



THAI POLY ACRYLIC PUBLIC COMPANY LIMITED

ANNUAL REPORT **2019**

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GENERAL INFORMATION

Company Name	Thai Poly Acrylic Public Company Limited
Type of Business	Manufacturer and Distributor of Acrylic cast sheets and Extruded Plastic sheets.
Registered Number	0107537002257
Registered Capital	Baht 121,500,000 is an ordinary shares and paid up in the amount of 1 baht per share.
Shareholding in other Business	None
Entity at and above 10%	
Head Office / Plant	60-61 Moo 9, Phutthamonthon Sai 4 Road, Krathumlor, Samphran, Nakhonpathom 73220 Telephone: +662 429-2020, +662 429-2487-8, +662 889-8720-5 Facsimile: +662 429-2541, +662 888-5953
Sales offices	134/5 Krungthonburi Road, Kongtongsai, Klongsarn, Bangkok 10600 Telephone: +662 860-8765-70 Facsimile: +662 860-9106, +662 860-8762
Home Page	http://www.thaipolyacrylic.com
Registrar	Thailand Securities Depository Company Limited 1 st Floor, The Stock Exchange of Thailand Tower B Building 93 Ratchadapisek Road, Dindaeng, Bangkok 10400 Telephone: +662 009-9999 Facsimile: +662 009-9001
Auditor	EY Office Limited 33 rd Floor, Lake Rajada Office Complex, 193/136-137 Rajadapisak Road, Khlongtoei, Bangkok 10110 G.P.O. Box 1047, Bangkok 10501, Thailand Telephone: +662 264-9090 Facsimile: +662 264-0789-90
Home Page	http://www.ey.com
Legal Advisor	Mr. Surat Jankaew BZ Legal Advisor Law office 52 Lad prow 81 (Thitiporn), Klongchoakhunsing, Wangthonglang, Bangkok 10310 Telephone: +662 539-3230 Facsimile: +662 539 3230 Ext 103

MESSAGE FROM CHAIRMAN



The Thai economy growth in 2019 was below forecast with the full year GDP growth rate being of the order of 2.8% compared to the consensus forecast of order of 4% for 2019 as reported in this statement last year.

GDP growth in 2019 was impacted as expected, but to a greater extent than forecast, by external factors such as the on-going 'trade war' between China and the US and other regional and global geo-political issues such as Brexit, tensions in the Middle East, political and/or economic instabilities in Venezuela and Argentina, protests in Hong Kong etc., and internal factors such as the impact of the strength of the Baht on tourism and exports, house-hold debt levels, and lending constraints impacting the real estate market.

Many of the downward pressures outlined above are expected to continue into 2020. Moreover, the very recent emergence of Coronavirus as a threat is expected to impact certainly regional economies if not the global economy. There is little doubt that it will have a negative impact on the tourism sector which may counteract or indeed reverse any growth expectations.

Given the above, government stimulus programs, infrastructure investment programs and domestic consumption will be key to offsetting the down-side pressures. Taking account of the risks, but as yet excluding the impact of Coronavirus, consensus GDP growth expectations are reported to be stable compared to the out-turn from 2019 and of the order 2.8%.

2019 has seen a significant turnaround in the profitability of TPA – although less than budget (Baht 52 million), the business can report a trading profit for 2019 of Baht 41 million compared to a loss of Baht 49 million for 2018. As I noted last year, 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. MMA prices have continued to decline through 2019 with regional pricing

only starting to stabilize in Q4. The year-end view was that MMA price was unlikely to significantly decline further. That said, the impact of the Coronavirus on China's manufacturing sector is starting to be seen and this will certainly cause some loss of demand which may again place downward pressure on MMA price.

To achieve this turn-around in profitability, TPA's management were successful in maintaining and improving its margins through 2019 despite fierce market price competition which resulted in some loss of volume in certain sectors.

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. Process improvement activities have resulted in significant and sustained improvements to manufacturing costs in 2020. Coupled with increased toll volumes, this has pleasingly resulted in improved profitability of the extrusion business.

Directed by the Board, and as referenced in the previous report, the company management undertook a fundamental review of its manufacturing and new business and new product development programs. As such, the company management has redirected its focus to those areas where it concluded most value can be obtained

Overall, the Company reported revenue in 2019 of Baht 946 million which was a decrease over last year (Baht 1,167 million). However, this decrease in revenue was offset by significantly improved contribution margins (16.9% overall compared to 6.1% in 2018) resulting in the trading profit of Baht 41 million as reported above. Sales volume was better than 2018 (11.5kMT vs. 10.2kMT) when extrusion toll volume is included.

Anti-corruption and good-governance remain a focus of the Board of directors and management. As such TPA has continued to work to strengthen TPA's governance and internal control processes during 2019 as part of its continuing Anti-Corruption program.

Looking ahead, the Company expects that the price of key raw materials (MMA in particular) is unlikely to increase significantly in 2020 due to supply / demand imbalance and the risks described above. Price competition for TPA product range is expected to remain strong given excess manufacturing capacity in the local and regional markets.

In conclusion, a challenging annual plan, which will require the improvements identified in the manufacturing review to be implemented and benefits delivered, has been formulated and approved by the Board. The Board expects, and company management believes that this plan can be delivered.

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 Mr. Rakchai Sakulteera, TPA's financial director, who has acted as Managing Director from Q1 2019. Finally, and importantly, I would like to thank the Company's management and employees for their great efforts, particularly in supporting and participating in the manufacturing review, the strategy changes resulting from that and their continued hard work throughout the year to operate the plant safely and reliably to ensure customers can continue to be reliably supplied with cost competitive, high quality products.


Dr. Benjamin James Harris
Chairman of the Board of Directors
ANNUAL REPORT 2019

MESSAGE FROM MANAGING DIRECTOR



Mr. Rakchai Sakulteera
(Managing Director)

Year 2019 was a year of changes in the global economy and international trade, especially in the first half of the year, with high fluctuation in political and economic situation due to various factors such as the impact of the trade war. As a result, Thai economy in the second half of the year grew 3.1%, resulting in the entire 2019 Thailand's GDP grew approximately 2.8%, mainly due to the slowing foreign demand. For example, trade war has caused economy of main trading partner countries and quantity of world trade to slow down, which resulted in a 2.5% decline in value of product exports this year. Due to the economic uncertainty, overall performance in 2019 of Thai Poly Acrylic is also affected with total sales revenue of 946 million baht, lower than sales revenue in 2018 of 1,167 million baht, a decline of 221 million baht or 18.9 percent from the previous year.

Trend of business growth and expansion next year: Although in the past year, the company had a lot of obstacles that prevented revenue increase with price competition by domestic and international competitors. However, the company's management had successfully competed a mission to drive quality improvement in the company's product and services that exceed those of the competitors in order to avoid price competition from them. Despite of some obstacles and delays according to the plan, eventually we became ready to develop products and services, both cast acrylic product and the extrusion products production lines in mid-2019. Such project is expected to generate more sales revenue and profits from 2020 onwards. The products and services quality improvement project will help increase product value, which will lead to continuous increase in sales and profits in the future. This is an effort of the Products & Business Development Team which studied information and working closely with customers to develop products

based on customers' needs. These missions are long-term and ongoing in order to meet customers' needs and for the interest of the company's stakeholders in the long run.

