing them in annually basis.

3. Set goals, guidelines, policies, business plans and the company's budget as well as monitor and supervise

administration and management to be in accordance with the policies, plans and budgets with efficiency and effectiveness.

In addition, the Board of Directors also has the scope of duties to supervise the Company to comply with the law of the Securities and Exchange, the Capital Market Supervisory Board Announcement and the requirements of the Stock Exchange of Thailand such as the entering in the connected transactions, the acquisition or disposal of important assets and laws related to the business of the company.

4. Consider the structure of management to have the power to appoint an executive committee, Chief Executive Officer and other subcommittees as appropriate including determine the scope of authority of the Executive Committee, Chief Executive Officer and appointed subcommittees.

The delegation of authority under the scope of authority must not allow the Executive Committee, Chief Executive Officer and subcommittees to consider and approve any transactions that may have conflicts of interest with the Company or its subsidiaries (if any) except for approving transactions that are in accordance with the policies and criteria that the Board of Directors consider and already approved

5. Prepare annual board reports, responsible for the preparation and disclosure of financial statements to present the financial status and operating results of the previous year, present to the shareholders' meeting for consideration and approval

6. Supervise to ensure compliance with the principles of good corporate governance and business ethics.

7. Provide a written business ethics for all directors, executives and employees can understand the ethical standards that the company uses in business operations and strictly monitor the compliance with such ethics.

8. Considering the formulation of risk management policies to cover the entire organization and supervise to have a system or process in managing risk by having measurement to support and control methods to reduce the impact on the business of the company appropriately

9. Provide adequate and appropriate internal control systems to ensure that the various transactions are approved by the authorized persons and to ensure various systems can prevent the use of company assets inappropriately.

10. Supervise and manage potential conflicts of interest including related transactions.

11. The Board of Directors may authorize single director or multiple directors or any other person to perform any act on behalf of the Board under the control of the Board of Directors or may grant authorize so that such person has the power as the Board deems appropriate and within the period of time that the Board of Directors deems appropriate. The Board of Directors may cancel, revoke, change or amend such authorization as deemed appropriate.

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

Scope of duties and responsibilities of the Chairman of the Board of Executive Committee

1. Responsible as the leader of the Board of Executive Committee in supervising, monitoring, and managing the

Executive Committee and other subcommittees to achieve the objectives as planned and promote the development of knowledge and skills necessary for the performance of the company's directors

2. Analyse problems, suggest opinions and find solutions and consider decisions that is matter.

3. Set the meeting agenda with the Chief Executive Officer and scrutinize the agenda of each meeting

4. To be the lead to conduct the Board of Directors meeting and shareholders' meeting by controlling the meeting in accordance with the company regulations and relevant laws.

5. Being a casting vote in the event that the Board of Directors' meeting has a two equal votes

6. Have the authority to approve spending in normal business operations of the company, such as purchasing assets. significant investing for the benefit of the company and other transactions for the benefit of the company. Such approval authority will be the approval of the normal commercial transactions with amount not greater than Baht 20 million in each transaction but not exceed the budget endorsed by the Board of Directors

Subcommittee

The Board of Directors Attach importance to good corporate governance With the establishment of a sub-committee consisting of the Audit and Corporate Governance Committee Risk Management Committee Nomination and Remuneration Committee and Executive Committee By the sub-committee and the management of the company, consisting of qualified persons with qualifications as specified in Section 68 of the Public Company Limited Act BE 2535 and the relevant Capital Market Supervisory Board The management structure of the Board of Directors must have a variety of skills, including industrial skills. Financial accounting, business management International marketing, strategic management, legal and corporate governance issues

The Board of Directors has determined the scope of authority and responsibility of each committee to review and

assign effective policies according to the roles and responsibilities under the Company's good corporate governance.

Audit and Corporate Governance Committee

As of December 31, 2021, the Audit and Corporate Governance Committee consisted of three (3) independent directors. The name list of the Audit and Corporate Governance Committee members

| Name | Position |
|---|--|
| 1. Miss Charanya Sangsukdee | Chairman of Audit and Corporate Governance Committee |
| 2. Assoc. Prof. Dr. Aekkachai Nittayakasetwat | Audit and Corporate Governance Committee Member |
| 3. Mr. Natthawut Khemayotin | Audit and Corporate Governance Committee Member |

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

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

In 2020, four board meetings were held to review quarterly financial statements and annual financial statements.

Term of Audit and Corporate Governance Committee

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

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

1. Resignation
2. Death

3. Lack of qualifications under the required rules and regulations.

4. The Board of Directors has resolved to vacate the term.

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

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

of audit committee members becomes incomplete in order to ensure consistent performance of the Audit and Corporate Governance Committee

Roles and Responsibilities of the Audit and Corporate Governance Committee

1. Review the Company's financial reporting processes properly and adequately.

2. Review the Company's internal control system and internal audit system to ensure that they are maintained in an efficient and suitable manner, while considering the independence of the internal audit unit as well as approving the appointment, transfer, and dismissal of the chief of the internal audit unit or any other agency responsible for internal audit.

3. Consider, comment, and keep an eye on the budget and strength of the internal audit agency.

4. Review the Company's continuous improvement of good corporate governance, including necessary guidelines and recommendations for development as well as encourage the Company to set good corporate governance policies.

5. Review the Company's risk management procedures in an appropriate standardized system.

6. Cooperate with the Risk Management Committee and Risk Management Working Group to consider the Company's risk management report.

7. Review the Company's compliance with the Securities and Exchange Act, B.E. 2535 (1992), Stock Exchange of Thailand (SET)'s regulations and other relevant laws.

8. Consider, select, nominate, and dismiss any person acting as the Company's auditor and propose the compensation of such person at least once a year.

9. Consider interconnected transactions or other transactions that may have conflict of interest to comply with the laws and regulations established by the Stock Exchange of Thailand (SET).

10. Prepare a report of the Audit and Corporate Governance Committee to be disclosed in the Company's annual report. The report must be signed by the Chairman of the Audit and Corporate Governance Committee and must contain the following information:

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

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

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

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

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

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

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

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

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

12. Monitor special investigations as necessary.

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

(A) Conflict of Interest;

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

(C) Violation of the Securities and Exchange Act Stock market requirements or laws related to the business of the company.

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

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

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

Risk Management Committee

The Board of Directors of Panjawattana Plastic Public Company Limited always recognizes the importance of promoting risk management throughout the organization and

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

As of December 31, 2021, the Risk Management Committee was composed of six (6) members. The name list of Risk Management Committee members

| Name | Position |
|---|--|
| 1. Assoc. Prof. Dr. Aekkachai Nittayagasetwat | Chairman of the Risk Management Committee / Independent Director |
| 2. Ms. Charanya Sangsukdee | Director of the Risk Management Committee / Independent Director |
| 3. Mr. Nattawut Khemayothin | Director of the Risk Management Committee / Independent Director |
| 4. Mr. Wiwat Hemmontharop | Director of the Risk Management Committee |
| 5. Mr. Satit Hemmondharop | Director of the Risk Management Committee |
| 6. Dr. Pirun Hemmontharop | Director of the Risk Management Committee |

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

Term of Risk Management Committee

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

Roles and Responsibilities of the Risk Management Committee

1. Define the risk management policy and the overall risk management frameworks of the company, including the risk management plan and prepare the risk management report. This covers various risks that influence the Company's goals and operations.

2. Consider and approve the risk appetite and propose to the Board of Directors for acknowledgment.

3. Acknowledge and comment on the results of risk assessment and risk management measures to ensure that the Company has sufficient and appropriate risk management procedures.

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

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

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

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

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

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

10. Review and revise the charter to be appropriate and consistent with the business environment and/or

applicable to regulatory agencies to be proposed to the Board of Directors.

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

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

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

Nomination and Remuneration Committee

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

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

As of December 31, 2021, the Nomination and Remuneration Committee had three (3) members detailed below: The name list of the Nomination and Remuneration Committee members.

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

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

Term of the Nomination and Remuneration Committee

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

Roles and Responsibility of the Nomination and Remuneration Committee

1.1 Nomination

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

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

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

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

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

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

1.2 Remuneration

1.2.1 Define compensation structure and other benefits, both monetary and non-monetary, to be proposed

to the Board of Directors and the Chief Executive Officer of the Company.

1.3 Other Roles and Responsibilities

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

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

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

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

1.3.5 Prepare an annual performance reports on a yearly basis.

Executive Committee

As of December 31, 2021, the Executive Committee was established with four (4) members specified as follows:

1. Mr. Wiwat Hemmontharop

Chairman of the Executive Committee

2. Mr. Sathit Hemmontharop

Director of the Executive Committee

3. Mrs. Malee Hemmontharop

Director of the Executive Committee

4. Dr. Pirun Hemmontharop

Director of the Executive Committee

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

Term of the Executive Committee

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

Roles and Responsibilities of the Executive Committee

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

1. Operate and manage the Company's business in accordance with the objectives, regulations, policies, rules, regulations, orders, and resolutions of the Board of Directors' meeting and the meeting of shareholders.
2. Consider the proposal of management and establish organizational structures, policies, directions, and business strategies, while being able to generate the development of budget plans, human resources management, and information technology investment to be proposed to the Board of Directors for further consideration.
3. Possess the authority to appoint the subcommittee and or a working group for the operations and management of the Company to achieve the targeted organizational goals.
4. Monitor the Company's performance in accordance with the policies approved by the Board of Directors and supervise the operations to be maintained with quality and efficiency.
5. Consider the allocation of annual budget in accordance with the management before being proposed to the Board of Directors for consideration and approval.
6. Possess the authority to approve financial expenditures in accordance with the Company's normal

aspect of business. Each transaction is required to be implemented within thirty (30) million baht or not exceeding the budget approved by the Board of Directors.

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

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

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

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

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

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

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

Executives

As of 31 December 2021, the Company has 8 executive members

| รายชื่อ | ตำแหน่ง |
|--|---|
| 1. Mr.Wiwat Hemmondharop | Executive Committee Chairman |
| 2. Mr.Satit Hemmondharop | Chief Executive Officer |
| 3. Mrs.Malee Hemmontharop | Vice Chief Executive Officer |
| 4. Dr. Pirun Hemmondharop | Vice Chief Executive Officer / Chief Administrative Officer |
| 5. Mrs. Prim Chaiyawat | Chief Financial Officer / Company Secretary |
| 6. Mr. Seksan Sinbunluekul | Chief Product Engineer and Development Officer |
| 7. Ms. Phenchan Topbarameeekul ^{1/} | Chief Executive Officer |
| 8. Ms. Nichalak Muanpuek ^{2/} | Chief Operating Officer |

Notation:^{1/} Ms. Phenchan Topbarameeekul appointed as a chief executive officer since 1 August 2021

^{2/} Ms. Nichalak Muanpuek appointed as a chief executive officer since 1 August 2021

Scope of duties and responsibilities of the Chief Executive Officer:

1. Supervise, manage and perform the duties of normal business conducts for the Company's interest in accordance with the objectives and the Articles of Association, rules, regulations, resolutions, policies, work plans and budgets endorsed by the Board's and/or the shareholders' meeting under relevant laws and/or scope of authority designated by the Board of Directors;

2. Control and oversee the business operations and/or daily administration of the Company;

3. Determine and propose the Company's business policies, business plans, targets, operational plans, business strategies, annual budgets for the Company's operations, budgets shown in annual report, management authority to the Executive Committee and Board of Directors for approval;

4. Implement the policies of Board of Directors by translating them into directions, guidelines, strategies and business targets to define mission which will be assigned to the management team for further actions;

5. Oversee and follow up the performance of the executives; give advice on remediate of problems and

obstacles to ensure that the executives and management team act in accordance with the strategies and business plan and in line with the Company's policy;

6. Monitor and evaluate performances of duties of the management team; report the results of operations, management and progress of the operations to the Executive Committee, the Audit Committee and the Board of Directors on a regular basis;

7. Approve the expenditures for the Company's normal business conducts such as the purchase of property, major investment and other transactions for the Company's benefits. The power to approve shall be for normal commercial transactions with amount not greater than Baht 15 million each transaction and not exceed the budget endorsed by the Board of Directors;

8. Determine the organizational structure, management methods including selection, training, hiring and dismissal of employees and determine the wage rate, salary, compensation, bonus and welfare for employees

9. Perform any other duties as assigned by the Executive Committee or the Board.

In undertaking any matter that the Chief Executive Officer or his authorized person or other person that may have conflicts of interest (as defined in the notification of the Capital Market Supervisory Board and/or the SET, and/or other notifications of relevant agencies) or conflicts of interest in any other nature with the Company or its subsidiary and/or associated companies, the Chief Executive Officer has no

authority to approve the said matter. Hence, he must propose to the meeting of the Board of Directors and/or shareholders (as the case may be) for its approval, except the case of approving a normal transaction under normal trade conditions in accordance with the notification of the Capital Market Supervisory Board and/or the SET, and/or other notifications of relevant agencies.

Policy and criteria for remuneration of top management

Policies and criteria for senior management compensation, the Chief Executive Officer, is reviewed by the Nomination and Remuneration Committee to review and propose to the Board of Directors for approval. The remuneration is determined in accordance with the Company's compensation structure which is a competitive rate in the same business segment to retain quality management. Executives who have been assigned additional duties and responsibilities will receive additional compensation as appropriate.

Monetary Remuneration

The Company paid remuneration in the Year of 2021 with below details for the executives.

| ประเภท | Year 2020 | | Year 2021 | |
|-----------------------------|----------------------|---------------|----------------------|---------------|
| | Number of Executives | Amount (Baht) | Number of Executives | Amount (Baht) |
| Salary and Bonus | 6 ^{1/} | 43,797,634.97 | 8 ^{1/} | 63,648,827.41 |
| Provident Fund Contribution | 6 ^{1/} | 2,435,759.82 | 8 ^{1/} | 3,041,532.82 |

Note : ^{1/} 1 executives and 1 Chief Executive Officer

Other Remunerations

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

Personnel and Personnel development policy

Personnel

As at 31 December 2021, total staffs of the Company and its subsidiaries (excluding 12 executives) have been 1,461 persons

| Classified by gender | Number of Staffs | % of classified by gender |
|----------------------|------------------|---------------------------|
| Male | 780 | 53.39% |
| Female | 681 | 46.61% |
| ToTal | 1,461 | |

| Classified by age | Number of Staffs | % of Classified by age |
|-----------------------|------------------|------------------------|
| Less than 30 years | 621 | 34.8% |
| 30-50 years | 748 | 59.9% |
| Greater than 50 years | 92 | 5.3% |
| Total | 1,461 | |

that can be categorized according to different working lines with details.

| Working lines | Number of Staffs |
|---------------|------------------|
| Officer | 277 |
| Operator | 1,184 |
| Total | 1,461 |

| Classified by position level | Number of Staffs | % จำแนกตามระดับ |
|------------------------------|------------------|-----------------|
| Officer - Executives | 1,411 | 97.1% |
| Assistant manager and up | 34 | 2.33% |
| Director | 16 | 1.09% |
| Total | 1,461 | |

Staff Remuneration

At present, the Staff Remuneration rate is at a level suitable for the market rate. Total remuneration of the staffs includes salary, overtime pay, allowance, bonus, social security contribution, compensation fund contribution, welfare grants, and others.

| Detail | Year 2020 | Year 2021 |
|------------------------------|-----------|-----------|
| Number of Staffs (People) | 1,596 | 1,461 |
| remunerations (million bath) | 444 | 452 |

Other remunerations

- Provident fund

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

- Health Insurance

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

Other important information

Accounting and Finance Supervisor

The Company appointed Mrs. Prim Chaiyawat, Chief Accounting and Financial Officer, to be the highest responsible person in accounting and finance. It is responsible for supervising the preparation of financial reports to be reliable, good quality, and comply with accounting standards and guidelines of the SEC. The detail about the company's accounting and finance supervisors is shown in attachment 1.

Company Secretary

In the Board of Directors Meeting No. 8/2011 on 18 August 2011, the Board of Directors passed a resolution to appoint Mrs. Prim Chaiyawat to be the Company Secretary. Detail about position of company secretary in attachment 1

The company secretary must perform duties according to Section 89/15 and Section 89/16 of the Securities and Exchange Act (No. 4) BE 2551 which became effective on August 31, 2008 with responsibility. Careful And honesty Including having to comply with the law Objectives, Articles of Association Board resolution As well as the

resolution of the shareholders' meeting The legal duties of the company secretary are as follows:

1. Provide basic advice to directors regarding compliance with laws, regulations, rules and regulations of the company. And follow up to ensure the correct and consistent practice

2. Ensuring the disclosure of information and reports in the areas of responsibility according to the rules and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission.

3. Prepare and maintain the following documents;

- Registration of the Company's directors;
- Invitation letters to the Directors meeting and minutes of the meetings;
- Invitation letters to shareholders for meeting and minutes of the shareholders' meeting;
- Company's annual reports;
- Reports of conflicts of interest of Directors and executives.

4. Organizing the Board of Directors meeting Sub-committee and shareholders' meeting

5. Perform other tasks As the Board of Directors and sub-committees assigned

6. Other operations as announced by the Capital Market Supervisory Board

Head of Internal Audit

The Audit Committee is the person who considers appointing Miss Supattra Nijjaya, Internal Audit Manager, to be the head of the internal audit. It is responsible for internal auditing and evaluating the company's activities, reviewing the quality of internal operations in the company to be according to the plan that is consistent with the company's objectives and goals, and controlling and auditing other duties which are assigned by the audit committee. The detail

about the company's head of internal audit is shown in attachment 3.

Head of Investor Relations

The company established an investor relations unit by appointing Miss Ratchadaporn Saisarai to be the company's representative to responsible for disclosing information and news of the company to shareholders, investors, analysts, and the general public. Investors can contact the investor relations unit at

Panjawattana Plastic Public Company Limited

28 Moo 2 T.Chaimongkol, Amphur Muang, Samutsakhon 74000

Tel: 034-839130-1 Fax: 02-1505987, 034-839320

E-mail: ir@pjw.co.th

Remuneration for Auditors

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

Company's financial statements for 2020 were reviewed and commented by Mr. Suwat Maneekanoksakul, with the Certified Public Accountant No. 8134, of Dharmniti Auditing Company Limited, appointed as the auditor of the Company for 2020 to provide excellent accounting services for the Company and its subsidiaries. The audit fees are detailed below:

| Audit Fees | Year 2020 (MB) | Year 2021 (MB) |
|---|-------------------|-------------------|
| 1. Audit Fee | 1.81 | 2.29 |
| 2. audit and certification of Board of Investment (BOI) License | 0.12 | 0.12 |

| Audit Fees | Year 2020 (MB) | Year 2021 (MB) |
|------------|-------------------|-------------------|
| Total | 1.93 | 2.41 |

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

8. Report of important performance in corporate governance aspect

Summary of the performance of the board of directors in the previous year

The company operates and manages its businesses under earnest supervise by the board of directors. This determines to adhere to the ideology of conducting business with fairness and responsibility to all stakeholders under the principles of the CG Code.

In 2021, the board of directors reviewed policies, measures, and practices for managing the organization according to the CG Code and the international principles of the CG Code. There are examples of important performance results as follows:

- Review and approve the vision setting, business model strategies, and business plans for medium-term (5 years) and annual by focusing on enhancing competitiveness by reducing production costs and creating innovative products and services, which consists of business both in width and depth, and regularly monitoring the performance according to the strategic plan.
- Review the policies and practices of CG Code and approve the improvement and amendment of the corporate governance structure by adding more responsible persons and related management processes to be more complete, revising the charter of the board of directors and sub-committees to comply with the CG Code, and developing technology in communication such as the meetings of the board of directors must be held at least once in every 3 months and not less than 6 times a year, with meetings scheduled in advance each year. In the month when is no meeting, the management must report the performance to the board in order to the board can control and supervise the

management's performance continually and promptly. For the determination of meetings between non-executive directors without the management, in 2021, there was 1 time on the 18th December 2021. The meeting determined the directors should attend meetings on average at least 80%, each director should attend meetings at least 75% of the number of meetings throughout the year, and a period for submitting documents for meetings of the board of directors not less than 5 workdays in advance, etc. In addition, the board of directors also approved additional policies and guidelines of corporate governance in 2021 as detailed in the corporate governance policy part.

- Review the guidelines of the 2021 annual ordinary meeting of shareholders to facilitate and encourage shareholders to attend the meeting and vote according to the opinions of shareholders. The board of directors approved that the company submits a proxy as prescribed by the Department of Business Development, Ministry of Commerce. There are form A, form B, form C, documents to be presented in the meeting before attending, and supporting documents of proxy that are submitted to shareholders who are individuals, entities, institutional investors, and custodians in order to correctly operate. In addition, the company provided a business service channel for shareholders to send the documents back to its in advance of the meeting date

Recruiting, Developing and Evaluating performance

In the appointment of directors, the nomination and remuneration committee, which consists of 2 independent directors out of a total of 3 directors, is responsible for considering the selection, screening, and recruiting the

people who have full qualifications that are appropriate according to the company's articles of association, knowledgeable, diversified, having the experiences that are beneficial to the operation of the company. After selecting the list, the nomination and remuneration committee proposes opinions to the board of directors for approval from the directors and then the list of the directors is presented to the shareholders' meeting according to the rules and procedures to be prescribed in the company's articles of association. The nomination and remuneration committee has considered the nature of business and future plans, so the qualifications of directors have been determined by taking into account the following components:

1. Characteristics requirements of each director

The nomination and remuneration committee should consider and determine the individual characteristics of the candidates to be nominated as directors in various areas such as morality, responsibility, making informed and rational decisions, maturity, stability, good listeners, braving to express different and independent opinions, adhering to working with professional principles and standards, and other attributes that the nomination and remuneration committee deems important.

2. Knowledge and expertise required to be included in the committee

The nomination and remuneration committee should consider determining the composition of specific knowledge and expertise required in the board in order to the board can formulate strategy policies as well as supervise the practice to be according to policies effectively.

3. Diversity of Directors

The nomination and remuneration committee may consider the variety of other qualifications of the board of directors such as age, knowledge, expertise, skills, and experiences in both hard skill and soft skill (Board Skill Matrix) to determine the qualifications of directors that want to recruit based on

the necessary skills which are still lacking in the board and the company's business strategy. In addition, the nomination and remuneration committee uses the information of the board of directors' expertise to consider recruiting directors to replace those who will retire by rotation. It is categorized into 3 categories as follows:

3.1) Knowledge and expertise are divided into various areas such as business or industry related to the company, administration, organization, human resource management in the public or private sectors, economic, investment, policy-making, planning marketing or public relations strategies, foreign affairs, and risk management.

3.2) Specific knowledge, experience or expertise is divided into 2 areas as follows:

(1) Legal and Government regulations related to business operations

(2) Accounting and Finance, with knowledge and understanding of financial statements, accounting standards, or being/used to be an audit committee of listed companies

3.3) Knowledge, expertise, or experience in corporate governance is divided into 2 areas as follows:

(1) Corporate governance and the determination of related policies and practices

(2) In the treatment of various stakeholder groups; the nomination and remuneration committee gives an opportunity to shareholders to nominate the list of directors that has the appropriate qualifications. However, the shareholders' meeting appoints the directors by using the criteria and methods as follows

(1) One shareholder has one vote per share

(2) Each shareholder must use all the votes as follows (1) to elect one person or more people to be directors, but cannot divide the votes to any person

(3) People who receive the highest votes in descending order shall be elected as directors equal to the

number of directors to have or be elected at that time. If the people who are elected in descending order have equal votes, the chairman shall have the casting vote.

Qualifications of the board

1. The company directors must be the people who have knowledge, abilities, honesty, integrity, business ethics, and enough time to devote knowledge and ability as well as perform duties for the company

2. The directors are prohibited from doing business, becoming a partner, or a director in another entity that has the same condition and is in competition with the company's business, unless the shareholders' meeting is notified before the appointment is resolved and the directors must notify the company without delay that they have a stake in the contract made by the company or shares and debentures in the company or affiliated companies.

3. Have qualifications and not have any prohibited characteristics under the Public Limited Companies Act and the Securities and Exchange Act

Qualifications of the independent board

1.1. Hold shares not more than 1.0% of the total number of shares with voting rights of the company, parent company, subsidiary company, associated company, major shareholder, or controlling person of the company, withal, including the shareholding of related parties of that director.

1.2. Not be or used to be a director who participates in management, employees, consultants who receive a regular salary, or controlling person of the company, parent company, subsidiary company, associated company, a same-level subsidiary company of major shareholder or the company's controlling person, unless the aforementioned characteristics have been vacated for not less than 2 years before the date of appointment

1.3. No consanguinity or legal registration in form of father, mother, spouse, siblings, and children as well as the spouse of the children of the executive, major shareholder, the company's controlling person, or a person who will be

nominated to be an executive or controlling person of the company or subsidiary company

1.4. Not have or had a business relationship with the company, parent company, subsidiary company, associated company, major shareholder, or the company's controlling person in a manner that impedes the independent judgment of that person, and not be or used to be a significant shareholder or a controlling person of a person who has a business relationship with the company, parent company, subsidiary company, associated company, major shareholder, or the company's controlling person unless the aforementioned characteristics have been vacated for not less than 2 years before the date of appointment

1.5. Not be or used to be an auditor of the company, parent company, subsidiary company, associated company, major shareholder or the company's controlling person, and not be a significant shareholder, a controlling person or a partner of the audit firm which has the auditor of the company, parent company, subsidiary company, associated company, major shareholder, or the company's controlling person under unless the aforementioned characteristics have been vacated for not less than 2 years before the date of appointment

1.6. Not be or used to be a professional service provider of any kind including legal or financial advisory services which receives service fees more than 2 million baht per year from the company, parent company, subsidiary company, associated company, major shareholder, or the company's controlling person, and not be a significant shareholder, a controlling person or a partner of the professional service provider unless the aforementioned characteristics have been vacated for not less than 2 years before the date of appointment

1.7. Not be a director who is appointed to represent the company's directors, major shareholders, or shareholders who are related to major shareholders

1.8. Not operate a business with the same nature and is significant competition with the business of the company or its subsidiaries, or not be a significant partner in the partnership, a director who takes part in the management, an

employee, a consultant who receives a regular salary or holds more than 1.0 percent of the total number of shares with voting rights of other companies which operate businesses with the same nature and are significant competition with the business of the company or its subsidiaries

1.9. There are no other characteristics that prevent to express independent opinions about the company's operations.

Holding Position in Other Companies

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

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

President (including the Chief Executive Officer) is required to obtain approval from the Board of Directors.

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

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

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

Details of the training program for senior executive directors and the company secretary in 2021

| Year 2021 | Course | Institute |
|--|---|--|
| <ul style="list-style-type: none"> Miss Charanya Sangsukdee | <ul style="list-style-type: none"> Coach Consciousness Class 1 Facilitation From Your Heart | <ul style="list-style-type: none"> Peace Studies Program graduate school Mahachulalongkornrajavidyalaya University together with the Short Course Section Peace Studies Program Mahachulalongkornrajavidyalaya University International College of Buddhist Studies, University of Buddhism Foundation for Peace and Plew Phlue Foundation (Thang Sawang) Courage to Coach |

| Year 2021 | Course | Institute |
|--------------------------|---|--|
| | <ul style="list-style-type: none"> ● CFO Certification Program Class 23 ● Group Company PDPA Compliance + Data Processing Agreement ● Diploma in Banking and Finance Law Class 8 | <ul style="list-style-type: none"> ● Federation of Accounting Professions of Thailand. ● URIQUE SEMINAR TRAINING COMPANY LIMITED. ● Faculty of Law Thammasat University |
| ● Mr. Wiwat Hemmondharop | ● M&A trends, key points to consider and M&A strategies | ● Stock Exchange of Thailand |
| ● Mr. Satit Hemmondharop | ● M&A trends, key points to consider and M&A strategies | ● Stock Exchange of Thailand |
| ● Mrs. Prim Chaiyawat | ● M&A trends, key points to consider and M&A strategies | ● Stock Exchange of Thailand |

Meeting attendance and remuneration of individual committees

Board of Directors

As of 31 December 2021, the Board of Directors is composed of 9 members below:

| Name | Position | BOD's meeting attendance |
|-----------------------------|--|--------------------------|
| 1. Dr. Damri Sukhotanang | Board of Director Chairman/Independent Director Nomination and Remuneration Committee Chairman | 6/6 |
| 2. Mr. Kongsak Hemmontharop | Director/Vice Chairman | 6/6 |
| 3. Mrs. Malee Hemmontharop | Director/Executive Committee Member | 6/6 |
| 4. Mr. Wiwat Hemmondharop | Director Risk Management Committee Member Nomination and Remuneration Committee Member Executive Committee Chairman | 6/6 |
| 5. Mr. Satit Hemmondharop | Director Risk Management Committee Member Executive Committee Member Chief Executive Officer | 6/6 |
| 6. Dr. Pirun Hemmondharop | Director Risk Management Committee Member | 6/6 |
| 7. Miss Charanya Sangsukdee | Director/Independent Director Audit and Corporate Governance Committee Chairman Risk Management Committee Member | 6/6 |

| Name | Position | BOD's meeting attendance |
|---|--|--------------------------|
| 8. Assoc. Prof. Dr. Aekkachai Nittayakasetwat | Director/Independent Director Audit and Corporate Governance Committee Member Risk Management Committee Chairman | 6/6 |
| 9. Mr. Natthawut Khemayotin | Director/Independent Director Audit and Corporate Governance Committee Member Risk Management Committee Member Nomination and Remuneration Committee Member | 6/6 |

Policy and Rules for the Remuneration of the Board of Directors

The Board of Directors determines the directors' remuneration in 2 types: 1. Meeting allowance per meeting attendance 2. Monthly remuneration and director's bonus by considering the performance of the company and alignment with the company's short-term and long-term strategies and goals including the duties and responsibilities of each director.

In 2021, the Meeting of Shareholders approved and determined structure of monetary director remuneration rate in total limit of not more than 3,200,000 Baht per year as follows.

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

Director Remuneration of Panjawattana Plastic Public Company Limited paid in the Year of 2021

| List | Allowance of the Board's Meeting | | | | Only independent directors | | Total (Baht) | |
|--|----------------------------------|----------------|-----------------|-----------------------------|----------------------------|----------------------|----------------|------------------|
| | The Company | Audit | Risk Management | Nomination and Remuneration | independent director | Monthly Remuneration | | Bonus |
| Number of Meetings for 2021 | 6 Times | 4 Times | 2 Times | 1 Times | 1 Times | | | |
| 1. Dr. Damri Sukhotanang | 150,000 | - | - | 15,000 | 25,000 | 120,000 | 300,000 | 610,000 |
| 2. Mr. Kongsak Hemmondharop | 60,000 | - | - | | | - | | 60,000 |
| 3. Mrs. Malee Hemmondharop | 60,000 | - | - | | | - | | 60,000 |
| 4. Mr. Wiwat Hemmondharop | 60,000 | - | 20,000 | 10,000 | | - | | 90,000 |
| 5. Mr. Satit Hemmondharop | 60,000 | - | 20,000 | | | - | | 80,000 |
| 6. Dr. Pirun Hemmondharop | 60,000 | - | 20,000 | | | - | | 80,000 |
| 7. Miss Charanya Sangsukdee | 60,000 | 60,000 | 20,000 | | 10,000 | 120,000 | 230,000 | 500,000 |
| 8. Assoc.Prof.Dr.Aekkachai Nittayakasetwat | 60,000 | 40,000 | 30,000 | | 10,000 | 120,000 | 230,000 | 490,000 |
| 9. Mr. Natthawut Khemayothin | 60,000 | 40,000 | 20,000 | 10,000 | 10,000 | 120,000 | 230,000 | 490,000 |
| Total | 630,000 | 140,000 | 130,000 | 35,000 | 55,000 | 480,000 | 990,000 | 2,405,000 |

○ **Other Remunerations**

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

Supervision of the Operations of Subsidiaries and associated companies

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

Monitoring to ensure compliance with corporate governance policies and practices

The company strictly monitors to ensure compliance with the corporate governance manual, especially regarding information disclosure, related party transaction, acquisition or distribution of investment assets, supervision of subsidiary and associated company, and risk management which the follow-up results found the company has operated to be consistent with the relevant policies and guidelines.

In 2021, the board of directors conducted an assessment of the performance of the board of directors, all sub-committees, and the Chief Executive Officer. The performance of the board of directors and sub-committees was assessed as a whole and a self-assessment form by dividing the assessment topics into 6 main topics as follows:

1) Structure and qualifications of the board of directors/sub-committees

- 2) Roles and responsibilities of the board of directors
- 3) Board meeting
- 4) Performance of the board of directors
- 5) Relationship with the management division
- 6) Self-development of the board of directors and executive

The forms of the results are percentage evaluation and calculation, and evaluation criteria that should be developed. The assessment is required at least once a year by collecting the conclusions and presenting the assessment results to the audit and corporate governance committee of its secretary for consideration to report to the board of directors and sub-committees for considering the results of the assessment and development guidelines to improve further operational efficiency.

Results of the performance appraisal of the Board of Directors and sub-committees for the year 2021

| List | Assessment results | Criterion |
|--|--------------------|-----------|
| Board of Directors | 78.75 | Very good |
| Audit and Corporate Governance Committee | 100.00 | Excellent |
| Risk Management Committee | 79.17 | Very good |
| Nomination and Remuneration Committee | 94.20 | Excellent |

If some results of the performance assessment of the board of directors and sub-committees are less than 90%, the causes of that results will be considered guidelines and plans for further development.

In addition, the company has followed up to ensure compliance with CG Code in 4 other issues as follows:

1. Prevention of conflicts of interest

The company has monitored the implementation of the conflict of interest prevention policy to ensure compliance and implementation to be consistent with the policy and maximum interest of the company. According to the results of the follow-up in 2021, there were no elements that were considered conflicts of interest.

