



**MODEN GLAS**

**บริษัท ไทยโพลีอะคริลิก จำกัด (มหาชน)**  
THAI POLY ACRYLIC PUBLIC COMPANY LIMITED



Scan AR Book

**2018**  
Annual Report  
รายงานประจำปี  
**2561**

# Vision and Mission Statements

## Vision

To be recognised as a leading world class manufacturer/distributor of cell cast and other plastic sheets, we will inspire and innovate, creating valuable products and solutions.

## Mission

We are dedicated and committed to providing premium quality products and also to creating value and solutions for the benefit of our customers and stakeholders.

## Value

“ We shall be creative and innovative for new development of acrylic sheet and other plastic materials through close co-operation and a better understanding of our customers’ needs and requirements. We care for safety and healthy living of our colleagues and commit to a clean environment to the surrounded community. ”

# CONTENTS

MESSAGE FROM THE CHAIRMAN	106
MESSAGE FROM THE MANAGING DIRECTOR	108
BOARD OF DIRECTORS	110
MANAGEMENT TEAM	111
DIRECTOR PROFILE	113
GENERAL INFORMATION ABOUT THE COMPANY	122
THE COMPANY'S ORGANIZATION STRUCTURE	123
MAJOR SHAREHOLDERS & SHAREHOLDING BY COMPANY'S DIRECTORS AND SENIOR EXECUTIVES	124
ACHIEVEMENTS & AWARDS 2018	126
THE BUSINESS & BUSINESS OVERVIEW	127
BUSINESS RISK and RISK MITIGATION MEASURE	129
INTERNAL CONTROL & RISK MANAGEMENT	130
THE MANAGEMENT and SCOPE OF AUTHORITY and DUTIES	131
CORPORATE GOVERNANCE UPDATE 2018	138
COMPANY SOCIAL RESPONSIBILITIES 2018	151
RELATED BUSINESS TRANSACTIONS	162
REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS	164
THE AUDIT COMMITTEES REPORT 2018	165
PERFORMANCE & FINANCIAL HIGHLIGHT	168
EXPLANATION OF FINANCIAL ANALYSIS & OPERATING PERFORMANCE	169
AUDITOR'S REPORT	174
FINANCIAL STATEMENTS	179
NOTES TO FINANCIAL STATEMENTS	185

# MESSAGE FROM CHAIRMAN



A handwritten signature in dark ink, appearing to read 'B. Harris', positioned above the printed name.

**Dr. Benjamin James Harris**  
Chairman of the Board of Directors

The Thai economy continued to grow at or near forecast GDP growth rates during 2018. The growth rate over the full year in 2017 was near to the consensus forecasts of order of 4% as reported in this statement last year. Whilst reported quarter by quarter growth rates through the year were variable and down in Q3, the expectation from commentators at time of writing, was that Q4 growth rate was strong with full year growth estimates at or slightly above 4%.

GDP growth in 2018 was underpinned by export growth, tourism, real estate and infrastructure investments. External factors such as the on-going 'trade war' between China and the US, Brexit and other EU zone uncertainties, currency fluctuations in emerging markets such as Turkey, Indonesia, the Philippines and India, political instability in Venezuela with the resultant potential impact on oil price uncertainty will likely place downward pressure, to some extent, on the Thai economy in 2019. That said, consensus expectations are that the tourism will continue to grow in 2019, with growth also expected in health care (private), retail (in particular on-line) and in-line with continued government led infrastructure investment. Sectors of the economy where little if any growth or certainly decrease in growth rates include agriculture and automotive sectors. Real-estate growth is expected to be impacted by expected interest rate rises.

Growth in disposable house-hold income is expected to remain flat as it has over the previous 3 years with wage increases offset by inflation

On balance consensus GDP growth expectations are reported lower in 2019 (in the range 3.8 to 4.0%) and on a downward trend into 2020.

The sectorial growth rates that will directly impact TPA's performance are real-estate (bathrooms), retail (signage), infrastructure (signage, sound-proofing), automotive.

As is readily evident from the Company's financial statements, 2018 has been an extremely difficult year for TPA. In this report last year, I noted that global supply and demand imbalances in Methyl Methacrylate (MMA), TPA's key raw material for its cast sheet, had resulted in severe upward pressure on MMA price. This imbalance continued well into 2018 with prices only starting to correct in Q3 by which time MMA prices had reached record highs. Whilst TPA management sought to hold margin where possible, this proved extremely difficult in a market in which there was over-supply and fierce domestic competition. Volumes and revenues in 2018 therefore for cast sheet were less than forecast and less than 2017.

In TPA's other product ranges (extruded sheet), there has also been continued margin and volume pressure resulting from raw material prices and in-house manufacture by downstream consumers.

The company management has continued with its new business and new product development programs and a number of these have resulted in new sales which have to a small extent offset lost volume from traditional product ranges.

**Overall**, the Company reported sales revenue in 2018 of Baht 1,149 million which was an increase over last year (Baht 1,128 million). Unfortunately, principally to significantly higher raw material costs and fierce price competition as described above, the company experienced a loss of Bht.49.3 million compared to last year's profit before income tax of Baht. 78.6 million. The contribution margin expressed as a percentage of sales revenue for cast acrylic sheet has dropped to 3.7 % compared to 2017 when the rate was 4.1 %.

The Board of directors and management have continued to work to strengthen TPA's governance and internal control processes during 2018 as part of its continuing Anti-Corruption program. Other notable achievements in 2018 include successful accreditation of the company to the ISO 14001: 2015 standard (Environmental Management) and accreditation to the revised ISO 9001: 2015 standard.

Looking ahead, the Company expects that the price of key raw materials (MMA in particular) will decline in 2019 due to proven increases in supply capacity and reduced demand. That said, market contraction for MMA-based products resulting from the record high prices will likely impact on volumes and local-market competition is expected to result in downward price pressure on TPA products. As such TPA management is to undertake a fundamental, Board-led review of its business model, cost base and markets during H1 2019 with the principal objective of restoring its profitability and future-proofing its operations.

In conclusion, as I have outlined, 2018 has been an exceptionally difficult year for the Company due to a number of factors but principally as a result of external raw material costs, fierce price competition in the market and continued reduced market demand. The Company's management, fully supported by its Board of Directors, is committed to reversing this decline in performance and restoring the company to profitability

On behalf of the Board of Directors, I would like to thank the Company's shareholders, customers, and stakeholders for their support. In particular I would like to thank Khun Suchitr Srivetbodee TPA's Managing Director who will retire in April 2019. Khun Suchitr has served two terms as TPA's MD interspersed a period as a Board Director. Under his leadership the company operated profitably, reliably and safely to the benefit of its shareholders for many years.

Finally, and importantly, I would like to thank the Company's management and employees for their great efforts and hard work throughout the year in difficult circumstances to operate the plant reliably and safely to ensure customers can continue to be reliably supplied with cost competitive, high quality products.

# MESSAGE FROM MANAGING DIRECTOR



A handwritten signature in black ink, consisting of several loops and a long horizontal stroke.

**Mr. Suchitr Srivetbodee**  
(Managing Director and Vice Chairman)

## To All Shareholders

Year 2017-2018 was a period when Company's performance significantly deteriorated from previous years. This deterioration was not unique to the Company many manufacturers of cast acrylic sheet in Thailand and Asia region were also significantly affected by month on month increases in the price of MMA, the main raw material. In addition, the Company and other manufacturers were not able to increase price of acrylic sheet in proportion to rising production cost due to recession of domestic and international economy and severe price competition.

Turnover in last year: Overall income was 1,167 million baht, which was 108 million baht lower than revenue of 2017 at 1,275 million baht or decreased 8.4 percent, resulting to a loss of bath. 39.0 million. Key negative factors were as follows:

1. Economic recession of domestic and international market
2. Declining gross profit due to higher production cost versus previous year, and intense competition which affect price adjustment to respond to high cost of raw materials.

Trend of growth and business expansion for next year: Business climate is relatively promising as cost of MMA, the main raw material, and other plastic resins have been significantly decreased. This is driven by declining demand of producers in China according to recession of domestic usage and export to international market. Moreover, there are new MMA manufacturers in Middle East which are capable of producing hundreds of thousand tons per year of additional MMA, thus causing the price of such raw materials to decline and still continue to decline in 2019. The Company keeps monitoring the competition situation of domestic and international markets in order to formulate strategies in the period that price declines.

Despite various troubles about rising price of raw materials and intensive competition that affect income generation, Company's management has achieved the mission to deliver new products with premium marketing value. Some projects encountered delays, but the Company managed to initiate marketing plans for cast acrylic products and extrusion products in mid of 2018 and such projects are expected to generate revenue and profit from 2019 onward. These value-added projects are initiated by New Products & New Business Development Team which works closely with clients and customers to gather data and offer products to meet their needs. This is the long-run mission to satisfy requirements of clients and stakeholders.

We would like to thank all patronage, stakeholders, management, and committee of Company who work with commitment despite critical obstacles.



# BOARD OF DIRECTORS



1.	Dr. Benjamin James Harris	Chairman of the Board of Directors
2.	Mr. Suchitr Srivetbodee	Vice Chairman / Managing Director
3.	Mr. Rakchai Sakulteera	Executive Director/ Financial Director/ Company Secretary
4.	Mr. Tamotsu Tamaki	Executive Director
5.	Mrs. Caroline Prior	Non-Executive Director
6.	Dr. Anuphan Kitnichiva	Chairman of the Audit Committee and Independent Director
7.	Mr. Jan Dam Pedersen	Member of Audit Committee/Independent Director
8.	Mr. Kulvech Janvatanavit	Chairman of the Nomination and Remuneration Independent Director/ Member of Audit Committee/ Chairman of Nomination and Remuneration Committee
9.	Mr. Christian Moller Laursen	Non - Executive Director



# MANAGEMENT TEAM



1.	Mr. Suchitr Srivetbodee	Vice Chairman/ Managing Director
2.	Mr. Rakchai Sakulteera	Finance Director
3.	Mr. Wiwat Hom la-or	Operations Manger
4.	Mr. Thanawat Kulprasertat	Human Resource/Legal Manager
5.	Mr. Pongsin Muangsri	SHE Manager & QMR/OH & SMR
6.	Mr. Thanetr Khumchoedchoochai	Logistic Manager
7.	Miss Surawadee Leethaweekul	Finance and Accounting Manager
8.	Mr. Yotin Tamrongsawapark	Casting Plant Manager
9.	Mr. Phairat Kumdee	Extrusion Plant Manager
10.	Mr. Pongthorn Chuencharoen	Site Engineering Manager

# MANAGEMENT TEAM



11.	Mrs. Noungrutai Boonpetch	Research & Technical Manager
12.	Mr. Wittaya Mongkolkachit	Technical Center Manager
13.	Mr. Udomsak Tienchan	Warehouse & Distribution Manager
14.	Mr. Pongsun Asavasirijinda	Sales & Product Manager
15.	Mrs. Janjira Thumsorn	Export Sales Manager
16.	Mrs. Sompong Asavasirijinda	Sales Admin Section Manager (Domestic)
17.	Miss. Suparak Takyart	New Business Development Manager
18.	Miss Thanjira Kunathipsitrakool	Internal Auditor
19.	Mr. Apichai Srimahunt	Assistant SHE Manager & QMR/OH & SMR
20.	Mrs. Masaya Rungrueng	Secretary of Managing Director

# DIRECTOR PROFILE

**Name** : Dr. Benjamin James Harris  
**Position in TPA** : Chairman of the Board of Directors  
**Age** : 52 years  
**Date of Appointment** : 9 November 2017



## Education Background

- Ph.D. Department of Chemical Engineering, University of Cambridge, United Kingdom
- Bachelor of Chemical and Process Engineering (1st Class) University of Canterbury, New Zealand

## Director Training – Thai Institute of Directors (IOD)

- None -

## Personal Qualification

- None -

## 5-year Past Working Experiences

2017-Present	Chairman,	Thai Poly Acrylic Public Company Limited
2016-Present	Executive General Manager	Saudi Methacrylates Company (SAMC)
2015 -2017	Executive Director	Thai Poly Acrylic Public Company Limited
2013-2016	General Manager Director	Lucite International Singapore Ltd. LICH, LISPL and LICC

## Board Member in Other Listed Company

- None -

## Positions in Other Company/ Organization/ Institution

- Executive General Manager Saudi Methacrylates Company (SAMC)

## Positions in Other Organization competing with the Company

- None -

## Shareholding in TPA

- Held Personal - None -
- Held by Spouse or Minor Children - None -

## Family Relationship among Directors and Executives

- None -

**Name** : Mr. Suchitr Srivetbodee

**Position in TPA** : Vice Chairman / Managing Director

**Age** : 69 years

**Date of Appointment** : 23 April 2014



#### Education Background

- Master's Degree in business administration (MBA), Pittsburgh State University of Kansas, USA
- Bachelor's Degree in Finance West Virginia State College, USA

#### Director Training - Thai Institute of Directors (IOD)

- Director Accreditation Program (DAP 6/2003)

#### Personal Qualification

- None -

#### 5-year Past Working Experiences

2016-Present	Vice Chairman /Managing Director	Thai Poly Acrylic Public Company Limited
2015-2016	Executive Director	Thai Poly Acrylic Public Company Limited

#### Board Member in Other Listed Company

- None -

#### Positions in Other Company/ Organization/ Institution

- None -

#### Positions in Other Organization competing with the Company

- None -

#### Shareholding in TPA

- **Held Personally** 16,300 shares
- **Held by Spouse or Minor Children:** - None -

#### Family Relationship among Directors and Executives

- None -

**Name** : Mr. Rakchai Sakulteera

**Position in TPA** : Executive Director/ Financial Director  
/ Company Secretary

**Age** : 58 years

**Date of Appointment** : Executive Director 26 April 2016  
Financial Director 27 July 2015  
Company Secretary 11 November 2016



### Education Background

- Master's Degree in Business Administration International Program Bangkok University
- Graduate Diploma in Auditing Thammasat University
- Bachelor's Degree in Accounting Chulalongkorn University

### Director Training – Thai Institute of Directors (IOD)

- Company Secretary Program (CSP) 811/2017

### Personal Qualification

- Certified Public Accountant of Thailand

### 5-year Past Working Experiences

2015-Present	Executive Director/ Financial Director	Thai Poly Acrylic Public Company Limited
2016-Present	Company Secretary	Thai Poly Acrylic Public Company Limited
2014-2015	Member of Audit Committee and Independent Director	Thai Poly Acrylic Public Company Limited

### Board Member in Other Listed Company

- None -

### Positions in Other Company/ Organization/ Institution

- None -

### Positions in Other Organization competing with the Company

- None -

### Shareholding in TPA

- Held Personally - None -
- Held by Spouse or Minor Children - None -

### Family Relationship among Directors and Executives

- None -

**Name** : Mr. Tamotsu Tamaki  
**Position in TPA** : Executive Director  
**Age** : 61 years  
**Date of Appointment** : 26 April 2016



#### Education Background

- Bachelor of Engineering Department of Applied Chemistry, Nagoya University Japan

#### Director Training - Thai Institute of Directors (IOD)

- None -

#### Personal Qualification

- None-

#### 5-year Past Working Experiences

2018-Present	Executive Director	Thai Poly Acrylic Public Company Limited
2010-Present	President/ Director	Lucite International Japan Limited
2017-2018	Member of the Nomination and Remuneration Committee	Thai Poly Acrylic Public Company Limited
2016-2018	Non-Executive Director	Thai Poly Acrylic Public Company Limited

#### Board Member in Other Listed Company

- None -

#### Positions in Other Company/ Organization/ Institution

- President/ Director Lucite International Japan Limited

#### Positions in Other Organization competing with the Company

- None -

#### Shareholding in TPA (%)

- Held Personally - None -
- Held by Spouse or Minor Children - None -

#### Family Relationship among Directors and Executives

- None -



**Name** : Mrs. Caroline Prior

**Position in TPA** : Non-Executive Director

**Age** : 49 years

**Date of Appointment** : 9 November 2017



#### Education Background

- Bachelor of Science in Engineering and Management, Durham University, UK

#### Director Training – Thai Institute of Directors (IOD)

- None -

#### Personal Qualification

- None -

#### 5-year Past Working Experiences

2017-Present	Non-Executive Director	Thai Poly Acrylic Public Company Limited
2017-Present	General Manager	Lucite Specialty Polymers & Resins
2013-Present	Director	Lucite Global Business Development

#### Board Member in Other Listed Company

- None -

#### Positions in Other Company/ Organization/ Institution

- General Manager Lucite Specialty Polymers & Resins

#### Positions in Other Organization competing with the Company

- None -

#### Shareholding in TPA (%)

- Held Personally - None -
- Held by Spouse or Minor Children - None -

#### Family Relationship among Directors and Executives

- None -

**Name** : Dr. Anuphan Kitnichiva

**Position in TPA** : Chairman of the Audit Committee and Independent Director

**Age** : 56 years

**Date of Appointment** : 26 April 2017

#### Education Background

- Ph.D. in Development Administration, Graduate School of Public Administration (International Doctoral Program) National Institute of Development Administration
- Senior Executive Program, Sasin, Graduate Institute of Business Administration of Chulalongkorn University
- LL.M (Business Law) Faculty of Law Thammasat University
- LL.B (Honours) Faculty of Law Thammasat University



#### Director Training – Thai Institute of Directors (IOD)

- Successful Formulation and Execution of Strategy (SFE) 26/2016
- Role of the Chairman Program (RCP) 38/2016
- Advanced Audit Committee Program (AACP) 17/2014
- Director Certification Program (DCP) 130/2010

#### Personal Qualification

- Lawyer License No. 18024/1986

#### 5-year Past Working Experiences

2014-Present	Chairman of the Audit Committee and Independent Director	Thai Poly Acrylic Public Company Limited
2014-Present	Director	Humanica Public Company Limited
2004-Present	Senior Partner / Director	Dherakupt International Law Office Ltd
2017-2018	Chairman of the Nomination and Remuneration Committee	Thai Poly Acrylic Public Company Limited
2014-2018	Chairman of Audit Committee and Independent Director	TOT Public Company Limited
2013-2014	Member of Audit Committee and Independent Director	Thai Poly Acrylic Public Company Limited

#### Board Member in Other Listed Company

- Director, Humanica Public Company Limited

#### Positions in Other Company/ Organization/ Institution

- Senior Partner / Director, Dherakupt International Law Office Ltd.