In addition to business operations, the company has always been committed to corporate social responsibility as an important mission of the organization. The company operates with social responsibility by taking into account the environment, society, community and good governance. In 2019, the company conducted activities for environmental and social development, such as transparent acrylic sheets donation to Krathum Lom Subdistrict Health Promotion Hospital, as well as activities to promote and provide knowledge about acrylic sheets. A group of teachers and students from Ban Krathum Lom School visited our facility to learn about acrylic processing, etc.

With the confidence that good governance and ethics will be important tools to strengthen the company's core, which will lead to sustainable growth, I, on behalf of the management and our staffs, would like to assure that all operations will be carried out under the principles of good governance, transparency, and integrity. We will organize activities and campaigns to focus on issues of knowledge enhancement related to the clearly defined Anti-Corruption Policy, which includes the company's representatives, executives, and employees in any division and in any level. The policy requires a channel for complaints regarding fraud/corruption behavior, including theft, conflict of interest, and bribery. Complaints will be handled and fraud/corruption behaviors will be investigated systematically where everything will be kept confidential and fair. Employees will be protected and without any impact on their works.

Last but not least, on behalf of the Board of Directors of Thai Poly Acrylic Public Company Limited, I would like to express my appreciation to all the management and staffs of the company for their full cooperation throughout the past year with corporate responsibility and their effective and prompt implementation of the strategic plan and always updated with the situation. And, I would like to thank all shareholders, customers, business partners, government agencies, sponsors and stakeholders for their support to our business success as always.



Mr. Rakchai Sakulteera
(Managing Director)

BOARD OF DIRECTORS



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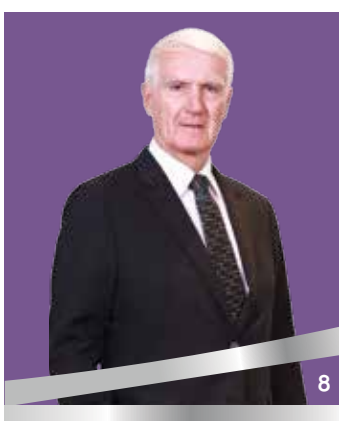
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1. Dr. Benjamin James Harris

Chairman of the Board of Director

2. Mr. Rakchai Sakulteera

Executive Director / Company Secretary
Managing Director

3. Mr. Shinya Yano

Executive Director

4. Mr. Dai Oyama

Non-Executive Director
Nomination and Remuneration Committee

5. Mr. Adam Jonathan Sloan

Non-Executive Director

6. Mr. Martin Thaysen

Non-Executive Director

7. Dr. Anuphan Kitnitchiva

Chairman of the Audit Committee and
Independent Director

8. Mr. Jan Dam Pedersen

Audit Committee, Independent Director
Chairman of the Nomination
and Remuneration Committee

9. Mr. Jetsada Wongwatanasin

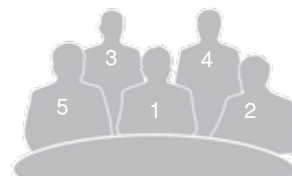
Audit Committee, Independent Director
Nomination and Remuneration Committee

MANAGEMENT TEAM



SENIOR MANAGER

- | | | |
|--|--|--|
| 1. Mr. Rakchai Sakulteera
Managing Director | 2. Mr. Wiwat Hom la-or
Operations Manager | 3. Mr. Thanawat Kulprasertat
Human Resource / Legal Manager |
| 4. Mr. Thanetr Khumchoedchoochai
Logistic Manager | 5. Mr. Apichai Srimahunt
Acting SHE Manager & QMR / OH &SMR | |



SUPPORT

- | | | |
|--|--|---|
| 1. Mr. Rakchai Sakulteera
Managing Director | 2. Mr. Thanawat Kulprasertat
Human Resource / Legal Manager | 3. Miss Surawadee Leethaweekul
Financial Accountant |
| 4. Miss Thanjira Kunathipsitrakool
Internal Auditor | 5. Mr. Apichai Srimahunt
Acting SHE Manager & QMR / OH &SMR | 6. Miss Intiporn Tanampai
Secretary of Managing Director |



MANAGEMENT TEAM



MANUFACTURING

1. Mr. Wiwat Hom la-or
Operations Manager

2. Mr. Yotin Tamrongsawapark
Casting Plant Manager

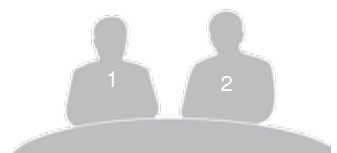
3. Mr. Phairat Kumdee
Extrusion Plant Manager



WAREHOUSE AND DISTRIBUTION / PLANNING

1. Mr. Thanetr Khumchoedchoochai
Logistic Manager

2. Mr. Udomsak Tienchan
Warehouse & Distribution Manager



MANAGEMENT TEAM



ENGINEERING / RESEARCH AND TECHNICAL / TECHNICAL CENTER

1. Mr. Pongthorn Chuencharoen
Site Engineering Manager

2. Mrs. Noungruthai Boonpetch
Research & Technical Manager

3. Mr. Wittaya Mongkolkachit
Technical Center Manager



SALES

1. Miss. Janjira Thumsorn
Export Sales Manager

2. Mr. Pongsun Assavasirijinda
Sales & Product Manager

3. Mrs. Sompong Assavasirijinda
Sales Admin Section Manager (Domestic)



MESSAGE FROM CHAIRMAN

(For Anti-Corruption)

19th February 2020.

MESSAGE FROM CHAIRMAN (For Anti-Corruption)

Bribery means giving or receiving an undue reward to influence the behavior of someone in government or business to obtain commercial advantage. Most countries have laws that prohibit corruption. In addition, an increasing number of countries are adopting laws to prohibit bribery even when it is committed outside these countries' own borders - i.e. paid to a foreign government official. A breach of any of these laws is a serious offence, which can result in fines for companies and imprisonment for individuals. Even the appearance of a breach of anti-bribery or anti-corruption laws could do incalculable damage to our reputation.

This policy applies to directors, employees and agents in all levels. It forbids making, offering or promising to make a payment or transfer anything of value (including the provision of any service, gift or entertainment, to government personnel and other officials) for the purpose of improperly obtaining or retaining business. It also forbids making improper payments through third parties - we must therefore be diligent in selecting and monitoring contractors, agents and partners.

In addition it requires that we keep accurate books and records so that payments are honestly described and our funds are not used for unlawful purposes.

This is a very important policy and non-compliance will result in disciplinary action in accordance with the company's rules and regulations. If you have any questions about it, raise them with manager or HR team.



Dr. Benjamin James Harris

Chairman of the Board of Directors

ANTI-CORRUPTION POLICY

19th February 2020.

ANTI-CORRUPTION POLICY

Thai Poly Acrylic Public Co., Ltd. is committed to and encourages the operation of its business in a fair manner on the basis of ethics, integrity and good governance for sustainability and continued social and environmental responsibility. Therefore, the Company has publicly established this anti-corruption policy as one of its key policies, and has prepared the work ethics and business code of conduct for all its employees and businesses to observe in the operation of the business of the Company and its employees as follows:

Definition: "The Company or Company's agents* (which include the Company's directors, managing director, management and employees in all departments at all levels, contractors and any companies or individuals acting on behalf of the Company) shall not give, receive, ask for, seek or promise to give any "inducement" (which includes money, gift, present, entertainment, sponsorship or donation, whether financial or otherwise, with a value exceeding the usual practice or custom or the appropriate limit), whether directly or indirectly, to/from any "person" (which includes those inside and outside the organisation and officials of the government, state enterprises, private entities, juristic persons or public organisations within and outside the country) for "themselves" (which includes family members and acquaintances) for an illegal purpose or in order to obtain a decision to grant or not to grant any favour which is outside the scope of acceptable business courtesy with concealed interests, regardless of whether such act is committed within or outside the country."