2. Supervision of Internal Information

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

In addition, the Company has informed its members of the Board of Directors and executives of their obligations to report their holdings, spouses and minor children in the Company as well as changes in securities holding to the Office of the Securities and Exchange Commission under Section 59 of the Securities and Exchange Act, B.E. 2535 (1992) within three (3) days following the date of the change in securities holding and notify the Company's Secretary to record changes and summaries of securities of directors and executives individually to be presented to the Board of Directors for the next meeting. Violation or non-compliance with the requirements will be penalized under Section 275 of the Securities and Exchange Act, B.E. 2535 (1992).

In this regard, the company has established disciplinary action for those seeking benefits from the use of inside information of the company or disclose it until it may cause damage to the company by considering the punishment as appropriate as the case, including verbal warning, warning in written, probation, including termination of employment, termination of employment by dismissal, dismissal or dismissal, case by case etc.

3. Anti-corruption

At the meeting of the board of directors No. 3/2022 on February 19, 2022, the board of directors approved the anti-corruption policy to define a definition, responsibility, practice, and requirements of code of conduct for proper actions to prevent corruption in all activities of the company. There were the audit and corporate governance committees of the internal control system and the management team to be responsible for communicating and raising awareness among employees. The company has disclosed details of the anti-corruption policy on the company's website. (www.pjw.co.th)

In the previous year, the company carried out the anti-corruption actions as follows:

- The management team raises awareness and communicates the duty of good faith to all employees.
- Publish and communicate an understanding of the code of conduct manual and anti-corruption policy to all employees through various channels such as the company's website
- Organize training on ethical conduct and anti-corruption policies in various courses such as orientation for new employees, Business Concept Development, etc., to reinforce the corporate culture of the company.

- Instill all employees to be aware of actions that may cause corruption risks by regularly analyzing indicators, assessing the risks of corruption, establishing a preventive work system, and determining the methods of risk reduction, control, responsible person, monitoring measures, review, and evaluation of risk management to use as a guideline to prevent corruption that there is the office for checking and following up CG Code, and compliance with code of conduct and anti-corruption policy

- Provide a system for receiving complaints and whistleblowing as a channel for reporting in case of a violation of the law, rules, regulations of the company, and the code of conduct

However, in 2021, there was no violation of the anti-corruption policy.

4. Whistleblowing

The company has established a mechanism for receiving complaints and taking action in case that there is a clue about illegal actions, violation of the code of conduct, or behavior that may lead to corruption of the company's personnel. Moreover, it includes appropriate protection measures for whistleblowers according to the corruption complaints policy and the whistleblowing policy as a clear guideline. There are channels for receiving complaints such as website, verbal, e-mail, and letter.

In 2021, there were no complaints caused by non-compliance with the company's laws and regulations, anti-corruption policy, corporate governance policy, and business ethics

Report of the performance of the audit and corporate governance committee for the previous year

Number of meetings and attendance of individual audit and corporate governance committee members

| Name | Position | Attendance (time) |
|-----------------------------|--|-------------------|
| 1. Miss Charanya Sangsukdee | Chairman of Audit and Corporate Governance Committee | 4/4 |

| Name | Position | Attendance (time) |
|---|---|-------------------|
| 2. Assoc. Prof. Dr. Aekkachai Nittayakasetwat | Audit and Corporate Governance Committee Member | 4/4 |
| 3. Mr. Natthawut Khemayotin | Audit and Corporate Governance Committee Member | 4/4 |

Summary of the performance of the audit and corporate governance committee

The audit and corporate governance committee has performed its duties independently to be consistent with the scope of duties as stated in the audit committee charter which is reviewed in accordance with the current situation and annually approved by the board of directors.

In 2021, the audit committee emphasized the role of digital technology in the audit, supervision, formulation of strategy, performance, and follow-up. The audit committee assessed the overall performance of itself and self-assessment which the level of assessment results was excellent.

Topics were assessed include roles and responsibilities, duties, meetings, overall opinions, the performance of the secretary of the audit committee, and the performance of the audit office

The key performance of duties in the year 2021 was the review of financial statements, the review of related party transactions or transactions that may have conflicts of interest, the review of CG Code, the review of risk management assessment system, the review of the internal control system, the review of complaints and whistleblowing, and the consideration of proposing the appointment of auditors and audit fees for 2021, etc.

Summary of the performance of other sub-committees

Nomination and Remuneration Committee

Number of meetings and attendance of the nomination and remuneration committee

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

Summary of the performance of the nomination and remuneration committee

In 2021, the nomination and remuneration committee has performed its duties to be consistent with the scope of duties of the nomination and remuneration committee as

stated in the important charter such as assessing the performance of the top management as proposed by the Chief Executive Officer, proposing guidelines and methods for considering the remuneration of the board of directors and sub-committees with the suitability of duties and

responsibilities before proposing to the board of directors and shareholders for considering to approve and determining the remuneration of the company's chairman, executive officers and senior executives to be suitable with the performances and consistent with operating results for keeping leadership in the industry and creating motivation for top executives to manage the company to progress further.

Considering a person with appropriate qualifications to be a director of the company to replace 3 directors who retire by rotation. In order to promote and support the CG Code, the company gives the opportunity to shareholders to nominate a person with suitable qualifications for being a director through announcing on the company's website and

SET Portal, but none of the shareholders submitted names to be considered for election as directors.

However, the board of directors had an opinion that the directors who retired by rotation have complete qualifications, are qualified persons, have knowledge and ability, have experiences that are useful for running a business, have a vision, and well perform as a director as well as participate to express useful opinions in the past. Therefore, at the meeting, it was appropriate to reappointed the directors for another term and propose to the board of directors of the company's meeting and the annual general meeting of shareholders to consider and approve.

Risk Management Committee

Number of meetings and attendance of the Risk Management Committee

| Name | Position | Attendance (time) |
|---|---|-------------------|
| 1. Assoc. Prof. Dr. Aekkachai Nittayagasetwat | Chairman of the Risk Management Committee / Independent Director | 2/2 |
| 2. Ms. Charanya Sangsukdee | Director of the Risk Management Committee / Independent Director | 2/2 |
| 3. Mr. Nattawut Khemayothin | Director of the Risk Management Committee / Independent Director | 2/2 |
| 4. Mr. Wiwat Hemmontharop | Director of the Risk Management Committee | 2/2 |
| 5. Mr. Satit Hemmondharop | Director of the Risk Management Committee | 2/2 |
| 6. Dr. Pirun Hemmontharop | Director of the Risk Management Committee | 2/2 |

Performance of the Risk Management Committee

In 2021, the Risk Management Committee has performed its duties to be consistent with the scope of duties of the risk management committee as stated in the important charter such as the corporate risk management, the risk's

supervision, compliance, rules, assessment, guidelines, measures, and the company's remaining risk management action plans, the enterprise risk management, regulatory compliance, and promoting and supporting the improvement and development related operations continuously and regularly.

9. Internal Control and Related party transaction

Opinion of the board of directors on the company's internal control system

At the board of directors' meeting No. 3/2022 on February 19, 2022, all 3 audit and corporate governance committee members also attended the meeting. The board of directors assessed the adequacy of the company's internal control system according to the internal control system adequacy assessment form based on the COSO 2013 framework (The Committee of Sponsoring Organizations of the Treadway Commission) which includes 5 elements that are internal control, risk assessment, operational control, information systems and data communication, and a monitoring system that considered by the audit committee. The board of directors considered that the internal control system of the company and its subsidiaries is sufficient and appropriate without any significant flaws in internal control, provide sufficient personnel to effectively implement to be consistent with laws, regulations, policies, and codes of conduct as well as practices, have the system to control and monitor the company's operations and transactions so that assets can be prevented from being misused by directors or executives without authority, and the transactions can be prevented from persons who may have conflicts and related parties.

1) Control Environment

The company promotes and supports the creation of a good internal control environment. The board of directors sets the vision, mission, and objectives as a guideline for the performance of the management division and employees, and has a regular follow-up to achieve the goals.

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

The company provides internal control activities that cover all activities with sufficient and appropriate for business operations which are reviewed the operation to be consistent with the operating manual in accordance with relevant rules, regulations, and laws. The company realizes the importance of implementing CG Code because it is an important factor for sustainable business operations and committing to motivate, develop and maintain personnel who have knowledge and capability and to determine personnel to have duties and responsibilities in internal control.

2) Risk Assessment

The Company determines that the risk management policy is an important policy of the company. Also, it appoints the risk management committee, including 6 members of the board of directors, to supervise and monitor the company's risk management within various departments which have been assessed that have operational risks. The risk management committee consists of top management who assesses to find important risks based on the size of expected impacts on the company's goals and business operations, and the risk of business corruption. Also, it determines who in the agency that owns the risk is responsible for the risk as well as assigns risk management to be the responsibility of all executives. There are plans and measures to manage risks, regularly arranging for monitoring

risk management of various departments in the organization and reporting the follow-up results to the risk management committee to report to the board of directors.

In 2021, due to the COVID-19 epidemic situation, changes in financial reporting standards, and important risks to the new law on Personal Data Protection Act, B.E. 2562 (2019), the company communicates to employees to have knowledge and understanding about those risks to realize the importance and lead to improvements in related work processes to be consistent with the law. In addition, the company also regularly provides knowledge training for employees to continuously understand and realize the importance of risk management.

3) Control Activities

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

The company has strict and clear measures for dealing with transactions with directors, executives, major shareholders or related parties. By requiring the company to conduct related transactions or The subsidiary company and the person who may have conflict must comply with the relevant announcements and regulations and Under reasonable conditions Or normal trade conditions or market prices and Consider it as if it were a transaction with the Arm's Length Basis as well as report the said connected transaction to the Audit Committee For quarterly review.

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

4) Information & Communication

The company continuously focuses on the development of information technology systems to cover all work processes as well as the security in information technology systems and electronic data storage.

The company defines data required in operations including quality internal and external data related to works with data provision so that the committee has adequate essential information to support decision prior to meeting within period specified by law. Besides, it includes recording opinions, suggestions, observations, inquiries and disapproval along with reasons of the committee in every meeting that can be traced back about duty performing of each committee.

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

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

5) Monitoring Activities

The Company has monitored and assessed internal control results to ensure that the internal control continues to operate in a complete and appropriate by assessing from independent internal and external agencies. There are assessing and communicating about the flaws of internal control to the responsible person to have a timely correction and determining that significant flaws and progress of resolution of problems be reported to the board of directors and top management as appropriate.

The company has a determination that the management division must promptly report to the board of directors in the case of an incident or suspicion of serious fraud, a practice that violates the law, or other wrongdoing that may significantly affect the reputation and financial position of the company. Moreover, the management division must report operating results in comparison with the goals set forth to the executive committee and the management division on a monthly basis and regularly reported to the board of directors to ensure that the goals and objectives of the company are met.

Opinion of the audit and corporate governance committee

For the independence of the certified public accountant (CPA) and internal auditor, the audit committee arranges a joint meeting between the audit committee, the certified public accountant, and internal auditors without the participation of management at least once a year to ensure that the certified public accountant independently and honestly comments on the company's audit issues to the audit and corporate governance committee. In addition, the audit and corporate governance committee asks the certified public accountant about the cooperation of the auditors and being limited in the scope of the audit. The certified public accountant reported to the audit committee that having good

cooperation and coordination from the auditors, and no limitation in the scope of the audit

Internal Audit

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

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

The company supports sufficient resources for auditing and assessing internal control in works systems and coordinating with training division to arrange training and activities to promote and educate employees.

Internal Audit division made annual internal audit plan in consistence with trends and strategies of the company covering operation process of the company and subsidiary. It is provided based on risk principles focusing on critical risks that affect business operation, objectives and strategies of the company along with anti-corruption audit. The audit plan is approved by the audit and monitor committee with the scope of work of the Internal Audit Office covers inspection, monitoring, control, test, review, and evaluation of adequacy. And the efficiency of the company's internal control system with result report and tracking as well as compliance with suggestion from audit to audit and monitor committee for regular consideration. However, the corporate's committee realizes that any internal control system cannot be

guaranteed damages as a result of errors but it can be protected and credited in reasonable level

Connected Transaction

Transaction Approval Measure or procedure

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

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

Policy or Tendency of Connected Transaction

For the area rental transaction, there will be no renewal of the contract, the transaction will end within the specified period.

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

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

For accounting year ending as of 31 December 2021, the company and its subsidiaries had transaction with related company and persons which was considered reasonable with normal commercial purpose by providing products and services for persons and relevant enterprises with reasonable price and comparing it with market price in that business. The normal terms and conditions are detailed as follows

Detail of Connected Transaction

Unit: Million Baht

| <i>List of company</i> | <i>Relationship</i> | <i>Share- holding (%)</i> | <i>Essential description</i> | <i>Connected Transaction value</i> | <i>Necessity and Reasonability</i> |
|----------------------------|---------------------|-----------------------------------|--|--|--|
| 1. P.J. Composite Co., Ltd | B | - | - The company sold products to subsidiary. | 1.34 | It is normal business transaction of the company. The sale price is market price with normal commercial conditions as same as general customers. The company uses structure of sale price-capital-profit as same as that the company produced and sold products to other customers |
| | B | | - The company rents out space to shareholders and directors. | 1.89 | It is a normal business transaction of the company. Which the rental fee is a reasonable rate and compared with the rental price, which is not lower than the actual price paid by Yuen Yong Foam Industry Company Limited |

Relationship

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

Part 3 : Financial Statement

Report on the Responsibilities of the Board of Directors to Financial Reports

The Board of Directors of Panjawattana Plastic Public Co., Ltd. gives importance to the duties and responsibilities for preparation of the Company's and its subsidiaries' financial statements and financial information appearing in the 2021 Annual Report. The financial statements were prepared in compliance with generally accepted accounting principles, which are identified by Accounting Professions Act B.E. 2004 by using proper and continually practiced accounting policies with meticulous and cautious judgment in preparing the Annual Report with adequate disclosure of significant information in the notes to financial statements, to generate maximum benefits for shareholders and investors.

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

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

The Board of Directors holds the opinion that the company's overall internal control system is adequate and suitable with capacity for building reasonable confidence that the financial statements for the Company and its subsidiaries for the year ending 31 December 2021 are reliable in accordance with the generally accepted accounting standards.



(Dr. Damri Sukhotanang)
Chairman of the Board



(Mr. Wiwat Hemmondharop)
Chairman of Executive Board

Part 3 Financial Statements

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

INDEPENDENT AUDITOR'S REPORT

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

Opinion

I have audited the consolidated financial statements of Panjawattana Plastic Public Company Limited, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2021 and the consolidated statement of comprehensive income, consolidated statement of changes in shareholder's equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and I have audited the separate financial statements of Panjawattana Plastic Public Company Limited (the Company), which comprise the statement of financial position as at December 31, 2021, and the statement of comprehensive income, statement of changes in shareholder's equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of Panjawattana Plastic Public Company Limited, and its subsidiaries as at December 31, 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended and the separate financial position of Panjawattana Plastic Public Company Limited as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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

Revenue from sales of goods

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

competition in the related industry caused the risk related to the value and the accuracy and completeness of revenue recognition from the sale of goods.

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

- Assessing and testing the Company's IT system and its internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls, and with special consideration given to expanding the scope of the testing of the internal controls which respond to the above risks.

- Applying a sampling method to select sales transactions to assess whether revenue recognition was consistent with the conditions and incoterms, and whether it was in compliance with the Company's policy.

- On a sampling basis, examining supporting documents for actual sales transactions occurring during the year and near the end of the accounting period.

- Checking the balance of revenue from sales in both before and after the end of accounting period.

- Reviewing credit notes that the Company issued after the period-end.

- Performing analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements and separate financial statements or, if such disclosures are inadequate, to modify our opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

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

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

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

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

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

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

(Mr.Suwat Maneekanoksakul)

Certified Public Accountant

Registration No. 8134

Dharmniti Auditing Company Limited

Bangkok, Thailand

February 19, 2022

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021
ASSETS

| | Note | Baht | | | |
|---|------|-----------------------------------|-------------------------|-------------------------------|-------------------------|
| | | Consolidated financial statements | | Separate financial statements | |
| | | 2021 | 2020 | 2021 | 2020 |
| Current assets | | | | | |
| Cash and cash equivalents | 6 | 110,485,919.62 | 67,987,998.99 | 39,849,300.90 | 33,369,718.64 |
| Trade and other current receivables | 5, 7 | 707,263,899.40 | 666,457,304.08 | 628,682,810.00 | 550,961,619.72 |
| Current portion of receivable under the agreement | 8 | 5,735,600.00 | - | 5,735,600.00 | - |
| Short-term loans to a subsidiary | 5 | - | - | 23,272,830.00 | - |
| Inventories | 9 | 323,214,533.75 | 233,072,512.19 | 267,777,768.32 | 184,191,880.34 |
| Unbilled receivable for project | 10 | 20,879,144.86 | 35,938,825.91 | 20,879,144.86 | 35,938,825.91 |
| Other current financial assets | 37 | 597,128.74 | - | 597,128.74 | - |
| Other current assets | 11 | 20,394,391.22 | 32,499,207.15 | 16,426,792.59 | 14,619,715.64 |
| Total current assets | | 1,188,570,617.59 | 1,035,955,848.32 | 1,003,221,375.41 | 819,081,760.25 |
| Non-current assets | | | | | |
| Long-term loans to a subsidiary | 5 | - | - | 11,636,415.00 | - |
| Receivables under the agreement | 8 | 6,602,867.38 | - | 6,602,867.38 | - |
| Investment in subsidiaries | 12 | - | - | 372,346,820.88 | 366,200,815.82 |
| Investment properties | 13 | - | - | 59,422,505.03 | 60,156,517.75 |
| Property, plant and equipment | 14 | 1,654,087,753.26 | 1,663,209,037.30 | 1,362,699,727.54 | 1,360,420,082.45 |
| Right-of-use assets | 15 | 68,841,883.04 | 75,645,894.33 | 12,449,059.28 | 6,259,881.32 |
| Computer software | 16 | 9,028,345.46 | 6,835,930.91 | 8,843,304.91 | 6,605,548.53 |
| Deferred tax assets | 17 | 18,107,855.62 | 15,931,094.93 | 15,183,050.41 | 14,637,329.74 |
| Other non-current assets | 18 | 83,179,638.58 | 84,699,128.00 | 80,256,897.75 | 82,874,665.06 |
| Total non-current assets | | 1,839,848,343.34 | 1,846,321,085.47 | 1,929,440,648.18 | 1,897,154,840.67 |
| Total assets | | 3,028,418,960.93 | 2,882,276,933.79 | 2,932,662,023.59 | 2,716,236,600.92 |

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION (CONT.)
AS AT DECEMBER 31, 2021
LIABILITIES AND SHAREHOLDERS' EQUITY

| | Note | Baht | | | |
|--|-------|-----------------------------------|-------------------------|-------------------------------|-------------------------|
| | | Consolidated financial statements | | Separate financial statements | |
| | | 2021 | 2020 | 2021 | 2020 |
| Current liabilities | | | | | |
| Bank overdrafts and short-term loans from financial institutions | 19 | 559,259,359.47 | 450,215,371.59 | 463,254,017.50 | 289,541,298.94 |
| Trade and other current payables | 5, 20 | 466,647,161.77 | 472,815,680.39 | 530,728,523.15 | 561,998,754.45 |
| Current portion of long-term liabilities | | | | | |
| - Long-term loans | 22 | 239,922,880.18 | 203,220,260.60 | 233,786,999.95 | 191,014,000.05 |
| - Lease liabilities | 23 | 37,759,263.54 | 39,217,738.05 | 15,020,997.08 | 17,542,692.15 |
| Accrued corporate income tax | | 18,108,478.82 | 3,149,572.65 | 17,843,958.40 | - |
| Other current financial liabilities | 37 | - | 177,962.72 | - | 177,962.72 |
| Other current liabilities | 21 | 5,835,915.34 | 5,317,342.66 | 3,986,909.27 | 2,204,161.77 |
| Total current liabilities | | 1,327,533,059.12 | 1,174,113,928.66 | 1,264,621,405.35 | 1,062,478,870.08 |
| Non-current liabilities | | | | | |
| Long-term loans | 22 | 356,774,433.67 | 437,683,300.68 | 354,466,489.27 | 423,637,334.40 |
| Lease liabilities | 23 | 72,534,569.54 | 94,776,685.98 | 38,491,454.04 | 43,928,642.96 |
| Provision employee benefit liabilities | 24 | 77,911,629.00 | 68,811,888.20 | 66,367,792.00 | 65,359,675.20 |
| Other non-current financial liabilities | 37 | 3,600,670.68 | 4,052,011.55 | 3,600,670.68 | 4,052,011.55 |
| Other non-current liabilities | | - | 15,000.00 | - | 15,000.00 |
| Total non-current liabilities | | 510,821,302.89 | 605,338,886.41 | 462,926,405.99 | 536,992,664.11 |
| Total liabilities | | 1,838,354,362.01 | 1,779,452,815.07 | 1,727,547,811.34 | 1,599,471,534.19 |

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION (CONT.)
AS AT DECEMBER 31, 2021
LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

| | | Baht | | | |
|--|----|-----------------------------------|------------------|-------------------------------|------------------|
| | | Consolidated financial statements | | Separate financial statements | |
| Note | | 2021 | 2020 | 2021 | 2020 |
| Shareholders' equity | | | | | |
| | 2 | | | | |
| Share capital | 5 | | | | |
| Authorized share capital | | | | | |
| 765,439,927 ordinary shares of Baht 0.50 each | | | | | |
| 574,080,000 ordinary shares of Baht 0.50 each | | | | | |
| | | 382,719,963.50 | 287,040,000.00 | 382,719,963.50 | 287,040,000.00 |
| Issued and fully paid-up share capital | | | | | |
| 574,079,945 ordinary shares of Baht 0.50 each | | | | | |
| | | 287,039,972.50 | 287,039,972.50 | 287,039,972.50 | 287,039,972.50 |
| Premium on share capital | | 338,128,000.00 | 338,128,000.00 | 338,128,000.00 | 338,128,000.00 |
| Retained earnings | | | | | |
| Appropriated | | | | | |
| Legal reserve | | | | | |
| | 27 | 28,703,997.25 | 28,703,997.25 | 28,703,997.25 | 28,703,997.25 |
| Unappropriated | | | | | |
| | | 518,488,249.21 | 464,488,618.32 | 559,762,546.61 | 469,909,883.76 |
| Other components of equity | | | | | |
| Differences on the fixed assets acquired under common control company | | | | | |
| | 14 | - | - | (6,816,895.81) | (7,016,786.78) |
| Loss from remeasuring of derivatives instruments | | | | | |
| | | (1,703,408.30) | - | (1,703,408.30) | - |
| Deficits from business combination under common control company | | | | | |
| | | 3,086,493.16 | 3,086,493.16 | - | - |
| Differences from translation of foreign entity | | | | | |
| | | 16,321,295.10 | (18,622,962.51) | - | - |
| Total equity attributable to equity holders of the parent company | | | | | |
| | | 1,190,064,598.92 | 1,102,824,118.72 | 1,205,114,212.25 | 1,116,765,066.73 |
| Non - controlling interests | | | | | |
| | | - | - | - | - |
| Total shareholders' equity | | | | | |
| | | 1,190,064,598.92 | 1,102,824,118.72 | 1,205,114,212.25 | 1,116,765,066.73 |
| Total liabilities and shareholders' equity | | | | | |
| | | 3,028,418,960.93 | 2,882,276,933.79 | 2,932,662,023.59 | 2,716,236,600.92 |

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2021

| | Note | Baht | | | |
|---|--------|-----------------------------------|-------------------------|-------------------------------|-------------------------|
| | | Consolidated financial statements | | Separate financial statements | |
| | | 2021 | 2020 | 2021 | 2020 |
| Revenues | | | | | |
| Sales | 34, 36 | 3,057,124,577.56 | 2,774,405,209.32 | 2,668,014,009.56 | 2,462,267,191.99 |
| Project income | 34, 36 | 10,331,471.73 | 19,617,545.48 | 10,331,471.73 | 19,617,545.48 |
| Dividend income | 12 | - | - | - | 32,391,900.00 |
| Other income | 5, 36 | 19,339,312.13 | 25,807,625.16 | 26,397,215.89 | 31,228,955.85 |
| Total revenues | | 3,086,795,361.42 | 2,819,830,379.96 | 2,704,742,697.18 | 2,545,505,593.32 |
| Expenses | | | | | |
| Cost of sales | | 2,489,771,378.08 | 2,233,058,503.94 | 2,135,895,919.72 | 2,039,403,979.21 |
| Cost of project | | 10,732,472.10 | 32,438,142.51 | 10,732,472.10 | 32,438,142.51 |
| Distribution costs | | 84,648,126.23 | 88,171,474.93 | 74,942,097.49 | 78,026,288.62 |
| Administrative expenses | | 253,564,791.85 | 298,246,953.10 | 212,711,476.83 | 237,255,768.22 |
| Other gains (losses) | | (3,355,692.70) | 2,336,569.11 | (3,355,692.70) | 2,336,569.11 |
| Total expenses | | 2,835,361,075.56 | 2,654,251,643.59 | 2,430,926,273.44 | 2,389,460,747.67 |
| Profit (loss) from operating activities | | 251,434,285.86 | 165,578,736.37 | 273,816,423.74 | 156,044,845.65 |
| Finance cost | | 48,805,387.32 | 53,972,327.93 | 34,414,236.09 | 39,049,757.54 |
| Profit (Loss) before income tax expenses | | 202,628,898.54 | 111,606,408.44 | 239,402,187.65 | 116,995,088.11 |
| Income tax expenses | 31 | 33,161,662.12 | (3,440,729.89) | 34,198,722.47 | (6,699,829.16) |
| Profit (Loss) for the years | | 169,467,236.42 | 115,047,138.33 | 205,203,465.18 | 123,694,917.27 |
| Other comprehensive income | | | | | |
| Item that may be reclassified subsequently to profit or loss | | | | | |
| Differences on the fixed assets acquired under common control company | | - | - | 199,890.97 | 104,253.50 |
| Differences from translation of foreign entity | | 34,944,257.61 | 16,566,855.17 | - | - |
| Transactions that will not be reclassified into profit or loss | | | | | |
| Loss from remeasuring of derivative instruments | | | | | |
| - net of income tax | | (1,703,408.30) | - | (1,703,408.30) | - |
| Actuarial gains - net of tax | | 2,218,783.20 | - | 2,335,586.40 | - |
| Other comprehensive income for the years | | 35,459,632.51 | 16,566,855.17 | 832,069.07 | 104,253.50 |
| Total comprehensive income for the years | | 204,926,868.93 | 131,613,993.50 | 206,035,534.25 | 123,799,170.77 |
| Earnings per share | | | | | |
| Basic earnings per share (Baht per share) | 33 | 0.29 | 0.20 | 0.36 | 0.22 |
| Weighted average number of ordinary share (share) | | 574,080,000 | 574,080,000 | 574,080,000 | 574,080,000 |
| Dilute earnings per share (Baht per share) | 33 | 0.28 | 0.20 | 0.34 | 0.22 |
| Weighted average number of ordinary share (share) | | 597,613,760 | 574,080,000 | 597,613,760 | 574,080,000 |

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021

Baht

Consolidated financial statement

| | Equity holders of the parent company | | | | | | | Non - controlling interests | Total shareholders' equity | |
|---|--------------------------------------|--------------------------|--------------------|------------------|--|---|--|-----------------------------|----------------------------|---|
| | Issued and paid-up share capital | Premium on share capital | Retained earnings: | | Other components of equity | | | | | Total equity attributable to equity holders of the parent company |
| | | | Legal reserve | Unappropriated | Loss from remeasuring of derivative instrument | Deficits from business combination under common control | Differences from translation of foreign entity | | | |
| Balance as at January 1, 2020 | 287,039,972.50 | 338,128,000.00 | 28,703,997.25 | 393,787,647.50 | - | 3,086,493.16 | (35,189,817.68) | 1,015,556,292.73 | - | 1,015,556,292.73 |
| Adjustment | | | | | | | | | | |
| Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards | - | - | - | (4,152,541.38) | - | - | - | (4,152,541.38) | - | (4,152,541.38) |
| Balance as at January 1, 2020 | 287,039,972.50 | 338,128,000.00 | 28,703,997.25 | 389,635,106.12 | - | 3,086,493.16 | (35,189,817.68) | 1,011,403,751.35 | - | 1,011,403,751.35 |
| Dividend | 28 | - | - | (40,193,626.13) | - | - | - | (40,193,626.13) | - | (40,193,626.13) |
| Total comprehensive income for the period | - | - | - | 115,047,138.33 | - | - | 16,566,855.17 | 131,613,993.50 | - | 131,613,993.50 |
| Balance as at December 31, 2020 | 287,039,972.50 | 338,128,000.00 | 28,703,997.25 | 464,488,618.32 | - | 3,086,493.16 | (18,622,962.51) | 1,102,824,118.72 | - | 1,102,824,118.72 |
| Dividend | 28 | - | - | (117,686,388.73) | - | - | - | (117,686,388.73) | - | (117,686,388.73) |
| Total comprehensive income for the period | - | - | - | 169,467,236.42 | (1,703,408.30) | - | 34,944,257.61 | 202,708,085.73 | - | 202,708,085.73 |
| Actuarial gains | - | - | - | 2,218,783.20 | - | - | - | 2,218,783.20 | - | 2,218,783.20 |
| Balance as at December 31, 2021 | 287,039,972.50 | 338,128,000.00 | 28,703,997.25 | 518,488,249.21 | (1,703,408.30) | 3,086,493.16 | 16,321,295.10 | 1,190,064,598.92 | - | 1,190,064,598.92 |

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONT.)
FOR THE YEARS ENDED DECEMBER 31, 2020

| | | Baht | | | | | | |
|---|------|--|-----------------------------|--------------------|------------------|--|---|------------------|
| | | Separate financial statement | | | | | | |
| | | Issued and paid-up share capital | Premium on share capital | Retained earnings: | | Other components of equity | | Total |
| | | | | Legal reserve | Unappropriated | Differences on the fixed assets acquired under common control company | Loss from remeasuring of derivative instruments | |
| | Note | | | | | | | |
| Balance as at January 1, 2020 | | 287,039,972.50 | 338,128,000.00 | 28,703,997.25 | 390,553,034.02 | (7,121,040.28) | | 1,037,303,963.49 |
| Adjustment | | | | | | | | |
| Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards | | - | - | - | (4,152,541.38) | - | - | (4,152,541.38) |
| Balance as at January 1, 2020 | | 287,039,972.50 | 338,128,000.00 | 28,703,997.25 | 386,400,492.64 | (7,121,040.28) | - | 1,033,151,422.11 |
| Dividend | 28 | - | - | - | (40,185,526.15) | - | - | (40,185,526.15) |
| Total comprehensive income for the period | | - | - | - | 123,694,917.27 | 104,253.50 | - | 123,799,170.77 |
| Balance as at December 31, 2021 | | 287,039,972.50 | 338,128,000.00 | 28,703,997.25 | 469,909,883.76 | (7,016,786.78) | - | 1,116,765,066.73 |
| Dividend | 28 | - | - | - | (117,686,388.73) | - | - | (117,686,388.73) |
| Total comprehensive income for the period | | - | - | - | 205,203,465.18 | 199,890.97 | (1,703,408.30) | 203,699,947.85 |
| Actuarial gains | | - | - | - | 2,335,586.40 | - | - | 2,335,586.40 |
| Balance as at December 31, 2021 | | 287,039,972.50 | 338,128,000.00 | 28,703,997.25 | 559,762,546.61 | (6,816,895.81) | (1,703,408.30) | 1,205,114,212.25 |

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021

| | Baht | | | |
|---|-----------------------------------|-----------------|-------------------------------|-----------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| <u>Cash flows from operating activities :</u> | | | | |
| Profit (Loss) for the years | 169,467,236.42 | 115,047,138.33 | 205,203,465.18 | 123,694,917.27 |
| Reconciliations of profit for the years to net cash provided by (used in) operating activities : | | | | |
| Allowance for expected credit losses accounts (reversal) | (1,575,609.71) | 904,339.32 | (1,565,382.38) | 947,089.37 |
| Allowance for declining in value of inventories | 6,263,660.38 | 4,162,363.32 | 5,888,880.64 | 3,660,952.36 |
| Depreciation and amortization | 219,947,860.09 | 227,270,301.14 | 166,647,525.90 | 164,415,307.63 |
| Amortization of mold | 28,861,102.87 | 7,864,177.46 | 23,036,712.67 | 7,864,177.46 |
| Unrealize (gain) loss on exchange rate | 310,501.14 | 151,599.75 | (2,003,593.86) | 151,599.75 |
| (Gain) loss from revaluation of financial liabilities | (3,355,692.70) | 2,336,569.11 | (3,355,692.70) | 2,336,569.11 |
| (Gain) loss on sales of fixed assets | 1,555,161.67 | (376,029.19) | 598,416.41 | (34,803.74) |
| Loss on write off fixed assets and computer software | 1,070,443.54 | 5,125,427.03 | 1,036,858.01 | 4,295,119.04 |
| Loss from impairment of mold amortized | (265,234.82) | 3,566,988.28 | (265,234.82) | 3,566,988.28 |
| Loss from impairment of asset | (503,177.54) | 13,928,268.68 | (503,177.54) | 14,646,087.51 |
| Provision for employee benefit | 15,208,583.46 | 8,449,778.00 | 12,416,677.46 | 7,848,942.00 |
| Dividend income | - | - | - | (32,391,900.00) |
| Interest expenses | 48,805,387.32 | 53,972,327.93 | 34,414,236.09 | 39,049,757.54 |
| Income tax expenses | 33,161,662.12 | (3,440,729.89) | 34,198,722.47 | (6,699,829.16) |
| Profit provided by operating activities before changes in operating assets and liabilities | 518,951,884.24 | 438,962,519.27 | 475,748,413.53 | 333,350,974.42 |
| (Increase) decrease in operating assets | | | | |
| Trade and other current receivables | (39,217,423.38) | 6,013,355.32 | (76,142,245.67) | 120,751,369.30 |
| Receivables under the agreement | (12,338,467.38) | - | (12,338,467.38) | - |
| Inventories | (96,405,681.95) | 79,496,720.43 | (89,474,768.62) | 74,979,249.21 |
| Unbilled receivables for project | 15,059,681.05 | 36,110,806.74 | 15,059,681.05 | 36,110,806.74 |
| Other current assets | 12,152,824.93 | 12,835,387.28 | (1,807,076.95) | 9,176,035.05 |
| Other non-current assets | (18,336,677.34) | (16,528,633.85) | (11,374,521.44) | (33,197,205.34) |
| Increase (decrease) in operating liabilities | | | | |
| Trade and other current payables | (6,147,379.20) | 25,528,245.87 | 6,017,501.53 | (32,718,034.45) |
| Other current liabilities | 518,572.68 | 49,471.61 | 1,782,747.50 | (1,587,854.38) |
| Other non-current liabilities | (15,000.00) | - | (15,000.00) | - |
| Cash provided by (used in) operating activities | 374,222,333.65 | 582,467,872.67 | 307,456,263.55 | 506,865,340.55 |
| Paid to employee benefit | (3,360,630.66) | (2,132,244.80) | (3,250,830.66) | (941,123.80) |
| Payment of corporate income tax and withholding income tax | (20,531,102.37) | (10,234,567.70) | (17,039,014.27) | (6,435,877.74) |
| Net cash provided by operating activities | 350,330,600.62 | 570,101,060.17 | 287,166,418.62 | 499,488,339.01 |