#### Positions in Other Organization competing with the Company

- None -

#### Shareholding in TPA (%)

- Held Personally - None -
- Held by Spouse or Minor Children - None -

#### Family Relationship among Directors and Executives

- None -

**Name** : Mr. Jan Dam Pedersen

**Position in TPA** : Member of Audit Committee/Independent Director  
Chairman of the Nomination and Remuneration

**Age** : 66 years

**Date of Appointment** : 23 April 2015



### Education Background

- EAC's full time course in Business Administration
- Management, Finance, Strategy and Marketing, IMD Switzerland

### Director Training – Thai Institute of Directors (IOD)

- Director Certification Program (DCP) 256/2018
- Director Accreditation Program (DAP) 125/2016

### Personal Qualification

- None -

### 5-year Past Working Experiences

2018-Present	Chairman of Nomination and Remuneration	Thai Poly Acrylic Public Company Limited
2015-Present	Member of Audit Committee and Independent Director	Thai Poly Acrylic Public Company Limited
2013-Present	Executive Director	Novanta Company Limited Berli Asiati Soda Company Limited
2013-2015	Non-Executive Director	Thai Poly Acrylic Public Company Limited

### Board Member in Other Listed Company

- None -

### Positions in Other Company/ Organization/ Institution

- Executive Director Novanta Company Limited  
Berli Asiati Soda Company Limited

### Positions in Other Organization competing with the Company

- None -

### Shareholding in TPA (%)

- Held Personally - None -
- Held by Spouse or Minor Children - None -

### Family Relationship among Directors and Executives

- None -

**Name** : Mr. Kulvech Janvatanavit

**Position in TPA** : Member of Audit Committee and Independent Director  
Member of Nomination and Remuneration Committee

**Age** : 54 years

**Date of Appointment** : 23 April 2014

**Education Background**

- Master's Degree in Real Estate Development  
Massachusetts Institute of Technology, USA
- Master's Degree in Financial and International Business  
Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Bachelor's Degree in Engineering, Chulalongkorn University



**Director Training – Thai Institute of Directors (IOD)**

- Director Certificate Program (DCP) 14/2002
- Thai Institute of Directors

**Personal Qualification** - None -

**5-year Past Working Experiences**

2013-Present	Principle Project Advisor, Private Sector Collective Action Coalition against Corruption (CAC)	Thai Institute of Directors Association (IOD)
2012-Present	Executive Director	Beyond Profit Company Limited
2011-Present	Executive Director and Treasurer Director	SOS Children's Villages Thailand Young Buddhist Association of Thailand under Royal Patronage
2014-2018	Member of Audit Committee and Independent Director Member of Nomination and Remuneration Committee	Thai Poly Acrylic Public Company Limited
2012-2018	Executive Director	Beyond Green Company Limited

**Board Member in Other Listed Company** - None -

**Positions in Other Company/ Organization/ Institution**

- Principle Project Advisor, Private Sector Collective Action Coalition against Corruption (CAC), Thai Institute of Directors Association (IOD)
- Executive Director, Beyond Profit Company Limited
- Executive Director and Treasurer Director, SOS Children's Villages Thailand
- Director, Young Buddhist Association of Thailand under Royal Patronage

**Positions in Other Organization competing with the Company** - None -

**Shareholding in TPA (%)**

- **Held Personally** - None -
- **Held by Spouse or Minor Children** - None -

**Family Relationship among Directors and Executives** - None -

**Name** : Mr. Christian Moller Laursen

**Position in TPA** : Non - Executive Director

**Age** : 53 years

**Date of Appointment** : 9 July 2018



### คุณวุฒิการศึกษา

#### Education Background

- Master of Finance (Cand. Oecon.), University of Aarhus, Denmark

#### Director Training - Thai Institute of Directors (IOD)

- None -

#### Personal Qualification

- None -

#### 5-year Past Working Experiences

2015 - Present      Group CFO, Member of Executive Board of companies

- Santa Fe Group Ltd, UK
- Alfa Relocation Management A/S, Denmark
- Santa Fe Group Americas, Inc. USA
- Santa Fe Relocation Services GmbH, Germany
- Santa Fe Relocation Services SAS, France
- Santa Fe Holdings Australia Pty Ltd, Australia
- Sino Santa Fe International Transportation Services Co. Ltd., China

#### Board Member in Other Listed Company

- None -

#### Positions in Other Company/ Organization/ Institution

Group CFO, Member of Executive Board of companies in

- |  |   |
|--|---|
| • Santa Fe Group Ltd, UK                     | • Santa Fe Relocation Services SAS, France                            |
| • Alfa Relocation Management A/S, Denmark    | • Santa Fe Holdings Australia Pty Ltd, Australia                      |
| • Santa Fe Group Americas, Inc. USA          | • Sino Santa Fe International Transportation Services Co. Ltd., China |
| • Santa Fe Relocation Services GmbH, Germany |   |

#### Positions in Other Organization competing with the Company

- None -

#### Shareholding in TPA (%)

- |                                    |          |
|------------------------------------|----------|
| • Held Personally                  | - None - |
| • Held by Spouse or Minor Children | - None - |

#### Family Relationship among Directors and Executives

- None -

# GENERAL INFORMATION ABOUT THE COMPANY

The company is a manufacturer and distributor of Cast acrylic and Extruded sheet. The company was registered in 1985 under the management of Mr.Charoon Limchaiyawat and his family with a Founding Capital of Baht 10 million later raised to Baht 121.5 million.

In 1994 TPA became a public company on Thailand's Stock Exchange with registered number: 01075370 02257.

Today, the major shareholder of the company is Lucite International Co. Ltd. Lucite International is a global leader in the design, development and manufacture of acrylic-based products

We are dedicated and committed to providing premium quality products and also to creating value and solutions for the benefit of our customers and stakeholders. Our business objective is to expand volume and revenue for both cast and extrusion operations by using efficient machinery and new products development.

In addition, the company has a strategic plan for realizing productivity improvements year on year to remain competitive against the Asian casters and sheet manufacturers.

**Our head office and factory located at**

60 - 61 Moo 9, Phutthamonthon 4 Rd.,  
Krathumlom, Sam Phran, Nakhonpathom 73220, Thailand  
Telephone: (662) 429 2020, 429 2487-8, 889 87205  
Facsimile: (662) 429 2541, 888 5953

**Sales office located at:**

134/5 Krung Thonburi Road,  
Klong Tonsai, Klong Sarn, Bangkok 10600, Thailand  
Telephone: (662) 860 8765-70 Facsimile: (662) 860 9106, 860 8762.

**Website:**

<http://www.thaipolyacrylic.com>

**Registrar:**

Thailand Securities Depository Co., Ltd.  
1<sup>st</sup> The Stock Exchange of Thailand,Tower B  
(near China Embassy),  
93 Ratchadaphisek Road, Kheat Dindang, Kwang Dindang,  
Bangkok 10400  
Telephone: (662) 009-9999 Facsimile: (662) 009-9001

**Auditor:**

EY Office Limited  
33<sup>rd</sup> Floor, Lake Rajada Office Complex,  
193/136-137 Rajadapisek Road Klongtoey, Bangkok 10110  
G.P.O. Box 1047, Bangkok 10501, Thailand  
Telephone: (662) 264 0777 Facsimile: (662) 264 0789-90

**Legal Advisor:**

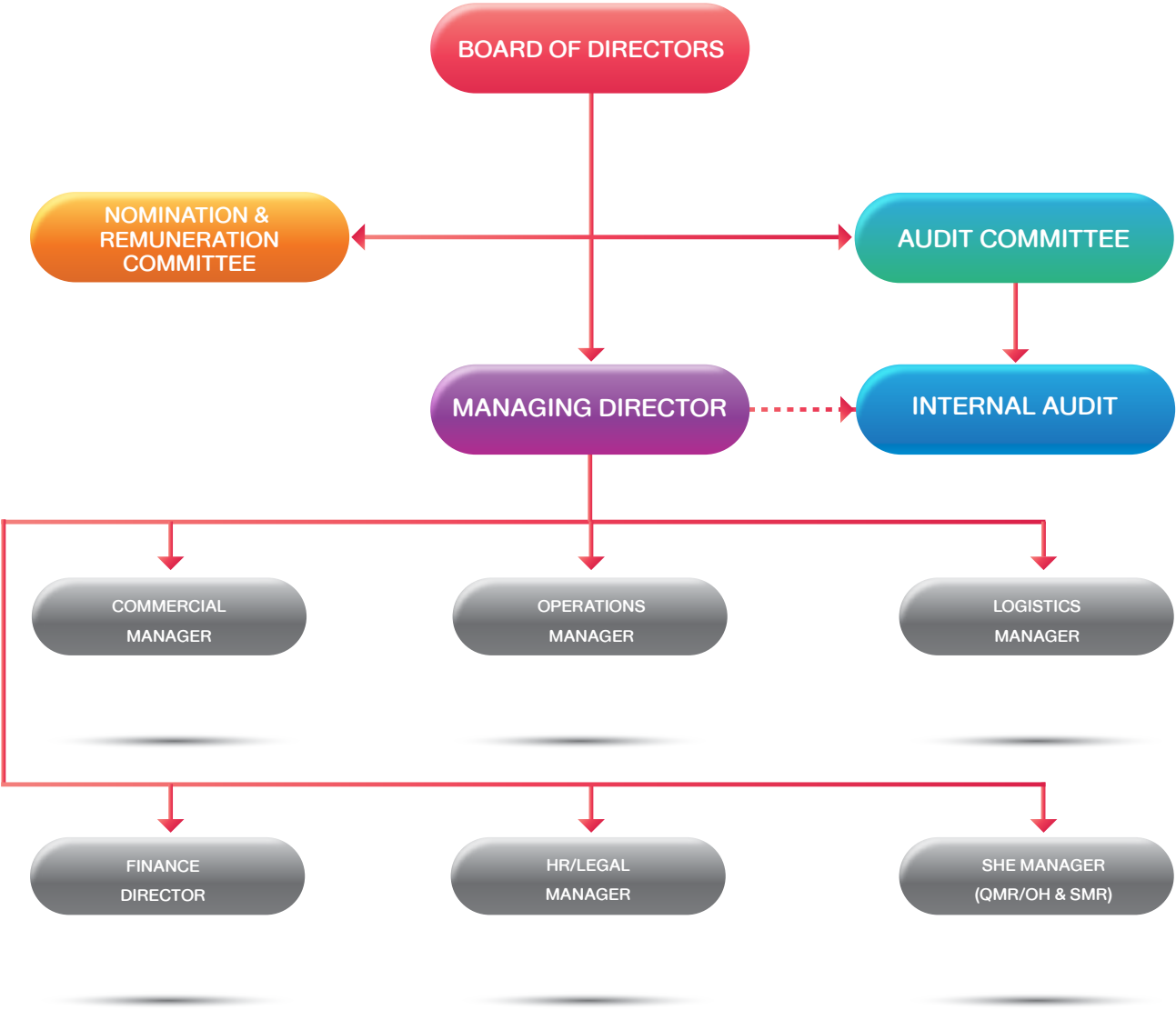
Mr. Surat Jankaew Lawyer  
BZ Legal Advisor Law Office  
52 Ladproh 81 (Thitiporn)  
Kwang Klong choakhunsing, Kheat Wang Thong Lang  
Bangkok 10240  
Telephone: (662) 539 3230 Facsimile: (662) 539 3230 # 103

**Shareholding in other Business Entity at and above 10%**

-None-



# THE COMPANY'S ORGANIZATION STRUCTURE



# MAJOR SHAREHOLDERS & SHAREHOLDING BY COMPANY'S DIRECTORS AND SENIOR EXECUTIVES

## Major Shareholders & Shareholding by Company's directors and senior management

As at 30/12/2018

The total authorized number of ordinary share is 121,150,000 shares with a par value of Baht 1 per share. All issued shares are fully paid

NO	NAME/SURNAME/COMPANY	AMOUNT TOTAL	% OF TOTAL SHARES
1.	LUCITE INTERNATIONAL UK OVERSEAS HOLDCO1 LIMITED	51,374,360	42.28
2.	ASIATIC ACRYLIC COMPANY LIMITED	41,450,530	34.12
3.	THAILAND SECURITIES DEPOSITORY COMPANY LIMITED FOR DEPOSITORS	25,460,079	20.95
		118,284,969	97.35

REMARK: The top of shareholders is ranked by Thailand Securities Depository Company Limited

## DIRECTORS & EXECUTIVE SHAREHOLDING

	NAME	AMOUNT IN EARLY YEAR	AMOUNT IN MID YEAR	AMOUNT IN END OF YEAR
1.	Dr. Benjamin James Harris	NONE	-	-
2.	Mr. Suchitr Srivetbodee	16,300	16,300	16,300
3.	Mr. Tamotsu Tamaki	NONE	-	-
4.	Mr. Rakchai Sakulteera	NONE	-	-
5.	Mr. Christian Moller Laursen	NONE	-	-
6.	Mrs. Caroline Prior	NONE	-	-
7.	Dr. Anuphan Kijnijcheeva	NONE	-	-
8.	Mr. Jan Dam Pedersen	NONE	-	-
9.	Mr. Kulvech Janvatanavit	NONE	-	-

	NAME	AMOUNT IN EARLY YEAR	AMOUNT IN MID YEAR	AMOUNT IN END OF YEAR
1.	Mr. Wiwat Hom la-or	2,000	2,000	2,000
2.	Mr. Thanetr Khumchoedchoochai	2,000	2,000	2,000
3.	Mr. Pongsin Muangsri	2,000	2,000	2,000
4.	Mr. Thanawat Kulprasertat	21,000	21,000	21,000

## DIVIDEND PAYMENT POLICY

- The Company works to pay stable dividends in the medium-term, while managing retained earnings to fund its future business activities.

# ACHIEVEMENTS & AWARDS 2018

## Achievements & Awards 2018

The Company has been certified for the following:

- SHE Management System “ระบบการจัดการอาชีวอนามัยและความปลอดภัย” (TIS.18001: 2554)
- Quality Management System (ISO 9001: 2015)
- Environmental Management System (ISO 14001: 2015) from TUV NORD (Thailand) Limited



“ISO 9001 new version (2015)”



“ISO 14001 new version (2015)”



“TIS 18001”

# THE BUSINESS & BUSINESS OVERVIEW

## Business Overview:

Thai Poly Acrylic PLC. or referred as a listed company in SET as “TPA” is one of the leading cast acrylic sheet and other extruded plastic sheet producer in Thailand. Currently, the company operates with 2 separate production plants of which the cast acrylic plant consists of 3 production lines with a combined capacity of 10 ktes per annum. The three cast lines are capable to produce the combination of GP acrylic sheet and specialty products, including Sanitary grade for bathtubs applications and various kinds of specialty products such as LED acrylic block, LED Diffusion and LED LGP (light guide panel) for signage and display panel applications, etc. In addition to cast acrylic production facilities, the company also operates with 5 major extruders for producing various kinds of plastic materials, such as ABS, HIPS, PE, PP and Co-ex PMMA capped ABS, etc. with a combined capacity for all extruded products at 10 Ktes per annum.

Our business objective is to strengthen our position as a market leader in good quality standard cast and extruded acrylic sheet as well as seeding and growing specialty acrylic and non-acrylic extruded products. This business objective can only be achieved through product diversification driven by R&T and Innovation under the management of NPD (new product development) team and NBD (new Business development) manager and steering team who work closely with our customers and providing them with innovative ideas, sharing our expertise and support solutions for their specific needs and requirements.

Our management continues to focus on our product diversification strategy through the expansion into industries with value added materials, such as flame-retardant ABS and other plastic materials for the automotive industry, and specialty plastic materials for industrial packaging applications/sectors such as anti-static and conductive PP and HIPS products.

As mentioned above, the Company’s businesses can be classified in accordance with different production lines of plastic products that the Company produces into 2 types as follows:

### 1. Acrylic Sheet Business

The Company manufactures and distributes acrylic sheets in two separate systems; cast acrylic and extruded acrylic sheet. There are totally 3 production lines of Cast Acrylic Sheet with a total production capacity of 10,000 tons / year, all these 3 production lines can produce various types of acrylic sheets, however, in summary, acrylic sheets can be classified into 3 grades including:

- General Purpose Grade
- Sanitary Grade: acrylic sheets are formed into shapes of bathtub, Spa and Shower Units as well as Sanitary Ware Accessories.
- Premium Specialty Grade for specific applications, for example, LED LGP, Acrylic Diffusion Panel and MIRACLE which is a double-layer-welded sheet between laminated acrylic block with hexagon acrylic sheet, providing more brightness dimensions of lighting to suit a light signage work or a large display panel, etc. In addition to the cast acrylic sheet mentioned above, the Company also manufactures acrylic sheets for forming systems (Extruded Acrylic Sheet).
- Most of Extruded Acrylic Sheets are mainly produced for domestic sales, including both General Purpose Grade and Impact Resistant Acrylic Panel Grade, the Company can produce acrylic sheets with 3-metered width or tailor as per desired sizes and applications. Apart from the solid flat sheet, the Company can also produce various patterned sheets and anti-glare acrylic panels that are appropriate for directory signs that are not required of reflective light. At present, such acrylic sheets have been installed as the outer panels of advertising signs and directory signs of BTS stations, which often encounter a problem of blurry vision on signs due to sunlight reflecting off signs to passengers’ eyes.

## 2. Extruded Plastics Business

Over and above the production lines for both types of acrylic sheets as mentioned above, the Company also manufactures and distributes various types of extruded plastic sheets with a variety of grades based on the type of raw materials for production as follows:

- ABS Sheet made of Acrylonitrile Butadiene Styrene Plastic: it is widely used in the automotive parts industry and in the electrical appliance industry. At present, the Company has developed such grade to be ABS Flame Resistant Grade by modifying its specification to have a low flammability property to prevent accidental fire.
- HIPS Sheet made of High Impact Styrene Plastic: its application is similar to ABS Sheet's and it is normally used as another choice of plastic sheets due to its higher durability and cheaper price. In addition to its application in the electronics appliance industry, HIPS Sheet is also popular to be used in the cold storage industry and general packaging. The production of HIPS Sheet is also developed to produce both flat type and thin type that can be sold as HIPS Rolls, including ordinary grade and special grade that are used for some specific works, for example, HIPS Anti-static and HIPS Conductive are used in the electrical appliance packaging industry instead of importing.
- PP Sheet (Polypropylene) includes both PP flat sheet and Rolls which are commonly used to produce general containers and packaging. Moreover, the Company also manufactures PP Profile Sheet or Core Flute, which is a popular plastic sheet used to make price tags, campaign signs, advertising and PR boards or supporting pads for packaging, etc.
- PE Sheet (Polyethylene) is commonly colored of black to be used as trays in cars or pick-ups and decoration and forming works in the general automotive industry.
- Co-extrusion Sheet is a special grade sheet consisting of minimum two types of plastic layers on the same sheet for different properties between the lower layer and the upper layer. At present, the Company launched the "Complas" Sheet, which is a three-layer sheet consisting of ABS plastic layer, acrylic coated upper layer and color layer, initially, the Company produces this type of sheet with 2 colors: white and white pearl, to be used in forming sanitary products and general decoration work.



# BUSINESS RISK and RISK MITIGATION MEASURE

Thai Poly Acrylic Public Company Limited is a company under the Multi-National Company Group with the major shareholding of Imperial Chemical Group, or known as ICI, in 1996. Since then, the Company's status is changed to be a company under Multi-National Company Group. At present, with the merger of Mitsubishi Chemical Corporation by acquiring the Company's shares from Lucite International in 2009, the Company is a company under Mitsubishi Chemical Corporation Group. All the time since 1996, the Company has learned and adopted many policies in many aspects to develop the business management from internationally recognized institutions and domestic institutions, which are all useful to enable the Company's corporate governance to meet international standards. For over 20 years, the Company has been certified in terms of Working Quality System; Safety, Health and Environmental Protection System, and obtained of certificates in good governance and anti-corruption policies and campaigns, it can be summarized as follows:

Certificate	Issued by the institution	Year of certification
ISO 9001 : 2015 (Quality System)	TUV NORD	15/8/2018
ISO 18001 : 2554 (Safety System)	MASCI	25/18/2017, 9/8/2002
ISO 14001 : 2015 (Environment System)	TUV NORD	7/12/2017
Anti-Corruption Policy	Thailand Private Sector Collective Action Coalition Against Corruption (CAC)	21/11/2017

With the Company's status as a company under Multi-National Company Group and the Board of Directors consisting of experienced directors who are the top management from both domestic and international companies, the Company has developed its business risk management, creating the risk review system to manage and review the Company's business risk factors in almost all aspects, and determining measures for risk management and mitigation in each topic with more efficiency. All Senior Executives and Boards of Directors will assess and jointly review both internal and external risks that potentially affect the Company's operations. In the process of risk factor review and risk mitigation measure, those risks will be registered and the Risk Mitigation Actions will be reviewed as follows: in the determination of risk review and mitigation plan of each year, what has been correctly and completely done as mentioned in the plan with satisfactory level, and what has not yet been progressed as expected in the plan and establishing the measures to accelerate and follow up the progress further as well as reviewing which risk factor that may occur and should be registered in the risk factor list in order to determine the plan to support and mitigate risks with the name list of responsible persons for those risk, who will be followed up the progress and inspected in the next meeting.