This policy does not allow the giving in a manner of bribery with other concealed intention to any government agencies, government officials, juristic persons or individuals, of money or other things in the form of gift, present, entertainment, different forms of donation, consideration, aid or sponsorship, including the giving of political support in any manner, such as supporting a political party or supporting a political candidate, etc.

This policy also requires that all accounting entries shall be recorded and all documents related to such entries shall be gathered correctly and completely to ensure that all expenses are honestly accounted for and that the Company's money or other resources will never be used for bribery-related purposes.

Any employee or Company's agent* who violates, ignores or fails to comply with this policy shall be deemed to have committed a serious offence and shall be punished in accordance with the Company's rules and the law. Any employee who refuses to commit corruption and thereby causes the Company to lose a business opportunity, shall not be punished or suffer any negative effect on their career.

The Company appoints all senior managers to be members of the anti-corruption committee with the duty to attend meetings, submit reports, review policies and practice guidelines and assess risks in order to establish the internal control guideline, which shall be included in the audit plan. The internal auditor shall carry out the monitoring and evaluation in the annual audit plan and report the results to the audit committee. In the event of an emergency, a report may be submitted directly to the audit committee through the chairman of the audit committee immediately.

Training and communication relating to the anti-corruption policy shall be provided regularly and thoroughly to all employees in all departments at all levels. The supervisors at each level shall have the duty to communicate and ensure that their subordinates understand the policy and observe it in the performance of all business activities under their responsibility, and supervise them to ensure that the performance is efficient and consistent with the guidelines. They shall also communicate the Company's policy and commitment to the customers, trade partners, contractors, agents and third party organisations.

Complaints, information and questions relating to corruption may be directed to:

1. Your direct manager, the Human Resources Manager.
2. The audit committee, email: Audit.Committee@thaipolyacrylic.com
3. Secretary to the Managing Director, postal address: 60-61 Moo 9, Putthamonthon 4 Road, Krathumlom Sub-District, Sampran District, Nakornpathom Province 73220
4. The Company's website at www.thaipolyacrylic.com
5. Concern Line 001-800-11-009-4982

The Company will process the complaints or information from these channels through the inquiry procedures and respond to the complainant or informant within 30 days in a confidential manner, and will provide justice and protection for the employee or any other person who has given information or evidence on the corruption related to the Company

Should you have any questions or need any further clarification on any issues, please contact or make an inquiry to your direct manager, the human resources manager or the legal counsellor.

Remark:

- In addition to this anti-corruption policy, all employees or Company's agents* at all levels are required to abide by the anti-corruption policies of affiliated companies as well.
- The Company's agents* include the Company's directors, managing director, management and employees in all departments at all levels, contractors and any companies or individuals acting on behalf of the Company.

Board of directors
Thai Poly Acrylic Public Co., Ltd.

POLICIES AND GENERAL BUSINESS OVERVIEW

Thai Poly Acrylic Public Company Limited is a manufacturer and distributor of acrylic sheets and extruded plastic material of various kind such as ABS, HIPS, PS and PMMA sheet, etc. Currently, we are only the one sheet producer in Thailand and in ASEAN with two plastic production systems. And has a total production capacity of 20,000 tons per year.

In order for the operation of the company to achieve its goals and create maximum benefits for stakeholders in all sectors, the company has therefore used the guideline to operate under the following principles.

VISION

To be recognized 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.



Beyond Modern Life,
Beyond the Future



NATURE OF THE BUSINESS



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 two technologies of which the cast acrylic plant consists of 3 production lines with the capability to produce the combination of General Purpose acrylic sheet and Sanitary grade for bathtub applications, including the various kinds of specialty products such as Acrylic LED Block, Acrylic Diffusion and Acrylic LGP (Light Guide Panel) for signage and display panel applications, etc. In addition to cast acrylic production facilities, the company also produce various kinds of extruded plastic products, such as ABS sheet, HIPS sheet, PE sheet, PP sheet, PP Profile and Co-ex PMMA capped ABS sheet, etc.

Our business objective is to strengthen our position as a market leader in satisfied quality standard cast acrylic sheet and extruded products 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 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 and specialty plastic materials 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 technologies that the Company produces into 2 types as follows:

1. Acrylic Sheet Business

The Company is manufactures and distributes acrylic sheets in two separated systems; cast acrylic and extruded acrylic sheet which 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, Acrylic LED Block, Acrylic LGP, Acrylic Diffusion 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 2.5-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 appropriated 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

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 resin : it is widely used in the automotive parts industry and in the electrical appliance industry.
- HIPS sheet made of High Impact Styrene resin : 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.

KEY FINANCIAL INFORMATION

Financial information	2019	2018	2017
	Million baht	Million baht	Million baht
Total Revenues	945.82	1,167.46	1,275.33
Total Expenses	904.50	1,216.65	1,196.55
Net profit (loss)	33.05	(39.06)	62.84
Earnings (loss) per share (baht)	0.27	(0.32)	0.52
Shares	121.50	121.50	121.50
Assets	751.25	889.54	978.69
Liabilities	242.54	355.89	369.12
Shareholders' equity	508.71	533.66	609.57
Book value per share	4.19	4.39	5.02

Ratios	2019	2018	2017
Gross Profit Margin (%)	15.91	4.50	6.46
Net Profit Margin (%)	3.49	(3.35)	4.93
Return on Equity (%)	6.34	(6.83)	9.84
Return on Assets (%)	4.03	(4.18)	6.40
Asset Turnover (times)	1.15	1.25	1.30
Debts to Equity (times)	0.48	0.67	0.61

RISK FACTORS AND RISK MANAGEMENT

The Board of Directors has assigned the management to be responsible for maintaining the risks in each of the company's issues in acceptable level and in line with the ever-changing environment. Risks and risk management guidelines will be prepared and submitted to the Audit Committee and the Board of Directors for acknowledgment. And, recommendations will be provided for improvement of the management measures.

The company's risk management consists of the following main steps:

- Risk identification is a process of identifying risks and related factors both domestic and overseas, which will change in each period, as well as anticipating new risks that are likely to occur in the future from both internal and external databases.
- Risk assessment and management are processes that adopt various suitable methods and the participation of the management in the risk assessment to ensure efficiency that covers all risks and all potential consequences, as well as find ways to manage or reduce risks to an acceptable level.
- Risk monitoring and control is a process for monitoring and reporting performance to the Audit Committee and the Board of Directors annually. If there is any new risk factor that may occur unexpectedly and is likely to have a significant impact on business operations, the management may be required to review all business plans and goals, as well as present them to the Board of Directors for further consideration.