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CONT.)
FOR THE YEARS ENDED DECEMBER 31, 2021

| | Baht | | | |
|---|-----------------------------------|------------------|-------------------------------|------------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| <u>Cash flows from investing activities :</u> | | | | |
| Cash received (piad) for investment in subsidiaries | - | - | (6,146,005.06) | (9,106,057.31) |
| Cash received for short-term loans to subsidiaries | - | - | - | 8,993,010.00 |
| Cash paid for short-term loan to subsidiaries | - | - | (21,714,560.00) | - |
| Cash paid for long-term loan to subsidiaries | - | - | (10,880,590.00) | - |
| Cash received from dividend | - | - | - | 32,391,900.00 |
| Cash received from sales of fixed assets | 17,812,458.98 | 7,657,225.46 | 3,358,029.21 | 1,559,882.88 |
| Cash paid for purchase of investment properties | - | - | - | (60,408,900.00) |
| Cash paid for purchase of fixed assets | (182,857,264.52) | (150,395,403.45) | (204,467,192.84) | (56,640,873.34) |
| Cash paid for deposit from purchase of fixed assets | (11,939,535.80) | (3,199,834.51) | (11,343,625.00) | (2,564,435.90) |
| Cash paid for purchase of right-of-use | (2,426,549.20) | - | (2,426,549.20) | - |
| Cash paid for purchase of intangible assets | (3,961,592.80) | (353,592.93) | (3,961,592.80) | (314,898.51) |
| Net cash used in investing activities | (183,372,483.34) | (146,291,605.43) | (257,582,085.69) | (86,090,372.18) |
| <u>Cash flows from financing activities :</u> | | | | |
| Increase (decrease) in bank overdrafts and short-term loans from financial institutions | 109,043,987.88 | (414,461,913.77) | 173,712,718.56 | (451,800,374.41) |
| Cash received from long-term from financial institution | 189,725,000.00 | 218,004,974.49 | 189,725,000.00 | 209,587,500.00 |
| Cash paid for long-term loans to financial institution | (233,931,247.43) | (118,631,635.72) | (216,122,845.23) | (106,968,401.62) |
| Cash paid for dividend | (117,686,388.73) | (40,193,626.13) | (117,686,388.73) | (40,185,526.15) |
| Cash received from sale and lease back agreement | - | 50,799,207.81 | - | 50,799,207.81 |
| Cash paid for liabilities under financial lease contract payable | (40,573,536.85) | (33,115,003.04) | (17,997,344.57) | (10,016,952.99) |
| Cash paid for interest expenses | (49,127,041.93) | (49,180,991.33) | (34,735,890.70) | (38,718,786.20) |
| Net cash provided (used) by financing activities | (142,549,227.06) | (386,778,987.69) | (23,104,750.67) | (387,303,333.56) |
| Differences from translation of foreign entity | 18,089,030.41 | 3,045,439.13 | - | - |
| Net increase (decrease) in cash and cash equivalents | 42,497,920.63 | 40,075,906.18 | 6,479,582.26 | 26,094,633.27 |
| Cash and cash equivalents, at beginning of the year | 67,987,998.99 | 27,912,092.81 | 33,369,718.64 | 7,275,085.37 |
| Cash and cash equivalents, at end of the year | 110,485,919.62 | 67,987,998.99 | 39,849,300.90 | 33,369,718.64 |

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CONT.)
FOR THE YEARS ENDED DECEMBER 31, 2021

| | Baht | | | |
|---|-----------------------------------|----------------|-------------------------------|---------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| <u>Supplemental disclosure of cash flows information :-</u> | | | | |
| Cash and cash equivalents consisted of | | | | |
| Deposits from purchase of fixed assets, paid in the previous period | 3,199,834.51 | 2,691,318.39 | 2,564,435.90 | 1,294,650.00 |
| Account payable from purchase fixed asset increase (decrease) | | | | |
| - other companies | (23,548.18) | (959,326.83) | 500,731.32 | (717,385.63) |
| - related companies | - | - | (43,048,634.91) | 43,048,634.91 |
| Liabilities under financial contracts | 10,038,460.58 | 786,399.47 | 10,038,460.58 | 786,399.47 |
| Increase in doubtful debt, beginning period | - | 2,957,391.88 | - | 2,957,391.88 |
| Increase in assets use of right from lease agreements | - | 103,081,536.06 | - | 12,038,233.30 |
| Increase in financial liabilities, beginning period | - | 1,893,405.16 | - | 1,893,405.16 |

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

1. GENERAL INFORMATION

(a) Legal status and address

The Company was registered to be a limited company on November 30, 1987.

The Company was registered to be a public company on September 8, 2011.

The address of its registered office is 19, 21 Soi Ekachai 63, Ekachai Road, Kwang Klong Bangbon, Khet Bangbon, Bangkok 10150, Thailand.

As at December 31, 2021 and 2020, the operating branches are as follows :

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

(b) Nature of the Company's business

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

2. CRITERIA FOR THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENT

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

| Company | Type | Location | Shareholding ratio | |
|--|--|-----------------|--|---------|
| | | | (Percentage of registered shares amount) | |
| | | | 2021 | 2020 |
| Subsidiaries:- | | | | |
| PJ Medical Co., Ltd. (Formerly Millpack Co., Ltd.) | Manufacturer and distribution of packaging | Bangkok | 99.98% | 99.98% |
| Elegance Packaging Co., Ltd. | Trading of lid and plastic resins | Bangkok | 99.97% | 99.97% |
| Plastech lab Co., Ltd. | Provide service to check the amount/standards of all goods and inspect all types of measurement tools. | Samuthsakhon | 99.99% | 99.99% |
| Panjawatana (Tianjin) Plastic Co., Ltd. | Manufacturer and distribution of packaging | Tianjin (China) | 100.00% | 100.00% |
| Panjawatana (Jiangsu) Plastic Co., Ltd. | Manufacturer and distribution of packaging | Jiangsu (China) | 100.00% | 100.00% |

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021

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

3. BASIS FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

3.1 Basis for preparation of the financial statements

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

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

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

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021

3.2 Financial reporting standards that became effective in the current year

During the year, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after January 1, 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the financial statements in the current year.

3.3 Financial reporting standards that will become effective in the future

The Federation of Accounting Professions has issued several revised financial reporting standards and has been published in the Government Gazette, which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and for some financial reporting standards, providing temporary reliefs or temporary exemptions for users.

The management of the Company and its subsidiaries have assessed that these revised standards will not have any significant impact on the financial statements in the year when they are adopted.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Recognition of revenues and expenses

Sale of goods

Revenue from sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns and discounts.

Project income

Project income is referred to work completion steps by measuring the ratio from cost construction completed to the present compared with total estimated construction cost multiplied by revenue including project according to the agreement.

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**NOTES TO FINANCIAL STATEMENTS (CONT.)****DECEMBER 31, 2021****Service income**

The service income from providing other services is recognized when service is rendered under agreements or issue invoice.

Interest income

Interest income on the accrued basis by consider the effective rate.

Other income and expense

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

4.2 Cash and cash equivalents

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

4.3 Trade accounts receivable

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at its present value.

Trade receivables are stated at the amount expected to be collectible, the Company and its subsidiaries apply the TFRS 9 simplified approach to measuring expected credit losses which uses a simplified approach, which requires expected lifetime losses to be recognized from initial recognition of the receivables. To measure the expected credit losses, trade receivables have been grouped based on the days past due. The expected loss rates are based on the payment profiles and the corresponding historical credit losses which are adjusted to reflect the current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company and its subsidiaries have identified the GDP, the unemployment rate and the consumer price index of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. The impairment losses are recognized in profit or loss within administrative expenses.

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**NOTES TO FINANCIAL STATEMENTS (CONT.)****DECEMBER 31, 2021****4.4 Financial assets and financial liabilities**

At initial recognition, the Company and its subsidiaries measure a financial assets and financial liabilities at its fair value. Financial assets and financial liabilities not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets and financial liabilities. Financial assets and financial liabilities at fair value through profit or loss, transaction costs are expensed in profit or loss.

Classification and measurement of financial assets

The classification of financial assets depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Company and its subsidiaries classify its financial asset as to be subsequently measured at amortized cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL").

The equity instruments held must be irrevocably classified to two measurement categories; i) at fair value through profit or loss (FVPL), or ii) at fair value through other comprehensive income (FVOCI) without recycling to profit or loss.

Subsequent measurement of debt instruments depends on the Company and its subsidiaries's business model for managing the asset and the cash flow characteristics of the financial assets. There are three measurement categories into which the Company and its subsidiaries classify its debt instruments:

- **Amortized cost:** A financial assets will be measured at amortized cost when the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows. In addition, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in financial income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented in profit or loss.

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**NOTES TO FINANCIAL STATEMENTS (CONT.)****DECEMBER 31, 2021**

- **FVOCI:** A financial assets will be measured at FVOCI when it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. In addition, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and related foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognized on other gains/ (losses) . Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of comprehensive income.
- **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Dividends from such investments continue to be recognized in profit or loss when the Company and its subsidiaries's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognized in other gains/(losses) in the statement of income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Classification and measurement of financial liabilities

Financial liabilities measured subsequently at amortized cost. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. In determining amortized cost, the Group takes into account any discounts or premiums on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in profit or loss.

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**NOTES TO FINANCIAL STATEMENTS (CONT.)****DECEMBER 31, 2021****Recognition and derecognition**

The Company and its subsidiaries shall recognize a financial asset or a financial liability in its statement of financial position when, and only when, the Company and its subsidiaries become party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Company and its subsidiaries commit to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company and its subsidiaries have transferred substantially all the risks and rewards of ownership of the financial assets.

Impairment of financial assets

The Company and its subsidiaries recognized an allowance for expected credit losses on its financial assets measured at amortized cost, without requiring a credit-impaired event to have occurred prior to the recognition. The Group accounts for changes in expected credit losses in stages, with differing methods of determining allowance for credit losses and the effective interest rate applied at each stage. An exception from this approach is that for trade receivables that do not contain a significant financing component, the Group applies a simplified approach to determine the lifetime expected credit losses.

4.5 Derivatives and hedging activities

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument in hedge accounting, and if so, the nature of the item being hedged. The Company and its subsidiaries designate certain derivatives as either:

- hedges of the fair value of recognized assets or liabilities or unrecognized firm commitments (fair value hedges); or
- hedges of a particular risk associated with the cash flows of recognized assets and liabilities and highly probable forecast transactions (cash flow hedges).

At inception of the hedge relationship, the Company and its subsidiaries document the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. There is the document its risk management objective and strategy for undertaking its hedge transactions. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Derivatives that is not applied hedge accounting is classified as an asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**NOTES TO FINANCIAL STATEMENTS (CONT.)****DECEMBER 31, 2021**

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains (losses).

When forward contracts are used to hedge forecast transactions, the Company and its subsidiaries generally designate only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in the cash flow hedge reserve within equity. The change in the forward element of the contract that relates to the hedged item ('aligned forward element') is recognized within other comprehensive income in the costs of hedging reserve within equity. In some cases, the Company and its subsidiaries may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains or losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedge reserve within equity.

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in other gains (losses).

4.6 Inventories

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

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

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

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021

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

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

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

4.7 Mold for amortization

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

4.8 Investment in subsidiaries

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

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

4.9 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Building and building improvements held under operating leases is classified and accounted for by the Group as investment property when the rest of the definition of investment property is met.

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**NOTES TO FINANCIAL STATEMENTS (CONT.)****DECEMBER 31, 2021**

Investment property is measured initially at its cost, including related transaction costs and borrowing costs. Borrowing costs, which are incurred for the purpose of acquiring, constructing or producing a qualifying investment property, are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway and cease once the asset is substantially complete, or suspended if the development of the asset is suspended.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

After initial recognition, investment property is carried at cost less accumulated depreciation and allowance for impairment loss.

Depreciation on investment properties is calculated using the straight line method to allocate their residual values over the estimated useful lives, as follows:

| | |
|-------------------------------------|--------------|
| Buildings and building improvements | 5 - 20 years |
|-------------------------------------|--------------|

4.10 Property, plant and equipment

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

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

The initial perception value

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

Remaining value at the disabled

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

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021

Depreciation

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

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

The Company and its subsidiaries do not charge for depreciation of property and assets under construction and installation.

Repair and maintenance are charged to the statements of comprehensive income during the period incurred. The cost of significant improvement is recorded in the book value of assets if it is probable that the improvements will enable them to benefit returns over the use of the benefits without improving the assets acquired. Major renovations are depreciated over the remaining useful life of the related assets.

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

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

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

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

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

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021
4.11 Borrowing costs

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

4.12 Intangible assets

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

Amortization

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

| | <u>years</u> |
|-------------------|--------------|
| Computer software | 5, 10 |

4.13 Impairment of assets

The Company and its subsidiaries have auditor the impairment of assets for property, plant and equipment and other assets whenever events indicate that the carrying value of an asset exceeds its recoverable amount. (net selling price or value lone use of that asset whichever is higher)

In case that the carrying value of an asset exceeds its recoverable amount, the Company and its subsidiaries will recognize the impairment losses in the statements of comprehensive income. The impairment losses shall be reversed when impairment indications moved or declined no longer exists or still going down but recorded in other income account.

4.14 Employee Benefits
Short-term employment benefits

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

Post-employment benefits (Defined contribution plans)

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

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021

Post-employment benefits (Defined benefit plans)

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

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

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

4.15 Foreign currency transactions

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

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

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

4.16 Leases

At inception of a contract, the Company and its subsidiaries assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company and its subsidiaries assess the lease term for the non-cancellable period as stipulated in lease contract or the remaining period of active leases with any period covered by an option to extend the lease if it is reasonably certain to be exercised or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercise by considering the effect of changes in technology and/or the other circumstance relating to the extension of the lease term.

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**NOTES TO FINANCIAL STATEMENTS (CONT.)****DECEMBER 31, 2021****Right-of-use assets-as a lessee**

Right-of-use assets are recognized at the commencement date of the lease. Right-of-use assets are stated at cost, less any accumulated depreciation and impairment losses (if any), and adjusted for any remeasurement of lease liabilities (if any). The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

The cost of right-of-use assets also includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are calculated by reference to their costs on a straight-line basis over the shorter of the lease term and the estimated useful lives for each of right-of-use assets.

Lease liabilities

At the commencement date of the lease, lease liabilities are stated at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable (if any) and amount expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and its subsidiaries and payments of penalties for terminating the lease, if the lease term reflects the Company and its subsidiaries exercising the option to terminate.

In calculating the present value of lease payments, the Company and its subsidiaries use its incremental borrowing rate, which is determined by referring to the government bond yield adjusted with risk premium depending on the lease term, at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of the interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company and its subsidiaries apply the short-term lease recognition exemption to its short-term leases (those leases that have a lease term of 12 months or less from the commencement date and not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term and leases of low-value assets are recognized as expense in profit and loss on a straight-line basis over the lease term.

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**NOTES TO FINANCIAL STATEMENTS (CONT.)****DECEMBER 31, 2021****4.17 Earnings per share**

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

Diluted earnings (loss) per share

The diluted earnings (loss) per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group has dilutive potential ordinary shares that are warrants. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the warrant. This calculation defines the number of ordinary shares to be added and ordinary shares held by outside party in calculating diluted earnings (loss) per share. No adjustment is made to earnings (loss).

4.18 Related parties

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

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

4.19 Income tax

Income tax comprises current income tax and deferred tax.

Current tax

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

Deferred tax

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

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**NOTES TO FINANCIAL STATEMENTS (CONT.)****DECEMBER 31, 2021**

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

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

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

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

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

4.20 Provisions

Provisions are recognized when the Company and its subsidiaries have a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company and its subsidiaries expect a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

4.21 Significant accounting judgements and estimates

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

Allowance for expected credit losses of trade receivable

In determining an allowance for expected credit losses of trade receivable, 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.

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**NOTES TO FINANCIAL STATEMENTS (CONT.)****DECEMBER 31, 2021****Allowance for declining in value of inventory**

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

Determining the lease term of contracts with renewal and termination options

The Company and its subsidiaries determine the lease term as the non-cancellable term of the lease, together with any period covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The management is required to use judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease, considering all relevant factors that create an economic incentive to exercise either the renewal or termination. After the commencement date, the Company and its subsidiaries reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Fair valuation of financial assets and derivatives

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company and its subsidiaries use judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Details of key assumptions used are included in Note 37

Property, plant and equipment, right-of-used asset and Depreciation

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

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

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021

Deferred tax assets

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

5. TRANSACTIONS WITH RELATED PERSON AND RELATED COMPANIES

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

Relationship conditions :

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

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

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

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021

Significant transactions with related companies for the years ended December 31, 2021 and 2020 are as follows :

| Transaction | Thousand Baht | | | |
|--|-----------------------------------|---------------|-------------------------------|----------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Sale | | | | |
| Subsidiaries:- | | | | |
| PJ Medical Co., Ltd. (Formerly Millpack Co., Ltd.) | - | - | 5,708 | 30,449 |
| Elegance Packaging Co., Ltd. | - | - | 55,178 | 50,991 |
| Other related parties:- | | | | |
| P.J. Composite Co., Ltd. | 368 | 1,343 | 368 | 1,343 |
| | <u>368</u> | <u>1,343</u> | <u>61,254</u> | <u>82,783</u> |
| Interest income | | | | |
| Subsidiaries:- | | | | |
| Panjawattana (Tianjin) Plastic Co., Ltd. | - | - | 952 | 135 |
| Dividend income | | | | |
| Subsidiaries:- | | | | |
| PJ Medical Co., Ltd. (Formerly Millpack Co., Ltd.) | - | - | - | 32,392 |
| Other income | | | | |
| Subsidiaries:- | | | | |
| PJ Medical Co., Ltd. (Formerly Millpack Co., Ltd.) | - | - | 9,515 | 8,700 |
| Elegance Packaging Co., Ltd. | - | - | 540 | 540 |
| Plastech lab Co., Ltd. | - | - | 528 | 528 |
| Other related parties:- | | | | |
| P.J. Composite Co., Ltd. | 2,040 | 1,890 | 2,040 | 1,890 |
| | <u>2,040</u> | <u>1,890</u> | <u>12,623</u> | <u>11,658</u> |
| Purchase of goods | | | | |
| Subsidiaries:- | | | | |
| PJ Medical Co., Ltd. (Formerly Millpack Co., Ltd.) | - | - | 183,524 | 435,791 |
| Elegance Packaging Co., Ltd. | - | - | 102,641 | 89,404 |
| Plastech lab Co., Ltd. | - | - | 232 | 280 |
| | <u>-</u> | <u>-</u> | <u>286,397</u> | <u>525,475</u> |
| Rental and service expenses | | | | |
| Subsidiaries:- | | | | |
| Plastech lab Co., Ltd. | - | - | 1,252 | 5,244 |
| Remuneration for executive | | | | |
| Short-term benefit | 73,773 | 75,154 | 73,773 | 75,154 |
| Benefit after leaving the Company | 2,277 | 2,511 | 2,277 | 2,511 |
| Other long-term benefit | - | - | - | - |
| Total | <u>76,050</u> | <u>77,665</u> | <u>76,050</u> | <u>77,665</u> |

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021

Outstanding balances with related companies as at December 31, 2021 and 2020 are as follows:

| | Thousand Baht | | | |
|--|----------------------------------|--------------|------------------------------|----------------|
| | Consolidated financial statement | | Separate financial statement | |
| | 2021 | 2020 | 2021 | 2020 |
| Short-term loans to | | | | |
| Subsidiaries:- | | | | |
| Panjawatana (Tianjin) Plastic Co., Ltd. | - | - | 23,273 | - |
| Long-term loans to | | | | |
| Subsidiaries:- | | | | |
| Panjawatana (Tianjin) Plastic Co., Ltd. | - | - | 11,636 | - |
| Trade and other account receivable | | | | |
| Subsidiaries:- | | | | |
| PJ Medical Co., Ltd. (Formerly Millpack Co., Ltd.) | - | - | 4,325 | 5,736 |
| Elegance Packaging Co., Ltd. | - | - | 13,640 | 13,134 |
| Plastech lab Co., Ltd. | - | - | 10 | 12 |
| Panjawatana (Tianjin) Plastic Co., Ltd. | - | - | - | 105 |
| Panjawattana (Jiangsu) Plastic Co., Ltd. | - | - | 1,502 | 1,655 |
| Other related parties:- | | | | |
| P.J. Composite Co., Ltd. | 328 | 1,149 | 328 | 1,149 |
| | <u>328</u> | <u>1,149</u> | <u>19,805</u> | <u>21,791</u> |
| Trade and other account payable | | | | |
| Subsidiaries:- | | | | |
| PJ Medical Co., Ltd. (Formerly Millpack Co., Ltd.) | - | - | 84,735 | 156,083 |
| Elegance Packaging Co., Ltd. | - | - | 44,006 | 25,079 |
| Panjawatana (Tianjin) Plastic Co., Ltd. | - | - | 2,090 | 1,844 |
| Plastech lab Co., Ltd. | - | - | 11,711 | 7,954 |
| Other related parties:- | | | | |
| P.J. Composite Co., Ltd. | 37 | 37 | 37 | 37 |
| | <u>37</u> | <u>37</u> | <u>142,579</u> | <u>190,997</u> |

Short-term loans to a subsidiary have mutual loan agreement at the amount of USD 700,000 (Baht 23.27 million) with a term of 1 year and carries interest rate at 4.00% per annum.

Long-term loans to a subsidiary have mutual loan agreement at the amount of USD 800,000 with a term of 3 years and carries interest rate at 4.50% per annum. As at December 31, 2021, there is a loan amounted USD 350,000 (Baht 11.64 million).

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021
Lease agreement with subsidiaries and other related parties

The Company had entered into the lease for factory space and service agreement to PJ Medical Co., Ltd. (Formerly Millpack Co., Ltd.) (subsidiary) for one years and four month, starting from September 1, 2020 - December 31, 2021 and rental rate of Baht 651,250 per month period. The contract renewal is made every 3 years. Later, on January 1, 2022 the lease term was renewed for another 3 years until December 31, 2024.

The Company had entered into the lease and service for factory to Plastech Lab Co., Ltd. (subsidiary) for three years, starting on January 1, 2017 - December 31, 2019 and rental rate of Baht 44,040 per month. On January 1, 2020, the agreement has been renewed for 3 years until December 31, 2022.

The Company had entered into a sublease and service agreement for the building and office space that the Company had rented to P.J. Composite Co., Ltd. (related). The rate of rental and service fees is Baht 157,500 per month, with 2 years and 7 months period from July 1, 2019 - February 1, 2022.

The Company had entered into a sublease and service agreement for warehouse space that the Company had rented to PJ Medical Co., Ltd. (Formerly Millpack Co., Ltd.) (subsidiary). The rate of rental and service fee is Baht 105,000 per month, with 1 year and 8 months period from June 1, 2020 - February 1, 2022. Later, on February 1, 2022 the lease term was renewed for another 1 year until January 31, 2023 at the rent at rate Baht 63,000 per month.

6. CASH AND CASH EQUIVALENT

Cash and cash equivalents consisted of :-

| | Thousand Baht | | | |
|---------------------------------|-----------------------------------|---------------|-------------------------------|---------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Cash in hand | 741 | 443 | 700 | 400 |
| Cash at banks - current account | 93,847 | 40,060 | 23,261 | 26,073 |
| Cash at banks - savings account | 15,898 | 27,485 | 15,888 | 6,897 |
| Total | <u>110,486</u> | <u>67,988</u> | <u>39,849</u> | <u>33,370</u> |

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

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021
7. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables consisted of :-

| | Thousand Baht | | | |
|--|-----------------------------------|---------|-------------------------------|---------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Trade accounts receivable | | | | |
| -third parties | 600,542 | 567,907 | 522,358 | 465,154 |
| -related parties | - | - | 14,634 | 16,117 |
| | 600,542 | 567,907 | 536,992 | 481,271 |
| <u>Less</u> Allowance for expected credit losses | (2,768) | (4,343) | (2,778) | (4,343) |
| Trade accounts receivable, net | 597,774 | 563,564 | 534,214 | 476,928 |
| Other accounts receivable | | | | |
| -third parties | 6,829 | 6,224 | 39 | 5 |
| -related parties | 328 | 1,149 | 5,171 | 5,674 |
| | 7,157 | 7,373 | 5,210 | 5,679 |
| <u>Less</u> Allowance for expected credit losses | - | - | - | - |
| Other accounts receivable, net | 7,157 | 7,373 | 5,210 | 5,679 |
| Deposit paid to mold | 48,307 | 28,301 | 48,307 | 28,301 |
| Deposit | 15,929 | 29,487 | 5,643 | 3,375 |
| Prepaid expenses | 7,170 | 5,382 | 4,972 | 4,949 |
| Advance payment | 1,062 | 1,212 | 1,052 | 1,158 |
| Deferred supplies | 27,995 | 29,050 | 27,995 | 28,695 |
| Loan to employee | 164 | 496 | 164 | 496 |
| Other | 1,706 | 1,592 | 1,126 | 1,381 |
| | 102,333 | 95,520 | 89,259 | 68,355 |
| Total trade and other current receivables | 707,264 | 666,457 | 628,683 | 550,962 |

Trade accounts receivable as at December 31, 2021 and 2020 classified by aging are as follows:

| | Thousand Baht | | | |
|---------------------|-----------------------------------|---------|-------------------------------|---------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Not yet due | 434,319 | 421,157 | 373,626 | 339,980 |
| Overdue | | | | |
| Less than 3 months | 159,536 | 143,154 | 157,305 | 139,431 |
| 3 - 6 months | 3,312 | 2,881 | 2,746 | 1,145 |
| 6 - 12 months | 1,100 | - | 1,040 | - |
| More than 12 months | 2,275 | 715 | 2,275 | 715 |
| | 600,542 | 567,907 | 536,992 | 481,271 |

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021

The movement of allowance for expected credit losses of trade accounts receivable during the years were as follow:

| | Thousand Baht | | | |
|--|-----------------------------------|--------------|-------------------------------|--------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Allowance for expected credit losses-beginning | 4,343 | 481 | 4,343 | 439 |
| Impact from adoption of TERS 9 | - | 2,957 | - | 2,957 |
| <u>Add</u> Increase in expected credit losses during the years | - | 947 | - | 947 |
| <u>Less</u> Decrease within years | (1,575) | (42) | (1,565) | - |
| Allowance for expected credit losses-ending | <u>2,768</u> | <u>4,343</u> | <u>2,778</u> | <u>4,343</u> |

8. RECEIVABLES UNDER THE AGREEMENT

Receivables under the agreement consisted of:

| | Baht | |
|---|---|----------|
| | Consolidated financial statements/ Separate financial statements | |
| | 2021 | 2020 |
| Receivables under the agreement | 13,144 | - |
| <u>Less</u> Deferred interest | (805) | - |
| Net | 12,339 | - |
| <u>Less</u> Current Portion | (5,736) | - |
| Receivables under the agreement - net | 6,603 | - |
| <u>Less</u> Allowance for the expected loss | - | - |
| Net | <u>6,603</u> | <u>-</u> |

The minimum lease payments and present value of minimum lease payments which the receivable will be paid under the agreements as at December 31, 2021 and 2020 were as follows:

| | Baht | | | |
|-----------------------------------|---|---|------------------------|---|
| | Consolidated financial statements/Separate financial statements | | | |
| | 2021 | | 2020 | |
| | Minimum lease payments | Present value of minimum lease payments | Minimum lease payments | Present value of minimum lease payments |
| Collection period | | | | |
| Within 1 year | 5,736 | 5,204 | - | - |
| Over 1 year but less than 5 years | 7,408 | 7,135 | - | - |
| | 13,144 | 12,339 | - | - |
| <u>Less</u> Deferred interest | (805) | - | - | - |
| Net | <u>12,339</u> | <u>12,339</u> | <u>-</u> | <u>-</u> |

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021
9. INVENTORIES

Inventories consisted of :-

| | Thousand Baht | | | |
|---|-----------------------------------|-----------------|-------------------------------|-----------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Raw materials | 113,199 | 97,821 | 96,249 | 76,697 |
| Finished goods | 91,236 | 81,656 | 72,808 | 62,603 |
| Work in process | 53,912 | 32,276 | 36,317 | 29,586 |
| Spare part for equipment and machine | 21,438 | 17,866 | 21,438 | 17,866 |
| Supplies | 20,006 | 19,958 | 15,329 | 12,227 |
| Mold | 41,005 | 4,470 | 41,005 | 4,348 |
| Goods in transit | 10,393 | 737 | 10,393 | 737 |
| | <u>351,189</u> | <u>254,784</u> | <u>293,539</u> | <u>204,064</u> |
| <u>Less</u> Allowance for diminution at net realizable value | <u>(27,975)</u> | <u>(21,711)</u> | <u>(25,761)</u> | <u>(19,872)</u> |
| Inventories - net | <u>323,214</u> | <u>233,073</u> | <u>267,778</u> | <u>184,192</u> |

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

| | Thousand Baht | | | |
|---|-----------------------------------|---------------|-------------------------------|---------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Allowance for diminution at net realizable value - beginning | 21,711 | 17,548 | 19,872 | 16,211 |
| <u>Add</u> Reserve within years | 6,784 | 4,163 | 6,598 | 3,661 |
| <u>(Less)</u> Transferred out within years | <u>(520)</u> | <u>-</u> | <u>(709)</u> | <u>-</u> |
| Allowance for diminution at net realizable value - ending | <u>27,975</u> | <u>21,711</u> | <u>25,761</u> | <u>19,872</u> |

10. UNBILL RECEIVABLE FOR PROJECT

Unbill receivable for project consisted of :-

| | Thousand Baht | | | |
|--|-----------------------------------|------------------|-------------------------------|------------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Project cost to present | 234,061 | 223,328 | 234,061 | 223,328 |
| Realized profit to present | (9,764) | (9,362) | (9,764) | (9,362) |
| Project cost incurred adjusting with realized profit to present | 224,297 | 213,966 | 224,297 | 213,966 |
| <u>(Less)</u> Annuity charged form employer | <u>(203,418)</u> | <u>(178,027)</u> | <u>(203,418)</u> | <u>(178,027)</u> |
| Unbill receivable for project | <u>20,879</u> | <u>35,939</u> | <u>20,879</u> | <u>35,939</u> |

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021

Unbill receivable as at December 31, 2021 and 2020 classified by aging are as follows:

| | Thousand Baht | | | |
|---------------------|-----------------------------------|---------------|-------------------------------|---------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Not yet due | 4,153 | - | 4,153 | - |
| Overdue | | | | |
| Less than 3 months | 3,238 | - | 3,238 | - |
| 3 - 6 months | 1,885 | - | 1,885 | - |
| 6 - 12 months | 1,272 | 19,617 | 1,272 | 19,617 |
| More than 12 months | 10,331 | 16,322 | 10,331 | 16,322 |
| | <u>20,879</u> | <u>35,939</u> | <u>20,879</u> | <u>35,939</u> |

11. OTHER CURRENT ASSETS

Other current assets consisted of : -

| | Thousand Baht | | | |
|-------------------------------|-----------------------------------|---------------|-------------------------------|---------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Withholding tax receivable | 100 | 52 | - | - |
| Undue input tax | 4,120 | 2,250 | 3,844 | 1,999 |
| Revenue Department receivable | 16,174 | 30,197 | 12,583 | 12,621 |
| Total | <u>20,394</u> | <u>32,499</u> | <u>16,427</u> | <u>14,620</u> |

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021
12. INVESTMENT IN SUBSIDIARIES

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

| Name | Paid up share capital | | % | | Equity method (Thousand Baht) | | Separate financial statement | | | |
|---|-----------------------|---------|--------|--------|-------------------------------|----------------|--------------------------------------|----------------|------------------------------|---------------|
| | (Thousand Baht) | | | | | | Cost method present in statements of | | Dividend income for the year | |
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | financial position (Thousand Baht) | | (Thousand Baht) | |
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| <u>In Thailand</u> | | | | | | | | | | |
| 1. PJ Medical Co., Ltd. (Formerly Millpack Co., Ltd.) | 30,000 | 30,000 | 99.98 | 99.98 | 70,104 | 89,404 | 29,993 | 29,993 | - | 32,392 |
| 2. Elegance Packaging Co., Ltd. | 1,000 | 1,000 | 99.97 | 99.97 | 6,326 | 4,089 | 999 | 999 | - | - |
| 3. Plastech lab Co., Ltd. | 20,000 | 20,000 | 99.99 | 99.99 | 23,833 | 23,807 | 20,000 | 20,000 | - | - |
| <u>In Foreign</u> | | | | | | | | | | |
| 4. Panjawattana (Tianjin) Plastic Co., Ltd. | 178,038 | 178,038 | 100.00 | 100.00 | 139,753 | 165,607 | 178,038 | 178,038 | - | - |
| 4. Panjawattana (Jiangsu) Plastic Co., Ltd. | 143,317 | 137,171 | 100.00 | 100.00 | 54,943 | 67,545 | 143,317 | 137,171 | - | - |
| | | | | | <u>294,959</u> | <u>350,452</u> | <u>372,347</u> | <u>366,201</u> | <u>-</u> | <u>32,392</u> |

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021

During the year 2020, the Company purchase the land and factory building from the restated person amount Baht 60 million and had the relevant cost amount Baht 0.41 million, total amount to Baht 60.41 million for the subsidiary's lease for operation.