Each year at least once a year, the management by the executive directors will present the plan for risk mitigation and mitigate the risks that it has already been registered, present to the Board of Directors and the Audit Committee to jointly consider and listen to comments from all the Board of Directors and ready to accept comments from the Board of Directors to be amended in accordance with the resolution of the Board of Directors at the next meeting

# INTERNAL CONTROL & RISK MANAGEMENT

The Board of Directors has assigned the Audit Committee, of which three members are the Independent Directors, to review the Company's financial statement to ensure the compliance with generally accepted accounting principles, regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), and the relevant laws. In addition, the Audit Committee has been assigned by the Board of Directors to review and examine the Company's performance to be in accordance with the corporate governance principles and policy by monitoring the efficiency and effectiveness of the Internal Audit, providing recommendation and selection of the Company's External Auditors including reviewing the improvement plan as per Independent Auditors' opinion, and being responsible for other missions as may be assigned by the Board of Directors.

## Internal Audit:

Internal Audit is a tool to monitor the management of the Company to ensure the compliance with the laws and the Company's regulations including the recommendation, provided by the Board of Directors and the Audit Committee or Internal Auditor of the subsidiaries, that management is agreed and assigned to carry out to improve the efficiency of each management area. The Internal Auditor will monitor the progress and include it in the annual audit plan that has been considered and approved by the Audit Committee. The Internal Auditor will record the audit results with recommendations including the opinion in the audit report and present to the management for acknowledgement. The managements of the auditable unit will consider the audit report and respond or provide explanation to the Internal Auditor, no matter they agree or not agreed with the audit results. In case that the management agrees with the audit results, including opinions and recommendations of the Internal Auditor, the improvement plan and schedule for completion will be provided. However, in the case that there is a different opinion, the management will clarify or provide the reason or cause of the disagreement and the Internal Auditor will discuss and find out how the case will be implemented. The audit results will be report to the Audit Committee for acknowledgment and consideration in the meeting of the Audit Committee which requires to be held at least once a quarter. The Audit Committee may consider and ask the management to clarify in any matter as appropriated.

In addition, the company will be periodically audited by representatives from the major shareholder. The senior management of the Company takes the recommendations from such audits into consideration and includes any necessary actions in relevant improvement plans.

# THE MANAGEMENT and SCOPE OF AUTHORITY and DUTIES

## A. MANAGEMENT OF DIRECTORS

### BOARD OF DIRECTORS

As of December 31, 2018 the Board of Directors comprises of 9 members whose names are listed below :-

Board of Company		Position	Date of Appointment
Dr. Benjamin	James Harris	Chairman	9 November 2017
Mr. Suchitr	Srivetbodee	Deputy Chairman Managing Director	23 April 2014
Mr. Rakchai	Sakulteera	Executive Director Company Secretary Finance Director	26 April 2014 11 November 2016
Mr. Tamotsu	Tamaki	Executive Director	25 April 2016
Mrs. Caroline	Prior	Non-Executive Director Member of Nomination and Remuneration Committee	9 November 2017
Mr. Christian	Moller Lorsen	Non-Executive Director	27 April 2018
Dr. Anuphan	Kitnichiva	Independent Director Chairman of Audit Committee	26 April 2016
Mr. Jan	Dam Pedersen	Independent Director Member of Audit Committee Chairman of Nomination and Remuneration Committee	23 April 2015
*Mr. Kulvech	Janvatanavit	Independent Director Member of Audit Committee Member of Nomination and Remuneration Committee	9 July 2018

\* Mr. Kulvech Janvatanavit resigned from acting Independent Director, Member of Audit Committee and Member of Nomination and Remuneration Committee with effect from 30 November 2018, which the Board of Directors will discuss and select and appoint a new independent director to replace Mr. Kulvech Janvatanavit at the board meeting which will be held in February 2019

Board of Directors has appointed Mr. Rakchai Sakulteera is company secretary with effective in November 11, 2016.

## Scope of authority and duties of the Board of Directors

The Board of Directors has an authority to determine and amend the names of the directors who are authorized to sign on behalf of the Company.

The names of directors who are authorized to sign on behalf of the Company are “Dr. Benjamin James Harris, Mr. Suchitr Srivetbodee, Mr. Tamotsu Tamaki and Mr. Rakchai Sakulteera” any two of these four Directors jointly setting down their signatures and affixing the common seal of the Company.

According to the Company’s Articles of Association and the provisions of the Public Limited Companies Act, the Board of Directors has an authority to perform any acts within the scope of the Company’s objectives as follows:

1. To file a complaint and proceed with legal action on behalf of the Company including to settle a dispute or assign arbitrator to settle any dispute.
2. To purchase, procure, lease, lease out, hold ownership or right of possession, modify, utilize, or carry out anything related to the assets and gains from those assets.
3. To sell, transfer, accept pledge, mortgage, exchange, or distribute assets in other way.
4. To borrow money, guarantee debtors, aval or endorse bills of exchange or other kinds of transferable financial instruments.
5. To bail out directors, officials, or employees of the Company charged in criminal court cases as a result of their performance carrying out the Company’s business.
6. To hold shares and/or manage other public or private limited companies as well as collaborate with those companies to carry out specified business.
7. To carry out any duties that can only be performed by natural persons in accordance with the Company’s objectives.
8. To prepare the Company’s financial statements, financial documents, and submit evaluation reports on the adequacy of the Company’s internal control system.

## AUDIT COMMITTEE

As of December 31, 2018, the Audit Committee comprises 3 members whose names are listed below:

- |                              |                             |
|------------------------------|-----------------------------|
| 1. Dr. Anuphan Kitnitchiva   | Chairman of Audit Committee |
| 2. Mr. Jan Dam Pedersen      | Audit Committee             |
| 3. *Mr. Kulvech Janvatanavit | Member of NR Committee      |

\*Mr. Kulvch Janvatanavit resigned from acting Independent Director, pending appointment of new Independent Director. Secretary of the Audit Committee is Miss Thanjira Kunathipsritrakool.

## Scope of Duties and Responsibilities of the Audit Committee

The Audit Committee has scope of duties and responsibilities as follows:

1. To review the Company’s financial reporting process to ensure that is accurate and adequate.
2. To review the Company’s internal control system and internal audit to ensure that they are suitable and efficient.
3. To review the Company’s compliance with the law on securities and exchange, the Exchange’s regulations, and the law relating to the Company’s business.

4. To consider, select and nominate an independent person to be the company's auditor, and to propose such person's remuneration.
5. To attend a non-management meeting with an auditor at least once a year.
6. To review the Related Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Exchange's regulations, and are reasonable and for the highest benefit of the company.
7. To determine an internal audit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit.
8. To prepare and to disclose in the Company's annual report, and Audit Committee's report which must be signed by the Audit Committee's chairman and consist of at least the following information:
  - 8.1 an opinion on the accuracy, completeness and creditability of the Company completeness and report.
  - 8.2 an opinion on the adequacy of the Company's internal control system.
  - 8.3 an opinion on the compliance with the law on securities and exchange, The Exchange's regulations or the laws relating to the Company's business.
  - 8.4 an opinion on the suitability of an auditor.
  - 8.5 an opinion on the transactions that may lead to conflicts of interests.
  - 8.6 the number of the Audit Committee's meetings, and the attendance of such meetings by each committee member.
  - 8.7 an opinion or overview comment received by the Audit Committee from its performance of duties in accordance with the charter.
  - 8.8 other transactions which, according to the Audit Committee's opinion should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's Board of Directors.
9. In its performance of duties, if it is found or suspected that there is a transaction or any of the following acts which may materially affect the Company's financial conditions and operating results, the Audit Committee shall report it to the Company's Board of Directors for rectification within the period of time that the Audit Committee thinks fit:
  - 9.1 a transaction which causes a conflict of interests.
  - 9.2 any fraud, irregularity, or material defect in an internal control system.
  - 9.3 an infringement of the law on securities and exchange, the Exchange's regulations, or any law relating to the Company's business.

If the Company's Board of Directors or management fails to make a rectification within the period of time under the first paragraph, any Audit Committee member may report on the transaction or act under 9.1, 9.2 and 9.3 to the Securities and Exchange Commission or the Stock Exchange of Thailand.
10. To conduct a self-evaluation at least once a year and report the result to the Company's board of directors.
11. In case that Audit Committee member wishes to resign before the expiration of this term of services, he should give a notice thereof to the Company one month in advance together with reason therefore so that the Company's Board of Directors or shareholders meeting can consider appointing another director who is fully qualified to replace the resigning member.
12. To perform any other act assigned by the Company's Board of Directors, with the approval of the Audit Committee.
13. To review policies and ensure that an effective anti-corruption support system is in place, to give advice and monitor the compliance with anti-corruption measures, as well as to received reports and information on corrupting activities investigate the facts and refer the matters to the Company's Board of Directors for joint consideration on the penalties or resolutions.

## MANAGING DIRECTOR

Mr. Suchitr Srivetbodee is the Company's Managing Director whose scope of authority is as follows:

Scope of Duties and Responsibilities of the Managing Director

1. To consider the appointment, transfer, dismissal, discharge, and approval of resignations of the Company's employees at every level.
2. To consider remunerations including salary, bonus, and other benefits as well as annual remuneration adjustments of the Company's employees at every level.
3. To approve the determination and changes in conditions on trade as assigned by the Board of Directors.
4. To consider and approve the purchasing of fixed assets within the signing authority as assigned by the Board of Directors.
5. To consider and carry out any operation related to general management of the Company except the acquisition and sale of the Company's assets and other connected transactions that must be operated in accordance with the notification of the Securities Exchange of Thailand and other related laws.

As of December 31, 2018, the Company's Management Team comprises 20 persons whose names are listed below:

- |                                      |  |
|--------------------------------------|--|
| 1. Mr. Suchitr Srivetbodee           | Managing Director                      |
| 2. Mr. Rakchai Sakulteera            | Finance Director                       |
| 3. Mr. Wiwat Hom la-or               | Operations Manager                     |
| 4. Mr. Thanawat Kulprasertat         | Human Resource/Legal Manager           |
| 5. Mr. Pongsin Muangsri              | SHE Manager & QMR/OH & SMR             |
| 6. Mr. Thanetr Khumchoedchoochai     | Logistic Manager                       |
| 7. Miss Surawadee Leethaweekul       | Finance and Accounting Manager         |
| 8. Mr. Yotin Tamrongsawapark         | Casting Plant Manager                  |
| 9. Mr. Phairat Kumdee                | Extrusion Plant Manager                |
| 10. Mr. Pongthorn Chuencharoen       | Site Engineering Manager               |
| 11. Mrs. Noungrutai Boonpetch        | Research & Technical Manager           |
| 12. Mr. Wittaya Mongkolkachit        | Technical Center Manager               |
| 13. Mr. Udomsak Tienchan             | Warehouse & Distribution Manager       |
| 14. Mr. Pongsun Asavasirijinda       | Sales & Product Manager                |
| 15. Mrs. Janjira Thumsorn            | Export Sales Manager                   |
| 16. Mrs. Sompong Asavasirijinda      | Sales Admin Section Manager (Domestic) |
| 17. Miss. Suparak Takyart            | New Business Development Manager       |
| 18. Miss Thanjira Kunathipsritrakool | Internal Auditor                       |
| 19. Mr. Apichai Srimahunt            | Assistant SHE Manager & QMR/OH & SMR   |
| 20. Mrs. Masaya Rungrueng            | Secretary of Managing Director         |

## NOMINATION AND REMUNERATION COMMITTEE

As of December 31, 2018, the Nomination and Remuneration Committee comprises 3 members whose names are listed below:

- |                              |   |
|------------------------------|---|
| 1. Mr. Jan Dam Pedersen      | Chairman of Nomination and Remuneration Committee |
| 2. Mrs. Caroline Prior       | Member of Nomination and Remuneration Committee   |
| 3. *Mr. Kulvech Janvatanavit | Member of Nomination and Remuneration Committee   |

\*Mr. Kulvech Janvatanavit resigned from acting Independent Director, pending appointment of new Independent Director.

### Structure of the Nomination and Remuneration Committee

1. The NRC will be selected from Board Members.
2. The NRC shall consist of three members out of which the Chairman of the Committee and one other member must be Independent Directors.
3. The NRC serves for three years per term.

### Duties and Responsibilities of the Nomination and Remuneration Committee

1. The NRC will search, screen and nominate qualified candidates for Independent Directors to the Board of Directors for approval.
2. The NRC will screen candidates nominated by the major shareholders and submit qualified candidates to the Board of Directors for approval.
3. The NRC will establish procedures and criteria for nomination of Directors.
4. The NRC will submit, with opinion, the proposed Director's Fees as recommended by the Chairman of the Board and Managing Director of the Company to the Board of Directors for considerations prior to formal approval from the Shareholders Meetings.
5. The Chairman of the Board will propose remuneration for the top Management in consultation with the Committee.
6. To perform any other duties delegated by the Board of Directors of the Company.

### **B. DIRECTORS AND MANAGEMENT SELECTION**

1. The selection and election of the Directors shall proceed through the shareholders' meeting. The Nomination and Remuneration Committee reviews candidates for director position based on appropriate skills, knowledge and relevant experience. After reviewing their work experience, the Nomination and Remuneration Committee proposes candidates deemed suitable to the Board of Directors for their approval prior to the Board proposes them to the Shareholders Meeting for approval by the shareholders.

The criteria and procedure for the appointment of directors are as follows:

- 1) One shareholder's share is good for one vote.
  - 2) In the election of directors, the method of voting is to elect individual director one person at a time or collectively, several persons at a time, or any other method as the shareholders' meeting may see fit; but in passing each resolution, it must be voted on with all the votes entitlements under 1. The votes may not be divided between persons or groups to any extent.
  - 3) The election of directors shall be decided by a majority of votes. In case of tied votes, the chairman of the meeting shall be entitled to a casting vote. In accordance with clauses 22 and 50 of the Company's Articles of Association, one-third of the directors shall retire from the office at every annual general meeting of the shareholders. The retiring directors shall be those who have been longest in the office on the rotation basis. The chairman of the meeting shall request for the election of new directors until the vacant positions are filled.
2. The Selection of Management is the responsibility of the Managing Director as described in the Scope of authorities of the Managing Director.



## C. REMUNERATION OF DIRECTORS AND MANAGEMENT

### 1. Financial Remuneration for Directors in 2018

Total paid remuneration of Directors	THB
Annual Director's Fee paid to 3 Independent Directors	1,274,583.00
Audit Committee Allowance totaling 4 times	104,000.00
Board Meeting Allowance totaling 4 times	104,000.00
Nomination and Remuneration Committees Allowance totaling 2 times	34,000.00
Annual General Meeting 1 time	18,000.00
Meeting Allowance of Audit Committee with the Company's Management	42,000.00
<b>TOTAL</b>	<b>1,576,583.00</b>

### 2. Financial Remuneration for Management in 2018

Total paid remuneration of Management	THB
Salary, Bonus, Other Remuneration	36,771,386.82
Provident Fund	1,542,813.75
<b>TOTAL</b>	<b>38,314,200.57</b>

Other remunerations  
-none-

## D. PERSONNEL

As of December 31, 2018, the Company's employees consist of

- Administration	69 persons
- Production	236 persons
Total	305 persons

Financial Remuneration for employee in 2018

Total paid remuneration	THB
Salary, Bonus, Other Remuneration	76,031,241.12
Provident Fund	2,704,317.50
<b>TOTAL</b>	<b>78,735,558.62</b>

Apart from the financial remuneration paid to employee, the Company provides the good welfare and benefit to all employees, including the safe workplace, health insurance and also the skill development. The Company is listed as the member of Personnel Management Association of Thailand and also annually performs the salary survey to ensure that the remuneration of each level is up to current market rate.

In the last 3 years, there has been no significant change in number of employees and no significant labor disputes.

#### **Policy on Employees Development**

The Company has provided its staff with training so that they will recognize their responsibility in the safe and efficient operation of the plant, in operating the plant to be compliant with relevant legislation and to ensure consistency of product quality and to continuously improve all aspects of the manufacturing and commercial operations so as to and in serve and meet customers' expectations. According to the Company's policy and annual training plan, the Company has programs covering people training, health and safety in work plan, process changes and new process technology in order to increase and improve employees capabilities to be in line with the needs and objectives of the business. The Company conducted the employee training in 2018 totaling 2,582. 50 hours and spent the training fees at amount 445,231.73 THB.

January - December 2018

<b>Training Topic</b>	<b>Training Hours</b>
Management/Professional	268.50
On the Job Training /Procedure/Work Instruction	1,625.50
SHE/License	688.50
<b>Total</b>	<b>2,582.50</b>

#### **E. CONTROL PROPRIETARY AND CONFIDENTIAL INFORMATION**

The Company's policy is that all the executives and employees shall adhere to the Company's regulations concerning the ethical code of conduct and business ethics. Employees must observe the rules laid down in instructions concerning the classifying and handling of documents and electronic data. It is the responsibility of all employees to acquaint themselves with the applicable rules. Information generated within the Company is the property of Company and should not, unless legally required, be disclosed outside the Company without proper authority. Furthermore, the Company's policy requires that Company proprietary information must not be used for unlawful purposes or for personal gain.

# CORPORATE GOVERNANCE POLICY UPDATE 2018

The Board of Directors of Thai Poly Acrylic Public Company Limited is obliged to perform its duties in the best interests of the Shareholders and shall treat its stakeholders and all parties concerned with utmost fairness and provide quality products and services to fit the needs and requirements of the customers.

The Board of Directors adheres to the principles of good corporate governance, and have introduced recommendations under the guideline for listed companies 2017 issued by the Office of the Stock Exchange of Thailand (SET). The guideline consists of 8 practices for director and to be the norm in controlling business transparent management and fair for the mutual benefit of the shareholders of the company, stakeholders including society and communities in which the company operates as following detail;

- 1) Recognizing the roles and responsibilities of the Board of Directors as leaders that create value for the business sustainably.
- 2) To determine the objectives and main goals of the business that are going for sustainability.
- 3) To strengthen the Board of Directors.
- 4) Recruiting and developing high-level executives and personnel management.
- 5) To promote innovation and responsible business operations.
- 6) Ensuring appropriate risk management systems and internal controls.
- 7) To maintain financial credibility and disclosure.
- 8) Support participation and communication with shareholders.