In 2019, the company had specified risks and risk management guidelines as follows:

1. Risk from changes in the procurement policy of major customers. Such risk may have direct impact if major customers unexpectedly change their procurement policy. The company requires maintenance of the proportion of production and distribution in order to prevent too much cluster at any one customer, in parallel with distributing the proportion of production and distribution to diversify industrial usage coverage as much as possible.
2. Risk from exchange rate fluctuations. The company requires close monitoring of the situation of changes in exchange rates in order to be applied for adjusting marketing and sales strategies to maintain a proper balance between domestic and overseas sales.
3. Risk from raw material procurement, especially MMA, which is the main raw material for the production of cast acrylic sheets, and the main raw material pellet used in the production of plastic sheet extrusion line, all have purchase agreements and procurement plans in line with the production plan on a monthly basis in order to have stock of reserves available as needed. In addition, the company may procure raw materials from more than one manufacturer, most of which are local manufacturers and distributors of raw materials. In case of emergency or necessity - the company may also procure from overseas manufacturers and distributors as well.
4. Risk from product liability that may arise from litigation. The company has insurance policies that cover product liability, which are regularly reviewed as appropriate.
5. Risk from trading goods and services with related companies. Purchase price will be according to the terms of the trade agreement and according to the mutually agreed price. And, it will be performed by taking into account the interests of the company as if it is a transaction with third party. Such transaction will be reviewed by the Audit Committee and audited by the auditor to ensure that such transaction complies with proper and transparent procedures.
6. Marketing and competition risk. The company has established NPD team and NBD team to oversee new marketing channels and products with a focus on the strategy of creating product variations that area able to meet the needs of customers, in parallel with the developing existing machineries so that they can produce more product variations.

LEGAL DISPUTES

Throughout the year 2019, the company has no legal disputes.

SECURITIES AND SHAREHOLDING STRUCTURE

Securities information

The total authorized number of ordinary share is 121,500,000 shares with a par value of Baht 1 per share. All issued shares are fully paid.

Shareholders

(a) The company's shareholder structure as at the latest book closing date on 17 January 2020 are as follows:

Nationality of shareholder	No. of Shareholders (person)	Total shares	%
Thai	951	69,588,939	57.27
Foreigner	8	51,911,061	42.73
Total	959	121,500,000	100.00

List of top 10 major shareholders of the Company is as appeared below.

Shareholders	Number of shares	%
1. LUCITE INTERNATIONAL UK OVERSEAS HOLDCO1 LIMITED	51,374,360	42.28
2. Asiatic Acrylic Company Limited	41,450,530	34.12
3. Mr. Thanongsak Limchaiyawat	2,500,000	2.06
4. Mrs. Arunsri Chiaradecho	1,930,000	1.59
5. Mr. Surin Limchaiyawat	1,560,000	1.28
6. Mr. Kasemsak Limchaiyawat	1,078,100	0.89
7. Mr. Sarawut Limchaiyawat	1,032,500	0.85
8. Ms. Jongkol Ngamlerdchai	1,020,000	0.84
9. Mr. Somchai Limchaiyawat	987,000	0.81
10. Mr. Jongkit Ngamlerdchai	772,800	0.64

Source: Thailand Securities Depository Company Limited

(b) The major shareholders whose behavior have had a significant influence on the operational policies or management of the company.

- The company's shares held by LUCITE INTERNATIONAL UK OVERSEAS HOLDCO1 LIMITED registered in United Kingdom in the amount of 51,374,360 shares or 42.28% of total issued and paid -up shares (as of 17 January 2020)
- The company's shares held by Asiatic Acrylics Company Limited ("the company") is a limited company incorporated and domiciled in Thailand. The company is principally engaged in the investment holding for long-term purpose, own shares in the amount of 41,450,530 shares or 34.11% of total issued and paid - up shares (as of 17 January 2020)

(c) Shareholding percentage of minor shareholders (free float) is 23.56% (as of 11 March 2019)

Shareholder's agreement that significantly impact the company or other shareholders

The company does not have any shareholders agreements with the major shareholders of the company, which could have an impact on the operations of the Company or on other shareholders.

Major Shareholders & Securities Holding of the Directors and Executives

According to the Notification of the Securities and Exchange Commission, all of Directors and Executives of the company shall have the duty to prepare and submit a report on changes of their securities holding to the SEC office within 3 working days from the date of purchase, sale transfer or acceptance of transfer of securities. In this regards, Directors and Executives shall report such changes of those of their spouses or cohabiting couple, children not yet of age, juristic person that those persons hold shares at an aggregate amount exceeding 30% of the total voting shares.

Relationship Persons means

1. Spouse or cohabiting couple:
2. Minor child:
3. Juristic person wherein Directors, Executives and the persons in (1) and (2) hold shares at an aggregate amount exceeding thirty percent of the total voting shares of such juristic person and such aggregate shareholding is the largest proportion thereof.

As of 31 December 2019, the securities holding of the Directors and Executives are as follows:

Directors Shareholdings

No.	Name of Directors	Common Share (share)		
		As of 31 Dec 2018	Increase / Decrease	As of 31 Dec 2019
1.	Dr. Benjamin James Harris	-	-	-
	Relationship Persons	-	-	-
2.	Mr. Tamotsu Tamaki ¹	-	-	-
	Relationship Persons	-	-	-
3.	Mrs. Caroline Prior ²	-	-	-
	Relationship Persons	-	-	-
4.	Mr. Christian Moller Laursen ³	-	-	-
	Relationship Persons	-	-	-
5.	Mr. Suchitr Srivetbodee ⁴	16,300	-	16,300
	Relationship Persons	-	-	-
6.	Mr. Rakchai Sakulteera	-	-	-
	Relationship Persons	-	-	-
7.	Mr. Shinya Yano	-	-	-
	Relationship Persons	-	-	-
8.	Mr. Dai Oyama	-	-	-
	Relationship Persons	-	-	-
9.	Mr. Martin Thaysen	-	-	-
	Relationship Persons	-	-	-
10.	Mr. Adam Jonathan Sloan	-	-	-
	Relationship Persons	-	-	-
11.	Dr. Anuphan Kitnitchiva	-	-	-
	Relationship Persons	-	-	-
12.	Mr. Jan Dam Pedersen	-	-	-
	Relationship Persons	-	-	-
13.	Mr. Jetsada Wongwatanasin	-	-	-
	Relationship Persons	-	-	-

¹ Mr. Tamotsu Tamaki tendered the resignation as a Executive Director with effective on 21 March 2019

² Mrs. Caroline Prior tendered the resignation as the Non Executive Director and member of Nomination and Remuneration committee with effective on 21 March 2019

³ Mr. Christian Moller Laursen tendered the resignation as the Non Executive Director with effective on 8 August 2019

⁴ Mr. Suchitr Srivetbodee tendered the resignation as Deputy Chairman with effective on 14 November 2019

Executives Shareholdings

No.	Name of Executives	Common Share (share)		
		As of 31 Dec 2018	Increase / Decrease	As of 31 Dec 2019
1.	Mr. Wiwat Hom La-or	2,000	-	2,000
	Relationship Persons	-	-	-
2.	Mr. Thanetr Khumchoedchoochai	2,000	-	2,000
	Relationship Persons	-	-	-
3.	Mr. Thanawat Kulprasertat	21,000	-	21,000
	Relationship Persons	-	-	-
4.	Mr. Pongsin Muangsri ¹	2,000	-	2,000
	Relationship Persons	-	-	-
5.	Ms. Surawadee Leethaweekul	-	-	-
	Relationship Persons	-	-	-