Land and building with augured as above has mortgaged as collateral for loans granted by local commercial banks.

14. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consisted of :-

| | Thousand Baht | | | | |
|---|------------------------------------|--------------------------|-------------------------------|----------|------------------|
| | Consolidated financial statements | | | | |
| | Balance as at December 31, 2020 | Movement during the year | | | |
| | Addition | Deduction | Transfer in (Transfer out) | | |
| <u>At cost</u> | | | | | |
| Land | 149,640 | - | - | - | 149,640 |
| Plant and office building | 417,106 | 3,242 | - | 6,239 | 426,587 |
| Improvements on building | 154,071 | 3,651 | (331) | 1,043 | 158,434 |
| Support machine system | 386,238 | 13,439 | (1,333) | 2,862 | 401,206 |
| Machinery and equipment | 1,766,585 | 113,646 | (34,324) | 15,331 | 1,861,238 |
| Office equipment | 73,024 | 14,922 | (2,619) | 194 | 85,521 |
| Vehicles | 81,616 | 946 | (1,683) | (31) | 80,848 |
| Asset in progress | 3,653 | 36,187 | (544) | (25,638) | 13,658 |
| Total | 3,031,933 | 186,033 | (40,834) | - | 3,177,132 |
| <u>Less Accumulated depreciation</u> | | | | | |
| Plant and office building | 96,380 | 19,650 | - | - | 116,030 |
| Improvements on building | 74,541 | 8,110 | (115) | - | 82,536 |
| Support machine system | 198,396 | 28,236 | (1,058) | - | 225,574 |
| Machinery and equipment | 896,569 | 126,029 | (16,098) | - | 1,006,500 |
| Office equipment | 45,257 | 8,135 | (2,287) | - | 51,105 |
| Vehicles | 38,144 | 1,957 | (842) | - | 39,259 |
| Total | 1,349,287 | 192,117 | (20,400) | - | 1,521,004 |
| Allowance for impairment of asset | (14,646) | - | 503 | - | (14,143) |
| Differences from translation of foreign entity | (4,791) | 16,894 | - | - | 12,103 |
| Property, plant and equipment - net | <u>1,663,209</u> | | | | <u>1,654,088</u> |

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021

| | Thousand Baht | | | | | |
|---|-----------------------------------|--------------------------|-----------------|-------------------------------|------------------|-------------------|
| | Consolidated financial statements | | | | | |
| | Balance as at | Movement during the year | | | | Balance as at |
| | December 31, 2019 | Addition | Deduction | Transfer in (Transfer out) | | December 31, 2020 |
| <u>At cost</u> | | | | | | |
| Land | 110,492 | 39,148 | - | - | 149,640 | |
| Plant and office building | 409,892 | 22,042 | (14,828) | - | 417,106 | |
| Improvements on building | 149,491 | 1,522 | (1,890) | 4,948 | 154,071 | |
| Support machine system | 383,061 | 3,912 | (2,715) | 1,980 | 386,238 | |
| Machinery and equipment | 1,727,817 | 59,116 | (31,910) | 11,562 | 1,766,585 | |
| Office equipment | 73,524 | 6,029 | (6,987) | 458 | 73,024 | |
| Vehicles | 81,082 | 1,727 | (1,193) | - | 81,616 | |
| Asset in progress | 3,957 | 19,418 | (774) | (18,948) | 3,653 | |
| Total | <u>2,939,316</u> | <u>152,914</u> | <u>(60,297)</u> | <u>-</u> | <u>3,031,933</u> | |
| <u>Less Accumulated depreciation</u> | | | | | | |
| Plant and office building | 96,683 | 13,807 | (14,110) | - | 96,380 | |
| Improvements on building | 63,663 | 12,729 | (1,851) | - | 74,541 | |
| Support machine system | 171,136 | 29,452 | (2,192) | - | 198,396 | |
| Machinery and equipment | 787,462 | 132,348 | (23,241) | - | 896,569 | |
| Office equipment | 43,811 | 7,519 | (6,073) | - | 45,257 | |
| Vehicles | 36,416 | 2,236 | (508) | - | 38,144 | |
| Total | <u>1,199,171</u> | <u>198,091</u> | <u>(47,975)</u> | <u>-</u> | <u>1,349,287</u> | |
| Allowance for impairment of asset | (718) | (14,646) | 718 | - | (14,646) | |
| Differences from translation of foreign entity | (18,344) | 13,553 | - | - | (4,791) | |
| Property, plant and equipment - net | <u>1,721,083</u> | | | | <u>1,663,209</u> | |

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021

| | Thousand Baht | | | | | |
|--------------------------------------|-------------------------------|--------------------------|-----------------|-------------------------------|------------------|-------------------|
| | Separate financial statements | | | | | |
| | Balance as at | Movement during the year | | | | Balance as at |
| | December 31, 2020 | Addition | Deduction | Transfer in (Transfer out) | | December 31, 2021 |
| <u>At cost</u> | | | | | | |
| Land | 111,273 | - | - | - | 111,273 | |
| Plant and office building | 391,263 | - | - | 6,239 | 397,502 | |
| Improvements on building | 133,605 | 3,651 | (331) | 1,043 | 137,968 | |
| Support machine system | 373,590 | 13,439 | (1,333) | 2,862 | 388,558 | |
| Machinery and equipment | 1,360,926 | 98,448 | (15,348) | 6,727 | 1,450,753 | |
| Office equipment | 65,737 | 13,853 | (2,439) | 177 | 77,328 | |
| Vehicles | 81,386 | 915 | (1,683) | - | 80,618 | |
| Asset in progress | 3,959 | 34,177 | (544) | (17,048) | 20,544 | |
| Total | <u>2,521,739</u> | <u>164,483</u> | <u>(21,678)</u> | <u>-</u> | <u>2,664,544</u> | |
| <u>Less Accumulated depreciation</u> | | | | | | |
| Plant and office building | 96,127 | 13,709 | - | - | 109,836 | |
| Improvements on building | 67,036 | 8,093 | (115) | - | 75,014 | |
| Support machine system | 188,425 | 27,780 | (1,058) | - | 215,147 | |
| Machinery and equipment | 715,501 | 99,192 | (12,731) | - | 801,962 | |
| Office equipment | 41,647 | 7,187 | (2,144) | - | 46,690 | |
| Vehicles | 37,937 | 1,957 | (842) | - | 39,052 | |
| Total | <u>1,146,673</u> | <u>157,918</u> | <u>(16,890)</u> | <u>-</u> | <u>1,287,701</u> | |
| Allowance for impairment of asset | (14,646) | - | 503 | - | (14,143) | |
| Property, plant and equipment - net | <u>1,360,420</u> | | | | <u>1,362,700</u> | |

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021

| | Thousand Baht | | | | | |
|--------------------------------------|-------------------------------|--------------------------|-----------------|-------------------------------|------------------|-------------------|
| | Separate financial statements | | | | | |
| | Balance as at | Movement during the year | | | | Balance as at |
| | December 31, 2019 | Addition | Deduction | Transfer in (Transfer out) | | December 31, 2020 |
| <u>At cost</u> | | | | | | |
| Land | 110,492 | 781 | - | - | 111,273 | |
| Plant and office building | 391,263 | - | - | - | 391,263 | |
| Improvements on building | 127,392 | 1,522 | (257) | 4,948 | 133,605 | |
| Support machine system | 368,946 | 5,379 | (2,715) | 1,980 | 373,590 | |
| Machinery and equipment | 1,308,021 | 72,135 | (24,328) | 5,098 | 1,360,926 | |
| Office equipment | 66,703 | 5,255 | (6,679) | 458 | 65,737 | |
| Vehicles | 80,852 | 1,727 | (1,193) | - | 81,386 | |
| Asset in progress | 3,683 | 13,534 | (774) | (12,484) | 3,959 | |
| Total | <u>2,457,352</u> | <u>100,333</u> | <u>(35,946)</u> | <u>-</u> | <u>2,521,739</u> | |
| <u>Less Accumulated depreciation</u> | | | | | | |
| Plant and office building | 82,572 | 13,555 | - | - | 96,127 | |
| Improvements on building | 58,759 | 8,495 | (218) | - | 67,036 | |
| Support machine system | 162,182 | 28,435 | (2,192) | - | 188,425 | |
| Machinery and equipment | 640,138 | 96,770 | (21,407) | - | 715,501 | |
| Office equipment | 40,992 | 6,594 | (5,939) | - | 41,647 | |
| Vehicles | 36,209 | 2,236 | (508) | - | 37,937 | |
| Total | <u>1,020,852</u> | <u>156,085</u> | <u>(30,264)</u> | <u>-</u> | <u>1,146,673</u> | |
| Allowance for impairment of asset | - | (14,646) | - | - | (14,646) | |
| Property, plant and equipment - net | <u>1,436,500</u> | | | | <u>1,360,420</u> | |

Depreciation for the years ended December 31, 2021 and 2020 consist of :

| | Thousand Baht | | | |
|---------------------------|-----------------------------------|----------------|-------------------------------|----------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Cost | 183,897 | 190,062 | 150,600 | 148,927 |
| Administration expense | 8,220 | 8,029 | 7,318 | 7,158 |
| Depreciation for the year | <u>192,117</u> | <u>198,091</u> | <u>157,918</u> | <u>156,085</u> |

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021

As at December 31, 2021 and 2020, the Company has the difference from the purchase of assets in the same entity group in total amount of Baht 6,816,895.81 and Baht 7,016,786.78, respectively. The Company has recorded the difference between purchase price and selling price from the purchase of property, plant and equipment from common control company in the account “Differences on fixed assets acquired under common control company” which separately shown in the shareholders’ equity.

As at December 31, 2021 and 2020, the Company and its subsidiaries have total fixed assets at cost of Baht 563.41 million and Baht 494.94 million, respectively, the depreciation of total fixed assets are already calculated until full useful life but are still in use.

Land and buildings which acquired as above, some have mortgaged as collateral for loans granted by local commercial banks as discussed in Note 18 and 30.

As at December 31, 2021 and 2020, the Company and its subsidiaries have insured for insurance against loss for protection of these fixed assets, such as, vehicles in the rate of hundred percent, buildings and constructions located in Bangkok, Chonburi and Samutsakhon province and assets of the factory located in Bangkok, Samutsakhon, Chonburi province, Tianjin (China) and Jiangsu (China). Most beneficiaries are lenders from financial institutions and leasing companies. For Tainjin (China), the beneficiary is the subsidiary in China.

15. RIGHT-OF-USE ASSETS

15.1 Right - of - use assets consisted of :-

| | Thousand Baht | | | | Balance as at December 31, 2021 |
|--------------------------------------|------------------------------------|--------------------------|-------------------------------|---------------|------------------------------------|
| | Consolidated financial statements | | | | |
| | Balance as at December 31, 2020 | Movement during the year | | Balance as at | |
| | Addition | Deduction | Transfer in (Transfer out) | | |
| At cost | | | | | |
| Plant and office building | 103,081 | 2,355 | - | - | 105,436 |
| Vehicles | - | 10,110 | - | - | 10,110 |
| Total | 103,081 | 12,465 | - | - | 115,546 |
| Less Accumulated depreciation | | | | | |
| Plant and office building | (27,518) | (25,559) | - | - | (53,077) |
| Vehicles | - | (498) | - | - | (498) |
| Total | (27,518) | (26,057) | - | - | (53,575) |
| Differences from translation of | | | | | |
| foreign entity | 83 | 6,788 | - | - | 6,871 |
| Property, plant and equipment - net | 75,646 | | | | 68,842 |

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021

| | Thousand Baht | | | | | |
|--|---------------------------------------|---|----------------------------------|----------|----------|---------------------------------------|
| | Consolidated financial statement | | | | | |
| | Balance as at December 31, 2019 | The impacts of TFRS16 as at January 1, 2020 | Balance as at January 1, 2020 | Increase | Decrease | Balance as at December 31, 2020 |
| <u>Cost</u> | | | | | | |
| Building | - | 103,081 | 103,081 | - | - | 103,081 |
| <u>Less</u> Accumulated depreciation | | | | | | |
| Building | - | - | - | (27,518) | - | (27,518) |
| Differences from translation of foreign | - | - | - | 83 | - | 83 |
| Right-of-use asset - net | - | 103,081 | 103,081 | | | 75,646 |

| | Thousand Baht | | | | |
|--------------------------------------|------------------------------------|--------------------------|-----------|-------------------------------|------------------------------------|
| | Separate financial statements | | | | |
| | Balance as at December 31, 2020 | Movement during the year | | | Balance as at December 31, 2021 |
| | | Addition | Deduction | Transfer in (Transfer out) | |
| <u>At cost</u> | | | | | |
| Plant and office building | 12,038 | 2,355 | - | - | 14,393 |
| Vehicles | - | 10,110 | - | - | 10,110 |
| Total | 12,038 | 12,465 | - | - | 24,503 |
| <u>Less</u> Accumulated depreciation | | | | | |
| Plant and office building | (5,778) | (5,778) | - | - | (11,556) |
| Vehicles | - | (498) | - | - | (498) |
| Total | (5,778) | (6,276) | - | - | (12,054) |
| Property, plant and equipment - net | 6,260 | | | | 12,449 |

| | Thousand Baht | | | | | |
|--------------------------------------|---------------------------------------|---|----------------------------------|----------|----------|---------------------------------------|
| | Separate financial statement | | | | | |
| | Balance as at December 31, 2019 | The impacts of TFRS16 as at January 1, 2020 | Balance as at January 1, 2020 | Increase | Decrease | Balance as at December 31, 2020 |
| <u>Cost</u> | | | | | | |
| Building | - | 12,038 | 12,038 | - | - | 12,038 |
| <u>Less</u> Accumulated depreciation | | | | | | |
| Building | - | - | - | (5,778) | - | (5,778) |
| Right-of-use asset - net | - | 12,038 | 12,038 | | | 6,260 |

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021

The Company and its subsidiary lease several assets including factory buildings, machine and vehicles of which average lease term during 3 - 5 years.

15.2 Amounts recognized in the statement of comprehensive income for the years ended December 31, 2021 and 2020 are comprise;

| | Thousand Baht | | | |
|---------------------------------------|-----------------------------------|---------------|-------------------------------|--------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Depreciation of right-of-use assets | 26,057 | 27,519 | 6,276 | 5,778 |
| Interest expense on lease liabilities | 4,045 | 4,791 | 967 | 332 |
| Total | 30,102 | 32,310 | 7,243 | 6,110 |

For the years ended December 31, 2021 and 2020, the total cash outflow for leases on consolidated and separated financial statements amount to Baht 44.52 million and Baht 18.86 million, respectively.

16. COMPUTER SOFTWARE

Computer software consisted of:-

| | Thousand Baht | | | | |
|---|------------------------------------|--------------------------|-------------------------------|---|------------------------------------|
| | Consolidated financial statements | | | | |
| | Balance as at December 31, 2020 | Movement during the year | | | Balance as at December 31, 2021 |
| | Addition | Deduction | Transfer in (Transfer out) | | |
| <i>At cost</i> | | | | | |
| Computer software | 25,320 | 3,961 | (2,234) | - | 27,047 |
| (Less) Accumulated amortization | (18,359) | (1,773) | 2,230 | - | (17,902) |
| Differences from translation of foreign entity | (125) | 8 | - | - | (117) |
| Intangible assets - net | 6,836 | | | | 9,028 |

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021

| | Thousand Baht | | | | |
|---|-----------------------------------|--------------------------|-----------|-------------------------------|-------------------|
| | Consolidated financial statements | | | | |
| | Balance as at | Movement during the year | | | Balance as at |
| | December 31, 2019 | Addition | Deduction | Transfer in (Transfer out) | December 31, 2020 |
| <u>At cost</u> | | | | | |
| Computer software | 25,507 | 353 | (540) | - | 25,320 |
| <u>(Less) Accumulated amortization</u> | (17,153) | (1,661) | 455 | - | (18,359) |
| Differences from translation of foreign entity | (129) | 4 | - | - | (125) |
| Intangible assets - net | 8,225 | | | | 6,836 |

| | Thousand Baht | | | | |
|--|-------------------------------|--------------------------|-----------|-------------------------------|-------------------|
| | Separate financial statements | | | | |
| | Balance as at | Movement during the year | | | Balance as at |
| | December 31, 2020 | Addition | Deduction | Transfer in (Transfer out) | December 31, 2021 |
| <u>At cost</u> | | | | | |
| Computer software | 24,525 | 3,961 | (2,234) | - | 26,252 |
| <u>(Less) Accumulated amortization</u> | (17,920) | (1,719) | 2,230 | - | (17,409) |
| Intangible assets - net | 6,605 | | | | 8,843 |

| | Thousand Baht | | | | |
|--|-------------------------------|--------------------------|-----------|-------------------------------|-------------------|
| | Separate financial statements | | | | |
| | Balance as at | Movement during the year | | | Balance as at |
| | December 31, 2019 | Addition | Deduction | Transfer in (Transfer out) | December 31, 2020 |
| <u>At cost</u> | | | | | |
| Computer software | 24,674 | 314 | (463) | - | 24,525 |
| <u>(Less) Accumulated amortization</u> | (16,770) | (1,578) | 428 | - | (17,920) |
| Intangible assets - net | 7,904 | | | | 6,605 |

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021

| | Thousand Baht | | | |
|---------------------------|----------------------------------|-------|------------------------------|-------|
| | Consolidated financial statement | | Separate financial statement | |
| | 2021 | 2020 | 2021 | 2020 |
| Amortization for the year | 1,773 | 1,661 | 1,719 | 1,578 |

17. DEFERRED TAX ASSETS AND DEFERED TAX LIABILITIES

Deferred tax assets and deferred tax liabilities as follows:-

| | Thousand Baht | | | |
|--------------------------|-----------------------------------|---------|-------------------------------|---------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Deferred tax assets | 27,219 | 23,278 | 24,294 | 21,984 |
| Deferred tax liabilities | (9,111) | (7,347) | (9,111) | (7,347) |
| Net | 18,108 | 15,931 | 15,183 | 14,637 |

Changes in deferred tax for the year ended December 31, 2021 and 2020 are summarized as follows:-

| | Thousand Baht | | | |
|--|-----------------------------------|-------------------------------------|-------|--------------------------------|
| | Consolidated financial statements | | | Balance as at Dec. 31, 2021 |
| | Balance as at Dec. 31, 2020 | Revenue (expenses) during the year | | |
| In profit or loss | | In other comprehensive income | | |
| Deferred tax assets: | | | | |
| Trade account receivable | 712 | (297) | - | 415 |
| Inventories | 3,827 | 1,205 | - | 5,032 |
| Derivative | 846 | (671) | 426 | 601 |
| Property, plant, and equipment | 3,567 | (718) | - | 2,849 |
| Other asset | - | 381 | - | 381 |
| Estimate of rebate | 1,766 | 950 | - | 2,716 |
| Provisions for employee benefits | 12,560 | 3,194 | (529) | 15,225 |
| Total | 23,278 | 4,044 | (103) | 27,219 |
| Deferred tax liabilities: | | | | |
| Lease assets | (7,347) | (1,175) | - | (8,522) |
| Gain from sales under the agreement | - | (589) | - | (589) |
| Total | (7,347) | (1,764) | - | (9,111) |
| Deferred tax assets (liabilities), net | 15,931 | 2,280 | (103) | 18,108 |

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021

| Thousand Baht | | | | | | |
|--|---|-------------------------------|-----------------------------------|-------------------------------------|--------------------------------|---------|
| Consolidated financial statements | | | | | | |
| Balance as at Dec. 31, 2019 | The impacts of adoption of TFRS 9 | Balance as at Jan. 1, 2020 | Income (expenses) during the year | | Balance as at Dec. 31, 2020 | |
| | | | In profit or loss | In other comprehensive income | | |
| Deferred tax assets : | | | | | | |
| Trade account receivable | 11 | 319 | 330 | 382 | - | 712 |
| Inventories | 3,004 | - | 3,004 | 823 | - | 3,827 |
| Derivative | - | 379 | 379 | 467 | - | 846 |
| Property, plant, and equipment | 2,839 | - | 2,839 | 728 | - | 3,567 |
| Estimate of rebate | - | - | - | 1,766 | - | 1,766 |
| Provisions for employee benefits | 10,791 | - | 10,791 | 1,769 | - | 12,560 |
| Total | 16,645 | 698 | 17,343 | 5,935 | - | 23,278 |
| Deferred tax liabilities | | | | | | |
| Property, plant, and equipment | (9,945) | - | (9,945) | 2,598 | - | (7,347) |
| Total | (9,945) | - | (9,945) | 2,598 | - | (7,347) |
| Deferred tax assets (liabilities), net | 6,700 | 698 | 7,398 | 8,533 | - | 15,931 |

| Separate financial statements (Thousand Baht) | | | | |
|---|------------------------------------|-------------------------------------|--------------------------------|--|
| Balance as at Dec. 31, 2020 | Revenue (expenses) during the year | | Balance as at Dec. 31, 2021 | |
| | In profit or loss | In other comprehensive income | | |
| Deferred tax assets: | | | | |
| Trade account receivable | 712 | (297) | 415 | |
| Inventories | 3,596 | 1,168 | 4,764 | |
| Derivative | 846 | (671) | 601 | |
| Property, plant, and equipment | 3,145 | (707) | 2,438 | |
| Others asset | - | 381 | 381 | |
| Estimate of rebate | 1,766 | 950 | 2,716 | |
| Provisions for employee benefits | 11,919 | 1,624 | 12,979 | |
| Total | 21,984 | 2,448 | 24,294 | |
| Deferred tax liabilities: | | | | |
| Lease assets | (7,347) | (1,175) | (8,522) | |
| Receivable under the agreement | - | (589) | (589) | |
| Total | (7,347) | (1,764) | (9,111) | |
| Deferred tax assets (liabilities), net | 14,637 | 684 | 15,183 | |

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021

| | Thousand Baht | | | | | |
|--|-------------------------------|--------------------------|---------------|-----------------------------------|-------------------------------------|---------------|
| | Separate financial statements | | | | | |
| | Balance as at | The impacts | Balance as at | Income (expenses) during the year | | Balance as at |
| | Dec. 31, 2019 | of adoption of TFRS 9 | Jan. 1, 2020 | In profit or loss | In other comprehensive income | Dec. 31, 2020 |
| Deferred tax assets : | | | | | | |
| Trade account receivable | 11 | 319 | 330 | 382 | - | 712 |
| Inventories | 3,004 | - | 3,004 | 592 | - | 3,596 |
| Derivative | - | 379 | 379 | 467 | - | 846 |
| Property, plant, and equipment | 2,839 | - | 2,839 | 306 | - | 3,145 |
| Estimate of rebate | - | - | - | 1,766 | - | 1,766 |
| Provisions for employee benefits | 10,674 | - | 10,674 | 1,245 | - | 11,919 |
| Total | 16,528 | 698 | 17,226 | 4,758 | - | 21,984 |
| Deferred tax liabilities | | | | | | |
| Property, plant, and equipment | (9,289) | - | (9,289) | 1,942 | - | (7,347) |
| Total | (9,289) | - | (9,289) | 1,942 | - | (7,347) |
| Deferred tax assets (liabilities), net | 7,239 | 698 | 7,937 | 6,700 | - | 14,637 |

18. OTHER NON-CURRENT ASSETS

Other non-current assets consisted of :-

| | Thousand Baht | | | |
|---------------------------------------|-----------------------------------|--------|-------------------------------|--------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Deposit from purchase of fixed assets | 11,940 | 3,200 | 11,344 | 2,564 |
| Mold amortized - net of impairment | 51,644 | 63,315 | 55,800 | 64,170 |
| Long-term deferred material | 1,729 | 4,396 | 1,729 | 4,396 |
| Deferred expense-long term | 13,854 | 10,700 | 10,339 | 10,700 |
| Deposit for lease agreement | 4,013 | 3,088 | 1,045 | 1,045 |
| Total | 83,180 | 84,699 | 80,257 | 82,875 |

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021
19. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

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

| | Thousand Baht | | | |
|------------------|-----------------------------------|----------------|-------------------------------|----------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Overdraft | 9,838 | 333 | 9,838 | - |
| Promissory notes | 443,505 | 370,341 | 347,500 | 210,000 |
| Trust receipt | 105,916 | 79,541 | 105,916 | 79,541 |
| Total | <u>559,259</u> | <u>450,215</u> | <u>463,254</u> | <u>289,541</u> |

As at December 2021 and 2020, the Company and its subsidiaries have bank overdraft and short-term loans from financial institution with 7 local commercial bank and 2 foreign commercial bank.

The overdraft and short-term loan lines are secured by mortgage of property and construction of the Company and company's machinery as well as the benefits from property insurance for using as collateral for credit limit. (see note 14).

20. TRADE AND OTHER CURRENT ACCOUNTS PAYABLE

Trade and other current accounts payable consist of :-

| | Thousand Baht | | | |
|--|----------------------------------|----------------|------------------------------|----------------|
| | Consolidated financial statement | | Separate financial statement | |
| | 2021 | 2020 | 2021 | 2020 |
| Trade accounts payable - third parties | 332,304 | 333,092 | 264,111 | 245,480 |
| - related parties | - | - | 136,568 | 147,912 |
| Total | <u>332,304</u> | <u>333,092</u> | <u>400,679</u> | <u>393,392</u> |
| Account payable for asset purchase | | | | |
| -third parties | 15,004 | 15,028 | 14,844 | 14,883 |
| - related parties | - | - | - | 43,049 |
| Deposit received to mold | 2,672 | 895 | 2,672 | 895 |
| Accrued expenses | 104,646 | 110,490 | 97,403 | 100,847 |
| Other payable - third parties | 9,946 | 9,774 | 7,057 | 5,396 |
| - related parties | 37 | 37 | 6,011 | 37 |
| Other | 2,038 | 3,500 | 2,062 | 3,500 |
| Total trade and other account payable | <u>466,647</u> | <u>472,816</u> | <u>530,728</u> | <u>561,999</u> |

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021
21. OTHER CURRENT LIABILITIES

Other current liabilities consisted of :-

| | Thousand Baht | | | |
|----------------------------|----------------------------------|--------------|------------------------------|--------------|
| | Consolidated financial statement | | Separate financial statement | |
| | 2021 | 2020 | 2021 | 2020 |
| Withholding tax payable | 2,299 | 1,733 | 2,052 | 1,435 |
| Revenue Department payable | 2,868 | 2,887 | 1,917 | 729 |
| Undue output vat | 669 | 697 | 18 | 40 |
| Total | 5,836 | 5,317 | 3,987 | 2,204 |

22. LONG-TERM LOANS

Long-term loans consist of :-

| Loans | Thousand Baht | | | |
|----------------------------------|------------------------------------|----------------|------------------|------------------------------------|
| | Consolidated financial statements | | | Balance as at December 31, 2021 |
| | Balance as at December 31, 2020 | Increase | Decrease | |
| 1. Baht 41.00 million | 970 | - | (970) | - |
| 2. Baht 48.00 million | 13,893 | - | (7,578) | 6,315 |
| 3. Baht 200.00 million | 66,400 | - | (40,080) | 26,320 |
| 4. Baht 80.00 million | 44,090 | - | (15,960) | 28,130 |
| 5. Baht 225.00 million | 110,580 | - | (45,768) | 64,812 |
| 6. Baht 80.00 million | 53,000 | - | (18,000) | 35,000 |
| 7. Baht 94.40 million | 86,500 | - | (18,960) | 67,540 |
| 8. Baht 5.60 million | 4,660 | - | (1,128) | 3,532 |
| 9. Baht 32.00 million | 28,400 | - | (7,200) | 21,200 |
| 10. Baht 20.00 million | 20,000 | - | - | 20,000 |
| 11. Baht 50.00 million | 47,620 | - | (7,140) | 40,480 |
| 12. Baht 90.00 million | 90,000 | - | (16,700) | 73,300 |
| 13. Baht 100.00 million | 50,000 | 50,000 | (24,960) | 75,040 |
| 14. Baht 110.00 million | - | 110,000 | (12,831) | 97,169 |
| 15. Yuan 30.00 million | - | 30,000 | - | 30,000 |
| 16. Yuan 6.00 million | 1,705 | - | (1,705) | - |
| 17. Yuan 5.00 million | 15,160 | - | (8,780) | 6,380 |
| 18. Yuan 5.00 million | 8,417 | - | (6,353) | 2,064 |
| Less deferred loan fee | (492) | (275) | 182 | (585) |
| Total | 640,903 | 189,725 | (233,931) | 596,697 |
| Less payment due within one year | (203,220) | | | (239,923) |
| Net | 437,683 | | | 356,774 |

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021

| Loans | Thousand Baht | | | |
|----------------------------------|------------------------------------|----------|-----------|------------------------------------|
| | Separate financial statements | | | |
| | Balance as at December 31, 2020 | Increase | Decrease | Balance as at December 31, 2021 |
| 1. Baht 48.00 million | 13,893 | - | (7,578) | 6,315 |
| 2. Baht 200.00 million | 66,400 | - | (40,080) | 26,320 |
| 3. Baht 80.00 million | 44,090 | - | (15,960) | 28,130 |
| 4. Baht 225.00 million | 110,580 | - | (45,768) | 64,812 |
| 5. Baht 80.00 million | 53,000 | - | (18,000) | 35,000 |
| 6. Baht 94.40 million | 86,500 | - | (18,960) | 67,540 |
| 7. Baht 5.60 million | 4,660 | - | (1,128) | 3,532 |
| 8. Baht 32.00 million | 28,400 | - | (7,200) | 21,200 |
| 9. Baht 20.00 million | 20,000 | - | - | 20,000 |
| 10. Baht 50.00 million | 47,620 | - | (7,140) | 40,480 |
| 11. Baht 90.00 million | 90,000 | - | (16,700) | 73,300 |
| 12. Baht 100.00 million | 50,000 | 50,000 | (24,960) | 75,040 |
| 13. Baht 110.00 million | - | 110,000 | (12,831) | 97,169 |
| 14. Baht 30.00 million | - | 30,000 | - | 30,000 |
| Less deferred loan fee | (492) | (275) | 182 | (585) |
| Total | 614,651 | 189,725 | (216,123) | 588,253 |
| Less payment due within one year | (191,014) | | | (233,787) |
| Net | 423,637 | | | 354,466 |

As at December 31, 2021, there is a loan from 4 local Commercial banks and 1 foreign Commercial bank (loan amount Baht 1,079.70 million and Yuan 18.00 million) which consists of :-

| Loan amount | Installment | Each | First installment | Note |
|------------------------|-------------|--------------|--------------------|----------------------------|
| 1. Baht 41.00 million | | | | Subsidiary is borrower |
| Baht 10.80 million | 70 | 135,000.00 | April 30, 2015 | transfer from amount of |
| Baht 30.20 million | 70 | 504,000.00 | January 31, 2016 | Baht 30.20 million |
| Baht 26.20 million | 60 | 435,000.00 | April 30, 2016 | |
| 2. Baht 48.00 million | | | | During 2016, the principal |
| Baht 10.11 million | 77 | 800,000.00 | November 30, 2015 | repayment has been |
| | | 168,500.00 | March 31, 2016 | changed |
| Baht 37.89 million | 60 | 631,500.00 | May 31, 2017 | |
| 3. Baht 200.00 million | 60 | 3,340,000.00 | September 30, 2017 | |
| 4. Baht 80.00 million | | | | |
| Baht 73.56 million | 60 | 1,330,000.00 | March 31, 2018 | |
| Baht 6.44 million | | | | |

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021

| Loan amount | Installment | Each | First installment | Note |
|-------------------------|-------------|---------------|--------------------|-------------------------------------|
| 5. Baht 225.00 million | 60 | 3,814,000.00 | January 31, 2018 | |
| 6. Baht 80.00 million | 9 | 9,000,000.00 | December 31, 2019 | (Six-month = 1 installment) |
| 7. Baht 94.40 million | 60 | 1,580,000.00 | January 31, 2020 | |
| 8. Baht 5.60 million | 60 | 94,000.00 | September 30, 2019 | |
| 9. Baht 32.00 million | 9 | 3,600,000.00 | September 30, 2019 | (Six-month = 1 installment) |
| 10. Baht 20.00 million | 1 | 20,000,000.00 | April 20, 2022 | (Twenty four-month = 1 installment) |
| 11. Baht 50.00 million | 84 | 595,000.00 | September 30, 2020 | |
| 12. Baht 90.00 million | 54 | 1,670,000.00 | March 31, 2021 | |
| 13. Baht 100.00 million | 48 | 2,080,000.00 | January 31, 2021 | |
| 13. Baht 110.00 million | 60 | 1,833,000.00 | June 30, 2021 | |
| 14. Baht 30.00 million | 1 | 30,000,000.00 | December 2, 2026 | (Sixty-month = 1 installment) |
| 15. Yuan 6 million | | | | Overseas subsidiary |
| Yuan 3.44 million | 12 | 286,418.75 | August 21, 2016 | (three-month = 1 installment) |
| Yuan 1.20 million | 13 | 92,307.69 | December 21, 2018 | |
| 16. Yuan 2.00 million | | | | Overseas subsidiary |
| Yuan 0.85 million | 9 | 94,886.67 | January 10, 2018 | |
| 17. Yuan 5.00 million | 13 | 350,595.47 | March 21, 2020 | Overseas subsidiary |
| 18. Yuan 5.00 million | 13 | 143,123.07 | October 31, 2020 | Overseas subsidiary |

The loans facilities mentioned above are secured in full amounts by land and building of the Company and by machineries of the Company and its subsidiary and its insurance benefits. (see note 14)

The loans facilities have interest rates set by bank.