The company has publicized its "Corporate Governance, Business Ethics Rules and Anti-Corruption Policy" on its website.

**The Company's corporate governance performance can be summarized as follows :**

## **1. THE RIGHTS OF SHAREHOLDERS**

The rights of shareholders include all basic rights such as the right as an investor and the right as an owner of the Company including for instance the rights to buy new shares, sell or transfer owned shares, the rights to receive dividends, the rights to attend the shareholders meetings, the rights to express or raise questions at the meetings, the rights to make decision by voting on the important affairs of the Company i.e. nomination of Directors, amendment of Memorandum of Association and Articles of Association of the Company etc. and acknowledge the Meeting Minutes.

## **2. THE EQUITABLE TREATMENT OF SHAREHOLDERS**

The Company shall provide the equitable treatment to every individual shareholder, every group of shareholders, major or minor shareholders as well as the investors and foreign investment institutions. The fundamental rights of the shareholders are preserved regardless of gender, age, origin, nationality, religion, belief or social status.

## **3. THE ROLES TOWARD STAKEHOLDERS**

The Company conducts its business responsibly in order to provide mutual benefits to all groups of stakeholders, and thereby ensuring that the administration and the business operations of the Company shall not have any impact on the rights of any stakeholder concerned.

## **4. DISCLOSURE OF INFORMATION AND TRANSPARENCY**

Disclosure of information is a key index of transparency and an important factor to create confidence among investors and stakeholders. The Company values correct, accurate disclosure of information and creates numerous channels of disclosure of information so that all stakeholders can gain easy access to information.

## 5. BOARD RESPONSIBILITIES

### 5.1 COMPOSITION OF THE BOARD OF DIRECTORS

- The Company has prescribed that the Board shall comprise 9 Directors consisting of 3 Independent Directors and 4 Executive Directors, and 2 Non-Executive Directors (Representatives of its major shareholders)

### 5.2 SEGREGATION OF DUTIES OF THE CHAIRMAN AND THE MANAGING DIRECTOR

- To segregate policy-making duties from those of day-to-day management and to enable Directors to oversee, look after and assess performance effectively, the Company requires that the Chairman and the Managing Director are always two distinct and separate persons to ensure the balance of authority. The role of the Chairman is the Head at the policy level and the role of the Managing Director is the Head of Operational Management who look after the daily management of the Company. The Company has decided to appoint as Chairman a Director, who is not an independent Director as defined in the SET guidelines, but whose interests are fully disclosed to the Board. However, the Board has appointed one of the independent directors to participate in setting the agendas for board meetings.

### 5.3 QUALIFICATIONS OF DIRECTORS

1. **DIRECTORS** must be qualified, experienced professionals from various fields, demonstrating breadth of vision and leadership as well as a proven record of ethical integrity. Furthermore, such persons should have good communication abilities and being capable of expressing themselves professionally. Each director must hold not more than five (5) directorships in other listed companies.
2. **AUDIT COMMITTEE** must consist of 3 Independent Directors. The Independent Directors must be qualified under the SET's guidelines governing the qualifications and scope of the operation of an Audit Committee. At least one person should have adequate expertise and experience to review the credibility of the financial reports.
3. **INDEPENDENT DIRECTORS** must be qualified under the SET's guidelines governing the qualifications and scope of the operation of the Audit Committee as follows:
  - Holding shares not exceeding 1 percent of the total shares with voting rights of its parent company, its subsidiary, its associated company or potential conflicting juristic persons provided that also any shares held by his or her related persons must be taken into account.
  - Not being nor having been an executive director, employee, officer, monthly paid advisor or controlling person of the Company, its parent company, its subsidiary, its associated company, its parallel subsidiary or potential conflicting juristic person unless the foregoing status has ended not less than two years prior to the date of appointment as Independent Director.
  - Not having nor having had a business relationship with the Company, its parent company, its subsidiary, its associated company or potential conflicting juristic person that might interfere in his or her use of independent discretion.
  - Not being nor having been an auditor of the Company, its subsidiary, its parent company, its associated company or potential conflicting juristic person as well as not being a major shareholder, a director who is not an independent director, an executive, or a managing partner of the auditing firm employing an auditor of the Company, its parent company, its subsidiary, its associated company or potential conflicting juristic person.
  - Not being nor having been any professional service providers, including a legal advisor or a financial advisor, obtaining service fees of more than baht two million per annum from the Company, its parent company, its subsidiary, its associated company or potential conflicting juristic person. If a professional service provider is a juristic person, this will include a major shareholder, a director who is not an independent director, an executive or a managing partner of such professional service provider.

- Not having any other characteristic which makes him or her incapable of expressing an independent opinion with regard to the Company's operation.
  - Maximum of five directorships in SET's listed companies
4. **NOMINATION AND REMUNERATION COMMITTEE** is one of listed companies' sub-committees promoted by SET to lessen the tasks of the Board of Directors in screening the qualified candidates to be appointed as directors and managing director.

#### 5.4 TERM OF DIRECTORS

In compliance with the Public Companies Limited Act one third of the directors retire by rotation at the Annual General Meeting every year but are eligible for reelection. It is the policy that the tenure of an independent director should not exceed a cumulative term of nine years from the first day of appointment as Independent Director. Upon completing nine years, an independent director may continue to serve on the board, subject to the board's rigorous review of his/her continued independence.

#### 5.5 APPOINTMENT AND DISMISSAL OF DIRECTORS

According to the Company's Articles of Association, one third of Directors shall be retired on the rotation basis at every Annual General Meeting, however, the retired Directors can be re-elected at the Shareholders' Meeting. In the case any Director has tendered a resignation or is to be retired for any other reasons prior to the end of the term, the Board can appoint a succeeding Director and he or she can remain in the position to complete the remaining term of the former Director.

### APPLIED PRACTICES

#### 1. THE RIGHTS OF SHAREHOLDERS

##### 1.1 Shareholders' Meetings

- As a rule, the Company schedules an Annual General Meeting of shareholders (AGM) within 4 months of the annual closing date of its accounting books. For urgent matters that affect or involve the shareholders' interests or relate to conditions, regulations or laws that require shareholders' approval, it calls an Extraordinary General Meeting of the shareholders. In 2018, an Extraordinary General Meeting was not held.
- In 2018, the Annual General Meeting of shareholders took place on April 27 at the Royal City Hotel, Bangkok Noi Room, 3rd Floor, Borom Rajchonni Road, Bangbunru Sub-district, Bangplad District, Bangkok Metropolis.
- Recognizing the importance of protecting and facilitating the exercise of shareholders' rights, the Company has established a policy of equitable and fair treatment for all shareholders as follows:
  - Promoting Exercise of Shareholders Rights**
    - The Company encourages all shareholders to exercise their rights in an equitable manner.
    - All shareholders are encouraged to attend the shareholders' meetings, and to provide comments and suggestions to the Board of Directors.
  - Facilitating Shareholders Attendance and Voting at the Meetings**  
The Company encourages shareholders' participation in decision making on important issues and voting on such issues at General Meetings. All resolutions are voted on by poll.

- o **Giving Information Relating to Shareholders Meetings**

The Company will ensure that shareholders are informed in advance of General Meetings, of important information, criteria and procedures for those meetings, including the voting procedure for each agenda item. The Company will strive to provide all information regarding General Meetings to all shareholders 21 days (but not less than 7 days) in advance, so that shareholders can study all the information prior to attending the meeting. In addition, the Company will post all information on the Company's web site prior to sending out the notice of the meeting.

- o **Giving Opportunity to Shareholders to ask Questions and express their Opinions at The General Meetings**

The Company will, at all General Meetings, provide the opportunity to all shareholders to ask questions, express comments or offer any suggestions.

## **1.2 Disclosure of Resolutions of Shareholders' Meetings**

The Company will submit the summary of resolutions of Shareholders' Meetings to the Stock Exchange of Thailand within the date after the meeting or 9 am of the next working day at the latest. The Company will also submit the report of the shareholders' meetings with Minutes (each agenda item clearly separated), number of Directors in attendance and/or absent, questions raised by shareholders and answers from the Directors and voting tallies of each agenda item to SET within 14 days and to the Ministry of Commerce within 30 days after the meetings. All meeting information will be accessible through the Company's website.

## **2. THE EQUITABLE TREATMENT OF SHAREHOLDERS**

### **2.1 Proposing Additional Meeting Agenda Items and Nomination of Directors**

- a. To enable minor shareholders to take part in the operations of the Company, the Company has established criteria and process for them to propose meeting agenda items and/or nominate Directors in advance.
- b. The Company will post such criteria on its website and post an announcement on the website of SET to enable shareholders to propose meeting agenda items and/or nominate Directors in advance.

### **2.2 Facilitating Shareholders at the Meetings**

As most shareholders attending the Shareholder Meetings are Thais, the meetings will be conducted in the Thai language. The Company's website is bilingual.

### **2.3 Appointing Proxies**

To maintain the rights of shareholders who cannot attend Annual General Meetings in person, they have the right to appoint proxies or delegate their votes to any Independent Director in attendance. The Company will state the names of these Independent Directors in the proxy forms as defined by the Ministry of Commerce for voting on behalf of shareholders without conditions. The Company treats proxies as shareholder votes. Thirty days ahead of each meeting, the Company discloses the proxy form and procedures on its website. Shareholders may make further inquiries about this by phone or through other channels such as the Company's website and e-mail.

## **3. THE ROLES TOWARD STAKEHOLDERS**

- **To Shareholders**

Operating a profitable business that leads to sustainable growth. The Company is committed to corporate governance in tandem with corporate social responsibility (CSR) to ensure investors that the Company provides sound investment returns and is sustainable. The Company has established channels for all stakeholders to contact directly through whistleblowing via its website [www.thaipolyacrylic.com](http://www.thaipolyacrylic.com).

- **To Employees**

The Company regards all employees as the most valuable asset and shall continue to develop the competencies and the integrity of the employees. The Company shall provide its employees with good benefits and provide a workplace that is safe within a healthy environment. Professional development opportunities are provided for all employees, helping to continuously and sustainably increase their productivity.

The company has a policy to consider remuneration for employees and executives in term of considering adjusting the rate of employment for employees and executives, they will consider the working conditions, Intentions of work assigned, duties and responsibilities, other abilities, company's performance and also comparison with market competition. In part of considers the annual bonus, company has a policy to pay every year. However, some criteria will be taken into consideration for approval, including the annual operating results of the company, both financial and non-financial. The work of the staff and the team dedication to work under responsibility etc. In the past year, the bonus was paid to all employees 6.86 Million Baht

- **To Customers**

Ensuring customer satisfaction and loyalty by delivering world-class quality products and services at competitive prices. The Company takes customer satisfaction seriously, since customers are buyers and users of our products and services. The Company offers fair prices, quality products and accountability to customers and consumers, and is committed to consistently develop its products and to provide safe, integrated, attentive quality services in response to their needs. The Company has implemented quality, security, safety and occupational health standards in its operations in order to focus on quality management through efficient work processes with a view to deliver products and services that satisfy customers.

- **To Business Partners**

Observing fair and mutually beneficial business practices with all business partners while promoting trust as well as relationship and cooperation with a view to expand business capabilities and increase efficiency in a long-term partnership. Business partners are the key to business success through mutual support, and the Company treats them fairly. The Company strictly complies with contracts and values procurement processes. Clear procurement procedures have been formulated to ensure transparency, openness to scrutiny and mutual benefit.

The Company requires business partners to strictly conform to the rules about work safety and handling of tools, as well as other regulations, particularly in the type of work affecting health, safety and the surrounding environment.

The Company's approved Vendor List is prepared through a detailed selection process that reviews business/operational procedures of candidates to ensure that the business partners selected for the Vendor List are efficient and are capable of delivering products/services that meet the Company's requirements.

- **To Creditors**

Maintain good relationship with creditors in such a way that mutual trust and confidence are gained. In doing so the Company shall commit to and honor promises, and obligations agreed with the creditors.

The Company ensures strict compliance with all terms of any loan agreement it enters into in a responsible and transparent manner. The Company will not conceal any information or hide any facts that might possibly result in the realization of losses for its creditors.



- **To Business Competitors**

The Company's policy is that it shall treat its business competitors in a manner that is acceptable in accordance with International law and generally accepted principles and standards. The Company shall furthermore operate its business within a fair, but competitive context and shall not take unfair advantage of its business competitors. The framework of this policy has been shaped by related laws and regulations as well as concepts related to generally accepted business codes of conduct. The collection of insider information from a business competitor is expressly prohibited. The policy further prohibits the infringement of intellectual property rights and trade secrets. Furthermore, it includes provisions that prohibit the slandering of business competitors and any form of collusion in conflict with existing laws and regulations.

- **Community and Society**

The Company shall continue to operate its business in a manner that is beneficial to the society and the community in which it operates. The Company shall co-operate with the community and relevant authorities to prevent any business transaction with any party that might be hazardous to the community and the society as a whole.

#### 4. **DISCLOSURE OF INFORMATION AND TRANSPARENCY**

The Company promotes awareness among Directors, the Management and the employees of the importance of good corporate governance and transparency in their work, and creates appropriate mechanisms to receive complaints and fair treatment both for those who file complaints and those who have been complained against.

The Company offers opportunities for the public to file complaints on improper behavior of Directors, the Management and staff or their violation of Company's business ethics.

- By (1) Department Manager and / or Human Resources Manager  
 (2) Audit Committee Email: "Audit.Committee@thaipolyacrylic.com"  
 (3) Corporate Whistle Blower Hotline at number 001-800-11-009-4982 at any time, the company will listen to all complaints equally, transparently, caring and giving fairness to all parties. As appropriate action

The company discloses information of the company and financial statements to the Stock Exchange of Thailand completely, accurately, adequately and in time. In addition, the company has disclosed other information. More to achieve transparency in operation.

1. Allow the investors, community, institutions and interested persons to access the information of the company through company website.
2. Recognizing the fact that some Directors reside abroad, and may consequently be excused from attending all Board Meetings, the Board encourages all Directors to attend the meetings when important issues are raised in the meeting agenda, such as the consideration and approval of future investments for plant expansion projects, and the consideration and approval of the annual financial statements and the annual budget proposals, etc.
3. Publish the corporate governance policy and Anti-Corruption policy on the Company's website.
4. Disclose the direct shareholding of directors and executives and indirect shareholding of spouses, or/and minor children of the directors and executives in Annual Report.
5. The company has a policy that all directors must report their interests with the company or that is expected to be immediately available for further in order to consider and disclose.
6. Provide the opportunity for the shareholders to propose matters to be included as agenda items for the Annual General Meeting of Shareholders ("AGM") and to nominate person(s) to serve as the Company's director(s) The criteria and procedures have been disclosed on the Company's websites at <http://www.thaipolyacrylic.com>

## 7. Appointment of external auditors and approval of audit fees

In the invitation to the shareholder meeting, there will be an agenda for the appointment of external auditors and request approval of audit fees by specifying details of the audit office name, auditor company name list, independence of the auditor, period of being an auditor, audit fee and the cost of operating other duties throughout the year 2017 and 2018 including proposing remuneration for the year 2018 along with the opinion of the Board of Directors company according to recommendation of the Audit Committee.

### Auditor Fee & Other in 2018

	2018	2017
1. The auditor's remuneration for the year 2018	1,290,000.00	1,290,000.00
2. other		-
Total	1,290,000.00	1,290,000.00

## 5. BOARD RESPONSIBILITIES

### 5.1 DUTIES AND RESPONSIBILITIES

#### DIRECTORS

- Define the company's vision, mission, policies, strategies and business plans as well as to monitor the company's performance to ensure set targets are achieved.
- Perform its duties under TPA's Articles of Association, Policies, the resolutions of Board of Directors and shareholders' meetings and supervise the management to achieve the set targets and the budget efficiency and effectiveness of the company.
- Protect the interests of the company by executing the policy to prohibit all directors, executives and employees to conduct any business competing with the company and not acting in conflict of interest to the company and ensuring that the directors, executives and employees of the Company abide by the corporate governance policies and ethical business practices.
- Voting at the meeting must have a minimum quorum of directors more than 2 out of 3 of the total number of all directors who attend in the meeting.
- The Board of Directors will arrange the evaluation of the Board of Directors to be considered and improved work efficiency.
- The Board of Directors is responsible for overseeing the succession plan, the highest executive position of the organization with guidelines for actions such as monitoring the progress of the successor, development of competence and readiness in various areas that are necessary to perform in the highest management position as well as academic training continuous.

#### AUDIT COMMITTEE

1. Prepare charter on internal audit of the Audit Committee to correspond with scope of works and responsibilities. The charter must be approved by the Board and revised at least once a year.
2. Review Company's financial reporting process to ensure accuracy and reliability
3. Review compliance with laws of SET regulations, securities and exchange laws and laws relevant to business
4. Ensure the suitability and sufficiency of the internal control system and the independence of the Internal Auditor.

5. Consider related transactions or transactions of potential conflicts of interest or potential malfeasance affecting operations under the laws and SET's regulations.
6. Provide recommendations to the Board on the appointment, transfer, promotion and assessment of the Internal Auditor.
7. Select, nominate, remove and recommend fees for the external auditor to the Board.
8. Review the risk approaches under the corporate and operation profile which affects the Company's operation.
9. Review complaints and whistleblowing processes for compatibility with good governance practices.
10. Review the policies and ensure that an effective anti-corruption support system is in place, to give advice and monitor the compliance with anti-corruption measures, as well as to receive reports and information on corrupting activities, investigate the facts and refer the matters to the company's board of directors for joint consideration on the penalties or resolutions.

### **Nomination and Remuneration Committee**

#### **Structure of the NRC**

1. The NRC will be selected from Board Members.
2. The NRC shall consist of three members out of which the Chairman of the Committee and one other member must be Independent Directors.
3. The NRC serves for three years per term.

The Nomination and Remuneration Committee will arrange to have meeting at least 2 times per year. Duties and Responsibilities of the Nomination and Remuneration Committee are:

1. The NRC will search, screen and nominate qualified candidates for Independent Directors to the Board of Directors for approval.
2. The NRC will screen candidates nominated by the major shareholders and submit qualified candidates to the Board of Directors for approval.
3. The NRC will establish procedures and criteria for nomination of Directors.
4. The NRC will submit, with opinion, the proposed Director's Fees as recommended by the Chairman of the Board and Managing Director of the Company to the Board of Directors for considerations prior to formal approval from the Shareholders Meetings.
5. The Chairman of the Board will propose remuneration for the top Management in consultation with the Committee.
6. To perform any other duties delegated by the Board of Directors of the Company.

### **INDEPENDENT DIRECTORS**

To comply with duties and responsibilities of the Audit Committee.

## **5.2 DIRECTORS' MEETINGS**

#### **Board of Directors' Meetings**

The Board of Directors' Meetings must be held at least once every 3 months according to the Company's Articles of Association and planned for the entire year. The Company Secretary will send the notice calling of a meeting and relevant supplementary document to each Director at least 7 days prior to such meeting to allow the Directors enough time to consider.