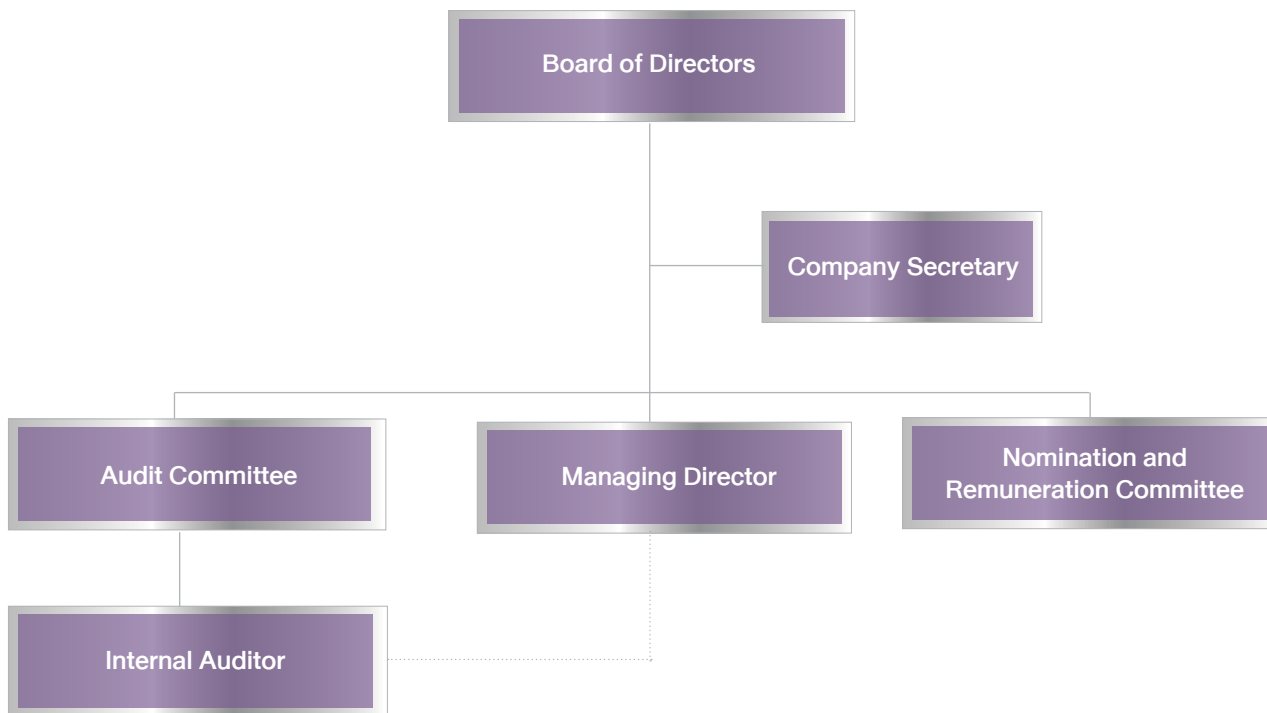
¹ Mr. Pongsin Muangsri tendered the resignation as SHE manager & QMR/OH & SMR with effective on 1 December 2019

DIVIDEND PAYMENT POLICY

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

MANAGEMENT STRUCTURE

BOARD OF DIRECTORS STRUCTURE



COMPOSITION AND TERM OF DIRECTOR

Board of Directors (9 Directors)			
Composition	Independent Director 3 Directors	Executive Director 3 Directors	Non - Executive Director 3 Directors
Term of Director	One third of directors shall be retire on the rotation at the Annual General Meeting every year, however, the retired directors can be re-election.		
Specific term of Independent Director	Not exceed a cumulative term of 9 years from the first day of appointment as Independent director		
Appointed by	Annual General Meeting		

As of 31 December 2019, Board of Directors consists of the following directors as listed below

Name of Directors	Position
1. Dr. Benjamin James Harris	Chairman
2. Mr. Tamotsu Tamaki ¹	Executive Director
3. Mr. Rakchai Sakulteera ²	Executive Director
	Company Secretary
	Managing Director
4. Mrs. Caroline Prior ³	Non-Executive Director
	Nomination and Remuneration Committee
5. Mr. Christian Moller Laursen ⁴	Non-Executive Director
6. Mr. Suchitr Srivetbodee ⁵	Deputy Chairman
	Managing Director
7. Dr. Anuphan Kitnichiva	Independent Director
	Chairman of Audit Committee
8. Mr. Jan Dam Pedersen	Independent Director
	Audit Committee
	Chairman of Nomination and Remuneration Committee
9. Mr. Jetsada Wongwatanasin	Independent Director
	Audit Committee
	Member of Nomination and Remuneration Committee
10. Mr. Adam Jonathan Sloan ⁶	Non-Executive Director
	Nomination and Remuneration Committee
11. Mr. Dai Oyama ⁷	Non-Executive Director
	Member of Nomination and Remuneration Committee
12. Mr. Shinya Yano ⁸	Executive Director
13. Mr. Martin Thaysen ⁹	Non-Executive Director

¹ Mr. Tamotsu Tamaki tendered the resignation as a Executive Director with effective on 21 March 2019

² Mr. Rakchai Sakulteera was appointed as Managing Director with effective on 1 January 2020

³ Mrs. Caroline Prior tendered the resignation as the Non Executive Director and Nomination and Remuneration Committee with effective on 21 March 2019

⁴ Mr. Christian Moller Laursen tendered the resignation as the Non-Executive Director with effective on 8 August 2019

⁵ Mr. Suchitr Srivetbodee tendered the resignation as Deputy Chairman with effective on 14 November 2019

⁶ Mr. Adam Jonathan Sloan was appointed as the Non Executive Director with effective on 21 March 2019

⁷ Mr. Dai Oyama was appointed as the Non-Executive Director and Nomination and Remuneration committee with effective on 21 March 2019

⁸ Mr. Shinya Yano was appointed as the Executive Director with effective on 14 November 2019

⁹ Mr. Martin Thaysen was appointed as the Non-Executive Director with effective on 14 November 2019

BOARD OF DIRECTORS PROFILES



Name Dr. Benjamin James Harris

Age 54 years

Position in TPA Chairman of the Board of Director

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

Family Relationship among Directors and Executives

- None

5 Years past working experiences

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

Board Member in other listed company

- None

Positions in other company / Organization / Institution

- Executive General Manager Saudi Methacrylates Company

Position in other organization competing with the company

- None



Name	Mr. Rakchai Sakulteera	
Age	59 years	
Position in TPA	Executive Director / Managing Director / Company Secretary	
Date of Appointment	13 August 2015	Executive Director
	11 November 2016	Company Secretary
	1 April 2019	Deputy Managing director
	1 January 2020	Managing Director

Education Background Master's Degree in Business Administration International Program, Bangkok University
Bachelor's Degree in Accounting Chulalongkorn University Graduate Diploma in Auditing

Director Training -Thai Institute of Directors (IOD)