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

| conditions | conditions in agreements |
|--|--------------------------|
| The Company shall maintain its debt to equity (D/E ratio) at the ratio not exceeding | 2.0 times |

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021
23. LIABILITIES UNDER FINANCIAL LEASE CONTRACT

Liabilities under financial lease contract as at December 31, 2021 and 2020 are as follows:

| | Thousand Baht | | | |
|--|-----------------------------------|---------------|-------------------------------|---------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Within one year | 41,857 | 44,657 | 16,714 | 19,576 |
| After one year but not over five years | 80,741 | 106,071 | 43,964 | 51,100 |
| Total minimum payments | 122,598 | 150,728 | 60,678 | 70,676 |
| <u>Less</u> deferred interest | (9,072) | (12,750) | (3,934) | (5,222) |
| Deferred input vat | (3,232) | (3,983) | (3,232) | (3,983) |
| Total minimum payment - net | 110,294 | 133,995 | 53,512 | 61,471 |
| <u>Less</u> current portions | (37,759) | (39,218) | (15,021) | (17,543) |
| Net | <u>72,535</u> | <u>94,777</u> | <u>38,491</u> | <u>43,928</u> |

The carrying amounts of lease liabilities and the movement for the year ended December 31, 2021 and 2020 are presented below.

| | Thousand Baht | | | |
|---|-----------------------------------|---------------|-------------------------------|---------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| As at January 1 | 133,994 | 110,614 | 61,471 | 19,571 |
| Addition | 10,038 | 51,586 | 10,038 | 51,586 |
| Accretion of interest | 5,125 | 4,791 | 2,047 | 331 |
| Payments | (45,698) | (33,115) | (20,044) | (10,017) |
| Difference from translation of foreign entity | 6,835 | 119 | - | - |
| As at December 31 | 110,294 | 133,995 | 53,512 | 61,471 |
| Less : current portion | (37,759) | (39,218) | (15,021) | (17,543) |
| Lease liabilities - net of current portion | <u>72,535</u> | <u>94,777</u> | <u>38,491</u> | <u>43,928</u> |

As at December 31, 2021 and 2020, the Company and its subsidiaries have factory and warehouse and vehicles long-term lease agreements total 22 contracts and 21 contracts respectively.

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021
24. PROVISION FOR EMPLOYEE BENEFIT

As at December 31, 2021 and 2020, the Company and its subsidiaries have provision for employee benefit as follow:-

The statements of financial position

| | Thousand Baht | | | |
|--|-----------------------------------|---------------|-------------------------------|---------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Provision for employee benefit Beginning balance | 68,812 | 62,494 | 65,360 | 58,452 |
| Actuarial gain | (2,748) | - | (2,900) | - |
| Transfer of employee benefit obligations to subsidiary | - | - | (5,258) | - |
| Current service costs and interest | 15,209 | 8,450 | 12,417 | 7,849 |
| Benefits paid by the plan | (3,361) | (2,132) | (3,251) | (941) |
| Provision for employee benefit at Ending balance | <u>77,912</u> | <u>68,812</u> | <u>66,368</u> | <u>65,360</u> |

Expense recognized in statement of comprehensive income

| | Thousand Baht | | | |
|--|-----------------------------------|--------------|-------------------------------|--------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Current service costs | | | | |
| Cost of sales | 542 | 3,629 | 171 | 3,156 |
| Administrative expenses | 11,365 | 1,084 | 9,000 | 1,032 |
| Management and directors' benefit expenses | 2,277 | 2,511 | 2,277 | 2,511 |
| | <u>14,184</u> | <u>7,224</u> | <u>11,448</u> | <u>6,699</u> |
| Interest on obligation | 1,025 | 1,226 | 969 | 1,150 |
| Total | <u>15,209</u> | <u>8,450</u> | <u>12,417</u> | <u>7,849</u> |

Principal actuarial assumptions at the reporting date

| | Consolidated financial statements | | Separate financial statements | |
|------------------------|--|--|--|--|
| | 2021 | 2020 | 2021 | 2020 |
| | Discount rate | 1.09%, 1.11%, 1.50%, 2.44% | 1.71%, 1.75%, 1.55% | 1.09%, 1.11% |
| Salary increase rate | 3% | 3% | 3% | 3% |
| Employee turnover rate | 3-45% | 5 - 18% | 13-45% | 10 - 46% |
| Employee turnover rate | 14-77% | 7 - 85% | 16-77% | 10 - 85% |
| Disability rate | 5% of Thai's Mortality Rate (2018) | 5% of Thai's Mortality Rate (2018) | 5% of Thai's Mortality Rate (2018) | 5% of Thai's Mortality Rate (2018) |

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021
Sensitivity analysis

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2021 and 2020 are summarized below:

| | Consolidated (Thousand Baht) | | | |
|----------------------|------------------------------|-------------|-------------|-------------|
| | 2021 | | 2020 | |
| | 1% increase | 1% decrease | 1% increase | 1% decrease |
| Discount rate | (2,591) | 2,860 | (2,556) | 2,831 |
| Salary increase rate | 2,999 | (2,764) | 3,764 | (3,462) |
| Turnover rate | (2,801) | 1,487 | (2,784) | 1,557 |

| | Separate financial statement (Thousand Baht) | | | |
|----------------------|--|-------------|-------------|-------------|
| | 2021 | | 2020 | |
| | 1% increase | 1% decrease | 1% increase | 1% decrease |
| Discount rate | (1,952) | 2,156 | (2,301) | 2,544 |
| Salary increase rate | 2,242 | (2,067) | 3,431 | (3,163) |
| Turnover rate | (2,140) | 1,165 | (2,509) | 1,408 |

25. SHARE CAPITAL

According to the Extra Ordinary Meeting of Shareholders' No. 1/2021 dated June 24, 2021, it has approved as follow:

1. Approved the issuance of warrants to purchase the Company's ordinary shares No. 1 ("PJW-W1") for the amount not exceeding 191,359,982 units allotted by means of Right Offerings at allotment ration of 3 existing shares for 1 unit of the warrants. The warrants will have a term up to 3 years from the issuance date and 1 unit of the warrants has the right to purchase 1 ordinary shares of the Company at Baht 3 per share, except in case of right adjustment as stipulated in the right adjustment conditions of the warrants.
2. Approved the reduction of the registered capital of the Company from Baht 287,040,000 to Baht 287,039,972.50 by cancelling unsubscribed 55 ordinary shares at a par value of Baht 0.50 per share and the amendment of the Clause 4 of the Memorandum of Association to reflect the reduction of the registered capital.
3. Approved the increase of the registered capital of the Company from Baht 287,039,972.50 to Baht 382,719,963.50 by issuance of 191,359,982 new ordinary shares at a par value of Baht 0.50 per share or a total amount of Baht 95,679,991.00 and the amendment of the Clause 4 of the Memorandum of Association to reflect the increase of the registered capital.
4. Approved the allotment of up to 191,359,982 shares with a par value of Baht 0.50 per share to accommodate the exercise of right to purchase the Company's ordinary shares according to PJW-W1.

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021
26. WARRANTS

Warrants to purchase ordinary shares No.1 (PJW-W1)

As at December 31, 2021, the details of warrants to purchase ordinary shares No.1 (PJW-W1) are as follows:

| | |
|----------------------------|---|
| Type of warrants | : Issued in the names of respective holder and negotiable |
| Term of warrants | : 3 years from the issuing date |
| Number of warrants offered | : 191,359,982 units |
| Exercise ratio | : 1 warrant per 1 ordinary shares |
| Exercise price | : Baht 3.00 per share |
| Trade date | : July 19, 2022 |
| Exercise date | : On the last business day of May and November of each year, throughout the term of the warrants and the first exercise date is the last business day of June 2025. |

The last exercise date : July 18, 2025

Extra Ordinary Meeting of Shareholders No.1/2021 held on June 24, 2021 has the resolution to approve the issuance of warrants to purchase newly issued ordinary share of the Company No. 1 (PJW-W1) amounting to 191,359,982 units to the existing shareholders free of charge at the ratio of 3 ordinary shares to 1 warrant.

As at December 31, 2021, there is outstanding balance of unexercised warrants to purchase ordinary share No. 1 (PJW-W1) is 191,359,982 units.

27. LEGAL RESERVE

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

28. ALLOCATION OF RETAINED EARNINGS
Parent Company
Year 2021

According to the Annual General Meeting of Shareholders’ No.1/2021 on April 2, 2021, resolved to approve payment of dividend to shareholders at the rate of Baht 0.125 per share, totaling Baht 71,759,993.13. The dividend will be paid from net profit from January 1, 2020 to December 31, 2020. Payment will be made on April 30, 2021.

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021

According to the Annual General Meeting of Shareholders' No.6/2021 on November 13, 2021, resolved to approve payment of dividend to shareholders at the rate of Baht 0.08 per share, totaling Baht 45,926,395.60. The dividend will be paid from net profit from January 1, 2021 to September 30, 2021. Payment will be made on December 9, 2021.

Year 2020

According to the Meeting of Board of Directors' No. 5/2020 dated April 20, 2020, it has approved to pay the interim dividend to the Company's shareholders at Baht 0.07 per share, totalling not over Baht 40,185,596.15, from the retain earnings of the promoted business which was exempted from corporate income tax. The dividend payment is scheduled on May 18, 2020.

Subsidiaries
Year 2020

According to the Extraordinary Shareholders' Meeting No.1/2020 of Millpack Co., Ltd. (a subsidiary) on May 14, 2020, which has approved the resolution to pay the dividend from unappropriated retained earnings as at December 31, 2019 at Baht 2,700.00 per share, at the total amount of Baht 32,400,000.00 without setting any additional legal reserve as the Company has set the legal reserve not less than 10% of the registered capital. The dividend payment will be made on June 30, 2020.

29. PROVIDENT FUND

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

Provident funds' expense for the years ended December 31, 2021 and 2020 are as follow:-

| | Thousand Baht | | | |
|--------------------------|-----------------------------------|-------|-------------------------------|-------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Provident funds' expense | 7,652 | 6,997 | 7,000 | 6,540 |

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021

30. CREDIT LIMIT

As at December 31, 2021, the Company and its subsidiaries have many credit limits with seven financial intuitions.

| | Credit limit | Increase | Used | Expired | Remaining credit limit |
|---------------------------------|-----------------|----------|-------------------|----------------|---------------------------|
| Overdrafts (million Baht) | 85.80 | - | (9.84) | - | 75.96 |
| Current loan (million Baht) | 960.73 | - | (495.37) | - | 465.36 |
| Long-term loan (million Baht) | 1,154.89 | - | (1,104.89) | - | 50.00 |
| Guarantee (million Baht) | 277.00 | - | (64.50) | - | 212.50 |
| Forward contract (million Baht) | 222.00 | - | (17.45) | - | 204.55 |
| Standby L/C (million Baht) | 232.57 | - | (115.00) | (11.42) | 106.15 |
| Total (million Baht) | <u>2,932.99</u> | <u>-</u> | <u>(1,807.05)</u> | <u>(11.42)</u> | <u>1,114.52</u> |
| Forward contract (million USD) | 12.00 | - | (0.61) | - | 11.39 |
| Current loan (million RMB) | 42.00 | - | (12.38) | - | 29.62 |
| Long-term loan (million RMB) | 10.00 | - | (1.61) | - | 8.39 |

This credit secured by the mortgage company's land (Please see note 14) and giving beneficiary of sum insured of the company's fixed assets to the financial intuitions.

31. TAX EXPENSE (INCOME)

31.1 Major components of tax expense (income)

For the years ended December 31, 2021 and 2020 consisted of:

| | Thousand Baht | | | |
|--|-----------------------------------|----------------|-------------------------------|----------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Income tax expense (income) shown in profit or loss : | | | | |
| Current tax expense: | | | | |
| Income tax expense for the year | 35,441 | 5,092 | 34,882 | - |
| Deferred tax expense (income): | | | | |
| Changes in temporary differences relating to the original recognition and reversal | (2,280) | (8,532) | (684) | (6,700) |
| Total | <u>33,161</u> | <u>(3,440)</u> | <u>34,198</u> | <u>(6,700)</u> |

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021

31.2 A numerical reconciliation between tax expense (income) and the product of accounting profit multiplied by the applicable tax rate

For the years ended December 31, 2021 and 2020 which are summarized as follows:

| | Thousand Baht | | | |
|--|-----------------------------------|----------|-------------------------------|----------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Accounting profit (loss) for the year | 202,629 | 111,606 | 239,402 | 116,995 |
| The applicable tax rate (%) | 20% | 20% | 20% | 20% |
| Tax expense (income) at the applicable tax rate | 40,525 | 22,321 | 47,880 | 23,399 |
| Reconciliation items: | | | | |
| Tax effect of expenses that are not deductible in determining tax profit: | | | | |
| - Expenses not allowed as expenses in determining taxable profit | 1,398 | 5,507 | 1,398 | 5,480 |
| Tax effect of income or profit that are not required in determining taxable profit: | | | | |
| - Exemption of non-taxable dividend income | - | - | - | (6,478) |
| - The exemption of profit of the promoted business (BOI) | (14,149) | (11,947) | (14,149) | (6,173) |
| - Expense for tax deductible | (564) | (1,240) | (564) | (1,240) |
| The amount of previously unrecognized tax losses for a prior period that is used to reduce current tax expense | - | (21,667) | - | (21,340) |
| Unrecognized tax losses on deferred tax assets | 5,957 | 5,423 | - | - |
| Others | (6) | (1,837) | (367) | (348) |
| Total reconciliation items | (7,364) | (25,761) | (13,682) | (30,099) |
| Total tax expense (income) | 33,161 | (3,440) | 34,198 | (6,700) |

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

For the years ended December 31, 2021 and 2020 are summarized as follows:

| | Consolidated financial statements | | | |
|--|-----------------------------------|-----------------|-------------------------------|-----------------|
| | 2021 | | 2020 | |
| | Tax amount (Thousand Baht) | Tax rate (%) | Tax amount (Thousand Baht) | Tax rate (%) |
| Accounting profit (loss) before tax expense for the year | 202,629 | | 111,606 | |
| Tax expense (income) at the applicable tax rate | 40,525 | 20.00 | 22,321 | 20.00 |
| Reconciliation items | (7,364) | (3.63) | (25,761) | (23.08) |
| Tax expense (income) at the average effective tax rate | 33,161 | 16.37 | (3,440) | (3.08) |

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021

| | Separate financial statements | | | |
|--|-------------------------------|-----------------|-------------------------------|-----------------|
| | 2021 | | 2020 | |
| | Tax amount (Thousand Baht) | Tax rate (%) | Tax amount (Thousand Baht) | Tax rate (%) |
| Accounting profit (loss) before tax expense for the year | 239,402 | | 116,995 | |
| Tax expense (income) at the applicable tax rate | 47,880 | 20.00 | 23,399 | 20.00 |
| Reconciliation items | (13,682) | (5.71) | (30,099) | (25.73) |
| Tax expense (income) at the average effective tax rate | <u>34,198</u> | <u>14.29</u> | <u>(6,700)</u> | <u>(5.73)</u> |

32. EXPENSE BY NATURE

Expense by nature has significant transaction for the years ended December 31, 2021 and 2020 are as follows:

| | Thousand Baht | | | |
|--|-----------------------------------|-----------|-------------------------------|---------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2021 | 2020 | 2021 | 2020 |
| Changes in finished goods and work in progress | (31,216) | (107) | (16,936) | (8,916) |
| Purchases of finished goods | 150,318 | 136,877 | 329,241 | 494,972 |
| Used raw material and wasteful supply | 1,382,945 | 1,180,317 | 1,119,117 | 786,268 |
| Expenses for employees | 452,602 | 444,589 | 384,089 | 375,062 |
| Depreciation and amortization | 219,948 | 227,270 | 166,647 | 164,415 |

33. EARNINGS PER SHARE

For the year ended December 31, 2021 and 2020, earning (loss) per share consist of basic earnings per share and dilute earnings (loss) per share as follow :

| | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|----------------|-------------------------------|----------------|
| | 2021 | 2020 | 2021 | 2020 |
| Profit (loss) attributable to shareholders of the parent company (Baht) | <u>169,467</u> | <u>115,047</u> | <u>205,203</u> | <u>123,695</u> |
| Weighted average number of ordinary share (Shares) | 574,080 | 574,080 | 574,080 | 574,080 |
| Number of share under warrant (Shares) | 99,612 | - | 99,612 | - |
| Number of share that would have been issued at fair value (Shares) | <u>(76,078)</u> | <u>-</u> | <u>(76,078)</u> | <u>-</u> |
| Ordinary shares plus effect of assumed conversion (Shares) | <u>597,614</u> | <u>574,080</u> | <u>597,614</u> | <u>574,080</u> |
| Earning (loss) per share | | | | |
| Basic earnings per share (Baht per share) | <u>0.29</u> | <u>0.20</u> | <u>0.36</u> | <u>0.22</u> |
| Diluted earnings per share (Baht per share) | <u>0.29</u> | <u>0.20</u> | <u>0.34</u> | <u>0.22</u> |

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021

34. PROPOSAL OF FINANCIAL INFORMATION CLASSIFIED BY SEGMENT

The company group has presented the financial information by the operating segment in the primary format for reporting. Operating segment is based on the system of management and internal reporting structure that is reported to the highest decision-making authority for the operation of the company group as the basis for determining the segment.

Assets, revenues and results of operations of the segment are directly related to the segment or can be reasonably allocated to the segment.

Regarding segment information for evaluating the results of operations and allocation of resources for the management, the company group evaluates the capability of operation by the gross margin rate.

Reported segments

The company group presents the main business segments as follows:

| | |
|-----------|--------------------------|
| Segment 1 | Plant - Samuthsakhon |
| Segment 2 | Plant - Chonburi |
| Segment 3 | Plant - Bangkok |
| Segment 4 | Plant - Tianjin (China) |
| Segment 5 | Plant - Jiangsu (China) |
| Segment 6 | Business trading segment |

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021

Thousand Baht

| | Consolidated financial information | | | | | | | | | | | | | | | |
|---------------------------------------|------------------------------------|------------------|----------------|----------------|------------------|------------------|------------------|------------------|---------------------|----------------|---------------------|----------------|------------------|------------------|------------------|------------------|
| | Industrial in Thailand | | | | | | | | Industrial in China | | Trading in Thailand | | Elimination | | Total | |
| | Samuthsakhon | | Bangkok | | Chonburi | | Total | | | | | | | | | |
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | | | | | | | | |
| <u>For the year ended December 31</u> | | | | | | | | | | | | | | | | |
| Revenues | | | | | | | | | | | | | | | | |
| - External customers | 1,214,338 | 1,164,912 | 177,717 | 140,015 | 1,215,469 | 1,076,116 | 2,607,524 | 2,381,043 | 391,518 | 339,688 | 58,082 | 53,674 | - | - | 3,057,124 | 2,774,405 |
| - Group | 59,894 | 80,506 | 180,195 | 156,538 | 8,290 | 12,926 | 248,379 | 249,970 | - | - | 148,052 | 141,504 | (396,431) | (391,474) | - | - |
| Revenues from project | | | | | | | | | | | | | | | | |
| - External customers | 10,331 | 19,618 | - | - | - | - | 10,331 | 19,618 | - | - | - | - | - | - | 10,331 | 19,618 |
| Total | 1,284,563 | 1,265,036 | 357,912 | 296,553 | 1,223,759 | 1,089,042 | 2,866,234 | 2,650,631 | 391,518 | 339,688 | 206,134 | 195,178 | (396,431) | (391,474) | 3,067,455 | 2,794,023 |
| Segment gross profit | 173,451 | 201,811 | 19,054 | 31,561 | 342,448 | 253,879 | 534,953 | 487,251 | 23,769 | 12,394 | 3,780 | 3,822 | (3,845) | (3,984) | 558,657 | 499,483 |

Major customer

Revenues from the major customer of the Company and its subsidiaries's industrial and trading segment in Thailand represent approximately Baht 667.90 million for the year 2021 (Baht 350.86 million for the year 2020) of the Company and its subsidiaries's total revenues.

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021

35. RIGHTS AND BENEFITS UNDER THE INVESTMENT PROMOTION ACT

| | PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED | | | | | Millpack Co., Ltd.(Subsidiary) | | Plastech lab Co., Ltd. | |
|---|--|----------------------------|----------------------------|----------------------------|----------------------------|--------------------------------|----------------------------|----------------------------|----------------------------|
| | | | | | | Bangkok Branch | Samutsakhon Branch | | |
| Promotional Certificate no. | 1080(10)/2553 | 1745(2)/2555 | 1044(2)/2557 | 58-2011-0-00-1-0 | 58-2010-0-00-1-0 | 1379(5)/2556 | 1882(5)/2555 | 1370/2559 | |
| Date of granted the promotional certificate | 28 Dec. 2009 | 16 Jan. 2012 | 15 Oct.2013 | 17 Mar.2015 | 23 Mar.2015 | 26 Sep.2011 | 3 Apr.2012 | 5 Apr. 2017 | |
| The promotional investment in the business : For produce plastic packaging and plastic parts for various industries | | | | | | | | | |
| Exercise Benefits | | | | | | | | | |
| 1. | Exempt from corporate income tax on profit derived from the operation that has been promoted started from the first day of realizing sales and/or services income. | 7 years | 7 years | 7 years | 7 years | 7 years | 8 years | 8 years | 8 years |
| 2. | Exempt from corporate income tax for the dividends derived from profits from the business which has been promoted | 5 years | 5 years | 5 years | 5 years | 5 years | 5 years | 5 years | 5 years |
| 3. | Exemption/Deduction of import duty tax for machines | Exemption under Section 28 | Exemption under Section 28 | Exemption under Section 28 | Exemption under Section 28 | Deduction under Section 28 | Exemption under Section 28 | Exemption under Section 28 | Exemption under Section 28 |

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021
36. THE OPERATIONS OF COMPANY AND ITS SUBSIDIARIES

The Company and its subsidiaries have revenue from domestic sales which separating the part that have been promoted in investment and part that not be promoted in investment for the years ended December 31, 2021 and 2020 as follows:

| | Thousand Baht | | | | | |
|--|---|------------------|--|---|------------------|------------------|
| | Consolidated financial statements | | | | | |
| | 2021 | | | 2020 | | |
| Business that have been promoted in investment (Note 35) | Business that not be promoted in investment | Total | Business that have been promoted in investment (Note 35) | Business that not be promoted in investment | Total | |
| Revenue | | | | | | |
| Sales | 411,007 | 2,646,118 | 3,057,125 | 303,193 | 2,471,212 | 2,774,405 |
| Project income | - | 10,331 | 10,331 | - | 19,618 | 19,618 |
| Other Revenues | - | 19,339 | 19,339 | 325 | 25,482 | 25,807 |
| Total Revenues | 411,007 | 2,675,788 | 3,086,795 | 303,518 | 2,516,312 | 2,819,830 |

| | Thousand Baht | | | | | |
|--|---|------------------|--|---|------------------|------------------|
| | Separate financial statements | | | | | |
| | 2021 | | | 2020 | | |
| Business that have been promoted in investment (Note 35) | Business that not be promoted in investment | Total | Business that have been promoted in investment (Note 35) | Business that not be promoted in investment | Total | |
| Revenue | | | | | | |
| Sales | 411,007 | 2,257,007 | 2,668,014 | 303,193 | 2,159,074 | 2,462,267 |
| Project income | - | 10,331 | 10,331 | - | 19,618 | 19,618 |
| Dividend income | - | - | - | - | 32,392 | 32,392 |
| Other Revenues | - | 26,397 | 26,397 | 325 | 30,904 | 31,229 |
| Total Revenues | 411,007 | 2,293,735 | 2,704,742 | 303,518 | 2,241,988 | 2,545,506 |

37. FINANCIAL INSTRUMENTS

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

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021

As at December 31, 2021 and 2020, financial assets and financial liabilities consist of :

| | Thousand Baht | | |
|--|-----------------------------------|----------------|---------|
| | Consolidated financial statements | | |
| | Fair value - Derivatives | Amortized cost | Total |
| <u>Financial assets as at December 31, 2021</u> | | | |
| Cash and cash equivalents | - | 110,486 | 110,486 |
| Trade and other current receivables | - | 707,264 | 707,264 |
| Receivables under the agreement | - | 12,339 | 12,339 |
| Unbilled receivable for project | - | 20,879 | 20,879 |
| Other current financial liabilities | 597 | - | 597 |
| Other current assets | - | 20,394 | 20,394 |
| Other non-current assets | - | 83,180 | 83,180 |
| <u>Financial liabilities as at December 31, 2021</u> | | | |
| Bank overdrafts and short-term loans from financial institutions | - | 559,259 | 559,259 |
| Trade and other current payables | - | 466,647 | 466,647 |
| Other current liabilities | - | 5,836 | 5,836 |
| Long-term loans from financial institutions | - | 596,697 | 596,697 |
| Lease liabilities | - | 110,294 | 110,294 |
| Other non-current financial liabilities | 3,601 | - | 3,601 |

| | Thousand Baht | | |
|--|-----------------------------------|----------------|---------|
| | Consolidated financial statements | | |
| | Fair value - Derivatives | Amortized cost | Total |
| <u>Financial assets as at December 31, 2020</u> | | | |
| Cash and cash equivalents | - | 67,988 | 67,988 |
| Trade and other current receivables | - | 666,457 | 666,457 |
| Unbilled receivable for project | - | 35,939 | 35,939 |
| Other current assets | - | 32,499 | 32,499 |
| Other non-current assets | - | 84,699 | 84,699 |
| <u>Financial liabilities as at December 31, 2020</u> | | | |
| Bank overdrafts and short-term loans from financial institutions | - | 450,215 | 450,215 |
| Trade and other current payables | - | 472,816 | 472,816 |
| Other current liabilities | - | 5,317 | 5,317 |
| Long-term loans from financial institutions | - | 640,903 | 640,903 |
| Lease liabilities | - | 133,994 | 133,994 |
| Other current financial liabilities | 178 | - | 178 |
| Other non-current financial liabilities | 4,052 | - | 4,052 |
| Other non-current liabilities | - | 15 | 15 |

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021

| | Thousand Baht | | |
|--|-------------------------------|----------------|---------|
| | Separate financial statements | | |
| | Fair value - Derivatives | Amortized cost | Total |
| <u>Financial assets as at December 31, 2021</u> | | | |
| Cash and cash equivalents | - | 39,849 | 39,849 |
| Trade and other current receivables | - | 628,683 | 628,683 |
| Receivables under the agreement | - | 12,339 | 12,339 |
| Loan to a subsidiary | - | 34,910 | 34,910 |
| Unbilled receivable for project | - | 20,879 | 20,879 |
| Other current financial liabilities | 597 | - | 597 |
| Other current assets | - | 16,427 | 16,427 |
| Other non-current assets | - | 80,257 | 80,257 |
| <u>Financial liabilities as at December 31, 2021</u> | | | |
| Bank overdrafts and short-term loans from financial institutions | - | 463,254 | 463,254 |
| Trade and other current payables | - | 530,728 | 530,728 |
| Other current liabilities | - | 3,987 | 3,987 |
| Long-term loans from financial institutions | - | 588,253 | 588,253 |
| Lease liabilities | - | 53,512 | 53,512 |
| Other non-current financial liabilities | 3,601 | - | 3,601 |

| | Thousand Baht | | |
|--|-------------------------------|----------------|---------|
| | Separate financial statements | | |
| | Fair value - Derivatives | Amortized cost | Total |
| <u>Financial assets as at December 31, 2020</u> | | | |
| Cash and cash equivalents | - | 33,370 | 33,370 |
| Trade and other current receivables | - | 550,962 | 550,962 |
| Unbilled receivable for project | - | 35,939 | 35,939 |
| Other current assets | - | 14,620 | 14,620 |
| Other non-current assets | - | 82,875 | 82,875 |
| <u>Financial liabilities as at December 31, 2020</u> | | | |
| Bank overdrafts and short-term loans from financial institutions | - | 289,541 | 289,541 |
| Trade and other current payables | - | 561,999 | 561,999 |
| Other current liabilities | - | 2,204 | 2,204 |
| Long-term loans from financial institutions | - | 614,651 | 614,651 |
| Lease liabilities | - | 61,471 | 61,471 |
| Other current financial liabilities | 178 | - | 178 |
| Other non-current financial liabilities | 4,052 | - | 4,052 |
| Other non-current liabilities | - | 15 | 15 |

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021
Risk management

The Company and its subsidiaries manage their financial risk exposure on financial assets and financial liabilities in the normal business by its internal management and control system. The management continually monitors the Company's and its subsidiary's risk management process to ensure that an appropriate balance between risk and control is achieved.

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

Derivatives

The derivative financial instruments as at December 31, 2021 are as follow:

| | Thousand Baht | |
|---|--------------------------------------|----------------------------------|
| | Consolidated financial statements | Separate financial statements |
| <u>Other current financial liabilities</u> | | |
| Foreign currency forwards - held for trading | 597 | 597 |
| <u>Other non-current financial liabilities</u> | | |
| Cross currency interest rate swaps - held for trading | (1,472) | (1,472) |
| - cash flow hedging | (2,129) | (2,129) |
| Total derivative liabilities | <u>(3,601)</u> | <u>(3,601)</u> |

Derivatives are used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as 'held for trading' for accounting purposes and are accounted for at fair value through profit or loss. They are presented as current assets or liabilities to the extent they are expected to be realized within 12 months after the end of the reporting period.

As December 31, 2021 and 2020, the outstanding derivatives for managing the exposure to foreign currency risk are as follows:

| | Consolidate financial statement/Separate financial statements | | |
|-----------------------------|---|-----------------------|---------------|
| | As at December 31, 2021 | | |
| | Amount | Forward rate | Maturity date |
| Forward contracts to "Sell" | | | |
| USD/THB | USD 1,010,167 | 32.36 - 33.46 THB/USD | Mar-May 2022 |
| | Consolidate financial statement/Separate financial statements | | |
| | As at December 31, 2020 | | |
| | Amount | Forward rate | Maturity date |
| Forward contracts to "Sell" | | | |
| USD/THB | USD 396,700 | 29.93 - 31.04 THB/USD | May-June 2021 |

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021
Interest rate swap contracts

As at December 31, 2021 and 2020, the Company has interest rate swap with financial institution for hedge interest rate exposure of long-term debts 3 contracts and 2 contract for Baht currency totaling Baht 400 and Baht 290 million, respectively. All counterparties agree to pay the interest and the notional amount according to terms and conditions of the contracts.

Credit risk

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

Interest rate risk

The Company and its subsidiaries have interest rate risk because they have short - term and long-term loan from financial institutions. The risk from interest rate occurred from fluctuations in market interest rates in the future, which will affect the results of operations and cash flows of them. The Company and its subsidiaries' risk of interest rates mainly related to loans from local commercial banks because the majority of mentioned financial liabilities are categorized in short term type and interest rates fluctuate according to market rate.