In 2018, the Company held 4 Board of Directors' Meetings  
Attendance Record of the Board of Directors Meetings was as follows:

Directors		Individual attendance	No. 1/2018	No. 2/2018	No. 3/2018	No. 4/2018
Mr. Ben	James Harris	4/4	/	/	/	/
Mr. Suchitr	Srivetbodee	4/4	/	/	/	/
Mr. Rakchai	Sakulteera	4/4	/	/	/	/
Mrs. Caroline	Prior	4/4	/	/	/	/
Mr. Tamotsu	Tamaki	4/4	/	/	/	/
* Mr. Hans	Henrik Melchior	1/4	/	-	-	-
**Mr. Christian	Moller Laursen	3/4	-	/	/	/
Dr. Anuphan	Kitnitchiva	4/4	/	/	/	/
Mr. Jan Dam	Pedersen	4/4	/	/	/	/
Mr. Kulvech	Janvatanavit	4/4	/	/	/	/

\*Mr. Hans Henrik Melchior tendered the resignation as a executive director with effect on 27 April 2018.

\*\*Mr. Christian Moller Laursen was appointed as the Non-Executive Directive Director with effect on 9 July 2018

#### Audit Committee Meetings

The Audit Committee shall have the duty to arrange meetings at least 4 times a year and planned for the entire year. The Audit Committee Secretary will issue a meeting notice along with the meeting agenda and relevant supplementary documents to each Director 5 days ahead of the meeting to allow the Directors enough time to prepare for the meeting.

In 2018, TPA held 4 Audit Committee meetings. Attendance Record of the Audit Committee was as follows

Directors		Individual attendance	No. 1/2018	No. 2/2018	No. 3/2018	No. 4/2018
Dr. Anuphan	Kitnitchiva	4/4	/	/	/	/
Mr. Jan Dam	Pedersen	4/4	/	/	/	/
Mr. Kulvech	Janvatanavit	4/4	/	/	/	/

#### Nomination and Remuneration Committee Meetings

In 2018, TPA held 2 NRC meeting. Attendance Record of the NRC meeting was as follows

Directors		Individual attendance	Remarks
Dr. Anuphan	Kitnitchiva	1/2	Was appoint during 11/5/2017 - 9/5/2018
Mr. Jan Dam	Pedersen	1/2	Was appoint with effective in 10/5/2018
Mr. Kulvech	Janvatanavit	2/2	
Mr. Tamotsu	Tamaki	1/2	Was appoint during 11/5/2017 - 9/5/2018
Mrs. Caroline	Prior	1/2	Was appoint with effective in 10/5/2018

### 5.3 NOMINATION REMUNERATION OF DIRECTORS

For other directors who is not the Non-Independent Director but being a director who has been selected and appointed by the management of the company or being a representative director of a major shareholder which received compensation and other forms of benefits from the employment of the company or from the representative of the major shareholder but they will not receive any remuneration or directors' remuneration in any way.

"The company has a policy to pay directors' remuneration. Both in terms of remuneration for directors and in the meeting allowance which will pay only 3 Independent Directors only. The annual remuneration and meeting allowances for each meeting are in accordance with the rate specified in each year and has been approved by the shareholders' meeting"

Director		Position	Remuneration 2018		Remuneration 2017	
			Annual Fee 2018	Meeting Allowance	Annual Fee 2017	Meeting Allowance
Dr. Anuphan Kitnitchiva		Independent Directors				
		Chairman of Audit Committee	437,000.00	110,000.00	437,000.00	56,000.00
		Chairman of Nomination and Remuneration Committees				
Mr. Kulvech Janvatanavit		Independent Directors				
		Member of Audit Committee	400,583.00	104,000.00	437,000.00	78,000.00
		Member of Nomination Remuneration Committees				
Mr. Jan Dam Pedersen		Independent Directors				
		Member of Audit Committee	437,000.00	88,000.00	437,000.00	72,000.00

### 5.4. DIRECTORS' ORIENTATION

For new Directors, the Company arranges an orientation program to inform them of its business policies, capital structure, shareholding structure, business performance, information systems as well as related laws and regulations.

### 5.5 SKILL DEVELOPMENT PROGRAM FOR BOARD MEMBER

To improve the knowledge of Corporate Governance rules and regulations, general management skills the company has the policy to encourage and support all directors to attend training programs which are organized by The Stock Exchange of Thailand, The Securities and Exchange Commission, and The Thai Institute of Directors Association (IOD) or to attend other relevant training programs.

Directors Name		Training Program	Year
Mr. Suchitr	Srivetbodee	Director Accreditation Program (DAP 6/2003)	2003
Dr. Anuphan	Kitnichiva	Role of the Chairman Program (RCP38/2016)	2016
		Successful Formulation and Execution of Strategy (SFE26/2016)	2016
		Advance Audit Committee Program (AACP17/2014)	2014
		Director Certification Program (DCP 130/2010)	2010

Directors Name		Training Program	Year
Mr. Jan Dam	Pedersen	Director Certification Program (DCP 256/2018)	2018
		Director Accreditation Program (DAP125/2016)	2016
Mr. Kulvech	Janvatavavit	Director Certification Program (DCP 14/2002)	2002
Mr. Rakchai	Sakulteera	Company Secretary Program (CSP 811/2017)	2017

## 5.6. NOMINATION OF DIRECTORS

The Company ensures that the nomination and selection processes for directors are clear and transparent so that the board's qualifications are in line with the desired composition.

## 5.7. SELF ASSESSMENT OF DIRECTORS

In accordance with the SET's corporate governance principles for listed companies, the Board of Directors makes annual overall self-assessment of performance. The conclusion of the overall performance assessment for 2018 was 4.5 (out of 5) or 90%, in 2017 was 4.1 (out of 5) or 81%. The results from the assessment will be used for planning, developing, and improving the roles and responsibilities of the Board of Director.

## AUDIT COMMITTEE

The Audit Committee also assessed its own performance overall, through self- assessment under the guidelines for Audit Committees of SET.

In 2018, the conclusion was the Audit Committee acted in compliance with the Charter of the Audit Committee and in accordance with SET's guidelines governing the qualifications and scope of the operation of the Audit Committee.

## 5.8. RISK MANAGEMENT

The Board has established a risk management system and has applied this throughout the Company's operations in order to prevent and manage identified risks. Moreover, the Company has a monitoring and assessment system in place. The Board has assigned the Audit Committee to oversee and audit the risk management system in order to ensure that risks being identified are addressed suitably and sufficiently.

The Audit Committee reviews the risk management processes with relevant Departments/ Functions and the Internal Auditor. Its opinion is that the Board maintains adequate risk management practices that are relevant, suitable and sufficient.

## 5.9. INTERNAL AUDIT FUNCTION

The Board of Directors has established an Internal Audit function with responsibility to review and monitor the sufficiency of the internal control system as well as to audit the operations of the Management functions and the Company's risks management. The Internal Auditor works independently and reports directly to the Company's Audit Committee.

## 5.10. COMPANY SECRETARY

In order to comply with the Securities and Exchange Act (No. 4) B.E. 2551, at its Meeting on 11 November 2017 the Board passed a resolution to appoint Mr. Rakchai Sakulteera, the Company's Financial Director, as Company Secretary.

**A. QUALIFICATION OF COMPANY SECRETARY**

- Having well-rounded knowledge and understanding of the Company's businesses.
- Understand the roles and duties of the Company Secretary.
- Having knowledge and understanding concerning legal matters, regulations of the of Stock Exchange Control and the Stock Exchange of Thailand.
- Do not exploit the Company's business opportunity for personal benefits as well as preserve the confidential information of the Company
- Having good human relationship and can coordinate and contact with other agencies inside and outside the Company.
- Possess English proficiency.

**B. DUTIES AND RESPONSIBILITIES**

- Preparing agenda and supporting documents for the Board of Directors' Meetings and Shareholders' Meetings.
- Arranging and coordinating the Board of Directors' Meetings, Shareholders' Meetings as well as coordinate to ensure all resolutions have been implemented and complied with in accordance with the Company's Objectives, Articles of Association and the relevant laws and regulations.
- Monitoring the appointment of Directors and change of Directors' terms and arranging for the registration of the change of Directors with the relevant Authorities.
- Preparing and keeping the following documents:
  - Register of Directors.
  - Notice calling Directors' Meetings, Minutes of Board of Directors' Meetings and an Annual Reports of the Company.
  - Notice calling Shareholders' Meetings and Minutes of Shareholders' Meetings.
- Ensuring that the Directors and Executives have filed reports on their interest as required by law.
- Keeping the reports on interest filed by Directors and Executives as well as
- Submitting a copy of such report to the Chairman and the Chairman of the Audit Committee within 7 business days from the date on which the Company has received the reports.
- Performing any other acts as specified in the notification of the Capital Market Supervisory Board.

**INSIDER INFORMATION**

Insider trading is both illegal and unethical. Securities laws and Company policy prohibit the buying or selling of securities on the basis of material, non-public information. Directors, officers and any other employees, at any level, who are aware of non-public material information related to the Company or any other businesses, may not, directly or indirectly, use such material non-public information in purchasing or selling any securities of the Company or these businesses. Directors, officers and any other employees prohibited from purchasing or selling the securities of the Company or other businesses because they possess material, non-public information, may not have any other person purchase or sell securities on their behalf. Any purchases or sales made by another person on their behalf will be attributable to them. Material non-public information may not be disclosed to any person outside the Company (including relatives, friends or business associates and regardless of the purpose for which such disclosure may be made) until authorized Company officials have adequately disclosed the information to the public.



## ANTI-CORRUPTION POLICY

The Company shall operate its business with integrity, morality, and under principles of good governance to promote continuing sustainable growth, and corporate social and environmental responsibility.

On 9 October 2015, the Company formulated the Anti-Corruption Policy and enforced to all employee and agents throughout the world to not to offer, promise to pay cash, or transfer any benefits (including service rendered, gifts, entertainment to government or other units), with objective to receive or maintain unappropriated benefits related to business. This includes payment or transfer benefit through third party.

The Board of Directors passed a resolution to declare an intent to join Thailand's Private Sector Collective Action Coalition Against Corruption (CAC).

# COMPANY SOCIAL RESPONSIBILITIES 2018

## Social Responsibility

Thai Poly Acrylic Public Company Limited (the “Company”) has a policy and commitment to conduct business with fairness in accordance with good corporate governance principles. In addition, the Company encourages employees to respect the law and adhere to ethics, code of conduct and responsibility for their own safety and all colleagues and also have responsibility for society, community and sustainable environmental protection. The Company has formulated the corporate governance policy in the same direction as used by the Stock Exchange of Thailand since 2006, divided into 5 categories. The details for topics mentioned above are described in topic named “Good Corporate Governance”.

The activities for social responsibility are summarized below.

- **Fair business operations:**

The Board of Directors adheres to the duties and responsibilities of supervising the business for the maximum benefit of the shareholders and building the fairness for stakeholders including responding to the customers’ need by producing safety and good quality products.

Even in the trade competition, the Company has established a fairness competition. Executives and employees must strictly comply with the Company’s Business Ethics / Code of Conducts. In this respect, all employees have trained and signed for acknowledgement since the first day of working with the Company.

- **Respect for human rights and fair treatment to colleagues:**

The Board of Directors, as well as executives, recognize the importance of all employees by accepting and respecting the differences in gender or any limitations of each employee. The Company will consider human rights that everyone must be treated equally. The supervisors must respect human rights and give honor and fairness to subordinates, not consider gender issues as an important factor in determining merit, but must consider based on the results of work and responsibility. The Company has adhered to the Code of Conducts and Compliance Practices, which employees at all levels have trained and acknowledged.

In addition, the Company also requires executives to provide equality and fairness for employees at all levels for the opportunity to develop the working skills based on the personnel ability and appropriateness of the job’s qualifications, without considering other factors that are not in the consideration criteria.

For the past year, the Company has launched a training program to enhance working skills by allowing employees to receive training in other areas of work that may be different from their previous duties. It appears that many employees have registered to receive such training e.g. the Product counting staff join the training for Quality inspection staff. It is an activity that enhances working skill which is beneficial to employees as well as to the Company.

- **Responsibility for work safety, activities for the community and society, and sustainable environmental protection:**

- (1) **Responsibility for work safety:**

The Company considered this as the highest policy that directors, executives and employees at all levels must pay attention to and have a mission to conduct work safety for themselves and all colleagues by being conscious at all times to be careful, and evaluate the working process that they are working or assign others to perform whether there is any risk at each stage of the work or not. In addition, close monitoring of staff

under supervision should be focused, especially for new employees, of which a job term is not more than one year, must be trained to ensure the safety first. Moreover, the Company's premises are regularly checked to ensure that all the equipment and tools are in correct position and in good working condition, safe, and not be a cause for unsafety events.

**(2) Sustainable environmental protection:**

As well as the policy and mission that the directors have given priority to the safety of work, the Company also integrated the sustainable health care and environmental protection as part of the policy named "Safety, Healthy & Environment Policy" or "SHE Policy".

**Safety, Healthy & Environment Policy:**

For more than two decades, the Company has adhered to the mission which provided the practical guidelines framework as shown below.

- Comply with both existing and potential laws and regulations, regarding occupational health & safety management, as per TIS18001, ISO14001, and rules or policies received from related group companies e.g. Lucite International and MCC by applying the principles as a basic standard for the establishment of this policy.
  - Conduct risk assessment and risk mitigation action plan in order to prevent, set up control guideline to minimise possible impact from the accident which would cause injuries, illness from work, or pollution impacting employees and surrounded community.
  - Set up the SHE standards for contractors, persons having conflict of interest and/or visitors to be strictly in line with the Company's policy.
  - Comply with standards on waste discharge, set up framework for minimising the waste within the organization, including efficient use of energy and water efficiently, whereby objectives and targets are clearly set.
  - Include cooperation and compliance with SHE policies as an integral part of employees' annual performance evaluation.
  - Set clear roles and responsibilities on SHE; all employees are fully responsible for SHE both during the office hours and afterhours.
  - The Company supports building up awareness and good behavior for staff to enhance knowledge and working competency to support SHE.
  - Commit to and responsible for product development to be safe for both consumers and environment.
- **Responsibility for consumers and environment**

The Company focused on safety, health, and environment and it is important that directors, management, employees, and visitors have to strictly comply with the Company's policy.

The Company views that health, safety and environment is part of the Company's business and also the corporate social responsibilities which needed implementation as follows:

1. Comply with both existing and potential laws and regulations, and develop SHE management system to comply with TIS18001, ISO14001, and the Company's Code of Conduct. Such regulations will be adopted as minimum standard in operating business.
2. Minimize the risk, prevent and control risk incidents, injuries, illness from work, and environmental pollution. Avoid risk incidents which might impact employees, communities and relevant parties.
3. Prevent injuries and illness from work as objectives and targets set.
4. Comply with standard on waste discharge, minimise the waste, and use energy and water efficiently as objectives and targets set.

5. Set up the SHE standards for contractors and/or visitor to be in line with the Company's policy
6. Cooperate and circulating news, information, policies to employees and external parties both corporate and government sector.
7. Consider cooperation and compliance with SHE policies as an integral part of employees' annual performance evaluation.
8. Set clear roles and responsibilities on SHE. Management and all employees are responsible on SHE during the office hours and afterhours.
9. Support and encourage competencies development through training to enhance knowledge and to raise awareness.
10. Commit to and responsible for product development to be safe for both consumers and environment through the product life cycle.
11. Manage resources efficiently to comply with the Company's policies and goal set.
12. Continuing development on SHE

The Company's management and operations on SHE is under supervision of SHE committee, an assign committee established for oversight role by setting the policies, objectives, targets, monitoring, formulating annual plan for continuing improvement, as well as monitoring and evaluating the results.

The Company has been audited and certified on SHE management system to comply with TIS18001:2011 and certified on Environmental Management System (ISO14001:2015), evidencing conducting of business with high focus on SHE of all employees and relevant parties.

#### 1. Audit on SHE, working environment, surrounding environment

The Company conducted annual audit on SHE in 2018 to monitor SHE problems to employees, and environmental problem which might impact surrounding communities.



## 2. Annual health checks up to employees

The Company conducted annual health check up to all employees on 29 November 2018 to monitor health problem which might incur to employees



## 3. Contingency plan rehearsal

### 3.1 Emergency plan for chemical spill

On 31 October 2018, the Company has conducted contingency plan rehearsal in the case of chemical leakage at the chemical transporting area to the storage.

### 3.2 Training on basic fire extinguishing techniques and annual rehearsal on fire evacuation

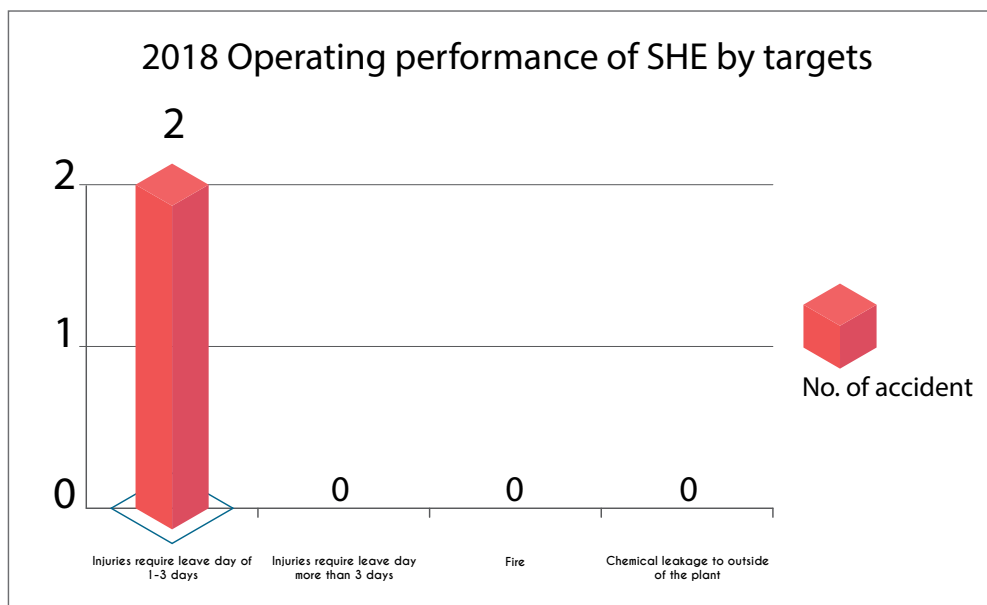
On 26 December 2018, the company conducted training on basic fire extinguishing techniques and on 27 December 2018, the company conducted annual rehearsal on fire evacuation for 2018 by staff from disaster prevention team of Bann Phaeo, Samutsakorn.





4. Operating performance on SHE according to 2018 objectives and targets are the following:

- o Injuries require leave day of 1-3 days                      no. 2 persons
- o Injuries require leave day more than 3 days                  no. 0 person
- o Fire    no. 0 time
- o Chemical leakage to outside of the plant                      no. 0 time



Besides SHE as aforementioned, the Company also focuses and commits to SHE during afterhours. Campaign and activity to promote SHE afterhours e.g. Wearing safety helmet on the motorcycle ride, is set as an ongoing target.

- **Environment surrounding community and overall society**

The Company always focuses on its neighbors by ongoing monitoring to ensure no problems or any issues impacting neighbors and surrounding communities. Knowledge activities were held regularly for students in nearby schools.

- **Participate in developing communities**

The Company operates its business which is beneficial to economy, society and community the Company located on, especially increasing opportunities in studying and competency development of children in terms of sports, initiation, innovation, science and technology. This also includes good cooperation with communities and government units in any measures preventing dangers or impact to environment.