- Company Secretary Program (CSP) 811/2017

Personal Qualification

- Certified Public Accountant of Thailand

Family Relationship among Directors and Executives

- None

5 Years past working experiences

• 2015 - Present	Executive Director	Thai Poly Acrylic Public Company Limited
• 2020 - Present	Managing Director	Thai Poly Acrylic Public Company Limited
• 2019 - Present	Deputy Managing Director	Thai Poly Acrylic Public Company Limited
• 2016 - Present	Company Secretary	Thai Poly Acrylic Public Company Limited
• 2014 - 2015	Independent Directors and Member of Audit Committee	Thai Poly Acrylic Public Company Limited

Board Member in other listed company

- None

Positions in other company / Organization / Institution

- None

Position in other organization competing with the company

- None



Name Mr. Shinya Yano

Age 53 years

Position in TPA Executive Director

Date of Appointment 14 November 2019

Education Background Bachelor's in Economics Seikei University, Tokyo, Japan

Director Training – Thai Institute of Directors (IOD)

- None

Personal Qualification

- None

Family Relationship among Directors and Executives

- None

5 Years past working experiences

- 2019 - Present Executive Director Thai Poly Acrylic Public Company Limited
- 2019 - Present President Diapolyacrylate, Thailand
- 2017 - 2019 Manager Mitsubishi Chemical
- 2014 - 2017 Director Plastic Sheeting Department, Mitsubishi Rayon

Board Member in other listed company

- None

Positions in other company / Organization / Institution

- President Diapolyacrylate Co.,Ltd.

Position in other organization competing with the company

- None



Name Mr. Dai Oyama

Age 51 years

Position in TPA Non-Executive Director
Nomination and Remuneration Committee

Date of Appointment 25 April 2019

Education Background Bachelor's degree in Law Rikkyo University, Tokyo, Japan

Director Training – Thai Institute of Directors (IOD)

- None

Personal Qualification

- None

Family Relationship among Directors and Executives

- None

5 Years past working experiences

- | | | |
|------------------|---|---|
| • 2019 - Present | Non-Executive Director
Nomination and Remuneration Committee | Thai Poly Acrylic Public Company Limited |
| • 2017 - Present | Deputy General Manager, MMA Planning Department | Mitsubishi Chemical Headquarter |
| • 2015 - 2017 | General Director, MMA Administration Department | Mitsubishi Rayon Headquarter |
| • 2014 - 2015 | Director, Corporate Planning Division | Mitsubishi Rayon Headquarter |
| • 2013 - 2014 | Finance Director | Lucite International UK Ltd., Southampton, UK |

Board Member in other listed company

- None

Positions in other company / Organization / Institution

- Board of Directors The Saudi Methacrylates Company
Lucite International UK Overseas Holdco1 Limited
Lucite International Finco Limited

Position in other organization competing with the company

- None



Name Mr. Adam Jonathan Sloan

Age 34 years

Position in TPA Non-Executive Director

Date of Appointment 21 March 2019

Education Background Master's Degree in Business Administration (M.B.A) Herriot Watt University Edinburgh, United Kingdom

Director Training – Thai Institute of Directors (IOD)

- Director Accreditation Program (DAP) 158/2019

Personal Qualification

- None

Family Relationship among Directors and Executives

- None

5 Years past working experiences

- | | | |
|------------------|-------------------------------------|--|
| • 2019 - Present | Non-Executive Director | Thai Poly Acrylic Public Company Limited |
| • 2020 - Present | Managing Director | South Asia Santa Fe Relocation |
| • 2019 - 2020 | General Manager - Hong Kong, Taiwan | Santa Fe Relocation Hong Kong |
| • 2018 - 2019 | Country General Manager | Santa Fe Relocation Thailand |
| • 2017 - 2018 | General Manager Sales & Marketing | Santa Fe Relocation Thailand |
| • 2016 - 2017 | Sales Director | Santa Fe Relocation Thailand |
| • 2013 - 2016 | Corporate Sales Manager | Santa Fe Relocation Thailand |

Board Member in other listed company

- None

Positions in other company / Organization / Institution

- Directorships
 - Hong Kong - Santa Fe Transport International Limited
 - Taiwan - Santa Fe Relocation Services Taiwan Co.,Ltd
 - Macau - Santa Fe Macau Limited

Position in other organization competing with the company

- None



Name Mr. Martin Thaysen

Age 48 years

Position in TPA Non-Executive Director

Date of Appointment 14 November 2019

Education Background Master's Degree in Business Administration (M.B.A) IMD Business school, Lausanne, Switzerland

Director Training – Thai Institute of Directors (IOD)

- None

Personal Qualification

- None

Family Relationship among Directors and Executives

- None

5 Years past working experiences

- 2019 - Present Non-Executive Director Thai Poly Acrylic Public Company Limited
- 2020 - Present CEO EAC Invest A/S, Copenhagen, Denmark
- 2019 - 2020 Group CEO Santa Fe Group A/S and Santa Fe Relocation, London United Kingdom
- 2015 CEO EAC A/S and Santa Fe Relocation, London United Kingdom
- 2012 - 2014 Managing Director CEVA Logistics, Shanghai, China

Board Member in other listed company

- None

Positions in other company / Organization / Institution

- Chairman of the Board East Asiatic (Thailand) Company Limited
East Asiatic (China) Company Limited
- Board of Director Asiatic Acrylic Company Limited

Position in other organization competing with the company

- None



Name	Dr. Anuphan Kitnitchiva
Age	57 years
Position in TPA	Chairman of the Audit Committee and Independent Director
Date of Appointment	26 April 2017
Education Background	PH.D. in Development Administration, Graduate School of Public Administration 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

Family Relationship among Directors and Executives

- None

5 Years past working experiences

• 2014 - Present	Chairman of 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.
• 2014 - 2018	Chairman of Audit Committee and Independent Director	TOT Public Company Limited
• 2013 - 2014	Audit Committee and Independent Director	Thai Poly Acrylic Public Company Limited

Board Member in other listed company

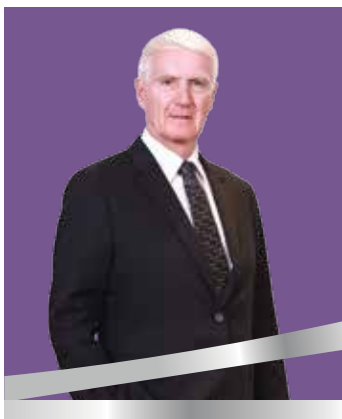
- Director Humanica Public Company Limited

Positions in other company / Organization / Institution

- Senior Partner / Director Dherakupt International Law Office Ltd.

Position in other organization competing with the company

- None



Name	Mr. Jan Dam Pedersen
Age	67 years
Position in TPA	Audit Committee / Independent Director Chairman of the Nomination and Remuneration Committee
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

Family Relationship among Directors and Executives

- None

5 Years past working experiences

- | | | |
|------------------|---|---|
| • 2018 – Present | Chairman of Nomination and Remuneration Committee | Thai Poly Acrylic Public Company Limited |
| • 2015 – Present | Audit Committee and Independent Director | Thai Poly Acrylic Public Company Limited |
| • 2013 – Present | Executive Director | Novanta Company Limited
Berli Asiatic 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 Asiatic Soda Company Limited

Position in other organization competing with the company

- None



Name	Mr. Jetsada Wongwatanasin
Age	49 years
Position in TPA	Audit Committee, Independent Director and Nomination and Remuneration Committee
Date of Appointment	22 February 2019
Education Background	Master's Degree in International Business The George Washington University, Washington DC, U.S.A Bachelor's Degree in Economics, Chulalongkorn University

Director Training – Thai Institute of Directors (IOD)

- Director Accreditation Program (DAP) 125/2018

Personal Qualification

- None

Family Relationship among Directors and Executives

- None

5 Years past working experiences

• 2019 - Present	Audit Committee, Independent Director and Nomination and Remuneration Committee	Thai Poly Acrylics Public Company Limited
• 2018 - Present	Vice President	Thai Ethanol Manufacturing Association
• 2010 - Present	CFO	Thai Udon Thani Sugar Mill Co.,Ltd (TSM GROUP)
• 2014 - Present	Non-Executive Director	Thai Poly Acrylic Public Company Limited

Board Member in other listed company

- None

Positions in other company / Organization / Institution

- CFO Thai Udon Thani Sugar Mill Co.,Ltd (TSM GROUP)
- Managing Director Thai Sugar Mill Group Co.,Ltd.