As at December 31, 2021 and 2020, the significant financial assets and financial liabilities classified by types of interest rates were as follows:

| | Baht | | | |
|--|-----------------------------------|-------------------------|-------------------------|---------|
| | Consolidated financial statements | | | |
| | As at December 31, 2021 | | | |
| | Floating interest rate | Fixed interest rates | Non-interest bearing | Total |
| Financial assets | | | | |
| Cash and cash equivalents | 15,898 | - | 94,588 | 110,486 |
| Trade and other current receivables | - | - | 707,264 | 707,264 |
| Receivables under the agreement | - | 12,339 | - | 12,339 |
| Unbilled receivable for project | - | - | 20,879 | 20,879 |
| Other current financial asset | - | - | 597 | 597 |
| Other current assets | - | - | 20,394 | 20,394 |
| Other non-current assets | - | - | 83,180 | 83,180 |
| Financial liabilities | | | | |
| Bank overdrafts and short-term loans from financial institutions | 559,259 | - | - | 559,259 |
| Trade and other current payables | - | - | 466,647 | 466,647 |
| Other current liabilities | - | - | 5,836 | 5,836 |
| Long-term loans from financial institutions | - | 596,697 | - | 596,697 |
| Lease liabilities | - | 110,294 | - | 110,294 |
| Other non-current financial liabilities | - | 3,601 | - | 3,601 |

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021

| | Baht | | | |
|--|-----------------------------------|-------------------------|-------------------------|---------|
| | Consolidated financial statements | | | |
| | As at December 31, 2020 | | | |
| | Floating interest rate | Fixed interest rates | Non-interest bearing | Total |
| <u>Financial assets</u> | | | | |
| Cash and cash equivalents | 27,485 | - | 40,503 | 67,988 |
| Trade and other current receivables | - | - | 666,457 | 666,457 |
| Unbilled receivable for project | - | - | 35,939 | 35,939 |
| Other current assets | - | - | 32,499 | 32,499 |
| Other non-current assets | - | - | 84,699 | 84,699 |
| <u>Financial liabilities</u> | | | | |
| Bank overdrafts and short-term loans from financial institutions | 450,215 | - | - | 450,215 |
| Trade and other current payables | - | - | 472,816 | 472,816 |
| Other current liabilities | - | - | 5,317 | 5,317 |
| Long-term loans from financial institutions | - | 640,903 | - | 640,903 |
| Lease liabilities | - | 133,994 | - | 133,994 |
| Other current financial liabilities | - | - | 178 | 178 |
| Other non-current financial liabilities | - | 4,052 | - | 4,052 |
| Other current financial liabilities | - | - | 15 | 15 |

| | Baht | | | |
|--|-------------------------------|-------------------------|-------------------------|---------|
| | Separate financial statements | | | |
| | As at December 31, 2021 | | | |
| | Floating interest rate | Fixed interest rates | Non-interest bearing | Total |
| <u>Financial assets</u> | | | | |
| Cash and cash equivalents | 15,888 | - | 23,961 | 39,849 |
| Trade and other current receivables | - | - | 628,683 | 628,683 |
| Receivables under the agreement | - | 12,339 | - | 12,339 |
| Loan to a subsidiary | - | 34,910 | - | 34,910 |
| Unbilled receivable for project | - | - | 20,879 | 20,879 |
| Other current financial asset | - | - | 597 | 597 |
| Other current assets | - | - | 16,427 | 16,427 |
| Other non-current assets | - | - | 80,257 | 80,257 |
| <u>Financial liabilities</u> | | | | |
| Bank overdrafts and short-term loans from financial institutions | 463,254 | - | - | 463,254 |
| Trade and other current payables | - | - | 530,728 | 530,728 |
| Other current liabilities | - | - | 3,987 | 3,987 |
| Long-term loans from financial institutions | - | 588,253 | - | 588,253 |
| Lease liabilities | - | 53,512 | - | 53,512 |

| | | | | |
|---|---|-------|---|-------|
| Other non-current financial liabilities | - | 3,601 | - | 3,601 |
|---|---|-------|---|-------|

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021

| | Baht | | | |
|--|-------------------------------|-------------------------|-------------------------|---------|
| | Separate financial statements | | | |
| | As at December 31, 2020 | | | |
| | Floating interest rate | Fixed interest rates | Non-interest bearing | Total |
| <u>Financial assets</u> | | | | |
| Cash and cash equivalents | 6,897 | - | 26,437 | 33,370 |
| Trade and other current receivables | - | - | 550,962 | 550,962 |
| Unbilled receivable for project | - | - | 35,939 | 35,939 |
| Other current assets | - | - | 14,620 | 14,620 |
| Other non-current assets | - | - | 82,875 | 82,875 |
| <u>Financial liabilities</u> | | | | |
| Bank overdrafts and short-term loans from financial institutions | | | | |
| | 289,541 | - | - | 289,541 |
| Trade and other current payables | - | - | 561,999 | 561,999 |
| Other current liabilities | - | - | 2,204 | 2,204 |
| Long-term loans from financial institutions | - | 614,651 | - | 614,651 |
| Lease liabilities | - | 61,471 | - | 61,471 |
| Other current financial liabilities | - | - | 178 | 178 |
| Other non-current financial liabilities | - | 4,052 | - | 4,052 |
| Other non-current liabilities | - | - | 15 | 15 |

Liquidity risk

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

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

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021
Foreign currency risk

As at December 31, 2021 and 2020, the significant outstanding balances of the Company and its subsidiaries' financial assets and liabilities denominated in foreign currencies are as follows:

| Foreign currency | (Unit: foreign currency unit) | | | | | | | |
|---------------------|-----------------------------------|---------|-----------------------|-----------|-------------------------------|---------|-----------------------|-----------|
| | Consolidated financial statements | | | | Separate financial statements | | | |
| | Financial assets | | Financial liabilities | | Financial assets | | Financial liabilities | |
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| US dollar | 238,948 | 251,563 | 370,037 | 254,365 | 238,948 | 251,563 | 370,037 | 254,365 |
| Euro | - | - | 38,780 | 37,556 | - | - | 38,780 | 37,556 |
| Japanese yen | - | - | 99,446 | 1,486,747 | - | - | 99,446 | 1,486,747 |
| Yuan | 27 | 27 | 392,962 | 693,324 | 27 | 27 | 392,962 | 693,324 |

| Foreign currency | Baht | |
|------------------|-----------------------|---------|
| | Average exchange rate | |
| | 2021 | 2020 |
| US dollar | 33.4199 | 30.2068 |
| Euro | 37.8948 | 37.2578 |
| Japanese yen | 0.2906 | 0.2945 |
| Yuan | 5.2507 | 4.6927 |

Fair Value of Financial Instruments

Fair Value is the amount of money that the buyer and seller agree to exchange financial Instruments together, while both parties are knowledgeable and willing to exchange and able to independently negotiate price in the form of non-association. The fair value derives from the market value or discounted cash flows.

The table below analyses financial instruments carried at fair value classified by valuation method. The different levels have been defined as follows:

- Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 : Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as market prices) or indirectly (that is, derived from market prices).
- Level 3 : Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021
38. FUND MANAGEMENT

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

39. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in the liabilities arising from financing activities for the years ended December 31, 2021 and 2020 are as follows:

| | Consolidated financial statements (Thousand Baht) | | | | |
|---|---|---------------------------------------|------------------------------------|---------------|--|
| | Balance as at December 31, 2020 | Cash flows Increase (decrease)* | Non-cash transaction | | Balance as at December 31, 2021 |
| | | Increase | Translation on exchange rate | | |
| Increase (decrease) in bank overdrafts and short-term loans from financial institutions | | 450,215 | 109,044 | - | 559,259 |
| Long-term from financial institution | | 640,904 | (44,207) | - | 596,697 |
| Liabilities under a finance lease agreement | | 133,994 | (40,573) | 10,038 | 110,294 |
| Total | | 1,225,113 | 24,264 | 10,038 | 1,266,250 |

| | Consolidated financial statements (Thousand Baht) | | | | |
|---|---|---------------------------------------|------------------------------------|----------------|--|
| | Balance as at December 31, 2019 | Cash flows Increase (decrease)* | Non-cash transaction | | Balance as at December 31, 2020 |
| | | Increase | Translation on exchange rate | | |
| Increase (decrease) in bank overdrafts and short-term loans from financial institutions | | 864,677 | (414,462) | - | 450,215 |
| Long-term from financial institution | | 541,530 | 99,374 | - | 640,904 |
| Liabilities under a finance lease agreement | | 7,533 | 17,684 | 108,658 | 133,994 |
| Total | | 1,413,740 | (297,404) | 108,658 | 1,225,113 |

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021

| | Separated financial statements (Thousand Baht) | | | | |
|---|--|----------------|----------------------|-------------|------------------|
| | Balance | Cash flows | Non-cash transaction | | Balance |
| | as at | Increase | Increase | Translation | as at |
| | December 31, | (decrease)* | | on exchange | December 31, |
| | 2020 | | rate | 2021 | |
| Increase (decrease) in bank overdrafts and short-term loans from financial institutions | 289,541 | 173,713 | - | - | 463,254 |
| Long-term from financial institution | 614,651 | (26,398) | - | - | 588,253 |
| Liabilities under a finance lease agreement | 61,471 | (17,997) | 10,038 | - | 53,512 |
| Total | 965,663 | 129,318 | 10,038 | - | 1,105,019 |

| | Separated financial statements (Thousand Baht) | | | | |
|---|--|------------------|----------------------|-------------|----------------|
| | Balance | Cash flows | Non-cash transaction | | Balance |
| | as at | Increase | Increase | Translation | as at |
| | December 31, | (decrease)* | | on exchange | December 31, |
| | 2019 | | rate | 2020 | |
| Increase (decrease) in bank overdrafts and short-term loans from financial institutions | 741,342 | (451,801) | - | - | 289,541 |
| Long-term from financial institution | 512,032 | 102,619 | - | - | 614,651 |
| Liabilities under a finance lease agreement | 7,533 | 40,782 | 13,156 | - | 61,471 |
| Total | 1,260,907 | (308,400) | 13,156 | - | 965,663 |

40. COMMITMENTS AND CONTINGENT LIABILITIES

As at December 31, 2021, the Company and its subsidiary had commitments and contingent liabilities as follows:

40.1 The Company and its subsidiary granted two local banks to issue a letter of guarantee for electricity consumption in factory in the amount of Baht 15.53 million.

40.2 The Company granted the main bank lender to issue a letter of guarantee for its sale contract with the contractor in the amount of Baht 48.77 million.

40.3 The company and its subsidiary had obligation that was agreed to acquire assets in the amount of Baht 61.92 million.

PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**NOTES TO FINANCIAL STATEMENTS (CONT.)****DECEMBER 31, 2021****41 EVENTS AFTER THE REPORTING PERIOD**

As at December 31, 2021, the Company had events after the reporting period as follows:

41.1 According to the minutes of the Board of Directors' Meeting No.1/2022 held on January 13, 2022, the meeting had a resolution to approve acquiring the ordinary shares of Master Laundry Co., Ltd. at 99.99 percent of the registered capital for 59,998 shares, totaling Baht 62,997,900 from the existing shareholders. Such transaction had resulted in the company to acquire a new subsidiary.

41.2 On January 27, 2022, the Company entered into an office building construction contract with a local company with the contract value of baht 33.17 million (include vat).

41.3 The Resolutions of the Board of Directors Meeting No.3/2022 held on February 19, 2022 approved to propose the Shareholders' Meeting for consideration of approval the dividend payment to the shareholders at the rate of Baht 0.08 per share, which is not exceeding the total amount of Baht 45,926,395.60. The above right to receive dividends remains uncertain unless the 2022 Annual General Meeting of Shareholders has granted the approval.

42. CORONAVIRUS DISEASE 2019 PANDEMIC

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting businesses and industries as a whole. This situation may affect the results of operations of business. Nevertheless, the management of the Company and its subsidiaries have continuously monitored ongoing developments and regularly assess the financial impact in respect of the valuation of assets, provisions and contingent liabilities.

43. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Board of Directors of the Company on February 19, 2022.

Part 4 Attachment

Attachment 1 : Directors, Executives, person supervising accounting and Secretary Company's profile

● **Directors**

1. Dr. Damri Sukhotanang

| | |
|-------------------------|--|
| Position | Board Chairman / Independent Director / Nomination and Remuneration Committee Chairman |
| Age | 72 years |
| Education | <ul style="list-style-type: none"> - Doctoral degree in Ceramic Engineering, University of Missouri at Rolla, U.S.A - Master's degree in Ceramic Engineering, University of Missouri at Rolla, U.S.A - Bachelor's degree in Chemical Technology (Hon.), Faculty of Science, Chulalongkorn University - Diploma, National Defense College, Class 44 - Certificate, Senior Executive Courses Class 14, Office of Civil Service Commission |
| Training Courses | Thai Institute of Directors <ul style="list-style-type: none"> - Financial Statement for Director (FSD) Class 20/2013 - Director Certification Program (DCP) Class DCP70/2006 |
| Work Experiences | <ul style="list-style-type: none"> - 2017 - Present Board Chairman : Mahachai Foods Co.,Ltd. - 2014 - Present Board Chairman/ Independent Director/Nomination and Remuneration Committee Chairman : Panjawattana Plastic Plc. - 2013 - Present Chairman of Audit Committee / Director : Thai Auto Tool and Die Co.,Ltd. - 2009 - Present Audit Committee member/ Independent Director : Siam Steel Service Center Plc. - 2011 - 2014 Board Chairman/ Independent Director : Panjawattana Plastic Plc. - 2008 - 2009 Permanent Secretary Ministry of Industry |

Current job positions in any listed company

| | |
|---------------------------|---|
| Listed company | 1 company as follows; - Audit Committee member/ Independent Director : Siam Steel Service Center Plc. |
| Non-listed company | 2 company as follows; 1. Board Chairman : Mahachai Foods Co.,Ltd. 2. Chairman of Audit Committee / Director : Thai Auto Tool and Die Co.,Ltd. |

| | | |
|---|---|--------|
| In any companies which may result in a conflict of interest with the Company | | -None- |
| First Appointment | 15 July 2011 | |
| Term of office | 10 years | |
| Percentage of shares at 2021 31, December | Ordinary shares 260,000 shares, representing 0.05 percent | |
| Trading shares in 2021 | -None- | |
| Percentage of shares of spouse and minors (as at December 31, 2021) | -None- | |
| Having the following parent relationship with Directors and Executives | | -None- |
| Direct and indirect interests in the Company or in the relevant subsidiaries | | -None- |
| Meeting attendance in 2021 | Board of Directors | 6/6 |
| | Nomination and Remuneration Committee | 1/1 |
| | Independent Board | 1/1 |

2. Mr. Kongsak Hemmontharop

| | | |
|------------------------|---|---|
| Position | Director / Vice Chairman | |
| Age | 82 years | |
| Education | - Primary School, Sawang Wittaya School | |
| Training Course | Thai Institute of Directors - Director Accreditation Program Class 90/2011 | |
| Work Experience | - 2011 – Present | Vice Chairman : Panjawattana Plastic Plc. |
| | - 2010 – Present | Director : Mill Pack Co., Ltd. |
| | - 2003 – Present | Director : Elegance Packaging Co., Ltd. |
| | - 1987 – 2011 | Director : Panjawattana Plastic Co., Ltd. |

Current job positions in any listed company

| | |
|---------------------------|--|
| Listed company | - None |
| Non-listed company | 2 Companies as follows ; 1) PJ Medical Co.,Ltd. (Old name : Mill Pack Co., Ltd.) 2) Elegance Packaging Co., Ltd. |

| | | |
|---|--|--------|
| In any companies which may result in a conflict of interest with the Company | | -None- |
| First Appointment | 1 March 2011 | |
| Term of office | 10 years | |
| Percentage of shares at 2021 31, December | Ordinary shares 36,800,000 shares, representing 6.41 percent | |
| Trading shares in 2021 | Transfer (out) Ordinary shares 32,441,747 | |
| Percentage of shares of spouse and minors (as at December 31, 2021) | Ordinary shares 67,200,525 shares, representing 11.71 percent | |
| Having the following parent relationship with Directors and Executives | - Husband of Mrs. Malee Hemmontharop - Father of Mr. Wiwat, Mr. Satit, Mr. Pirun Hemmondharop | |
| Direct and indirect interests in the Company or in the relevant subsidiaries | | -None- |
| Meeting attendance in 2021 | Board of Directors | 6/6 |

3. Mrs. Malee Hemmontharop

| | | |
|-------------------------|---|--|
| Position | Director / Executive Committee Member / Vice Chief Executive Officer | |
| Age | 78 years | |
| Education | - Primary School, Ban Paew Wittaya School | |
| Training Courses | Thai Institute of Directors - Director Accreditation Program Class 90/2011 | |
| Work Experience | - 2018–Present | Director : Panjawattana (Jiangsu) Plastic Co.Ltd. |
| | - 2017–Present | Director / Vice Chief Executive Officer / Executive Committee : Panjawattana Plastic Plc. |
| | - 2014–Present | Director : Plastech Lab Co., Ltd. (Old Name : PJW Food Pack Co., Ltd.) |
| | - 2011–Present | Director : Elegance Packaging Co., Ltd. |
| | - 2011–Present | Director : Panjawattana Plastic (Tianjin) Co., Ltd. |
| | - 2011–Present | Director : PCP Marketing Co., Ltd. |
| | - 1990–Present | Director : PJ Medical Co., Ltd. (Old Name : Mill Pack Co., Ltd.) |
| | - 2013–2017 | Director/ Vice Vice Chief Executive Officer / Chief Administrative Officer / Executive Committee : Panjawattana Plastic Plc. |
| | - 2014-2015 | Director : PJW Drinktech Co., Ltd. |
| | - 2011–2013 | Director / Vice Chief Executive Officer : Panjawattana Plastic Plc. |

Current job positions in any listed company

| | |
|---------------------------|--|
| Listed company | - None |
| Non-listed company | 5 Companies as follows ; 1. PJ Medical Company Limited (formerly Millpack Company Limited) 2. Elegance Packaging Co., Ltd. 3. Panjawattana Plastic (Tianjin) Co., Ltd. 4. PCP Marketing Co., Ltd. 5. Panjawattana (Jiangsu) Plastic Co.Ltd. |

| | |
|---|--|
| In any companies which may result in a conflict of interest with the Company | -None- |
| First Appointment | 1 March 2011 |
| Term of office | 10 years |
| Percentage of shares at 2021 31, December | Ordinary shares 67,200,525 shares, representing 11.71 percent |
| Trading shares in 2021 | Transfer (out) Ordinary shares 5,525,041 |
| Percentage of shares of spouse and minors (as at December 31, 2021) | Ordinary shares 36,800,000 shares, representing 6.41 percent |
| Having the following parent relationship with Directors and Executives | - Spouse of Mr. Kongsak Hemmontharop - Mother of Mr. Wiwat, Mr. Satit, Mr. Pirun Hemmondharop |
| Direct and indirect interests in the Company or in the relevant subsidiaries | - None |
| Meeting attendance in 2021 | Board of Directors 6/6 |

4. Mr. Wiwat Hemmondharop

| | | |
|-------------------------|---|---|
| Position | Director / Risk Management Committee Member / Nomination and Remuneration Committee Member / Chairman of the Board of Executive Directors | |
| Age | 56 years | |
| Education | <ul style="list-style-type: none"> - Master's degree in Marketing (English program), Thammasat University - Master's degree in Business Administration, National Institute of Development Administration - Bachelor's degree in Economics, Thammasat University | |
| Training Courses | <p>Stock Exchange of Thailand</p> <ul style="list-style-type: none"> - Courses, M&A trends, important issues to consider and M&A strategies to be successful <p>Plastics Institute of Thailand</p> <ul style="list-style-type: none"> - Packaging Trend for New Normal After COVID-19 <p>The Federation of Thai Industries</p> <ul style="list-style-type: none"> - Business Revolution and Innovation Network Corporate Innovation Class 2/2019 <p>National Defence College of Thailand</p> <ul style="list-style-type: none"> - Diploma, National Defence College, The Joint State - Private Sector Course Class 2019 <p>RISE (Regional Corporate Innovation Accelerator)</p> <ul style="list-style-type: none"> - Corporate Innovation Summit 2019 <p>Thailand Management Association</p> <ul style="list-style-type: none"> - TMA Discovery Day 2018 <p>Thai Institute of Directors</p> <ul style="list-style-type: none"> - IOD Director Briefing Class 1/2018 - Financial Statements for Director (FSD) Class 33 - Chartered Director Class (CDC) Class 2014 - Director Certification Program Class 32/2003 <p>Capital Market Academy</p> <ul style="list-style-type: none"> - CMA-GMS Class of 2018 Program - Business Revolution and Innovation Network (BRAIN Class 2) - Capital Market Academy Leader Program Class 24/2017 <p>The Securities Exchange of Thailand</p> <ul style="list-style-type: none"> - Thailand CG Forum : Governance as a driving force for business sustainability | |
| Work Experience | <ul style="list-style-type: none"> - 2020–Present - 2018–Present - 2015–Present - 2014–Present - 2011–Present - 2010–Present | <ul style="list-style-type: none"> Director: Tonklarfasai foodcare Co.Ltd. Director : Panjawattana (Jiangsu) Plastic Co.Ltd. Director / Risk Management Committee Member Nomination and Remuneration Committee Member / Chairman of the Board of Executive Directors : Panjawattana Plastic Plc. Director : PJW AutoEV Co., Ltd. (Old Name : Plastech Lab Co., Ltd.) Director : Panjawattana Plastic (Tianjin) Co., Ltd. Director : PJ Medical Co., Ltd. (Old name : Mill Pack Co., Ltd.) |

| | |
|----------------|--|
| - 2010–Present | Director : Thammanamai Health Cuisine Co., Ltd. |
| - 2008–Present | Director : Composite Marketing Co., Ltd. (Old Name : Panjawattana Marketing Co., Ltd.) |
| - 2005–Present | Director : Pan Asia Chemical Co., Ltd. |
| - 2014–2015 | Director / Nomination and Remuneration Committee Member / Chairman of the Board of Executive Directors : Panjawattana Plastic Plc. |
| - 2014–2015 | Director : PJW Drinktech Co., Ltd. |
| - 2011–2014 | Director / Chairman of the Board of Executive Directors : Panjawattana Plastic Plc. |
| - 2011–2013 | Director : P.J.Composite Co., Ltd. |
| - 2004–2010 | Director : Elegance Packaging Co., Ltd. |
| - 1987–2011 | Director : Panjawattana Marketing Co., Ltd. |

Current job positions in any listed company

listed company

-None-

Non-listed company

8 Companies as follows ;

1. Tonklarfasai foodcare Co.Ltd.
2. Panjawattana (Jiangsu) Plastic Co.Ltd.
3. PJW AutoEV Co., Ltd. (Old Name : Plastech Lab Co., Ltd.)
4. Panjawattana Plastic (Tianjin) Co., Ltd.
5. PJ Medical Company Limited (formerly Millpack Company Limited)
6. Thammanamai Health Cuisine Co., Ltd
7. Composite Marketing Co., Ltd
(Old Name : Panjawattana Marketing Co., Ltd.)
8. Pan Asia Chemical Co., Ltd.

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

-None-

First Appointment

30 November 1987

Term of office

34 years

Percentage of shares at 2021 31, December

Ordinary shares 55,868,660 shares, representing 9.73 percent

Trading shares in 2021

-None-

Percentage of shares of spouse and minors
(as at December 31, 2021)

Ordinary shares 6,050,000 shares, representing 1.05 percent

Having the following parent relationship with
Directors and Executives

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

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

-None-

Meeting attendance in 2021

| | |
|---------------------------------------|-----|
| Board of Directors | 6/6 |
| Nomination and Remuneration Committee | 1/1 |
| Risk Management Committee | 2/2 |

5. Mr. Satit Hemmondharop

Position

Director / Executive Committee Member / Risk Management Committee Member

Age

54 years

- Education**
- Master's degree in Marketing (English program), Thammasat University
 - Bachelor's degree in Commerce and Accountancy, Thammasat University
 - Diploma, Human Resource Management, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Training Courses**
- Stock Exchange of Thailand
- Courses, M&A trends, important issues to consider and M&A strategies to be successful
- National Institute of Development Administration
- Management Science for Executives (Class 5) - Faculty of Public Administration
- Digital Economy Promotion Agency
- The Leadership for Digital Transformation Thailand (Digital CEO) Class 1
- Thai Institute of Directors
- Successful Formulation Execution of Strategy (SFE) Class 29/2017
 - Risk Management Committee Program (RMP) Class 2/2013
 - Role of the Compensation Committee Class 11/2011
 - Director Certification Program Class 121/2011
 - Purposefully Designing a winning culture
 - Laws vs Business Practice – An Insider's view

- Work Experience**
- 2014–Present Director/Executive Committee Member/Risk Management Committee Member/ Chief Executive Officer / Chief Marketing Officer (acting): Panjawattana Plastic Plc.
 - 2014–Present Director : PJW AutoEV Co., Ltd.
(Old Name : Plastech Lab Co., Ltd.)
 - 1996–Present Director : PJ Medical Co., Ltd. (Old name : Mill Pack Co., Ltd.)
 - 2011–2014 Director/Executive Committee Member/Risk Management Committee Member/ Chief Executive Officer : Panjawattana Plastic Plc.
 - 2014–2015 Director : PJW Drinktech Co., Ltd.
 - 2003 – 2011 Managing Director : Panjawattana Plastic Co., Ltd.
 - 1993 - 2003 General Manager : Panjawattana Plastic Co., Ltd.
 - 1991 - 1993 Production Manager : Panjawattana Plastic Co., Ltd.

Current job positions in any listed company

| | |
|---|---|
| Listed company | -None- |
| Non-listed company | 2 Companies as follows ; |
| | 1. PJW AotuEV (Old name : Plastech Lab Co., Ltd) |
| | 2. PJ Medical Company Limited (Old name : Millpack Company Limited) |
| In any companies which may result in a conflict of interest with the company | -None- |
| First Appointment | 9 October 199. |
| Term of office | 29 years |
| Percentage of shares at 2021 31, December | Ordinary shares 32,661,428 shares, representing 5.69 percent |

| | | |
|--|--|-----|
| Trading shares in 2021 | -None- | |
| Percentage of shares of spouse and minors (as at December 31, 2021) | -None- | |
| Having the following parent relationship with Directors and Executives | - Son of Mr. Kongsak and Mrs. Malee Hemmontharop - Younger brother of Mr. Wiwat/Elder brother of Mr. Pirun Hemmondharop | |
| Direct and indirect interests in the Company or in the relevant subsidiaries | -None- | |
| Meeting attendance in 2021 | Board of Directors | 6/6 |
| | Risk Management Committee | 2/2 |

6. Dr. Pirun Hemmondharop

| | | |
|-------------------------|---|--|
| Position | Director / Risk Management Committee / Vice Chief Executive Officer | |
| Age | 48 years | |
| Education | <ul style="list-style-type: none"> - Ph.D Engineering Management, University of Missouri-Rolla - Master's degree Engineering Management, University of Missouri-Rolla - Bachelor's degree Industrial engineer Sirindhorn International Institute of Technology Thammasat University | |
| Training Courses | <ul style="list-style-type: none"> Institute of Industrial Information and Communication Technology - Executive program in Digitalization Industry of Thailand, 2nd edition (eDIT, 2nd edition) Thai Institute of Directors <ul style="list-style-type: none"> - Director Accreditation Program Class 90/2011 - Director Certification Program Class 150/2011 - Director Breakfast Talk Class 2/2011 - Financial Statements for Director Class 13/2011 Thai Listed Companies Association <ul style="list-style-type: none"> - TLCA Executive Development Program Class 13/2014 Federation of Accounting Professions <ul style="list-style-type: none"> - Risk Management (Advance) Class 2/2016 - Risk Management (Standard) Class 2/2016 King Prajadhipok's Institute <ul style="list-style-type: none"> - Diploma, Public Economics for executive Class 11/2013 Thammasat University <ul style="list-style-type: none"> - Thammasat Leadership Program (TLP) Class 5 | |
| Work Experience | <ul style="list-style-type: none"> - 2018-Present Director : Panjawattana (Jiangsu) Plastic Co.Ltd. - 2018-Present Director : Saeng Satta Co., Ltd - 2017-Present Director / Risk Management Committee / Vice Chief Executive Officer : Panjawattana Plastic Plc. - 2013-Present Director : Composite Holding Co., Ltd. - 2011-Present Director : Elegance Packaging Co., Ltd. - 2011-Present Director : Panjawatna (Tianjin) Co., Ltd. - 2010-Present Director : Thammanamai Health Cuisine Co., Ltd - 2011-Jan 2022 Director : P.J.Composite Co., Ltd. | |

- 2013-2017 Director / Risk Management Committee
: Panjawattana Plastic Plc.
- 2011-2013 Director / Risk Management Committee / Executive Committee Member / Vice President / Chief Operating Officer and Supply Chain / Chief Human Resource Officer : Panjawattana Plastic Plc.
- 2008-2011 Chief Operating Officer / Chief Human Resource Officer
: Panjawattana Plastic Co.,Ltd.
- 2004-2008 Director, Course Director, Master's degree in Management
: College of Management, Mahidol University

Current job positions in any listed company

listed company

-None-

Non-listed company

6 Companies as follows ;

1. Panjawattana (Jiangsu) Plastic Co., Ltd.
2. Sangsatta Co., Ltd.
3. Composite Holding Company Limited
4. Elegance Packaging Company Limited
5. Panjawattana (Tianjin) Plastic Co., Ltd.
6. Thammanamai Health Cuisine Co., Ltd

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

-None-

First Appointment

28 January 2011

Term of office

10 years

Percentage of shares at 2021 31, December

Ordinary shares 54,930,387 shares, representing 9.57 percent

Trading shares in 2021

Purchase Ordinary shares 5,241,747

Percentage of shares of spouse and minors (as at December 31, 2021)

-None-

Having the following parent relationship with Directors and Executives

- Son of Mr. Kongsak and Mrs. Malee Hemmontharop

- Younger brother of Mr. Wiwat and Mr. Satit Hemmondharop

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

-None-

Meeting attendance in 2021

Board of Directors

6/6

Risk Management Committee

2/2

7. Miss Charanya Sangsukdee

Position

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

Age

57 years

Education

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

Training Courses

Peace Studies Program graduate school Mahachulalongkornrajavidyalaya University together with the Short Course Section Peace Studies Program Mahachulalongkornrajavidyalaya University International College of Buddhist Studies, MMU, Buddhism for Peace Foundation and Plew Phlue Foundation (Thang Sawang)

- Mindfulness Coach Course, Class 1

CURRAGE TO COAT GENERAL PARTNERSHIP

- Facilitation From Your Heat course

Professional Council under the Royal Patronage of His Majesty the King

- CFO Certification Program Class 23

Unique Semina and Training Company Limited

- Group Company PDPA Compliance + Data Processing Agreement course

Faculty of Law Thammasat University

- Certificate Course in Banking and Finance Law, Class 8

Thai Institute of Directors

- Financial Statements for Director Class 33/2017
- Board Matters & Trends Class 3/2017
- Audit Committee Forum Class 1/2016
- Family Business Governance for Sustainability Class 2/2015
- Anti-Corruption for Executive Program Class 14/2015
- Anti-Corruption: The Practical Guide Class 16/2015
- Monitor the system of Internal Control and Risk Class 7/2009
- Monitor of the Quality of Financial Reporting Class 9/2009
- Monitor the Internal Audit Function Class 6/2009
- Monitor Fraud Risk Management Class 1/2009
- Director Certification Program Class 96/2007
- Audit Committee Program Class 27/2009
- Director Accreditation Program Class 62/2007

Other

- Essential skills of future executives, SIY Practicum are Copyright of Google (Mindfulness-Based Emotional Intelligence)
- Essential skills of future executives, FA (Facilitation Skills for Coaches)
- Essential skills of future executives, Group & Team Coaching
- Herat Skills to The Hero's Journey
- Dispute mediator according to the Mediator Act 2019, Class 2
- Lecturer of Peace Class 6

Work Experience

- 2011–Present Director / Independent Director / Chairman of Audit Committee / Risk Management Committee Member : Panjawattana Plastic Plc.
- 2011–Present Happy Memory Co., Ltd.
- 1997–Present Managing Director : Tax Specialist Co., Ltd.
- 1996–Present Managing Director : Bangkok Training Center Co., Ltd.
- 2007-2011 Audit Committee member / Independent Director : Group Lease Plc.
- 2006-2011 Audit Committee member/Independent Director

: Globlex Holding Management Plc

Current job positions in any listed company

| | | | | | | | | | |
|---|---|--------------------|-----|-----------------|-----|---------------------------|-----|-------------------|-----|
| Listed company | -None- | | | | | | | | |
| Non-listed company | 3 Companies as follows ; 1. Happy Memory Co., Ltd. 2. Tax Specialist Co., Ltd. 3. Bangkok Training Center Co., Ltd. | | | | | | | | |
| In any companies which may result in a conflict of interest with the Company | -None- | | | | | | | | |
| First Appointment | 28 January 2011 | | | | | | | | |
| Term of office | 10 years | | | | | | | | |
| Percentage of shares at 2020 31, December | Ordinary shares 260,000 shares, representing 0.05 percent | | | | | | | | |
| Trading shares in 2021 | -None- | | | | | | | | |
| Percentage of shares of spouse and minors (as at December 31, 2021) | -None- | | | | | | | | |
| Having the following parent relationship with Directors and Executives | -None- | | | | | | | | |
| Direct and indirect interests in the Company or in the relevant subsidiaries | -None- | | | | | | | | |
| Meeting attendance in 2021 | <table> <tr> <td>Board of Directors</td> <td>6/6</td> </tr> <tr> <td>Audit Committee</td> <td>4/4</td> </tr> <tr> <td>Risk Management Committee</td> <td>2/2</td> </tr> <tr> <td>Independent Board</td> <td>1/1</td> </tr> </table> | Board of Directors | 6/6 | Audit Committee | 4/4 | Risk Management Committee | 2/2 | Independent Board | 1/1 |
| Board of Directors | 6/6 | | | | | | | | |
| Audit Committee | 4/4 | | | | | | | | |
| Risk Management Committee | 2/2 | | | | | | | | |
| Independent Board | 1/1 | | | | | | | | |

8. Assoc. Prof. Dr. Aekkachai Nittayakasetwat

| | |
|--------------------------|--|
| Position | Director / Independent Director Audit Committee member / Chairman of Risk Management Committee |
| Age | 58 years |
| Education | - Doctoral degree in Finance, University of Mississippi - Master's degree in Financial Management, National Institute of Development Administration - Bachelor's degree in science (Chemical Engineering), Chulalongkorn University |
| Training Courses. | Thai Institute of Directors : - Certificate of Attendance Director Certification Program Class 24/2017 - Certificate of Attendance Risk Management Program for Corporate Leaders Class 9/2017 - Certificate of Attendance Compensation Survey Class 1/2011 - Certificate of Attendance Risk Management Committees Program Class 2/2013 - Certificate of Attendance Role of the Compensation Committee Class 12/2011 - Certificate of Attendance Director Accreditation Program (DAP) Class 35/2005 |
| Work Experiences | - 2011 – Present Audit Committee member/Independent Director/Chairman of Risk Management Committee Panjawattana Plastic Plc. |

| | |
|------------------|--|
| - 2011 – Present | Director/ Audit Committee member Stars Microelectronics (Thailand) Plc. |
| - 2010 – Present | Independent Director/ Chairman of Audit Committee : UAC Global Public Company Limited (Old Name : Universal Adsorbents & Chemicals Plc.) |
| - 2008 – Present | Director/ Audit Committee Member Getabec Co., Ltd |
| - 2009 – 2019 | Director and Audit Committee member GT Wealth Management Co., Ltd. |
| - 2006 – 2019 | Independent Director/ Audit Committee member TRC Construction Co., Ltd. |
| - 2007 – 2010 | Dean Faculty of Business Administration National Institute of Development Administration |
| - 2004 – 2006 | Deputy Dean Faculty of Business Administration National Institute of Development Administration |

Current job positions in any listed company

| | |
|---------------------------|--|
| Listed company | 3 Companies as follows ; - Stars Microelectronics (Thailand) Plc UAC Global Plc. - UAC Global Plc. - Getabec Plc. |
| Non-Listed company | - None |

| | |
|---|---|
| In any companies which may result in a conflict of interest with the Company | -None- |
| First Appointment | 28 January 2011 |
| Term of office | 10 years |
| Percentage of shares at 2021 31, December | Ordinary shares 156,000 shares, representing 0.03 percent |
| Trading shares in 2021 | -None- |
| Percentage of shares of spouse and minors (as at December 31, 2021) | -None- |
| Having the following parent relationship with Directors and Executives | -None- |
| Direct and indirect interests in the Company or in the relevant subsidiaries | -None- |
| Meeting attendance in 2021 | Board of Directors 6/6 Audit Committee 4/4 Risk Management Committee 2/2 Independent Board 1/1 |

9. Mr. Natthawut Khemayotin

| | |
|-----------------|---|
| Position | Director / Independent Director / Audit Committee member / Risk Management Committee member / Nomination and Remuneration Committee member |
| Age | 53 years |

| | |
|-------------------------|--|
| Education | - Master's degree in Business Administration, University of Dallas, Irving, Texas |
| | - Bachelor's degree in Commerce and Accountancy, Thammasat University |
| Training Courses | Thai Institute of Directors |
| | - Driving Strategic Success with IT Governance (ITG) Class 3/2016 |
| | - Remuneration Survey Reporting 2014 |
| | - Risk Management Committee Program (RMP) Class 2/2013 |
| | - Director Certification Program Class 70/2006 |
| | Federation of Accounting Professions under the Royal Patronage of His Majesty the King |
| | - Risk Management Course (Basic) Class 2/2016 |
| Work Experience | - 2014-Present Director / Independent Director / Audit Committee member / Risk Management Committee member / Nomination and Remuneration Committee member : Panjawattana Plastic Plc.. |
| | - 2004-Present Managing Director : Nu Na Co., Ltd. |
| | - 2011-2014 Director / Independent Director / Audit Committee member / Risk Management Committee member : Panjawattana Plastic Plc. |
| | - 2013-2019 Managing Director : North Caribbean Inter Trade Co., Ltd. |
| | - 2005-2009 Managing Director : Globlex Holding Management Plc |
| | - 2002-2005 Assistant Director, The Board of Directors Bureau : Seamico Securities Plc. |
| | - 2001-2002 Senior Officer, Investment Banking Department : Thai Military Bank Plc. |

Current job positions in any listed company

Listed company - None

Non-listed company 1 Companies as follows ;
1. Nu Na Co., Ltd.