- **Activity for society and community:**

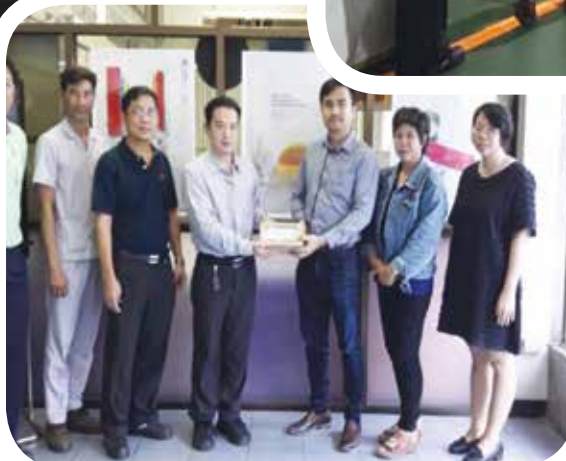
Over two decades of operating the business in Kratoomlom district, Nakornpratom province, the Company has manufactured products with good quality which are distributed domestically and globally, generating revenues to over three hundred of Thai labors. Every year, management and employees take an important role in conducting activities for society and community in various aspects e.g. scholarship for education and potential development for good students with financial problems, support in various sports activities, contest on initiation and innovation in science and technology, and cooperation with government units in preventing labors and children from narcotics.

### Important projects in the Company for community and society in 2018

On 12 January 2018, Thai Poly Acrylic Public Company Limited gave scholarship to students from kindergarten to junior high school on children day, taking picture with Master Sonchai Rasmijam from Ban Kratoomlom school.



From January to June 2018, "Management of green energy and technology with Resource Data Analytic project"  
The Company was selected from Department of Industry Promotion to participate in the project "Management of green energy and technology with Resource Data Analytic". This was under the project to enhance potentiality of small and medium enterprise to transform to 4.0 industry in 2018, with Division of Digital Industry Development, Department of Industry Promotion.





In April, November, and December 2018, "Campaign supporting safety drive" were conducted comprised

1. Campaign no drive when drunk during Songkran and New Year holidays to promote staff awareness in safety drive.
2. Campaign on wearing safety helmet and safety belt, for safety drive of car and motorcycles.



In May and October 2018, Thai Poly Acrylic Public Company Limited cooperated with Phokaew police office and set up a project on preventing and solving drugs problem in work place (Mor.Yor.Sor.), following the guideline on preventing and solving drugs problem in work place (Mor.Yor.Sor.), and gave knowledge to staff on drugs and anti-drugs measures in work place.



On 24 July 2018, the Company was aware of the significance of Buddhism; “Candles for Buddhism” was conducted with management and staff giving candles and other daily stuff to Nakorn Chumchuen temple during Kao Pansa, an important religious ceremony in Kratoomlom community.



In May 2018, Scholarship to support education of staff's children

The Company focused on importance of education and supported scholarship to staff's children. Scholarships were given to student from grade 1 to vocational school level. In 2018, ten of employees' children were qualified for the scholarship.



**In May and July 2018**, the Company conducted activity relating to Thailand's Private Sector Collective Action against Corruption in 2018 which is ongoing activity after obtaining certification from Thailand's Private Sector Collective Action against Corruption in 2017. 2018 activity focused on improving knowledge relating to:

1. Anti-Corruption Policy which states clearly to cover the Company's agent, management, and employees at all levels.
2. Complaint channel on matters relating to fraud and corruption behaviors including theft, conflict of interest and bribery.
3. Policy in handling with complaints and systemic investigation of frauds and corruptions. All information will be kept confidential for fairness and protection to staff, and no impact to their performance.



**On 7 July 2018**, "Kratoomlorn Football Cup - Anti Drugs No.4" was held at a football field in Muang district. A team of 10 staff from the Company joined the match with the community and Muang district office. This was a joint effort from government and corporate sectors having eleven football teams joining the match.





During October to December 2018, “Flea Market for our school” was held, where management and staff contributing their cloths, home appliance and other daily stuff for sale. Considerations from the sales will be given as scholarship to students in Bann Kana Samakkee school, Huay Samran, Ku Khan, Srisaked province.

Miss Duen Pornpetch, the Company’s representative from production team gave the scholarship to Mr. Surong Pochnikorn, master from Bann Kana Samakkee school.



On 6 December 2018, the Company conducted a knowledge sharing activity to a group of teacher and 20 students from high school of Bann Kratoomlom school, giving knowledge on transformation and making use of acrylic sheet, at Technical Center, by Khun Wittaya Mongkolkajit, Technical Center Manager.



During December 2018, 2018 Anti-Drugs Sport event was held with various sport competition e.g. football, sepak takraw, table tennis, and chair ball, with key objectives to anti-drugs as well as staff unity. Several staff joined the event e.g. 77 staff for football- male, 22 staff for football-female, 12 staff for sepak takraw, 40 staff for table tennis, and 22 staff for chair ball - female.



# RELATED BUSINESS TRANSACTIONS

## Connected transaction with group companies

The Company has connected business transactions which is the buying and selling of materials through group companies' agent in certain overseas business. The connected transactions mostly are for purchase of raw material used in manufacturing in the normal course of business e.g. MMA which is a key material in manufacturing acrylic sheet, with normal business condition at arm's length. Price and business conditions can be compared with other sources. Management and procurement department monitor the market price of raw material from both domestic and global market. Reliability of market price data was audited from the Audit Committee, which are independent directors, and external auditor. This is to ensure that connected transactions are entered into with fairness at arm's length. Transactions with connected persons or juristic persons for the year ended 31 December 2018 can be summarized below.

## RELATED PARTY TRANSACTIONS

The material related party transactions consist of the transactions carried out with Mitsubishi Chemical Corporation (MCC) and Asiatic Acrylic Company Limited.

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

### a) Transactions with related parties for the year ended 31 December 2018

(Unit: Million Baht)

Parties that might cause the conflict	Relationship	Type of transaction	Transaction Value	Price Policy	Reason
Lucite International (Shanghai) Trading Ltd.	Shareholder is Lucite International UK Overseas Holdco1 Limited	Service expenses	2.31	Contract price and as agreed.	To expand the business in China.
Lucite International Korea Ltd.	Shareholder is Lucite International UK Overseas Holdco1 Limited	Service expenses	2.45	Contract price and as agreed.	To expand the business in Korea.
Lucite International UK Limited.	Shareholder is Lucite International UK Overseas Holdco1 Limited	Service expenses	0.41	Contract price and as agreed.	To expand the business in United Kingdom
Lucite International Japan LTD,	Shareholder is Lucite International UK Overseas Holdco1 Limited	Purchases of raw materials	0.25	As agreed with reference to market price.	Quality and prevent loss of supply.
Lucite Internation Singapore Pte Ltd.	Shareholder is Lucite International UK Overseas Holdco1 Limited	Service expenses	0.16	Contract price and as agreed.	To expand the business in Singapore.
Thai MMA Co.,Ltd	Shareholder is Mitsubishi Chemical Corporation	Purchases of raw materials	588.39	As agreed with reference to market price.	Quality and prevent loss of supply.
Diapolyacrylate Co.,Ltd.	Shareholder is Mitsubishi Chemical Corporation	Purchases of raw materials	17.86	As agreed with reference to market price.	Quality and prevent loss of supply.

b) The balances of the accounts between the Company and those related parties as at 31 December 2018 as follows:

(Unit: Million Baht)

Parties that might cause the conflict	Relationship	Type of transaction	Transaction Value	Price Policy	Reason
Lucite International (Shanghai) Trading Ltd.	Shareholder is Lucite International UK Overseas Holdco1 Limited	Other payable	1.39	Contract price and as agreed.	To expand the business in China.
Lucite International Korea Ltd.	Shareholder is Lucite International UK Overseas Holdco1 Limited	Other payable	1.09	Contract price and as agreed.	To expand the business in Korea.
Lucite International UK Limited.	Shareholder is Lucite International UK Overseas Holdco1 Limited	Other payable	0.12	Contract price and as agreed.	To expand the business in United Kingdom
Lucite International Singapore Pte Ltd.	Shareholder is Lucite International UK Overseas Holdco1 Limited	Other payable	0.01	Contract price and as agreed.	To expand the business in Singapore.
Thai MMA Co.,Ltd.	Shareholder is Mitsubishi Chemical Corporation	Trade accounts payable	197.98	As agreed with reference to market price.	Quality and prevent loss of supply.
Diapolyacrylate Co.,Ltd.	Shareholder is Mitsubishi Chemical Corporation	Trade accounts payable	6.41	As agreed with reference to market price.	Quality and prevent loss of supply.

### Opinion of the Audit Committee regarding Related transaction

The Audit Committee requested confirmation from the EY auditor regarding determining the purchase price of raw materials and related items was fair or not. EY auditor has confirmed that the purchase price related was set according to fair rules.



## REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENT

The Company's Board of Directors places great important on its leading roles and responsibilities in supervising and directing for the preparation of the company's financial statements in compliance with the corporate governance principles and must be prepared under generally accepted accounting standards, including a disclosure of adequate, accurate and transparent financial data as shown in the Company's Annual Report.

In preparing the Company's Annual Report to meet the above objectives, the Board of Directors has appointed qualified Independent Auditors to audit the company's Financial Statements and has also assigned the Company's Audit Committee, consisting of three independent directors, to review the quality of the financial reports and also to conduct internal audit and control system, particularly to monitor and audit any significant related business transactions, in order to ensure the fairness, no conflict of interest to the company's operations , and the appropriate disclosure of all related transactions.

The Board of Directors expresses its satisfaction and its consent to the company's financial report for the year ended December 31st, 2018 on the adequacy and reliability of the financial statements that it has been prepared and audited under generally accepted accounting standards together with the independent Auditors' confirmation and comments, and also examined through the internal control system, as shown in the Annual Report.



( Dr. Benjamin James Harris )  
Chairman of the Board of Directors



( Mr. Suchitr Srivetbodee )  
Managing Director and Vice Chairman

# THE AUDIT COMMITTEES REPORT 2018

Dear Shareholders,

The current Audit Committee of Thai Poly Acrylic Public Company Limited is made up of three knowledgeable directors: Dr. Anuphan Kitnitchiva as the Chairman, Mr. Kulvech Janvatanavit and Mr. Jan Dam Pedersen as Committee members. Ms. Thanjira Kunathipsritrakool, Internal Auditor, serves as secretary to the Audit Committee.

Mr. Kulvech Janvatanavit resigned with effective on 30 November 2018 and Board of Director to approved the appointment of Mr. Jetsada Wongwatanasin to replace Mr. Kulvech Janvanavit, with effective on 23 February 2019.

The Committee performed its Board-assigned duties in line with its own charter, with priority given to the design of a systematic structure and work process. This facilitated the Company's conformance to corporate governance, established a risk management system and a sufficient internal control system.

In 2018, the Committee held 4 meetings with the Management, the Internal Auditor and the external Auditor involved as highlighted below:

1. **Review of financial reports:** Together with the Management, the Internal Auditor and the external Auditor, the Committee reviewed quarterly and annual financial statements, including related party transactions and conflict of interest transactions. The Committee discussed with the external Auditor the accuracy and completeness of the financial statements, any adjustment entries materially affecting the statements, adequacy and suitability of account recording methods and provisioning policies as well as accuracy and adequacy of information disclosure and the Auditor's independence. All to ensure that the financial statements preparation is in conformity with legal requirements and accounting standards under the generally accepted accounting principles, and is presented in a reliable and timely manner with information sufficiently disclosed in such statements for the benefit of investors or financial statement users.
2. **Review of risk management:** The Committee reviewed the efficiency and suitability of risk management processes, including the Risk Management Policy and the plans and the approach that affect the Company's operations and investment plans. Also, the Committee reviewed the Management's risk assessments and oversaw risk mitigation associated with key issues significantly affecting the Company to ensure that the Company commands systematic, efficient, and prompt monitoring processes.

3. ***Review of the effectiveness of internal control:*** The Committee evaluated compliance with laws and relevant regulations. The Committee also considered internal control systems with the external Auditor and Internal Auditor once a year by reviewing : Operations, resource consumption, stewardship of properties, prevention or reduction of errors or damage, losses, waste or fraud as well as the credibility of financial reports and compliance with laws and regulations. The external Auditor agreed that no significant problems or shortcomings were found.
4. ***Review of good governance:*** The Committee focused on the management policies supporting good corporate governance. It actively encouraged Management to implement an anti-corruption program in order to ensure the effectiveness of the anti-corruption control. Furthermore, the Committee reviewed compliance with relevant laws and regulations and defined business processes. Related party transactions were also reviewed to ensure that the Company adhered to sensible conformance to normal business conditions. Finally, the Committee reviewed the process of complaint-handling and whistle-blowing to ensure alignment with Company's corporate governance and business philosophy.
5. ***Review of internal audit:*** This year the Committee reviewed the annual internal audit plans and conformance to the plans and findings of audits. To this end, it commented on and monitored corrective actions for significant aspects of good governance and adequate internal control as well as the annual appraisal and merit consideration for the internal auditor. The Committee also encouraged the Internal Auditor to attend training courses on internal audit and English and to participate in a seminar in internal audit with a view to develop and equip her with internal-audit skills and improve her professional knowledge.
6. ***Appointment of the external Auditor for 2018:*** The Committee endorsed the EY Office Limited as the Company's external Auditor for 2018 with the Board's concurrence for presentation and shareholders' approval at the AGM 2018 incl. the audit fees. Also, the Committee reviewed the scope, approach and annual plans of the external Auditor in the absence of Management.

In summary, the Audit Committee performed the duties and responsibilities stated in its charter with care, prudence and adequate freedom, whilst providing creative views and constructive recommendations for the equitable benefit of stakeholders. Its opinion is that Company's financial reports are accurate, credible and in line with generally accepted accounting standards. In addition, the Company commands practices that comply with relevant laws and business obligations together with good governance, adequate risk management and a suitable, sufficient internal control system and internal audit.



(Anuphan Kitnitchiva, Ph.D.)  
Chairman of the Audit Committee  
February 27, 2019

# PERFORMANCE & FINANCIAL HIGHLIGHTS

	2018	2017	2016
Revenues	1,167.46	1,275.33	1,047.04
Expenses	1,216.65	1,196.55	960.13
Net profit (loss)	(39.06)	62.84	69.36
Earnings (Loss) per share (Baht)	(0.32)	0.52	0.57
Shares (Million share)	121.50	121.50	121.50
Assets (Million Baht)	889.54	978.69	985.99
Liabilities (Million Baht)	355.89	369.12	317.75
Shareholders' Equity (Million Baht)	533.66	609.57	668.23
Book Value per share (Baht)	4.39	5.02	5.50



# EXPLANATION OF FINANCIAL ANALYSIS & OPERAATION PERFORMANCE

## 1. Operating results under the Business Operation Plans

Operating results under the Business Operation Plans 2018 can be summarized as follows:

- a) The Company is highly committed to the important of the Safety, Health and Environment (SHE) policy which all Directors, Management, Employees and Visitors must strictly follow the policy and guidelines. The SHE Committee is set up and assigned to supervise and control, set SHE's policies & guidelines, objectives and targets, including annual SHE Improvement Plan. Furthermore, the Committee also monitors and evaluates the performances during the year.

The Company has focused on encountering the corruption by setting up Anti-Corruption Policy, commitments from the Board of Directors and the management corruption risk assessment, and internal control review and monitoring.

One of the important targets that the Company has considered is to set up annual plan for pre-maintenance and improvement for machinery and equipment conditions to ensure the maximum safety in working place to all Operators and improve production efficiency.

SHE is the Company's important policy that all management and staff are responsible for adhering to policy and strictly follow the safety at work regulation in all aspects.

The Company has been examined and accredited for Occupational Health and Safety Management Systems (TIS18001) and Environment Management System (ISO 14001), which is to ensure that the Company is attentive in the work of health, safety and environment of staff and all relevant persons.

- b) In 2018 the Company maintained a good proportion between domestic and export sales in order to maximize the benefit from the fluctuation on conversion rate between Baht and other hard currencies, especially US Dollar. In order to avoid the risk from loss currency conversion, the Company has the policy to hedge the currency with the reputable commercial bank in Thailand.

Also, the Company has developed new marketing strategies and adjusted new product portfolios in order to improve production line of plastic materials in responding to the dynamic changes of supply and demand in both domestic and overseas market. A lot of progress has been made but the management will continue to search for more new business opportunities through the new product development (NPD) process, particularly focusing on value added products. The NPD process will be handled by NPD Committee, headed by Managing Director, the Committee is fully responsible and manage the Product Portfolio for a sustainable long-term growth of the company.

- c) In the past year, the Company continued to focus on product quality improvement in order to attain higher standards so as to respond to the needs of its customers both in domestic and overseas, and also aimed to improving the production efficiency and reducing production waste that will be beneficial to the overall production costs. Also, the company has a high emphasis on the product differentiation as a key business driven to growing profitable volume for both existing and new products that will encourage the company to avoid price competition.

## 2. Operating Results

In 2018, the Company had net sales of Baht 1,148.50 million, an increase of Baht 20.27 million or 0.02% compared to the previous year. However, the Company's operating results in 2018 was net loss at Baht 39.06 million (2017 net profit at Baht 62.84 million). The 2018 net loss mainly due to; continuous rising raw material price throughout the year and selling prices competition in the market decreased the sales volume, and net profit from land sales at 116.11 million in 2017.

### Trade Receivables

Trade receivables are detailed below.

Comparative trade receivables from 2015 - 2018	31 - Dec -18		31 - Dec -17		31 - Dec -16		31 - Dec -15	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
<b>Trade Receivables - related parties</b>								
Note due	0	0%	0	0%	2,059	1%	2,323	1%
Overdue not over 3 months	0	0%	2,531	1%	0	0%	4,907	2%
Total trade receivables - related parties	0	0%	2,531	1%	2,059	1%	7,230	3%
<b>Trade Receivables - non-related parties</b>								
Note due	233,185	80%	218,893	81%	189,780	77%	189,557	77%
Overdue						0%		0%
not over 3 months	52,083	18%	41,617	15%	44,936	18%	39,817	16%
3-6 months		0%	0	0%	728	0%	3,809	2%
6-12 months		0%	0	0%	1,441	1%	410	0%
Over 12 months	6,140	2%	6,639	2%	7,668	3%	4,400	2%
<b>Total trade receivables - non-related parties</b>	291,408	100%	267,149	99%	244,553	99%	237,993	97%
<b>Total trade receivables</b>	291,408	100%	269,680	100%	246,612	100%	245,223	100%
Less : Allowance for doubtful accounts	-6,140	-2%	-6,496	-2%	-7,668	-3%	-4,400	-2%
<b>Total trade receivables - net</b>	285,268	98%	263,184	98%	238,944	97%	240,823	98%



Trade receivables as at 31 December 2016, 2017 and 2018 were Baht 238.94 million, Baht 263.18 million, and Baht 285.27 million, respectively, comprising both trade receivables - related parties and non-related parties. Trade receivables have credit terms of 30 - 90 days depending on trade conditions of each customer.

The average day receivable from 2016-2018 were 86 days, 82 days, and 88 days, respectively. As at 31 December 2016 - 2018, the Company set up allowance for doubtful accounts amounting to Baht 7.67 million, Baht 6.50 million and Baht 6.14 million respectively. In 2018 the outstanding allowance for doubtful accounts was decreased Baht 0.36 million, resulting from debt collection during the year. The allowance for doubtful account was set up by considering the aging of the accounts, payment history and probability to receive payment.