Position in other organization competing with the company

- None

Scope of Authority and Duties of the Board of Directors

The Board of Directors has an authority to determine and amend the name 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 “Mr. Benjamin James Harris, Mr. Shinya Yano, and Mr. Rakchai Sakulteera, any two of these three Directors can jointly sign together with the Company’s seal affixed.”

The names of directors who are authorized to sign on behalf of the Company are

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.

Duties and Responsibilities of the Board of Director

1. 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.
2. 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.
3. 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.
4. 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.
5. The Board of Directors will arrange the evaluation of the Board of Directors to be considered and improved work efficiency.
6. 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.

SUB COMMITTEE

Board of Director		
Sub Committee	Audit Committee	Nomination and Remuneration Committee
Qualification	Independent Director and Qualification are complied with the Rules of notification of the Capital Market Supervisory	Member of the Board of Director and at least one person is an Independent Director
Appointed by	Board of Director	

Management Structure of Company consists of Board of Director and 2 Subcommittees: Audit Committee, Nomination and Remuneration Committee. Therefore, Company has Management Structure which has independent directors, not less than 3 persons and not less than one-third of total directors of the company. The qualification of each Independent directors and Audit Committee are complied with the Rules of Notification of the Capital Market Supervisory.

AUDIT COMMITTEE

As of 31 December 2019, 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. Jetsada Wongwatanasin | Audit Committee |

Secretary of the Audit Committee is Miss Thanjira Kunathipsritrakool.

Duties and Responsibilities of the Audit Committee

1. To review and ensure that the company's financial reports are accurate and sufficient.
2. To review and give opinions on good governance, risk management, and internal control in terms of sufficiency and appropriateness in accordance with the securities and exchange law and the regulations of the Stock Exchange of Thailand.
3. To review and ensure that the company complies with the law on securities and exchange, the regulations of the Stock Exchange, and the laws applicable to the company's business.
4. To consider, select and propose for appointment or termination any independent individual to act as the company's auditor, and to propose the fee for such individual.
5. To have a meeting with the auditor without the management present at least once a year.
6. To review and regulate to ensure that associated transactions or transactions, which may involve a conflict of interests, are in compliance with the law and the regulations of the Stock Exchange.
7. To consider the independency of the internal audit, approve appointments, transfers or removals, and consider the merits.
8. To prepare the Audit Committee's report signed by the Chairman of the Audit Committee and publish the same in the company's annual report. The report shall contain at least the following information:
 - 8.1 opinions on the accuracy, completeness and reliability of the financial reports;
 - 8.2 opinions on the sufficiency of good governance, risk management and internal control;
 - 8.3 opinions on compliance with the securities and exchange law, the regulations of the Stock Exchange, and the laws applicable to the company's business;
 - 8.4 opinions on the suitability of the auditor;
 - 8.5 opinions on the transactions which may involve conflicts of interest;
 - 8.6 the number of meetings and the attendance of each member of the Audit Committee;
 - 8.7 opinions or overall observations of the Audit Committee derived from the execution in accordance with the charter of the Audit Committee; and
 - 8.8 matters which, in the Audit Committee's opinion, should be made known to the shareholders and general investors within the scope of duties and responsibilities entrusted by the company's board of directors
9. In the performance of its duties, if the Audit Committee finds or suspects that any transaction or act may significantly affect the financial position and operational results of the company, the Audit Committee shall report it to the company's board of directors for improvement or correction within a period as the Audit Committee deems fit:
 - 9.1 any transaction involving conflicts of interest;
 - 9.2 any corruption, irregularity or material defect in the internal control system; or
 - 9.3 any violation of the law on securities and exchange, the regulations of the Stock Exchange or the laws applicable to the company's business.

Should the company's board of directors or the management fail to make the improvement within the given period, any member of the Audit Committee may report the transaction or act under 9.1, 9.2 or 9.3 to the Office of 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. If a member of the Audit Committee wishes to resign before the end of their term, a notice should be given to the company one month in advance with the reasons specified, so that the company's board of directors or the shareholders' meeting may consider appointing a qualified replacement for the resigning member.
12. To perform any other work assigned by the company's board of directors, with the approval of the Audit Committee.
13. To review policies and regulate to ensure that an effective anti-corruption support system is in place, to give advice and monitor the implementation of anti-corruption measures, as well as to receive corruption reports, verify the facts and propose the matter to the company's board of directors for joint consideration on the punishment or solution to the problem.

NOMINATION AND REMUNERATION COMMITTEE

As of 31 December 2019, 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. Mr. Dai Oyama | Nomination and Remuneration Committee |
| 3. Mr. Jetsada Wongwatanasin | Nomination and Remuneration Committee |

Duties and Responsibilities of the Nomination and Remuneration Committee

1. Search, screen and nominate qualified candidates for Independent Directors to the Board of Directors for approval.
2. Screen candidates nominated by the major shareholders and submit qualified candidates to the Board of Directors for approval.
3. Establish procedures and criteria for nomination of Directors.
4. 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.

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.