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

First Appointment 28 January 2011

Term of office 10 years

Percentage of shares at 2021 31, December Ordinary shares 260,000 shares, representing 0.05 percent

Trading shares in 2021 -None-

Percentage of shares of spouse and minors (as at December 31, 2021) -None-

Having the following parent relationship with Directors and Executives -None-

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

| | | |
|-----------------------------------|---------------------------------------|-----|
| Meeting attendance in 2021 | Board of Directors | 6/6 |
| | Audit Committee | 4/4 |
| | Risk Management Committee | 2/2 |
| | Nomination and Remuneration Committee | 1/1 |
| | Independent Board | 1/1 |

● **Executives, Company's Secretary**

1. Mrs. Prim Chaiyawat

| | |
|-------------------------|--|
| Position | President of Financial Officer/ Company's Secretary |
| Age | 46 years |
| Education | <ul style="list-style-type: none"> - Master's degree in Business Administration, Kasetsart University - Bachelor's degree in Commerce and Accountancy, Thammasat University |
| Training Courses | <p>Stock Exchange of Thailand</p> <ul style="list-style-type: none"> - Courses, M&A trends, important issues to consider and M&A strategies <p>Thai Institute of Directors</p> <ul style="list-style-type: none"> - Anti-Corruption the Practical Guide Class 36/2017 - Audit Committee Program Class 37/2011 - Monitoring Fraud Risk Management Class 6/2011 - Effective Minute Taking Class 19/2011 - Company Secretary Program Class 37/2010 - Monitor of the Quality of Financial Reporting Class 9/2009 + <p>Dharmniti Seminar and Training Company Limited</p> <ul style="list-style-type: none"> - Thai Financial Reporting Standards No.15 <p>Department Of Industrial Promotion</p> <ul style="list-style-type: none"> - Coaching For Logistics and Supply Chain Network <p>Institute of Information and Communication Technology for Industries</p> <ul style="list-style-type: none"> - Smart Factory for Industry 4.0 <p>Thai Listed Companies Association</p> <ul style="list-style-type: none"> - Principal Law and related regulation of Listed Company Program Class 11/2014 - Company Secretary Training Program Class 29/2014 <p>The Federation of Accounting Professions Under The Royal Patronage of His Majesty the King</p> <ul style="list-style-type: none"> - CIA Review Part III - Inspector feelings with AI technology and Block chain - Tell the story of fraud and Thai Financial Reporting Standards Class 1/2019 - Data Analytics for Internal Auditor Class 2/2019 - Accountant for Taxation (Class 104) - Accountant for Taxation (Class 105) - Principle Cyber security Fundamentals - TFRS 2018 Class 2/18 (Class 702) - Principle Internal Audit by J-SOX - Technical work flows Class 3 - Technical work flows Class 4 - Risk Management (Advance) Class 2/2016 - Risk Management (Standard) Class 2/2016 - Anti-Corruption in Organization Class 5 - Consolidated Financial Management - Beyond Treasury Management |

Other

- Big Data & Cloud Computing 2020 Theme : The Big Data & Cloud Game Changer - Practical Experiences ; Training Scheduling
- Training Scheduling
- Alpha Coaching Program
- CFO Innovation Forum (CFO Innovation)
- Certificate of Merger and Acquisition Analysis : Thailand Securities Institute
- Certificate of Provision Raise Funds by Bond Issue : Thai BMA
- Management Communication : Sasin Business English
- Thailand CG Forum : Governance as a driving force for business sustainability : The Securities Exchange of Thailand
- Draft Transfer Pricing Law : PWC

| | |
|------------------------|--|
| Work Experience | <ul style="list-style-type: none"> - 2014–Present President of Financial Officer/ Company's Secretary : Panjawattana Plastic Plc. - 2011–2014 Finance Director/ Company's Secretary : Panjawattana Plastic Plc. - 2008–2011 Finance Director/ Company's Secretary : Panjawattana Plastic Co., Ltd. - 2006–2007 Accounting Manager : Panjawattana Plastic Co., Ltd. - 2003–2006 Chief, Budget and Finance Section : Panjawattana Plastic Co., Ltd. - 2001–2002 Senior Tax Auditor Ernst & Young Corporate - 1997–2001 Senior Auditor Ernst & Young Office Limited |
|------------------------|--|

Current job positions in any listed company

| | |
|---|---|
| Listed company | -None- |
| Non-listed company | -None- |
| In any companies which may result in a conflict of interest with the Company | -None- |
| First Appointment | -None- |
| Term of office | -None- |
| Percentage of shares at 2021 31, December | Ordinary shares 364,000 shares, representing 0.06 percent |
| Trading shares in 2021 | -None- |
| Percentage of shares of spouse and minors (as at December 31, 2021) | -None- |

2. Mr. Seksan Sinbanluekul

| | |
|-------------------------|---|
| Position | Chief Product Engineer and Development Officer |
| Age | 48 years |
| Education | - Bachelor's degree in Plastic Technology, Rajamangala University of Technology |
| Training Courses | Interfinn Advisory Company Limited |
| | - Business Continuity Plan |
| | Upper Hands Solutions Company Limited |
| | - Alpha Coaching Program |

| | | |
|------------------------|----------------|---|
| Work Experience | - 2016–Present | Chief Product Engineer and Development Officer : Panjawattana Plastic Plc. |
| | - 2011–2016 | Research and Development Director : Panjawattana Plastic Plc. |
| | - 1996–2011 | Research and Development Director : Panjawattana Plastic Co., Ltd. |

Current job positions in any listed company

| | |
|---|--------|
| Listed company | -None- |
| Non-listed company | -None- |
| In any companies which may result in a conflict of interest with the Company | -None- |
| First Appointment | -None- |
| Term of office | -None- |

| | |
|--|--|
| Percentage of shares at 2020 31, December | Ordinary shares 364,000 shares, representing 0.06 percent |
| Trading shares in 2021 | -None- |
| Percentage of shares of spouse and minors (as at December 31, 2021) | -None- |

3. Ms. Phenchan Topbameekul

| | |
|-------------------------|--|
| Position | Chief Executive Officer |
| Age | 56 years |
| Education | Bachelor's degree, Faculty of Business Administration Banking and Finance Siam University |
| Training Courses | <ul style="list-style-type: none"> - individual development plan - Professional proactive leader - Strategic Product Innovation - 7 Habits of Highly Effective People - Understanding and Application ISO9001:2015:2016 - Understanding and implementation of ISO 45001:2018 - Update the world's best business and special New Normal - Business continuity plan : BCP |
| Work Experience | <ul style="list-style-type: none"> - 2021–present Chief Executive Officer and Organization Development : Panjawattana Plastic Plc. - 2017-2021 Sourcing & Outsourcing Director/Human Resources Director : Panjawattana Plastic Plc. - 2011-2016 Operating Production Director (Chonburi Branch) : Panjawattana Plastic Co.,Ltd. - 2008-2010 Supply Chain Director (Samutsakhon Branch) : Panjawattana Plastic Co.,Ltd. |

- 2003-2008 Manager of Planning and Production Control Department
(Samutsakhon Branch)
: Panjawattana Plastic Co.,Ltd.

Current job positions in any listed company

| | |
|--|--|
| Listed company | - None- |
| Non-listed company | - None- |
| In any companies which may result in a conflict of interest with the Company | - None- |
| First Appointment | - None- |
| Term of office | - None- |
| Percentage of shares at 2021 31, December | Ordinary shares 364,000 shares, representing 0.06 percent |
| Trading shares in 2021 | -None- |
| Percentage of shares of spouse and minors (as at December 31, 2021) | -None- |

4. Ms. Nichalak Muanpuek

| | |
|-------------------------|--|
| Position | Chief Operating Officer |
| Age | 47 years |
| Education | -Bachelor's degree in Chemistry, Chulalongkorn University |
| Training Courses | |
| Work Experience | <ul style="list-style-type: none"> - August 2021–present Chief Operating Officer : Panjawattana Plastic Plc. - 2019 - July 2021 Director of Supply Chain : Panjawattana Plastic Plc. - 2016 - 2018 Director of Quality Assurance : Panjawattana Plastic Plc. - 2014 - 2015 Quality Assurance Manager : Panjawattana Plastic Plc. |

Current job positions in any listed company

| | |
|--|----------|
| Listed company | - None- |
| Non-listed company | - None- |
| In any companies which may result in a conflict of interest with the Company | - -None- |
| First Appointment | - -None- |
| Term of office | - -None- |
| Percentage of shares at 2021 31, December | -None- |
| Trading shares in 2021 | -None- |
| Percentage of shares of spouse and minors (as at December 31, 2021) | -None- |

Attachment 2 : Directors and Executives with Controlling Power

| Name | Panjawattana Plastic Pic. | Subsidiaries | | | | |
|---|--|----------------------------------|----------------------------------|---|---------------------------|---|
| | | PJ Medical Co.,Ltd. : PJ Medical | Elegance Packaging Co.,Ltd.: EPC | Panjawattana Plastic (Tianjin) Co.,Ltd. : PJT | PJW AutoEV Co.,Ltd : PJWA | Panjawattana Plastic (Jangsu) Co.,Ltd.: PJJ |
| 1. Dr. Damri Sukhotanang | Position Board chairman / Independent Director / Chairman of the Nomination and Determination Committee | - | - | - | - | - |
| 2. Mr. Kongsak Hemmontharop | Director | Director | Director | - | - | - |
| 3. Mr. Wiwat Hemmondharop | Director / Chairman of the Board of the Executive Director | Director | - | Director | Director | Director |
| 4. Mrs. Malee Hemmontharop | Director / Vice Chief Executive officer | Director | Director | Director | Director | - |
| 5. Mr. Satit Hemmondharop | Director / Chief Executive officer | Director | - | - | Director | - |
| 6. Dr. Pirun Hemmondharop | Director / Vice Chief Executive officer | - | Director | Director | - | Director |
| 7. Miss Charanya Sangsukdee | Chairman of Audit Committee / Director | - | - | - | - | - |
| 8. Assoc. Prof. Dr. Aekkachai Nittavakasetwat | Chairman of Board of Risk management / Independent Director | - | - | - | - | - |
| 9. Mr. Natthawut Khemayotin | Director | - | - | - | - | - |
| 10. Mrs. Prim Chaiyawat | Chief Financial officer / Company's Secretary | - | - | - | - | - |
| 11. Mr. Seksan Sinbunluekul | Chief Product engineer and Development officer | - | - | - | - | - |
| 12. Ms. Phenchan Topbarameekul | Chief Executive Officer | - | - | - | - | - |
| 13. Ms. Nichalak Muanpuek | Chief Operating Officer | - | - | - | - | - |

Attachment 3 : Head of Internal Audit Company's profile

1. Miss Supattra Nitjaya

| | |
|-------------------------|---|
| Position | Manager of Internal Audit |
| Age | 33 years |
| Education | - Bachelor's Degree in Industrial Management Program, Dhurakij Pundit University |
| Training Courses | Federation of Accounting Professions under the Royal Patronage of His Majesty the King - Fraud Relation Basic Technology - Risk Assessment Method for Internal Audit Planning Entis Management - Successful Leaderships and Supervisory Skills Technique The Institute of Internal Auditors of Thailand (IIAT) - Compliance and Compliance Audit The Stock Exchange of Thailand - Key mechanisms for regulating and creating business value added. - Corporate Social Responsibility Management For sustainable development. The Securities and Exchange Commission, Thailand - Thailand's Investment Governance Code. Other - Internal control by self-assessmen (CSA) - Challenges of internal auditors to creating added value in current economic conditionst - Adjustment of ISO 9001 and ISO 14001 systems into version 2008 and preparation of QM, QP and organizational management documents. - On-site management with 3 G and 5 Why - Preventing corruption in the organization - Enterprise Risk Management for Improvement and Better Performance |
| Work Experience | - 2022–Present Manager of Internal Audit : Panjawattana Plastic Plc. - 2015–2021 Head of Internal Audit : Panjawattana Plastic Plc - 2014–2015 Internal Audit Officer : Panjawattana Plastic Plc. - 2013–2014 Qsys Auditor : Marine Gold Products Co., Ltd. - 2011–2013 Engineering Officer : : Index Interfern Co., Ltd. |

Current job positions in any listed company

| | |
|---|--------|
| Listed company | -None- |
| Non-listed company | -None- |
| In any companies which may result in a conflict of interest with the Company | -None- |
| First Appointment | -None- |
| Term of office | -None- |
| Percentage of shares at 2021 31, December | -None- |
| Trading shares in 2021 | -None- |
| Percentage of shares of spouse and minors (as at December 31, 2021) | -None- |

Attachment 4 : Assets used in business operations and details of property appraisals

In 2021, Brent Joe Cosens Consulting Co., Ltd., appraised the company assets. The appraised value was unlike the book value, and the Company did not recognize the unlike part in the statement of the financial position.

However, every three years, the company conducts the asset appraisal to support the consideration of asset impairment in accordance with the accounting standard. The Company's accounting policy to show the asset list in capital cost less by depreciation

Attachment 5: Corporate Governance Guidelines, Policies and Code of Conduct

CORPORATE GOVERNANCE POLICY



Panjawatana Plastic Co., Ltd

Approved on 14 August 2013

Annually reviewed, the 8th most recent and effective from February 19, 2022.

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Introduction

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

It is divided into 5 categories as follows:

- Part 1 The Rights of Shareholders
- Part 2 The Equitable Treatment of Shareholders
- Part 3 The Role of Stakeholders
- Part 4 Disclosure and Transparency
- Part 5 Responsibilities of Board of Directors

Part 1 The Rights of Shareholders

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

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

1. Organization of the Meeting of Shareholders

- 1.1. The Company maintains and encourages all shareholders, whether they are major or minor shareholders, foreign shareholders, or institutional investors to attend the shareholders' meeting.
- 1.2. The Company has assigned Thailand Securities Depository Company Limited, acting as the Company's securities registrar, to be responsible for delivering an invitation letter of shareholders to participate in the meeting of shareholders, where invited shareholders can spend a period of time studying the meeting-related information within a period of seven (7) days prior to the actual meeting date or as required by relevant laws. The registrar is also required to advertise the meeting invitation letter and other related notices in any of the local newspapers within a minimum period of three (3) days prior to the actual meeting date, where the meeting invitation letter and other related notices should be required to be advertised in the preferred newspapers for three (3) consecutive days.
- 1.3. The information of date, time, venue and meeting agenda with clarification and supporting reason in the each proposed agenda shall be provided.
- 1.4. The Company shall facilitate the shareholders to fully exercise the right of meeting attendance and voting.
- 1.5. The Company is required to provide shareholders with an opportunity to propose an agenda in advance, reportedly starting from October to December of every year, while submitting any inquiry related to the proposed agenda ahead of the meeting by keeping shareholders informed about the updated information via the news reporting system possessed by the Stock

Exchange of Thailand (SET). The Company is also required to announce rules, regulations, standards, and procedures of the meeting of shareholders via the Company's website www.pjw.co.th in the Investor Relations section.

- 1.6. In case where the shareholder is unable to attend the meeting by presence, the Company gives the opportunity to the shareholder to enable to give a proxy to the independent director or any person to attend the meeting in lieu of him/her.
- 1.7. Before the meeting date Opportunity for shareholders Comments, suggestions, and questions about the meeting agenda can be submitted in advance of the meeting date. by notifying shareholders through the Stock Exchange of Thailand's news system along with the announcement of the criteria and clearly state the steps on the company website www.pjw.co.th
In terms of investor relations

2. Procedures of Meeting of Shareholders

- 2.1. The Company is required to encourage the Board of Directors, executives, and personnel of related agencies, including its auditor, to attend the meeting of shareholders promptly.
- 2.2. The Company applies Barcode System in registration and vote count for rapid, proper and accurate execution of the meeting. The advance registration of the shareholders is allowed before meeting for 2 hours and registration duration is extended until the time before considering last agenda.
- 2.3. At the meeting of shareholders, all shareholders will be authorized to express their opinions, comments, suggestions, and inquiries on particular agendas in an unbiased manner. In the meantime, there will be members of the Board of Directors and related executives present in the meeting to be responsible for all proposed inquiries. Important issues and resolutions of agendas will be recorded in the minutes of the meeting of shareholders aiming to unveil transparency and accountability of implementation, where the Chairman of the meeting of shareholders will mainly be responsible for the allocation of time required for each agenda.
- 2.4. The shareholders are given the opportunity to be able to vote in electing the director one by one.
- 2.5. The Company will assign an independent person to act as a counter or checker of casted votes for both shareholders' ordinary and extraordinary meetings, while being required to disclose the voting results to the meeting and record them in the minutes of the meeting of shareholders.

3. Preparation of Meeting Minutes and Introduction of Meeting Agendas

- 3.1. As the Company will record the minutes of the meeting of shareholders, all voting procedures will be announced to shareholders prior to the meeting. Shareholders will be allowed to express opinions, raise inquiries, record replies of inquiries related to the meeting agendas, and acknowledge the list of attended members of the Board of Directors and those who are absent from the meeting.

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

Part 2 The Equitable Treatment of Shareholders

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

1. Disclosure of Information before the Meeting

- 1.1. The Company will announce the schedule of the meeting of shareholders, together with the agendas and opinions provided by members of the Board of Directors via the website of the Stock Exchange of Thailand (SET) and the Company's website at least within twenty-eight (28) days prior to the meeting date
- 1.2. The Company will keep all shareholders informed about the rules and regulations required for the meeting of shareholders as well as the voting procedures, including the right to vote for each type of share as stated in the meeting invitation letter and other related notices prior to the commencement of the meeting.
- 1.3. The Company is required to prepare the meeting invitation letter and other related documents in Thai and English versions to facilitate both Thai and foreign shareholders.

2. Protection of Minor Shareholders' Rights

- 2.1. Company has developed its policies to foster equality for all shareholders, particularly with minor shareholders. Minor shareholders are amiably invited to propose agendas and qualified persons to be elected as members of the Board of Directors prior to the meeting date, with the detailed information required for the consideration and/or eligibility and consent of nominated persons starting from October to December of every year. The Company is required to keep all shareholders informed about the rules, regulations, and other related issues via the news reporting system of the Stock Exchange of Thailand (SET) and the Company's website in the Investor Relations section, where the Company will screen the agendas that will be truly beneficial for the meeting and elect qualified persons to be members of the Board of Directors through the Audit and Corporate Governance Committee before being proposed to the Board of Directors for further consideration and specification in the meeting agendas accordingly.
- 2.2. The Company will not add any new agenda without informing the shareholders in advance, aiming to provide them with an opportunity to study each agenda thoroughly before making their decisions.

3. Prevention of Internal Information

- 3.1. The Company strictly supervises the use of internal information to prevent the exploitation of internal data for themselves or others in a wrongful or illegal manner to ensure fairness and equality to all stakeholders. The Company has developed a set of guidelines for keeping its internal information and procedures to prevent the use of internal information for personal gain in a written notification, while urging its members of the Board of Directors, executives, and

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

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

4. Interests of the Board of Directors

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

5. Implementation for Interconnected Transactions

Regarding the related transactions that may occur in the future, the company will comply with the law on securities and exchange and regulations, notifications, orders or requirements of the Capital Market Supervisory Board and the Stock Exchange of Thailand including complying with the Company's related transaction disclosure requirements. In accordance with the accounting standards

prescribed by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King, the Company has a policy for related transactions as follows:

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

The general trading conditions shall be a commercial transaction that the company execute normally for the purpose of carrying out a business or is a commercial transaction in which the business is generally as same as the company operate to support normal business transactions. The transactions shall be a transaction that has trade terms with fair prices and conditions and does not create a transfer of benefits, including trading conditions with prices and conditions as follows:

- Prices and conditions received by the company or to third parties
- Prices and conditions that the connected person offers to the third parties
- Prices and conditions at the company It can be shown that it is the price and condition that the business operator in the same manner gives to the third parties

In case where the Audit Committee is not expertise in considering the contingent related party transactions of the Company, the independent expert or auditor shall be provided to remark opinion about the said related party transactions in order to be applied as decision support for the Audit Committee and/or the Board of Directors and/or the Meeting of Shareholders as the case may be. To ensure that entering into such transaction will not be a transfer or transfer of interests between companies. with a person who may have a conflict of interest but is a transaction that the company Taking into account the best interests of all shareholders.

Part 3 The Role of Stakeholders

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

1. **Code of Conduct for Stakeholders**

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

In addition, the Company's business operations consider the rights of all stakeholders, political rights, universal human rights, non-infringement of intellectual property and focus on environmental and social responsibility according to the following guidelines

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

Employees : The company has a policy to pay compensation to employees at all levels appropriately both in the short term in accordance with the Company's performance each year in line with the compensation of companies in the same industry. The pay and compensation of employees at all levels are surveyed with external organizations. And in the long run, the performance and potential of employees are clearly measured. The company will pay reasonable compensation to employees with high knowledge and skills including providing career growth in accordance with the Company's succession plan. The company has taken care of various welfare matters to employees appropriately by reviewing various welfare arrangements regularly to be consistent with changing economic and social conditions including the establishment of a provident fund for employees. The Company has remained firm to provide all of its employees with competency development projects. Admittedly, all employees are considered valuable resources that will lead the Company to splendid

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

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

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

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

- Public Sector : The Company has been urged to pay closer attention to transparency and morality in dealing with government authorities and public officials in order to avoid any improper action that may ruin the Company's principles of good corporate governance, while being committed to pursuing the anti-bribery policies related to any government authority or public official considered the exploitation of business benefits and opportunities.
- Community, Society, and Environment : The Company has fostered a set of business policies with its earnest responsibility for the community, society and environment in terms of safety, quality of life, and conservation of natural resources. To make use of natural resources in an efficient manner, the Company's products, services, and operational procedures are developed in line with relevant rules, regulations, and standards required by globally renowned business organizations worldwide. Also, the Company has encouraged its employees to be more conscious of the community, society, and environment they live in, as part of the intention to promote a better quality of life for all Thai people.

2. Anti-Bribery and Corruption Policies

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

Anti-corruption measures include:

- o Anti-Corruption Policy
- o Political Contribution Policy
- o Policy on accepting gifts, assets, or any other benefits
- o Policy on whistleblowing or complaints and provide protection for whistleblowers or complaints

The Company has established 3 guidelines for preventing and monitoring involvement in corruption, which consist of:

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

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

- provide an audit process Assessing the internal control system and risk management covering various important systems to prevent and monitor the risks of corruption as well as provide suggestions on suitable solutions
- Provide channels for reporting whistleblowers or complaints that are easily accessible in various channels and provide protection for whistleblowers or complaints. There is a standard operating procedure (to comply with the policy on whistleblowing or complaints and provide protection for whistleblowers or company complaints).

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

- Encouraging executives and employees to prepare an assessment form in compliance with good corporate governance policies, codes of conduct, and anti-bribery and corruption measures on a yearly basis.
 - Allowing the internal audit company to conduct its internal audit tasks to ensure effective risk management, good corporate governance, and productive suggestions on anti-bribery and corruption to be proposed to the Audit Committee accordingly.
 - Conducting a regular review on anti-bribery and corruption measures prior to proposing to the Audit and Corporate Governance Committee in a timely and consistent manner.

3. Offense Reporting and Complaint Filing

The company has a policy to protect whistleblowers who commit crimes by adhering to the principles of equality and justice as well as focusing on good relationships within the organization as an important. Therefore, employees who file complaints and those involved in complaints made in good faith will bring great benefits to the company and employees. Therefore, the employee who filed a complaint Employees who give statements, provide information, give facts or give any evidence concerning complaints and employees who consider complaints when done in good faith, even if it causes any trouble to the Company, it will be guaranteed by the Company that it will not cause or be considered a cause for termination of employment, punishment or any action that will have an adverse effect on the said employee. The company will pay attention and consider with fairness to maintain a good labor relations atmosphere.

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

1. Corporate Secretary Office or Internal Audit Office addressed to:
Panjawattana Plastic Public Company Limited 28 Moo 2 Rata II Road, Chai Mongkhon sub-district, Mueang Samut Sakhon district, Samut Sakhon province 74000
2. The Audit and Corporate Governance Commit Email: Taxspecialist2007@yahoo.com
Secretary Audit and Corporate Governance Committee Email: ac-secretary@pjw.co.th

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

Part 4 Disclosure and Transparency

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

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

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

Also, the Company has introduced its Investor Relations section served as a new contact channel, providing significant information on meetings of analysts and press conferences on the Company's performance. The newly developed channel also provides domestic and foreign investors with sufficient information regarding the Opportunity Day in order to report the Company's performance quarterly and annually. The Company has also made debut of newsletters for the press, investment promotion activities for Thailand-based investors, and visits to the Company.

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

Part 5 Responsibilities of the Board of Directors

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

1. Structure of the Board of Directors

Board of Directors It consists of people who have knowledge, abilities and experiences that can benefit the company. Board of Directors plays an important role in formulating policies and the overall picture of the organization and plays an important role in supervising, auditing, and evaluating the Company's performance in accordance with the plan and to ensure the Company operates its business in accordance with the laws, regulations, and resolutions of the shareholders' meeting. with honesty and ethics under the Code of Business Conduct as well as supervising the management of the management in accordance with the goals and guidelines that have been set and create the maximum benefit to the company and its shareholders.

The structure of the Board of Directors is diversified with profession and specialization in the fields of industry, accounting and finance, business, management, international marketing, strategy, crisis management, law, corporate governance, and gender. At present, the Board of Directors consists of 9 directors comprising of 5 executive directors and 4 independent directors. The term of office for each independent director is scheduled to be not more than 9 years. These independent directors may be appointed to resume the office if the Board of Directors deems that it is appropriate.

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

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

The Board of Directors possesses a set of policies mentioning that the Chairman and Chief Executive Officer must not be the same person in order to clarify responsibilities of the regulator. The Company has clearly defined the responsibilities of the Board of Directors, with effective operational and

management power. The Board of Directors is required to be responsible for policy formulation and oversight of executive management at the policy level, while the Company's executives are set to manage the organization in various extents to be in accordance with the policies set by the Chairman of the Board of Directors and Chief Executive Officer to be a different person.

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

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

2. Roles and Responsibilities of the Board of Directors

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

o Separation of Duties between Policy Formulation and Routine Administration

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

- o **Corporate Governance Policy**

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

- o **Code of Conduct**

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

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

- o **Conflict of Interest**

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

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

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

o **Internal Control**

The Board of Directors has recognized the importance of supervising the internal control system at both operational and management levels. The internal control system is an important mechanism developed to ensure quality management to reduce possible business risks and enable effective business operations by appropriately allocating resources and achieving the targeted goals, while protecting properties from being damaged or leaked. This will help everyone in the organization to comply with relevant laws and regulations as well as secure their investment plans efficiently and appropriately. As a consequence, the Company has set its obligations to empower executives and administrators in a clear written form. It effectively controls the use of the Company's assets for the highest benefits of the Company.

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

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

while offering concrete supports to corporate governance policies by reporting the evaluation results directly to the Audit and Corporate Governance Committee.

- o ***Risk Management***

The Board of Directors has evolved effective risk management policies to ensure safety and security of the organization as a whole. Risk Management Committee is involved mainly in monitoring and managing risks that can possibly take place anytime. At present, the Company has appointed the Risk Management Committee to ensure that the Company's risk management is maintained and managed in the most effective manner in accordance with the well-developed risk management policies. In case of difficulties, the Company must apply its productive measures to manage and control existing risks. The Risk Management Committee is required to fully understand the causes of risks and apply corrective actions to cope efficiently with their consequences. This will clearly result in huge benefits provided for the Company, creating new business opportunities that will add a greater value to the organization.

- o ***Report of the Board of Directors***

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

3. Meeting of the Board of Directors

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

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

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

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

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

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

4. Remuneration for directors and senior management

The Company has a policy to pay remuneration to directors and management at an appropriate level. The Nomination and Remuneration Committee is responsible for determining the remuneration policy for directors and senior management including the Chief Executive Officer and proposing the principles and appropriate remunerations to the Board of Directors to propose to the shareholders' meeting for further approval.

1. Policy and Rules for the Remuneration of the Board of Directors.

The Board of Directors determines the directors' remuneration in 2 types: 1. Meeting allowance per meeting attendance 2. Monthly remuneration and director's bonus by considering the performance of the company and alignment with the company's short-term and long-term strategies and goals including the duties and responsibilities of each director.

2. Policies and criteria for senior management compensation,

The Chief Executive Officer, is reviewed by the Nomination and Remuneration Committee to review and propose to the Board of Directors for approval. The remuneration is determined in accordance with the Company's compensation structure which is a competitive rate in the same business segment to retain quality management. Executives who have been assigned additional duties and responsibilities will receive additional compensation as appropriate.

5. Knowledge Development for the Board of Directors

The Company has encouraged its Board of Directors, executives, and secretary to attend training courses and seminars that are beneficial to them. The training programs and seminars are organized by the Thai Institute of Directors, the Stock Exchange of Thailand (SET), the Securities and Exchange Commission (SEC), and other independent agencies throughout the year. The Board of Directors, approved by the Thai Institute of Directors (detailed in the profile of each member of the Board of Directors), is required to make a visit to the production plant at least once a year to encourage the exchange of business insights between members of the Board of Directors and top executives.

6. Self-Assessment of the Board of Directors

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

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

1. Performance Evaluation of the Board Committee
 - Structure and qualifications of the Board
 - Roles and responsibilities of the Board
 - Board Meetings
 - Acting Director
 - Relationship with the Management
 - Self-development of directors and executives
2. Performance Evaluation of the Subcommittee
 - Structure and qualifications of the Board
 - Board Meetings
 - Roles and responsibilities of the Board

For each topic, the Subcommittee will be required to cast votes, where the scores will be taken as the average rating of the entire Board.

7. Performance Evaluation of Chief Executive Officer

The Board of Directors Is an annual assessment of the performance of the Chief Executive Officer on an annual basis By using the evaluation form of the Chief Executive Officer of the Stock Exchange of Thailand And use the index to measure the success of the organization compared to the achievement of goals and annual plans Core Competency, Managerial Competency through the nomination and remuneration committee And report the evaluation results and opinions of the directors to the Chief Executive Officer to acknowledge for further improvement and development

8. Succession Planning for Senior Executives

The Board of Directors Has given priority to the establishment of a succession plan and an executive development plan for the succession of the senior management positions of the company in order to be able to continuously manage the work and be able to select personnel with competency and competency Ready to hold such important positions

- 1) The Board of Directors is required to determine the executive development plan.
- 2) The Nomination and Remuneration Committee is required to indicate the knowledge, ability, and experience required for the position, where qualified candidates are expected to perform their functions efficiently for each task.