As at 31 December 2016 - 2018, most of the trade receivables were not due and overdue not over 3 months, accounted for 96%, 97% and 98 of total trade receivables before allowance for doubtful accounts, respectively. The trade receivables which were overdue for more than 3 months were 4%, 3% and 2% of the total receivables, respectively.

The Company has closely followed up with accounts which were overdue for more than 6 months through calls as well as taking appropriate legal measures. Allowance for doubtful accounts were set up for accounts having difficulty in payment.

## Inventory

The Company's inventory is detailed below.

Comparative inventory from 2015 - 2018	31 - Dec -18		31 - Dec -17		31 - Dec -16		31 - Dec -16	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Finished goods	36,406	29%	45,056	35%	43,288	33%	47,405	38%
Raw materials	39,376	31%	41,593	32%	37,157	28%	26,714	22%
Spare parts and factory supplies	35,010	28%	34,684	27%	41,344	32%	45,232	37%
Goods in transit	15,318	12%	7,360	6%	8,716	7%	4,234	3%
<b>Total</b>	<b>126,110</b>	<b>100%</b>	<b>128,693</b>	<b>100%</b>	<b>130,505</b>	<b>100%</b>	<b>123,585</b>	<b>100%</b>
Less : Reduce cost to net realizable value	-11,327	-9%	-12,640	-10%	-15,045	-12%	-13,847	-11%
<b>TOTAL</b>	<b>114,783</b>	<b>91%</b>	<b>116,053</b>	<b>90%</b>	<b>115,460</b>	<b>88%</b>	<b>109,738</b>	<b>89%</b>

Inventory as at 31 December 2016-2018 were Baht 115.46 million, Baht 116.05 million and Baht 114.78 million respectively. The inventory turnover ratio from 2016-2018 were 18.27 times, 23.91 times and 26.94 times.

The average number-of-day-sales were 20 days, 15 days and 13 days. The slightly decrease in inventory in 2018 in due to continuously monitoring the inventory.

The Company has a policy to set up an allowance to reduce cost to net realizable value based on slow moving items, aging profile of inventories and the amount the inventories are expected to realize. The allowance of reduce cost to net realizable value from 2016-2018 were Baht 15.05 million, Baht 12.64 million and Baht 11.33 million respectively.

## Property, Plant and equipment

The details as per following

Category of Asset	31 - Dec -18		31 - Dec -17		31 - Dec -16		31 - Dec -15	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Land	136.33	51%	136.33	51%	241.11	64%	241.11	63%
Building and building improvement	38.21	14%	41.82	16%	42	11%	41.91	11%
Machine and equipment	68.76	26%	74.77	28%	79.63	21%	84.39	22%
Furniture, fixture, office equipment and vehicles	6.82	3%	6.94	3%	9.01	2%	8.04	2%
Asset under construction and installation	15.06	6%	9.1	3%	4.51	1%	5.5	1%
<b>TOTAL</b>	<b>265.18</b>	<b>100%</b>	<b>268.96</b>	<b>100%</b>	<b>376.26</b>	<b>100%</b>	<b>380.95</b>	<b>100%</b>

During the year 2017 the Company had acquired additional assets amounting Baht 16.94 million (2017: Baht 19.38 million). The return on fixed assets ratio from 2016-2018 were 23.58%, 26.30% and -7.01% respectively.

## 3. Financial Positions

### Assets

As at 31st December 2018, the Company had total assets at Baht 889.40 million, decreased by Baht 89.29 million or 9.1% when compared to last year due to decrease in cash at bank Baht 116.13, and increase in accounts receivable Baht 22.01 million.

### Liabilities

As at 31st December 2018, the Company had total liabilities at Baht 355.89 million, decrease by Baht 13.23 million or 3.6% from the previous year, as a result of the decrease of current liabilities at Baht 15.59 million, mainly due to decrease in income tax payable.

### Liquidity

In 2018, the Company had net cash flow used in operating activities Baht 69.15 million, an increase of Baht 54.69 million from the previous year, mainly from decrease of operating result.

Net cash outflows from investing activities for the year Baht 9.58 million, an increase Baht 238.2 million from last year, mainly from land sales in 2017.

Cash flows used in financing activities for the year Baht 37.29 million decreased from previous year Baht 85.64 million, mainly due to dividend paid in 2018 from operating results in 2017 less than dividend paid in 2017. Resulted in the net cash and cash equivalent in 2018 decreased from 2017 by Baht 116.13 million.

The Company recorded a decrease in net cash flows from operating activities, increase in cash used in investing and decrease in financing activities. Resulted in the company liquidity ratio in year 2018 was at 1.86 times compared with last year at 2.05 times.

### Capital Structure

The Company had ratio of liabilities to shareholders' equity at 0.67 times, a slight increase to that of the previous year at 0.61 times, from decrease in shareholders' s equity.

Based on the financial position and the operating results of the year 2018, the Board of Directors Meeting No 1/2019, on 22 February 2019 passed a resolution to propose to the annual General Shareholders Meeting to approve the payment of final dividend at the rate of Baht 0.45 per share, totaling Baht 54,675,000 (Fifty four million six hundred and seventy five thousand only) which will be paid on 21st May 2019.

### Main Factor and Influences That May Affect Operations or Financial Position in the Future

The factor that may have certain influences towards the future operations of the Company have already been stated in Article 1: Risk Factors.

# AUDITOR'S REPORT

## Independent Auditor's Report

To the Shareholders of Thai Poly Acrylic Public Company Limited

### Opinion

I have audited the accompanying financial statements of Thai Poly Acrylic Public Company Limited (the Company), which comprise the statement of financial position as at 31 December 2018, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Thai Poly Acrylic Public Company Limited as at 31 December 2018, its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### Basis for Opinion

I conducted my audit in accordance with Thai 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 Company in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. 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 my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

### *Sales*

The amount of sales presented in the financial statements for the year 2018, amounting to Baht 1,149 million, is significant and the account directly impacts on the Company's operating results. Moreover, the Company has a large number of customers both in Thailand and overseas and sales are made under various terms and conditions. Therefore, I focused on the Company's recognition of sales revenue.

I assessed and tested the Company's 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 key controls. On a sampling basis, I also examined supporting documents for sales transactions occurring during the year and near the end of the accounting period. In addition, I reviewed credit notes that the Company issued after the period-end and performed analytical review procedures on sales accounts.

### *Inventories*

Estimating the net realisable value of inventory, as disclosed in Note 9 to the financial statements, is an area of management judgement, particularly with regard to the estimation of provision for diminution in the value of slow-moving and obsolete inventory. This requires analysis of the product life cycle, the competitive environment, economic circumstances and the situation within the industry. There is a risk with respect to the amount of the provision set aside for diminution in the value of inventory.

I assessed the method and the assumptions applied by management in determining the provision for diminution in value of inventory by gaining an understanding of the basis applied in determining such provision and reviewing the consistency of the application of that basis, comparing the inventory holding periods and inventory movements to identify product lines with indicators of lower than normal inventory turnover and comparing proceeds from sales transactions occurring after the date of the financial statements with the cost of inventory for each product line.

## **Other Information**

Management is responsible for the other information. The other information comprise the information included in annual report of the Company, but does not include the financial statements and my auditor's report thereon. The annual report of the Company 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 do 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 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 of the Company, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of 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 financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing 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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing 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 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 Thai 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 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 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 financial statements or, if such disclosures are inadequate, to modify my 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 I identify during my audit.

I also provide those charged with governance with a statement that I 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 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.

I am responsible for the audit resulting in this independent auditor's report.



Watoo Kayankannavee

Certified Public Accountant (Thailand) No. 5423

EY Office Limited

Bangkok: 22 February 2019

# FINANCIAL STATEMENTS

## Statement of financial position

Thai Poly Acrylic Public Company Limited

As at 31 December 2018

		(Unit: Baht)	
		As at	As at
	<u>Note</u>	<u>31 December 2018</u>	<u>31 December 2017</u>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	198,395,426	314,526,252
Current investment - Fixed deposit		1,152,032	1,137,951
Trade and other receivables	8	285,787,188	263,784,087
Inventories	9	114,782,979	116,053,293
Other current assets		11,304,004	11,917,225
<b>Total current assets</b>		<b>611,421,629</b>	<b>707,418,808</b>
<b>Non-current assets</b>			
Property, plant and equipment	10	265,180,506	268,955,616
Intangible assets - Computer software		747,868	405,466
Deferred tax assets	16	11,891,751	1,603,533
Other non-current assets		303,018	303,018
<b>Total non-current assets</b>		<b>278,123,143</b>	<b>271,267,633</b>
<b>Total assets</b>		<b>889,544,772</b>	<b>978,686,441</b>

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

## Statement of financial position (continued)

Thai Poly Acrylic Public Company Limited

As at 31 December 2018

		(Unit: Baht)	
		As at	As at
	Note	31 December 2018	31 December 2017
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Trade and other payables	11	321,169,549	317,790,878
Current portion of liabilities under			
finance lease agreements		524,832	840,875
Income tax payable		-	13,866,804
Other current liabilities		7,075,989	11,865,901
<b>Total current liabilities</b>		<b>328,770,370</b>	<b>344,364,458</b>
<b>Non-current liabilities</b>			
Liabilities under finance lease agreements,			
net of current portion		872,763	1,397,595
Provision for long-term employee benefits	12	26,246,395	23,354,340
<b>Total non-current liabilities</b>		<b>27,119,158</b>	<b>24,751,935</b>
<b>Total liabilities</b>		<b>355,889,528</b>	<b>369,116,393</b>
<b>Shareholders' equity</b>			
Share capital			
Registered			
121,500,000 ordinary shares of Baht 1 each		121,500,000	121,500,000
Issued and fully paid-up			
121,500,000 ordinary shares of Baht 1 each		121,500,000	121,500,000
Share premium		233,350,000	233,350,000
Retained earnings			
Appropriated - statutory reserve	14	12,150,000	12,150,000
Unappropriated		166,655,244	242,570,048
<b>Total shareholders' equity</b>		<b>533,655,244</b>	<b>609,570,048</b>
<b>Total liabilities and shareholders' equity</b>		<b>889,544,772</b>	<b>978,686,441</b>
		-	-

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

## Statement of comprehensive income

Thai Poly Acrylic Public Company Limited

For the year ended 31 December 2018

		(Unit: Baht)	
	Note	2018	2017
<b>Profit or loss:</b>			
<b>Revenues</b>			
Sales		1,148,502,349	1,128,233,491
Service income		519,375	1,018,050
Other income			
Scrap sales		14,050,610	14,869,183
Gain on sales of land and equipment		1,959	127,135,099
Others		4,390,553	4,078,347
<b>Total revenues</b>		<u>1,167,464,846</u>	<u>1,275,334,170</u>
<b>Expenses</b>			
Cost of sales and services		1,097,350,426	1,056,297,696
Selling and distribution expenses		37,811,732	45,415,933
Administrative expenses		81,483,626	94,835,611
<b>Total expenses</b>		<u>1,216,645,784</u>	<u>1,196,549,240</u>
<b>Profit (loss) before finance cost and income tax benefits (expenses)</b>		(49,180,938)	78,784,930
Finance cost		(69,967)	(135,697)
<b>Profit (loss) before income tax benefits (expenses)</b>		(49,250,905)	78,649,233
Income tax benefits (expenses)	16	10,187,795	(15,812,412)
<b>Profit (loss) for the year</b>		<u>(39,063,110)</u>	<u>62,836,821</u>
<b>Other comprehensive income:</b>			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>			
Actuarial loss - net of income tax		(401,694)	-
<b>Other comprehensive income for the year</b>		<u>(401,694)</u>	<u>-</u>
<b>Total comprehensive income for the year</b>		<u>(39,464,804)</u>	<u>62,836,821</u>
<b>Earnings per share</b>	17		
Basic earnings (loss) per share		<u>(0.32)</u>	<u>0.52</u>

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

## Cash flow statement

Thai Poly Acrylic Public Company Limited

For the year ended 31 December 2018

(Unit: Baht)

	<u>2018</u>	<u>2017</u>
<b>Cash flows from (used in) operating activities</b>		
Profit (loss) before tax	(49,250,905)	78,649,233
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities		
Depreciation and amortisation	20,882,931	22,022,803
Reversal of allowance for doubtful accounts	(356,125)	(1,171,595)
Reversal of reduce cost of inventory to net realisable value	(1,313,254)	(2,405,467)
Gain on sales of land and equipment	(1,959)	(127,135,099)
Loss from write-off of equipment	3,121	24,242
Provision for long-term employee benefits	5,566,790	3,818,220
Unrealised exchange losses	1,158,246	659,760
Interest income	(1,687,936)	(1,723,212)
Interest expenses	<u>69,967</u>	<u>135,697</u>
Loss from operating activities before changes in operating assets and liabilities	(24,929,124)	(27,125,418)
Operating assets (increase) decrease		
Trade and other receivables	(22,963,710)	(24,022,536)
Inventories	2,583,569	1,812,031
Other current assets	519,475	1,358,610
Other non-current assets	(30,174)	(19,001)
Operating liabilities increase (decrease)		
Trade and other payables	(2,331,393)	43,234,719
Other current liabilities	(4,889,865)	4,036,620
Provision for long-term employee benefits	<u>(3,176,852)</u>	<u>(3,397,100)</u>
Cash flows used in operating activities	(55,218,074)	(4,122,075)
Cash paid for interest expenses	(69,967)	(135,697)
Cash paid for income tax	<u>(13,866,804)</u>	<u>(10,203,497)</u>
<b>Net cash flows used in operating activities</b>	<u>(69,154,845)</u>	<u>(14,461,269)</u>

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

## Cash flow statement (continued)

Thai Poly Acrylic Public Company Limited

For the year ended 31 December 2018

(Unit: Baht)

	<u>2018</u>	<u>2017</u>
<b>Cash flows from (used in) investing activities</b>		
Improvements of plant and acquisition of machinery and equipment	(10,775,320)	(20,178,488)
Acquisition of computer software	(515,300)	(129,009)
Proceeds from sales of land and equipment	1,962	231,923,216
Interest income	<u>1,711,151</u>	<u>1,717,329</u>
<b>Net cash flows from (used in) investing activities</b>	<u>(9,577,507)</u>	<u>213,333,048</u>
<b>Cash flows from (used in) financing activities</b>		
Payment of liabilities under finance lease agreements	(840,875)	(1,433,307)
Dividend paid	<u>(36,450,000)</u>	<u>(121,500,000)</u>
<b>Net cash flows used in financing activities</b>	<u>(37,290,875)</u>	<u>(122,933,307)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	(116,023,227)	75,938,472
Unrealised exchange losses for cash and cash equivalents	(107,599)	(4,298)
<b>Cash and cash equivalents at beginning of year</b>	<u>314,526,252</u>	<u>238,592,078</u>
<b>Cash and cash equivalents at end of year</b>	<u><u>198,395,426</u></u>	<u><u>314,526,252</u></u>
	-	-
<b>Supplemental cash flow information</b>		
Non-cash transactions		
Increase (decrease) in accounts payable from purchases of machinery and equipment	6,162,728	(801,822)

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

## Statement of changes in shareholder's equity

Thai Poly Acrylic Public Company Limited

For the year ended 31 December 2018

	Issued and fully paid-up share capital	Share premium	Retained earnings		(Unit: Baht)
			Appropriated - statutory reserve	Unappropriated	Total
<b>Balance as at 1 January 2017</b>	121,500,000	233,350,000	12,150,000	301,233,227	668,233,227
Profit for the year	-	-	-	62,836,821	62,836,821
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	62,836,821	62,836,821
Dividend paid (Note 20)	-	-	-	(121,500,000)	(121,500,000)
<b>Balance as at 31 December 2017</b>	<u>121,500,000</u>	<u>233,350,000</u>	<u>12,150,000</u>	<u>242,570,048</u>	<u>609,570,048</u>
<b>Balance as at 1 January 2018</b>	121,500,000	233,350,000	12,150,000	242,570,048	609,570,048
Loss for the year	-	-	-	(39,063,110)	(39,063,110)
Other comprehensive income for the year	-	-	-	(401,694)	(401,694)
Total comprehensive income for the year	-	-	-	(39,464,804)	(39,464,804)
Dividend paid (Note 20)	-	-	-	(36,450,000)	(36,450,000)
<b>Balance as at 31 December 2018</b>	<u>121,500,000</u>	<u>233,350,000</u>	<u>12,150,000</u>	<u>166,655,244</u>	<u>533,655,244</u>

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



# NOTES TO FINANCIAL STATEMENTS

## Thai Poly Acrylic Public Company Limited

For the year ended 31 December 2018

### 1. General information

Thai Poly Acrylic Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its major shareholders are Lucite International UK Overseas Holdco1 Limited, incorporated in England and Asiatic Acrylics Company Limited, incorporated in Thailand, with shareholdings of 42.3 percent and 34.1 percent, respectively. Lucite International UK Overseas Holdco1 Limited is a subsidiary of Mitsubishi Rayon Lucite Group Limited, incorporated in England and the ultimate controlling party of the Group is Mitsubishi Chemical Holding Corporation, incorporated in Japan. The Company is principally engaged in the manufacture and distribution of Acrylic sheets, Acrylonitrile Butadiene Styrene sheets, High Impact Polystyrene sheets and other extruded plastic sheets. The registered office of the Company is at 60-61 Moo 9, Putthamonthon Sai 4 Road, Krathumlom, Sampran, Nakornpathom.

### 2. Basis of preparation

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

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

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

### 3 New financial reporting standards

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

During the year, the Company has adopted the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements.

**(b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2019**

The Federation of Accounting Professions issued a number of revised and new financial reporting standards and interpretations (revised 2018) which are effective for fiscal years beginning on or after 1 January 2019. 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 management of the Company believe that most of the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied. However, the new standard involves changes to key principles, as summarised below.

**TFRS 15 Revenue from Contracts with Customers**

TFRS 15 supersedes the following accounting standards together with related Interpretations.

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The management of the Company believe that this standard will not have any significant impact on the financial statements when it is initially applied.

**(c) Financial reporting standards related to financial instruments that will become effective for fiscal years beginning on or after 1 January 2020**

During the current year, the Federation of Accounting Professions issued a set of TFRSs related to financial instruments, which consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
--------	-------------------------------------

Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

**4. Significant accounting policies**

**4.1 Revenue recognition**

*Sales of goods*

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

*Rendering of services*

Service revenue is recognised when services have been rendered taking into account the stage of completion.

### *Interest income*

Interest income is recognised on an accrual basis based on the effective interest rate.

## **4.2 Cash and cash equivalents**

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

## **4.3 Trade accounts receivable**

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

## **4.4 Inventories**

Finished goods are valued at the lower of cost (under the weighted average method) and net realisable value. The cost of inventories is measured using the standard cost method, which approximates actual cost and includes all production costs and attributable factory overheads.

Raw materials, spare parts and factory supplies are valued at the lower of cost (under the first-in, first-out method) and net realisable value and are charged to production costs whenever consumed.

## **4.5 Property, plant and equipment and depreciation**

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

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

Buildings	-	20 years
Building improvements	-	5 years
Machinery and equipment	-	3 - 20 years
Furniture, fixtures and office equipment	-	3 and 5 years
Motor vehicles	-	5 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation and under construction.

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

#### **4.6 Intangible assets**

Intangible assets are carried at cost less any accumulated amortisation and allowance for impairment losses (if any).

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

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

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

#### **4.7 Related party transactions**

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

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

#### **4.8 Long-term leases**

Leases of equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the useful life of the asset.

Leases of buildings which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

## **4.9 Foreign currencies**

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

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

Gains and losses on exchange are included in determining income.

## **4.10 Impairment of assets**

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

An impairment loss is recognised in profit or loss.

## **4.11 Employee benefits**

### ***Short-term employee benefits***

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

### ***Post-employment benefits and other long-term employee benefits***

#### ***Defined contribution plans***

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

*Defined benefit plans and other long-term employee benefits*

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law and other employee benefit plans. The Company treats these severance payment obligations as a defined benefit plan. In addition, the Company provides other long-term employee benefit plan, namely long service awards.

The obligations under the defined benefit plan and other long-term employee benefit plan are determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Actuarial gains and losses arising from other long-term employee benefits are recognised immediately in profit and loss.

**4.12 Provisions**

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

**4.13 Income tax**

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

**Current tax**

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

**Deferred tax**

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

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



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

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

#### **4.14 Forward exchange contracts**

Receivables and payables arising from forward exchange contracts are translated into Baht at the rates of exchange ruling at the end of reporting period. Unrecognised gains and losses from the translation are included in determining income. Premiums or discounts on forward exchange contracts are amortised on a straight-line basis over the contract periods.

#### **4.15 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

### **5. 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 reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

#### **Reduction of inventory cost to net realisable value**

In determining a reduction of inventory cost to net realisable value, the management makes judgement and estimates net realisable value of inventory based on the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price directly relating to events occurring after the end of the reporting period. Also, the management makes judgement and estimates expected loss from stock obsolescence based upon aging profile of inventories and the prevailing economic condition.

### Property, plant and equipment and depreciation

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

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

### Deferred tax assets

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

### Post-employment benefits under defined benefit plans and other long-term employee benefits

The obligations under the defined benefit plans and other long-term employee benefit plan are determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

## 6. Related party transactions

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

	(Unit: Million Baht)		
	<u>2018</u>	<u>2017</u>	<u>Transfer pricing policies</u>
<u>Transactions with related parties</u>			
Sales of goods	-	9	With reference to market price
Purchases of raw materials	606	576	As agreed with reference to market price
Service expenses	5	5	Contract price and as agreed

The balances of the accounts between the Company and those related parties as at 31 December 2018 and 2017 are as follows:

	(Unit: Thousand Baht)	
	<u>2018</u>	<u>2017</u>
<u>Trade receivables - related parties</u> (Note 8)		
Fellow subsidiaries	-	2,531
<u>Trade and other payables - related parties</u> (Note 11)		
Fellow subsidiaries	2,604	2,595
Subsidiaries of ultimate parent		
Thai MMA Company Limited	197,976	207,960
Others	6,412	2,970
Total trade and other payables - related parties	206,992	213,525

#### Directors and management's benefits

During the years ended 31 December 2018 and 2017, the Company had employee benefit expenses payable to its directors and management as below.

	(Unit: Thousand Baht)	
	<u>2018</u>	<u>2017</u>
Short-term employee benefits	23,829	21,291
Post-employment benefits	302	477
Other long-term benefits	-	2
Total	24,131	21,770

## **7. Cash and cash equivalents**

	(Unit: Thousand Baht)	
	<u>2018</u>	<u>2017</u>
Cash	50	50
Bank deposits	118,345	134,476
Bank of Thailand Bond	80,000	180,000
Total	198,395	314,526

As at 31 December 2018, bank deposits in saving accounts and Bank of Thailand Bond carried interests between 0.15 and 1.40 percent per annum (2017: between 0.15 and 1.05 percent per annum).

## 8. Trade and other receivables

	(Unit: Thousand Baht)	
	<u>2018</u>	<u>2017</u>
<u>Trade receivables - related parties</u>		
Aged on the basis of due dates		
Past due		
Up to 3 months	-	2,531
Total trade receivables - related parties	-	2,531
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	233,185	218,893
Past due		
Up to 3 months	52,083	41,617
Over 12 months	6,140	6,639
Total	291,408	267,149
Less: Allowance for doubtful debts	(6,140)	(6,496)
Total trade receivables - unrelated parties, net	285,268	260,653
Total trade receivables - net	285,268	263,184
<u>Other receivables</u>		
Loans to employees	387	431
Others	132	169
Total other receivables	519	600
Total trade and other receivables - net	285,787	263,784

## 9. Inventories

(Unit: Thousand Baht)

	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Finished goods	36,406	45,056	(2,654)	(2,751)	33,752	42,305
Raw materials	39,376	41,593	(4,246)	(5,640)	35,130	35,953
Spare parts and factory supplies	35,010	34,684	(4,427)	(4,249)	30,583	30,435
Goods in transit	15,318	7,360	-	-	15,318	7,360
Total	<u>126,110</u>	<u>128,693</u>	<u>(11,327)</u>	<u>(12,640)</u>	<u>114,783</u>	<u>116,053</u>

During the current year, the Company reduced cost of inventories by Baht 1 million (2017: Baht 2 million), to reflect the net realisable value. This was included in cost of sales. In addition, the Company reversed the write-down of cost of inventories by Baht 2 million (2017: Baht 4 million), and reduced the amount of inventories recognised as expenses during the year.

## 10. Property, plant and equipment

	Land	Buildings and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	Total
(Unit: Thousand Baht)							
<b>Cost</b>							
1 January 2017	241,114	180,208	456,021	18,184	14,884	4,512	914,923
Additions	-	13	4,034	1,539	-	13,791	19,377
Disposals/Write-off	(104,783)	-	(1,085)	(654)	(1,302)	-	(107,824)
Transfer in (out)	-	3,877	5,329	-	-	(9,206)	-
31 December 2017	136,331	184,098	464,299	19,069	13,582	9,097	826,476
Additions	-	256	1,882	424	-	14,376	16,938
Disposals/Write-off	-	-	(5)	(77)	-	-	(82)
Transfer in (out)	-	695	5,137	2,577	-	(8,409)	-
31 December 2018	136,331	185,049	471,313	21,993	13,582	15,064	843,332
<b>Accumulated depreciation</b>							
1 January 2017	-	138,206	376,391	16,105	7,961	-	538,663
Depreciation for the year	-	4,074	14,198	1,135	2,462	-	21,869
Depreciation on disposals/Write-off	-	-	(1,056)	(654)	(1,302)	-	(3,012)
31 December 2017	-	142,280	389,533	16,586	9,121	-	557,520
Depreciation for the year	-	4,562	13,027	1,411	1,710	-	20,710
Depreciation on disposals/Write-off	-	-	(2)	(77)	-	-	(79)
31 December 2018	-	146,842	402,558	17,920	10,831	-	578,151
<b>Net book value</b>							
31 December 2017	136,331	41,818	74,766	2,483	4,461	9,097	268,956
31 December 2018	136,331	38,207	68,755	4,073	2,751	15,064	265,181
<b>Depreciation for the year</b>							
2017 (Baht 18 million included in manufacturing cost, and the balance in selling and distribution and administrative expenses)							21,869
2018 (Baht 17 million included in manufacturing cost, and the balance in selling and distribution and administrative expenses)							20,710



As at 31 December 2018, the Company has motor vehicles with net book value of Baht 3 million (2017: Baht 3 million) which were acquired under finance lease agreements.

As at 31 December 2018, certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 428 million (2017: Baht 413 million).

## 11. Trade and other payables

	(Unit: Thousand Baht)	
	<u>2018</u>	<u>2017</u>
Trade payables - related parties	204,388	210,930
Trade payables - unrelated parties	74,278	70,095
Other payables - related parties	2,604	2,595
Other payables - unrelated parties	12,986	11,270
Accrued expenses	26,914	22,901
Total trade and other payables	<u>321,170</u>	<u>317,791</u>

## 12. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire from the Company and other long-term employee benefits, namely long service awards, was as follows:

	(Unit: Thousand Baht)		
	2018		
	Severance payment plan	Long service awards	Total
<b>Provision for long-term employee benefits</b>			
<b>at beginning of year</b>	22,092	1,262	23,354
Included in profit or loss			
Current service cost	5,187	193	5,380
Interest cost	769	35	804
Actuarial gain	-	(617)	(617)
Included in other comprehensive income			
Actuarial (gain) loss arising from			
Demographic assumptions changes	2,498	-	2,498
Financial assumptions changes	473	-	473
Experience adjustments	(2,469)	-	(2,469)
Benefits paid during the year	(3,037)	(140)	(3,177)
<b>Provision for long-term employee benefits</b>			
<b>at end of year</b>	<u>25,513</u>	<u>733</u>	<u>26,246</u>

(Unit: Thousand Baht)

	2017		
	Severance payment plan	Long service awards	Total
<b>Provision for long-term employee benefits</b>			
<b>at beginning of year</b>	21,821	1,112	22,933
Included in profit or loss			
Current service cost	3,057	117	3,174
Interest cost	611	33	644
Benefits paid during the year	(3,397)	-	(3,397)
<b>Provision for long-term employee benefits</b>			
<b>at end of year</b>	22,092	1,262	23,354

The Company expects to pay Baht 2.4 million of long-term employee benefits during the next year (2017: Baht 0.7 million).

As at 31 December 2018, the weighted average duration of the liabilities for long-term employee benefit is 10 years (2017: 10 years).

Significant actuarial assumptions are summarised below:

	Percent per annum	
	2018	2017
Discount rate	2.7	2.9
Salary increase rate	4.0	4.0
Turnover rate	0 - 27.0	0 - 34.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2018 and 2017 are summarised below:

(Unit: Million Baht)

	As at 31 December 2018			
	Severance payment plan		Long service awards	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(2.1)	2.4	-	-
Salary increase rate	2.4	(2.1)	-	-
Turnover rate	(2.2)	1.5	(0.1)	0.1

(Unit: Million Baht)

	As at 31 December 2017			
	Severance payment plan		Long service awards	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(2.2)	2.5	(0.1)	0.1
Salary increase rate	2.6	(2.3)	-	-
Turnover rate	(2.4)	2.4	(0.1)	0.1

On 13 December 2018, The National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which is in the process being published in the Royal Gazette. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation at a rate of not less than that of the last 400 days. This change is considered a post-employment benefits plan amendment and the Company has additional liabilities for long-term employee benefits of Baht 6.2 million. The Company will reflect the effect of the change by recognising past services costs as expenses in profit or loss of the period in which the law is effective.

### 13. Undrawn credit facilities

As at 31 December 2018, undrawn credit facilities of the Company granted by financial institutions amounted to approximately Baht 318 million (2017: Baht 302 million).

### 14. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

## 15. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)	
	<u>2018</u>	<u>2017</u>
Raw materials and consumables used	934,572	893,035
Salaries, wages and other employee benefits	126,434	130,170
Fuel and utility expenses	52,949	56,499
Transportation expenses	21,931	23,452
Depreciation and amortisation	20,883	22,023
Repair and maintenance expenditure	10,490	11,001
Changes in finished goods	8,650	(1,767)

## 16. Income tax

Income tax for the years ended 31 December 2018 and 2017 are made up as follows:

	(Unit: Thousand Baht)	
	<u>2018</u>	<u>2017</u>
<b>Current income tax</b>		
Current income tax charge	-	16,274
<b>Deferred tax</b>		
Relating to origination and reversal of temporary differences	(10,188)	(462)
<b>Income tax expenses (benefits) reported in the statement of comprehensive income</b>	<u>(10,188)</u>	<u>15,812</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2018 and 2017 are as follows:

	(Unit: Thousand Baht)	
	<u>2018</u>	<u>2017</u>
Deferred tax relating to actuarial losses	<u>(100)</u>	<u>-</u>

The reconciliation between accounting profit (loss) and income tax is shown below.

	(Unit: Thousand Baht)	
	<u>2018</u>	<u>2017</u>
Accounting profit (loss) before tax	<u>(49,251)</u>	<u>78,649</u>
Applicable tax rate	20 percent	20 percent
Accounting profit (loss) before tax multiplied by income tax rate	(9,850)	15,730
Effects of		
Non-deductible expenses	26	427
Additional expense deductions allowed	<u>(364)</u>	<u>(345)</u>
Income tax expenses (benefits) reported in the statement of comprehensive income	<u>(10,188)</u>	<u>15,812</u>

The components of deferred tax assets and deferred tax liabilities as at 31 December 2018 and 2017 are as follows:

	(Unit: Thousand Baht)	
	<u>2018</u>	<u>2017</u>
<b>Deferred tax assets</b>		
Provision for long-term employee benefits	5,249	4,670
Reduction of inventory cost to net realisable value	2,265	2,528
Allowance for doubtful accounts	1,228	1,300
Provision for expenses	470	1,137
Unused tax loss	9,363	-
Others	22	28
Total	<u>18,597</u>	<u>9,663</u>
<b>Deferred tax liabilities</b>		
Difference depreciation for accounting and tax purpose	(6,701)	(7,657)
Others	<u>(4)</u>	<u>(402)</u>
Total	<u>(6,705)</u>	<u>(8,059)</u>
<b>Deferred tax assets - net</b>	<u>11,892</u>	<u>1,604</u>

## 17. Earnings per share

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

## 18. Segment information

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

The Company is principally engaged in the manufacture and sale of Acrylic sheets, Acrylonitrile Butadiene Styrene sheets, High Impact Polystyrene sheets and other extruded plastic sheets. Each of these products is considered part of the same line of business, which is regarded as a single operating segment. As a result, all of the revenues, operating profits (losses) and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment.

### Geographic information

Revenues from sales and service income is based on locations of the customers for the years ended 31 December 2018 and 2017 are as follows:

	(Unit: Million Baht)	
	<u>2018</u>	<u>2017</u>
Thailand	671	646
Overseas	478	483
Total	<u>1,149</u>	<u>1,129</u>

### Major customers

For the years 2018 and 2017, the Company has no major customer with revenue of 10 percent or more of an entity's revenues.

## 19. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The registered provident fund plan was approved by the Ministry of Finance on 1 June 1999. Both employees and the Company contribute to the fund monthly at the rate of 3 or 5 or 7 percent of basic salary. The fund, which is managed by a fund manager, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2018 amounting to approximately Baht 4 million (2017: Baht 4 million) were recognised as expenses.

## 20. Dividends

<u>Dividends</u>	<u>Approved by</u>	<u>Total dividends</u> (Million Baht)	<u>Dividend per share</u> (Baht per share)
<u>For the year ended 31 December 2018</u>			
Final dividend for 2017	Annual General Meeting of the shareholders on 27 April 2018	36.5	0.3
<u>For the year ended 31 December 2017</u>			
Final dividend for 2016	Annual General Meeting of the shareholders on 27 April 2017	60.8	0.5
Interim dividend for 2017	Board of Director's Meeting on 9 November 2017	60.7	0.5
Total for 2017		121.5	1.0

## 21. Commitments and contingent liabilities

### 21.1 Operating lease and service commitments

The Company has entered into lease agreements in respect of the lease of buildings and service agreements. The terms of the agreements are generally between 1 and 3 years.

Future minimum payments required under these operating lease and service agreements were as follows.

	(Unit: Million Baht)	
	As at 31 December	
	<u>2018</u>	<u>2017</u>
Payable		
In up to 1 year	2	2
In over 1 and up to 3 years	1	2

### 21.2 Guarantees

As at 31 December 2018, there were outstanding bank guarantees of approximately Baht 7 million (2017: Baht 7 million) issued by a bank on behalf of the Company in respect of certain performance bonds as required in the normal course of business to guarantee electricity usage and others.



## **22. Financial instruments**

### **22.1 Financial risk management**

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

#### ***Credit risk***

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

#### ***Interest rate risk***

The Company's exposed to interest rate risk related primarily to its deposits at financial institutions and liabilities under finance lease agreements. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

As at 31 December 2018 and 2017, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

2018

	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
	Within 1 year	1 - 5 years				
<u>Financial assets</u>						
Cash and cash equivalents	80	-	118	-	198	0.15 - 1.40
Current investment	1	-	-	-	1	1.25
Trade and other receivables	-	-	-	286	286	-
	81	-	118	286	485	
<u>Financial liabilities</u>						
Trade and other payables	-	-	-	321	321	-
Liabilities under finance lease agreements	1	1	-	-	2	0.32 - 0.66
	1	1	-	321	323	

(Unit: Million Baht)

2017

	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
	Within 1 year	1 - 5 years				
<u>Financial assets</u>						
Cash and cash equivalents	180	-	135	-	315	0.15 - 1.05
Current investment	1	-	-	-	1	1.25
Trade and other receivables	-	-	-	264	264	-
	181	-	135	264	580	
<u>Financial liabilities</u>						
Trade and other payables	-	-	-	318	318	-
Liabilities under finance lease agreements	1	1	-	-	2	0.32 - 0.66
	1	1	-	318	320	

### **Foreign currency risk**

The Company's exposure to foreign currency risk arises mainly from the purchases/sales of goods that are denominated in foreign currencies. The Company seeks to reduce this risk by entering into forward exchange contracts when it considers appropriate. Generally, the forward contracts mature within one year.

As at 31 December 2018 and 2017, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	3.4	2.7	1.0	1.0	32.4498	32.6809
Australian dollar	1.2	0.7	0.1	-	22.8411	25.4772
Japanese yen	-	-	12.9	18.4	0.2931	0.2898
Euro	-	-	0.1	-	37.1252	39.0273

As at 31 December 2018 and 2017, the forward exchange contracts outstanding are summarised below.

2018			
Foreign currency	Sold amount	Contractual exchange rate	Contractual maturity date
	(Million)	(Baht per 1 foreign currency unit)	
US dollar	0.2	32.114	25 January 2019

2017			
Foreign currency	Sold amount	Contractual exchange rate	Contractual maturity date
	(Million)	(Baht per 1 foreign currency unit)	
US dollar	0.3	32.441	20 April 2018

## **22.2 Fair values of financial instruments**

Since the majority of the Company's financial instruments are short-term in nature and bank deposits bear interest rates which are close to the market rate, their fair value is not expected to be materially different from the amounts presented in statement of financial position.

## **23. Capital management**

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value.

As at 31 December 2018, the Company's debt-to-equity ratio was 0.67:1 (2017: 0.61:1).

**24. Event after the reporting period**

On 22 February 2019, the Board of Directors' meeting passed a resolution to propose the payment of a dividend of Baht 0.45 per share, or a total of Baht 54.7 million, to its shareholders. The dividend payment will be proposed to the 2019 Annual General Meeting of the Company's shareholders for approval.

**25. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 22 February 2019.



## MODEN GLAS

### Office and Factory

60-61 Moo 9 Putthamonthon 4 Rd., Krathumlom,  
Samphran, Nakhonpathom 73220 Thailand  
Tel : 0 2429-2020, 0 2429-2487-8, 0 2889-8720-5  
Fax : 0 2429-2541, 0 2888-5953

### Sales Office

134/5 Krung Thonburi Rd., Klong Tonsai,  
Klong San, Bangkok 10600 Thailand  
Tel : 0 2860-8765-70  
Fax : 0 2860-9106, 0 2860-8762



[www.thaipolyacrylic.com](http://www.thaipolyacrylic.com)