3) The Chief Executive Officer is required to evaluate performance and knowledge of executives with the required competency regarding individual development plans.

4) The Chief Executive Officer is required to review and summarize the results of the succession planning of Chief Executive Officer on a yearly basis.

9. Nomination and Appointment of Directors and Top Executives

○ The Independent Director

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

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

2) Not considered a member of the management team, a consultant with a regular salary or the controlling authority of the Company, its parent company, its subsidiaries, affiliated companies, subsidiaries, major shareholders or of the controlling person of the Company, unless it has ceased to exist at least two (2) years prior to the date of being appointed as an independent director.

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

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

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

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

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

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

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

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

The Company has recruited its directors by the major shareholders and/or major shareholders' representatives and/or qualified members of the relevant departments, directors, independent directors, and the Management of the company featured as follows.

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

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

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

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

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

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

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

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

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

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

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

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

5. In case where the position of the director is vacant for any reason other than the expiration of the term, the board may select a qualified person without any prohibited characteristic under the Public Limited Company Act and the Securities and Exchange Act to be effective on the next Board meeting,

unless the director's term is less than two (2) months, the person who becomes the replacement shall be in office only for the remaining term of the replaced director.

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

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

○ **The Audit and Corporate Governance Committee**

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

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

○ **The Nomination and Remuneration Committee**

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

○ **The Risk Management Committee**

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

○ **The Executive Committee**

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

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



Policies and Code of Conduct

Panjawatana Plastic Co., Ltd

Approved on 14 September 2013

Annually reviewed, the 8th most recent and effective from February 19, 2022.

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Business code of conduct

Panjawattana Plastic Public Company Limited and subsidiaries ("Company") realizes the significance of good governance principle by abiding by business operation with honesty, transparency, fairness, responsibility and care under concerned law, regulation and standard.

In order to make such principle successful, the company sees fit to make business code of conduct so that directors, executive and employees in every level use as a guideline for work operation in the same direction strictly. This is to create confidence to customers and lead to increase of efficiency in competition, value increase and long-term stability of the business.

Business code of conduct of directors, executive and employees are as follows.

1. Code of conduct on responsibility to shareholders
2. Code of conduct on treating data and information
3. Code of conduct on responsibility to government sector
4. Code of conduct on responsibility to independent organization and other organizations in society
5. Code of conduct on responsibility to customers
6. Code of conduct on responsibility to customers and/or creditors
7. Code of conduct on responsibility to commercial competitors
8. Code of conduct on responsibility to employees
9. Code of conduct on responsibility to society and environment
10. Code of conduct on anti-corruption
11. Code of conduct on non-violation to intellectual property violation
12. Code of conduct on conflict of interest
13. Code of conduct on respect of human rights
14. Code of conduct on transaction between companies

Definition

| | |
|---------------------------------|---|
| Business code of conduct | Good governance in the business of Panjawattana Plastic Public Company Limited and subsidiary which will lead to good governance of the organization |
| Company | Panjawattana Plastic PCL and subsidiaries |
| Executive | Company directors, CEO and department executive/equivalent of the company |
| Employee | Employee of commanding level/equivalent of the company |
| Authorized attorney | Natural person or juristic entity assigned from the company to perform any tasks of the company |
| Contract party | A person who agrees to bind and has the right, duty and responsibility as appeared in the contract made with the company. |
| Business related people | Natural person or juristic entity that the company has business contact including government agency, state enterprise, private organization, public organization etc. |
| People with interest | Person concerning with the company in various aspects such as company directors, employees, shareholders, contract parties, business concerned people, creditors, debtors, factory surrounding community etc. |

Guideline of the code of conduct

1. Every director, executive and employee has the duty to follow the code of ethics and must not ignore when witnessing non-compliance of the code of conduct and also provide cooperation in investigating facts when there is accusation of non-compliance of code of conduct.
2. The performer must understand the content of this code of conduct.
3. Learn about the content relating to their duties and review the understanding regularly.
4. In case of doubt or inquiry, consult with superior or person that the company specified to have responsibility on following up compliance of code of conduct through various specified channels.
5. Provide knowledge and understanding with other people that must follow the duty relating to the company or might affect the company.
6. Commander in every level must be a leader in complying with the code of conduct and promote working environment to employees and concerned people to understand that compliance of code of conduct is the right thing and should be performed strictly.
7. When finding violation or non-compliance of the code of conduct the performer or people with interest must notify the matter to the trusted commander or human resource work line executive or audit and business supervision committee. In case of notifying to the audit or business supervision committee, notify via E-mail: auditcommittee@pjm.co.th

1. Code of conduct concerning responsibility to shareholders

Policy and guideline

- 1.1 Conduct the duty with honesty and decision-making for any operation with pure mind and fair to majority and minority shareholders for the maximum benefit of the company and overall shareholders
- 1.2 Conduct management duty by using skill and knowledge fully.
- 1.3 Procure so that no property of the company depreciates or loses illegally.
- 1.4 Do not seek benefit for oneself or concerned people by using any inside data that are not disclosed to the public.
- 1.5 Truthfully report the status and work operation result of the company to shareholders equally, regularly and completely
- 1.6 Determined to disclose information completely, sufficiently, in time so that it can be accessed equally and be careful not to let shareholders to misunderstand or get confused in the information.
- 1.7 Do not do anything that will cause conflict of interest with the company.
- 1.8 Directors and top management must notify the company committee or a person that the directors assigned on buying and selling shares of the company at least 1 day in advance before transaction.

Cautions

- 1) Making of data, document or financial report that is not consistent with the truth.
- 2) Destroy documents without knowing details of the documents to be destroyed.

Example of the situation and practice guideline

- 1) In general shareholder meeting, the chairman ordered officer supervising on registration to join the meeting and prevent Mr. Sunthon to join the meeting for fear that he would object in approving giving bonus to directors, what should you do?

Advice

The company must encourage every shareholder large or small to have equal right in expressing opinions, advice or question any agenda freely before casting vote in any agenda.

2. Code of conduct on treating data and information

Policy and guideline

- 2.1 Determined to maintain the secret of the company. Must not use the data for personal benefit or disclose to a third party.
- 2.2 Directors, executive and employees in the department receiving inside data of the company must not use such data before publicizing to the public and concerned people with inside data must not buy and sell securities of the company, spouse, minor child whether by direct or indirect transaction (such as nominee through personal fund) within 1 month before disclosing quarter financial statement and annual financial statement and after disclosing such data at least 3 days.

Caution

- 1) Sharing personal data with various agencies or unconcerned people
- 2) Lacking risk protection measure in managing data to prevent from being destroyed or lost.

Example of the situation and practice guideline

- 1) If you perform the duty in the position that can access history data system of directors and executives, one day you receive a call from a factory manager to send the history of the CEO to publicize in a magazine by claiming that he has received permission from the CEO but you do not know, what would you do?

Advice

Disclosing personal data of other must receive consent from the data owner directly. Anyone discloses personal data of other without consent must be responsible for the damage. In this example, you should inquire the owner of the data to ask for approval from the owner of such data before any operation.

3. Code of conduct regarding responsibility to the government

Policy and guideline

- 3.1 Prioritize transparency and consider the honesty in conducting transaction with officer or government agency to avoid operation that might affect inappropriate action and conflict with the principle of good governance and anti-bribery to government officer to provide convenience or benefit of the business of the company.
- 3.2 Provide cooperation with government sector in following the law, rules and regulations on business operation strictly.
- 3.3 Present opinions and participate with government sector in developing the country on economy, society and environment.
- 3.4 Focus on project with public benefit such as policy assigned from government sector or project started by the company.

Cautions

- 1) Relationship with politician or people concerned with politician might cause misunderstanding of not maintaining political neutrality or to take part in a political party.
- 2) Dress with employee uniform in performing the duty on any political party.

Example of the situation and practice guideline

- 1) What should you do, if your subordinate applies to be elected as a member of sub-district administrative organization?

Advice

Explain to the subordinate that the election can be made if it does not affect the main work and must not claim the employee status of the company for benefit in operating concerning election or campaign or to do anything that will make the public misunderstand that the company supports or takes part or join with any political party.

4. Code of conduct on responsibility to independent organization and other organization in the society

Policy and guideline

- 4.1 Reveal and exchange data and news with independent organization and other organizations in the society on economy, society and environment.
- 4.2 Provide cooperation in various activities that the independent organization and other organization in the society arranges to promote sustainable development and respond to social expectation.
- 4.3 In the operation of cooperation with independent organization and other organization in the society, the consideration must be paid to the impact to the economy, society and environment.
- 4.4 Follow the law without violating the regulation or legal specification.

Cautions

- 1) Disclosing incorrect data to the public
- 2) Ignoring complaints of the community

Example of the situation and practice guideline

- 1) The company receives complaint from the community regarding environmental problem and pollution from releasing wastewater into the river, what should the company do?

Advice

The company should hurry on solving the problem that the community complaints on environmental problem and pollution correctly as specified by the law by making wastewater purification system and inspect the biological, physical and chemical property before releasing into the river to prevent pollution problem to the society and environment.

5. Code of conduct on responsibility to customers

Policy and guideline

- 5.1 Treating with customers by abiding by the principle of honesty and fairness and disclosing and giving information concerning the goods and service that is correct and complete to customers without distorting the fact.
- 5.2 Follow the various conditions to customers strictly and providing the service and treating customers with kindness.
- 5.3 Complaints of customers should receive attention and fair operation to respond to the need of customers quickly.
- 5.4 Maintain the commercial secret of customers and do not use it for the interest of oneself and concerned people.
- 5.5 Produce products with quality and standard regularly
- 5.6 Must not overcharge when compared to goods quality and avoid specification of unfair commercial condition to customers.

Cautions

- 1) Disclose the data of customer company in public
- 2) Showing inappropriate manner while having quarrel with customers

Example of the situation and practice guideline

- 1) You overhear the sales manager speaking the customer about the product that the customer has developed which the product will be launched in a few weeks, can you talk about this to other people?

Advice

No. because this type of data is important data of customer company that is not disclosed to the public. You should not seek profit from these data or should not exchange these data with others who might use these data because it might cause damage to customer company.

6. Code of conduct on responsibility to customers and/or creditors

Policy and guideline

- 6.1 Maintain sustainable relationship with customers and create cooperation on economy, society and environment.
- 6.2 Procurement should not specify on specification of product or service from any specific customer or try to select characteristics preferring such product or service intentionally unless it is necessary and there is sufficiently supported reason.
- 6.3 Consider equality, fairness, no advantage taking, and having honesty in business operation and maintain interest with suppliers and creditors by following the law and rules specified together strictly.
- 6.4 Do not request, take or distribute any dishonest interest in trading with suppliers.
- 6.5 Follow the various conditions strictly and treating creditors fairly and returning the money according to the schedule, taking care of security property and other conditions according to the contract correctly, completely and following good governance by reporting to suppliers and creditor in advance, if the obligation in the contract cannot be performed and joining in finding a way to solve that problem. In selecting suppliers, the company selects sellers, service providers by following the work operation on procurement, assessment and development of suppliers.

Cautions

- 1) Conflict of interest that might happen in selecting sellers of goods or service such as accepting inappropriate gifts.
- 2) Selecting sellers of goods or services who are relatives or having close relationship

Example of the situation and practice guideline

- 1) You are selecting an external consultation company to lay down system in the company which your brother conducts consultation business in this matter and you consider that your older brother has suitable qualification with the work that you require. Can you hire your older brother for this work?

Advice

Even though your older brother has suitable qualification, but you should not hire your own brother because hiring will cause conflict of interest. However, your brother still has a chance to be selected as a consultant to the company, but you must take no part in selecting, deciding or proposing the employment.

7. Code of conduct on responsibility to commercial competitors

Policy and guideline

- 7.1 Treating commercial competitors in a way consistent with universal principle under the law framework relating to commercial competition and abide by rules of equal competition.
- 7.2 Do not prevent others to join in the business competition.
- 7.3 Do not destroy reputation of commercial competitors by accusation and attack competitors without facts or to have any unfair action to competition.

Cautions

- 1) Join in specifying the price or condition of selling goods or service that is unfair to other commercial competitors.
- 2) Make agreement with customers that take advantage of other competitors.

Example of the situation and practice guideline

- 1) If you are assigned to introduce goods and innovation of the company to show in goods exhibition arranged in the country which you need to show that the quality of the company is better than the same type of goods produced by other manufacturer, can you bring the goods of other manufacturer to test the quality to compare with the product of the company in front of the goods exhibition participants?
- 2) If you are invited from commercial competitors to exchange opinions on marketing plan to allocate customer group and selling area to cut prices with each other, what you react to such incident?

Advice

- 1) You cannot test the goods of other producer even though it follows the fact because it is an action that violate business ethics. However, if you wish to show goods quality you can test to compare it, but you should not specify goods source or goods producer that is tested or compare.
- 2) You should deny joining in the discussion of such issue and should report the matter to superior.

8. Code of conduct on responsibility to employees

Policy and guideline

- 8.1 Treat personnel with politeness and respect the basic human rights in an equal manner.
- 8.2 Provide fair and suitable compensation to responsibility, knowledge, ability and work operation result of each employee in the form of salary, overtime wage, allowance, bonus, social security contribution, compensation fund contribution, provident fund contribution, making of health insurance and others.
- 8.3 Appointment and moving and giving reward and punishing employees must be with honesty and based on the knowledge, ability and suitability of that employee.
- 8.4 Maintaining work environment to be safe to lives and health of employees.
- 8.5 Promote, support, train and develop knowledge, ability of employee widely and regularly.
- 8.6 Listen to opinions and recommendation based on professional knowledge of employees.
- 8.7 Follow the law and regulation concerning employees strictly.
- 8.8 Avoid any action that is not fair to employees and allow employees to complain from trouble or unfairness to receive correct solution.

Cautions

- 1) Work with electrical equipment, tools, machine without manual.
- 2) Not reporting accident in a workplace.
- 3) Not following rules and regulation governing health and safety

Example of the situation and practice guideline

- 1) Your subordinate reports that his ears cannot be heard oftentimes. He went to see the doctor and the doctor diagnosed that it might be from 2 causes which was to hear loud noise or to be in an environment with loud noise regularly. Your subordinate suspects that it might be from hearing the noise of machine in the work area. As a superior, what would you do?
- 2) Your superior orders you to prepare purchase order worth 20,000 baht but he has the power to approve only 15,000 baht so he orders you to split the purchase order into 2 so that he would not have to request approval from higher superior, what would you do in this situation?

Advice

- 1) As you're a superior after receiving report of abnormality, you should operate to check the fact immediately because every employee has the duty to report abnormality to superior even though it is just a small mistake or just a doubt. This is to prevent or stop harm in time.
- 2) This action is not proper request of approval and against good internal principle. You should notify your superior to know the correct method or if you don't feel comfortable to notify, you can notify the matter with the internal inspection department.

9. Code of conduct on social and environmental responsibility.

Policy and guideline

- 9.1 To have policy in business operation with responsibility to community, society and environment regarding safety and life quality and natural resource preservation and promote efficient use of energy and realize life quality of community and society and considers business operation that would affect the environment.
- 9.2 Work operation and decision-making to perform anything of the company, it must be sure that the product and every business operation of the company is correct and consistent with the rules or standard.
- 9.3 Arranging training includes internal activity of the organization to promote employees to have conscience and responsibility to community, society and environment and provide cooperation in various activities with the community that the company is operating the business.

Cautions

- 1) Using natural resource wastefully
- 2) Production process with excessive waste
- 3) Incorrect management of hazardous garbage

Example of the situation and practice guideline

- 1) The company ordered purchase of spray paint as you know one employee of a spray paint company and can buy at a lower cost than the current brand, but such company has no standard certification on environment preservation, what would you do?

Advice

In buying chemicals for using in the office or factory, it must be sure that there is certification on safety standard from responsible agency and preserves environment and has reliable source.

10. Code of conduct on anti-corruption.

Policy and guideline

- 10.1 Company directors, executives and employees in every level must not take part in corruption whether directly or indirectly.
- 10.2 Every company employee must not ignore when finding an action that is likely to be corrupted and concerning the company. It must be notified to superior or responsible people and provide cooperation in verifying various facts. In case of doubts or question, consult with superior or person specified to be responsible on following up the code of conduct of the company through various channels.
- 10.3 The company will provide fairness and protect employees that refuses to participate in corruption or notify the corruption concerning the company by using protection policy of complaint maker or cooperation provider in the corruption report.
- 10.4 A person who committed corruption violates code of conduct of the company which must be considered disciplinary punishment according to the regulation specified by the company. Moreover, there might be punishment according to the law if it is against the law.
- 10.5 The company realizes the importance of publicizing, providing knowledge and understanding other people who must perform the duty concerning with the company or might affect the company including employees, executives and directors in the matter that must follow the policy of anti-corruption.
- 10.6 Promote employees to have knowledge and understanding by arranging seminar and training on policy and guideline in anti-corruption of the company in order to provide knowledge and review data on anti-corruption.
- 10.7 The company specifies risk assessment for corruption regularly at least once a year by specifying incident with risk from corruption, assess the risk level in the opportunity and possible impact so that they can be used in reviewing and improving anti-corruption standard of the company to implement it effectively.
- 10.8 Arrange inspection process, assess internal control system and risk management that covers various important work systems to prevent and follow up the risk from corruption and provide recommendation in suitable solution.
- 10.9 Procure that there is regular review and improvement to anti-corruption measure by presenting assessment result to the audit and business supervising committee and risk management committee and report to the company committee respectively in time and regularly.

Cautions

- 1) Paying money to people not concerning such transaction to exchange improper special privilege.
- 2) Conduct transaction with government officer or member of government officer while such officer has influence to decision-making on the contract made with the government.
- 3) Receive or provide business advice that requires special relationship with government officer or any person.

Example of the situation and practice guideline

- 1) The company lets you order plastic resins and you are a relative with a sales personnel of one plastic resin selling company. Your relative promises that if you order to a specified amount, you will gain 1% commission of the sale amount, what should you do?

Advice

Each goods purchase order should compare prices from at least 3 sellers to acquire suitable goods price and the lowest price and sellers to be compared must be reliable and go through selection according to the regulation of the company.

11. Code of conduct of non-violation of intellectual property

Policy and guideline

- 11.1 Every personnel of the company must respect and must not violate intellectual property of others. If an action that is or might be violation of intellectual property is found, notify such data to superior.
- 11.2 Verify the data which is the right of outsiders acquired or will be used inside the company to reduce the risk of violating intellectual property of others.
- 11.3 Employees have the duty to report to superior when finding an action which would lead to violation or an action that might cause dispute on intellectual property.
- 11.4 In the work operation, employees must maintain the work, data, formula, statistics, program, method, process and various facts which are intellectual property of the company to that they would not be violated and disclosed to anyone unless there is consent from the company.

Cautions

- 1) Copying, modifying, revising electronic equipment, electronic data or various information technology without reasonable cause.
- 2) Using confidential data or the right of others without consent from owners
- 3) Decision-making on acquiring intellectual property, using intellectual property, maintaining right and protecting the right in intellectual property of the company without definite and correct understanding.

Example of the situation and practice guideline

- 1) The company has the policy of improving research and development of product by arranging readymade application which is sold at a high price and the copyright is reserved according to the law because your subordinate has friend at R&D department of a company and uses such software. In order to receive work achievement from superior, your subordinate requests a copy of such software to test in the work to save money. If you find out about this, what would you do?

Advice

To illegally use a software with copyright has the risk of lawsuit and it is illegal which might affect the image of the company afterward. Even if it is just a trial, it is not appropriate. You should order uninstalling of such software from company computer and make sure that there is no use of computer software that is not purchased legally with company computers.

12. Code of conduct on conflict of interest

The company directors specify policy on conflict of interest on the principle that any decision in the business operation must be made for maximum benefit of the company and should avoid any action that would create conflict of interest.

Policy and guideline

- 12.1 Directors, executives and employees must review and disclose items with conflict of interest to the company regarding their relationship or connection in such item.
- 12.2 Consideration to enter into any transaction, it is specified for concerned or related people of consideration item must not join in the consideration and has no approving power in that transaction and in conducting transaction, one must consider suitability by using price and conditions as if conducting with a third party.
- 12.3 Related transaction and transaction with conflict of interest must be approved from the audit and business supervision committee and present to the company directors to consider approving that transaction carefully.
- 12.4 Executive must report change of holding securities to the SEC according to the section 59 of the Securities and Exchange Act B.E. 2535 (1992).

Cautions

- 1) Personal interest affecting the company
- 2) Personal relationship that might conflict with the duty
- 3) Financial relationship with people who might have conflict with the company.

Example of the situation and practice guideline

- 1) You are an executive of a company with approving power to purchase and pay the money in the amount of 1 million baht. Your wife opens raw material selling company. When the company has warehouse building project, you order the purchase department to buy goods from your wife's company only and in each purchase, it must not be over 1 million baht.

Advice

There should be budget of the project and price comparison from sellers according to the system, regulation of the company and you should notify the company directors and let the company directors approve such operation or let other executive with independence and no conflict of interest to that transaction to approve the purchase and make the payment for transparency and fairness.

13. Code of conduct on respecting human rights

Panjawattana Plastic Public Company Limited encourages and respects the principle of human rights which is related to the business in a way of increasing value, and it is deemed important factor of the business increasing value and yield and regularly inspect the business in the groups of Panjawattana Plastic Public Company Limited to participate in human rights violation by accepting operating principle benefiting the world society such as human rights principle of united nation organization.

Policy and guideline

- 13.1 Respect and follow the regulation of the company and concerned domestic and international law strictly.
- 13.2 Develop two-way communication channel to promote knowledge, understanding and action to respect human rights and allowing employees and people with interest to show opinions reflecting problems and notifying clues or complaints in case there is incident or action concerning human right violation.
- 13.3 Arrange process of verifying data or complaints concerning human rights after receiving notice from employees and/or people with interest and report to top management to alleviate or fix the impact on human rights appropriately.
- 13.4 Treat employees fairly, equally, respectfully and giving them opportunity along with prioritizing care of community and society based on safety and good life quality and promote business partners to grow together with responsibility and respect of basic rights of people with interest equally.

Cautions

- 1) Must be impartial by recording the facts and record it clearly what they see for themselves or story telling by others which might be biased.
- 2) Should be careful on cultural difference which is sensitive. Communication on question and understanding reaction of the injured is important.

Example of the situation and practice guideline

- 1) The company has an opening for sales employees of the company with the shop in front of the company. In the application announcement, it specifies female, pretty face, good figure only to be interviewed for 2 positions. When someone applies and found that he is a man with dark skin, the security guard of the company notifies him to go home because he has no qualification in the announcement.

Advice

The company should not specify characteristics of an applicant but should look at ability, educational background suitable with the applied position to prevent sexual discrimination and respecting human rights.

14. Code of conduct on transaction between the companies.

Regarding transaction between the companies, the company will follow the securities and exchange law and regulation, announcement or specification of the SEC of Thailand and follow regulation on disclosing related transactions of companies according to the accounting standard specified by the council of profession under patronage.

Policy and guideline

- 14.1 Study rules, regulation, process authorization as specified thoroughly before proceeding.
- 14.2 Do not proceed in case there is a request to skip a step or stopping any process that must be conducted normally.
- 14.3 Proceed to follow guideline and process in considering approving related transactions or transaction that might have conflict of interest for the maximum benefit of the company according to the criteria specified by the law.
- 14.4 Proceed on related items in a fair and reasonable manner and must not transfer interest between companies.
- 14.5 Transaction between each other must be considered and approved by the inspecting and business supervision committee before presenting to the directors to consider approving the transaction carefully.

Cautions

- 1) Transaction between each other must have the fair price and condition and does not cause transfer of interest.

Example of the situation and practice guideline

- 1) Borrowing employee from subsidiary to help work in your department temporarily by letting executives of both companies to agree verbally, can it be done?

Advice

It cannot be done. Borrowing personnel between companies must follow personnel management regulation and specify Cost center for collecting the expense correctly.

Conflict of Interest Disclosure Form of Panjawattana Plastic Public Company Limited

I have read this code of conduct in the business of Panjawattana Plastic Public Company Limited thoroughly and understand it very well, so I report as follows.

(Please put in X in and O and add more information if necessary (if any))

I have no transaction that might be conflict of interest with the company.

I have transaction that might have conflict of interest with the company. The details are as follows.

There is transaction with general business agreement between the company or subsidiaries with

Me by using my own name.

Me by using other people's name (specify the name).....

Person concerning my family* or my agent

Name (Mr. /Mrs./Miss).....Surname.....

Relationship.....

(*Related people in the family means spouse, father, mother, children)

I report as follows (please attach additional documents (if any))

1. Details of transaction

2. Solution in case I have solved the issue (if any).

Sign.....

(.....)

Position.....

Date...../...../.....

Opinion of superior:

.....
.....

Sign.....

(.....)

Position.....

Date...../...../.....



Acknowledgement Signature Form

Date.....Month.....Year.....

I Mr./Mrs./Miss.....Employee ID.....

Position.....Department.....Division.....

have acknowledged and willing to follow the code of conduct of executive and/or employee specified in the business code of conduct of Panjawattana Plastic Public Company Limited.

I am well aware that if I do anything that is against the business code of conduct or work regulation of the company, I will receive disciplinary punishment as applicable.

.....

(.....)

Date.....



Report of the Audit and Corporate Governance Committee



Dear Shareholders of Panjawattana Plastic Public Company Limited

The Audit and Corporate Governance Committee (ACGC) of Panjawattana Plastic Public Company Limited is comprised of 3 independent directors. One of them has sufficient knowledge and experience to be able to perform the duty of reviewing the reliability of the financial statements. The ACGC independently performs the duties under scope of responsibilities assigned by the Company's Board of Directors and under scope of Audit Committee Charter and Good Corporate Governance. in consistency with provision of the Stock Exchange of Thailand.

The Audit and Corporate Governance Committee (ACGC) with the names listed below

| ชื่อ-สกุล | ตำแหน่ง |
|---|----------------------|
| 1. Miss Charanya Sangsukdee | Chairman of the ACGC |
| 2. Assoc. Prof. Dr. Aekkachai Nittayagasetwat | Member of ACGC |
| 3. Mr. Nuttawut Khemeyothin | Member of ACGC |

In 2021, the ACGC held totally 4 meetings by discussing and exchanging opinions with the management, internal auditors and auditors on relevant matters. The essence of functions can be summarized as follows

1. Review of Financial Statements

The ACGC reviewed financial statements and consolidated financial statements of the Company and its subsidiaries on quarterly and yearly basis for the year 2019, to ensure they were prepared in accordance with Thailand's financial reporting standard and in consistency with the international financial reporting standard, together with the auditor and management, by considering important accounting policies, significant financial reporting and disclosure of important information and giving advices and helpful comments before giving approval and presenting to the Board of Directors.

The audit and corporate governance committee held 1 meeting with the auditors without the management team of the company attending to discuss independently about obtaining material information in the preparation of financial statements and disclosure of the information consistent with the standard of financial report for the benefit of the stakeholders and the information about suspicious behaviors related to corruption or violations of the law of directors and executive officers.

For the year of 2021, the Audit Committee deems that the Company's financial report is properly prepared according to the Generally Accepted Accounting Principles, adequately discloses the significant information in notes to development and improvement of audit operation to be effective in financial statements and contains the information which is useful for the shareholders and investors.

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

The Audit Committee reviewed the risk management from the audit report of the Internal Audit Unit and the auditor, and acknowledged the enterprise risk management result report of which the Risk Management Committee performs. By paying attention to regulatory risks, environmental pollution risks caused by plastics and plastic waste and cyber security risks, etc. the duty in particularly supervising the risks covering the approval on the risk management policy and framework, monitoring the risk assessment, approving the risk management measure, and summarizing the report of the enterprise risk management result for the regular acknowledgement of the Board of Directors, assuring that the Company has the risk management system which is appropriate and adequate for the business operation condition and can manage risk in the acceptable level.

The Audit Committee reviewed the adequacy and appropriateness of the internal control system of the Company for 2021 by taking into account from the internal control system adequacy assessment form according to the COSO (The Committee of Sponsoring Organizations of the Treadway Commission)'s practical guideline framework of internal control to assess internal control system, risk management, and reliability of the financial report. The assessment result created the reasonable confidence that the Company has the internal control system which is good and adequate for business operation, And consistent with the opinion of the auditor who reported that were no significant deficiencies that affect the financial statements of the company. The management team emphasizes continuously raising awareness to promote morality, ethics, code of conduct, and anti-corruption for employees by focusing on the preventive system development.

In addition, the self-assessment tool was applied to suit each business both in Thailand and China with awareness of risk management and compliance with laws regulations, and control. The audit in collaboration with operators developed the report by increasing continually the use of Data Analytics for

the business to supervise the work under the responsibility and the audit to use in audit work.

3. Compliance with laws

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

4. Connected transactions or transactions with potential conflict of interest

The ACGC regularly considers the connected transactions or transactions with potential conflict of interests in quarterly basis by adhering to the principles of reasonableness, transparency, adequate disclosure of information as normal in the business and the maximum benefits of the Company. . Also, they declared information to the Stock Exchange of Thailand correctly within the specified time.

5. Good Corporate Governance

The ACGC gives high precedence to encouraging and emphasizing on the operations based on Corporate Governance Code and code of business conduct, including promoting and monitoring the progress of good corporate governance and social responsibility development process continuously. During the year 2020, Good Corporate Governance Policy, Code of Business Conduct handbook and Anti-corruption Measures were reviewed and updated. Other and support training, communication, and make suggestions for activities to create knowledge and understanding about good corporate governance, business ethics and code of conduct and providing guidelines and other recommendations that are necessary to develop a good corporate governance system to be more efficient. To be international standard equivalent, which will create confidence for all groups of stakeholders

The company arranges the board of directors meeting without executive officers or directors attending once a year so that directors can freely exchange opinions on the business management of the corporate governance team.

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

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

The ACGC considered the performance of the auditors of Dharmniti Auditing Co., Ltd. The independence and performance of the year 2021 which was the 13th year of the auditing firm and the 4th year of the auditors in signing to certify the financial statements, were evaluated. It was deemed that such auditors well comprehended on the Company's business, carried on their professional practices with independence, impartiality, experience and ability, and always handed in audit work on time. The overall performance was satisfactory with adequate independence. It was deemed appropriate to propose the Board of Directors to request the approval from the 2021 Annual General Meeting of Shareholders to appoint the following persons:

1. Mr. Suwat Maneekanoksakul,
Certified Public Accountant No. 8134 and/or
2. Peradate Pongsathiansak
Certified Public Accountant No. 4752 and/
3. Miss Sulalit Adsawang,
Certified Public Accountant No. 7517
4. Ms. Soraya Tintasuwan
Certified Public Accountant No. 8658
5. Ms. Potjanarat Siripipat
Certified Public Accountant No. 9021


In 2022, it has been the 14th year of the auditing firm and the audit fee is fixed at not exceeding Baht 2,415,000 per year,

including the audit and certification fees for compliance with the condition of BOI Certificate. In case of additional audit and certification of BOI Certificate, the audit fee is charged at Baht 40,000 per certificate. In case of establishing a subsidiary during the year, the fixed audit fee shall not exceed Baht 100,000 per company, excluding other expenses such as traveling expense for operation in upcountry. The auditors listed above have had no relationship or interest with the Company, the executives, major shareholders or parties related to such persons at all

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

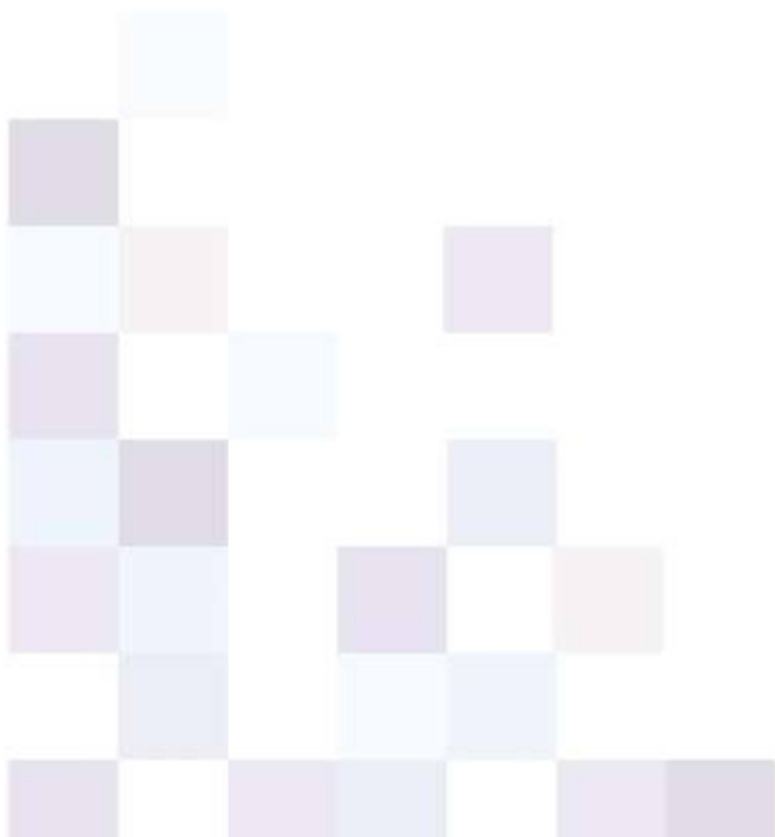
The ACGC assessed its performance by evaluating authorities, ACGC members, meetings, internal control, financial report preparation, compliance with rules and regulations, auditors, internal auditors, reporting of the Audit Committee, and performance appraisal. The individual and group self-assessment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

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



Miss Charanya Sangsukdee

Chairman of the Audit and Corporate Governance Committee



**MAXIMIZING YOUR VALUE
IS OUR ULTIMATE PRIDE**