Qualification of company secretary

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

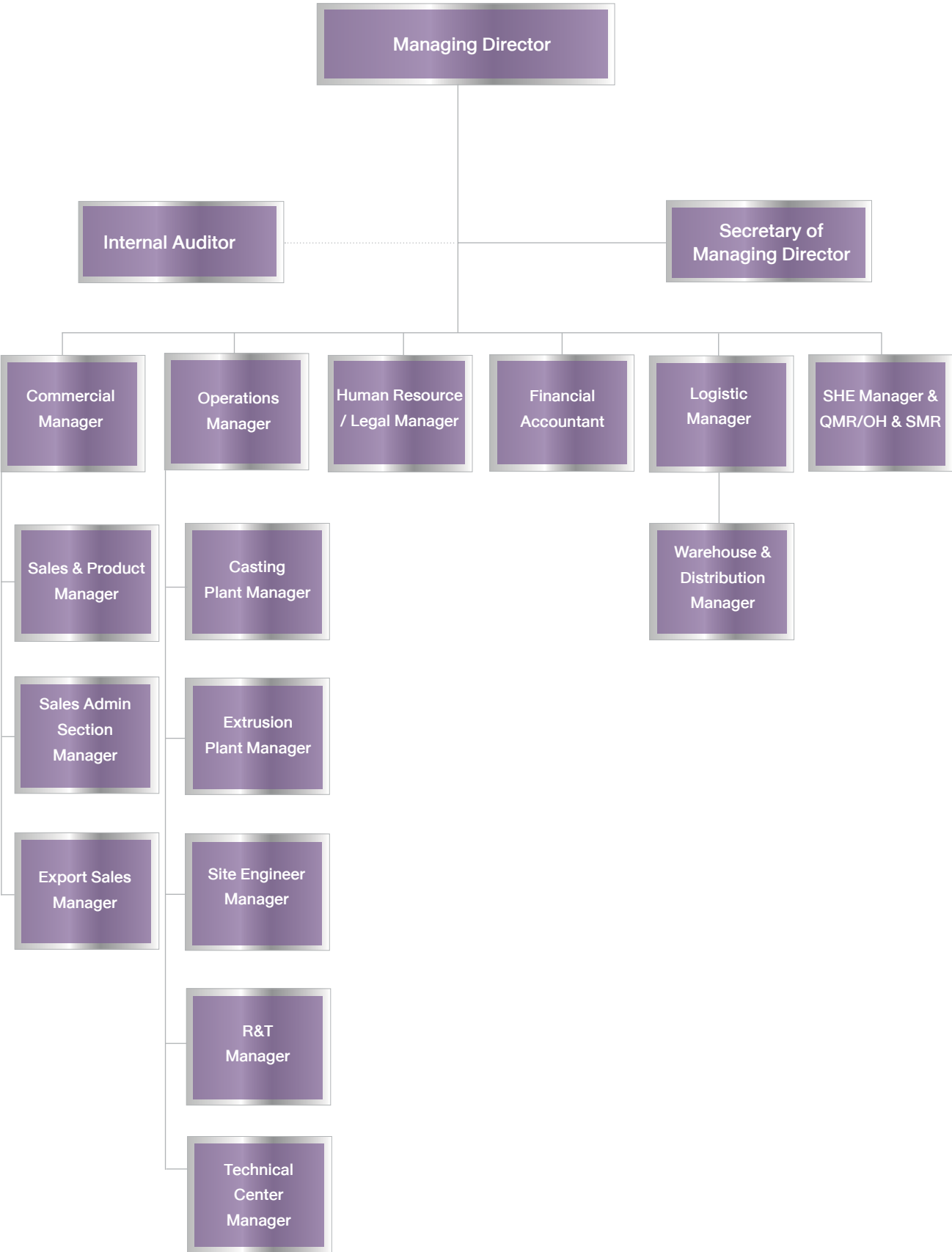
Duties and Responsibilities

1. Preparing agenda and supporting documents for the Board of Directors' meeting and Shareholders' meeting.
2. Arranging and coordinating the Board of Directors' meeting, 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.
3. Monitoring the appointment of Directors and change of Directors' terms and arranging for the registration of the change of directors with the relevant authorities.
4. Preparing and keeping the following documents :
 - (a) Register of Directors.
 - (b) Notice calling Directors' meeting, Minutes of Board of Directors' meeting and an Annual report of the company.
 - (c) Notice calling Shareholders' meetings and Minutes of Shareholders' meetings.

5. Ensuring that the Directors and Executives have filed reports on their interest as required by law.
6. Keeping the reports on interest filed by Directors and Executives as well as
7. 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.
8. Performing any other acts as specified in the notification of the Capital Market Supervisory Board.

ORGANIZATION CHART

MANAGEMENT STRUCTURE



As of 31 December 2019, the Management team comprises 17 members whose names are listed below:

1.	Mr. Rakchai Sakulteera	Managing Director
2.	Mr. Wiwat Hom la-or	Operations Manger
3.	Mr. Thanawat Kulprasertat	Human Resource/Legal Manager
4.	Mr. Thanetr Khumchoedchoochai	Logistic Manager
5.	Mr. Apichai Srimahunt	Acting SHE Manager & QMR/OH & SMR
6.	Miss Surawadee Leethaweekul	Financial Accountant
7.	Mr. Yotin Tamrongsawapark	Casting Plant Manager
8.	Mr. Phairat Kumdee	Extrusion Plant Manager
9.	Mr. Pongthorn Chuencharoen	Site Engineering Manager
10.	Mrs. Noungrutai Boonpetch	Research & Technical Manager
11.	Mr. Wittaya Mongkolkachit	Technical Center Manager
12.	Mr. Udomsak Tienchan	Warehouse & Distribution Manager
13.	Mr. Pongsun Assavasirijinda	Sales & Product Manager
14.	Miss Janjira Thumsorn	Export Sales Manager
15.	Mrs. Sompong Assavasirijinda	Sales Admin Section Manager (Domestic)
16.	Miss Thanjira Kunathipsritrakool	Internal Auditor
17.	Miss Intiporn Tanampai	Secretary of Managing Director

MANAGING DIRECTOR

On 19 February 2020, Board of Directors of Thai Poly Acrylic Public Company Limited by suggestion of the Company's Nomination and Remuneration passed the resolutions to approve the appointment Mr. Rakchai Sakulteera as Managing Director effective from 1 January 2020.

Duties and Responsibility of 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.

MANAGEMENT ELECTION

The Selection of Management is the responsibility of the Managing Director as described in the Scope of authorities of the Managing Director.

Remuneration for Management and Employee

Management remuneration

- Remuneration in cash

In 2019, Company pays remuneration in cash for Management as listed below :

Remuneration for Management in 2019

Management remuneration	Baht
Salary, Bonus, Other remuneration	31,551,660.50
Provident Fund	1,553,932.75
Total	33,105,593.25

- Other remuneration
None

Employees Remuneration in cash

Remuneration for Employees in 2019

Employees remuneration	Baht
Salary, Bonus, Other remuneration	79,252,075.65
Provident Fund	2,690,805.25
Total	81,942,880.90

Apart from the remuneration in cash, 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.

Employees Development Policy

AS of 31 December 2019, Company has employees (included management) in total for 309 persons, and can classify as listed below :

Administration	66	persons
Production	243	persons
Total	309	persons

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 program covering people training, health and safety in work plan, process changes and new process technology in order to increase an improve employees to be in line with the needs and objectives of the business.

The company conducted the employee training in 2019 totaling 1,747.50 hours and training expenses at amount 660,454.65 baht as listed below :

Training topics	Training hours
Management / Professional	178.00
On the job training / Procedure / Work instruction	1,359.00
SHE / License	210.50
Total	1,747.50

Labor Disputes

Company does not have any significant on number of employees or any major labor disputes within the past 3 years.

CORPORATE GOVERNANCE

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

1. 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. 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. ROLES OF 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 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. Responsibilities of Board of Directors

The Board of the Directors recognizes its roles and responsibilities in instituting policies and directions of the Company's operations in compliance with the law, the Company's objectives and regulations as well as the resolution from the shareholder's meeting. The Company supervises and monitors departments to follow the set policies effectively to maintain the Company's interest, increase economic value to the business and promote stability among shareholders base on good corporate governance. The Board of Directors

has followed up the implementation of strategies for sustainable business management. Roles and responsibilities of Board of Directors toward the Company and shareholders are important since the board consists of the expert persons with leadership skills, sharp vision, knowledge and high experience. They have honesty and independence for decision making, which is beneficial to the Company's maximum interest and overall shareholders.

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 2019, an Extraordinary General Meeting was not held.
- 1.2 In 2019, the Annual General Meeting of shareholders took place on April 24, 2019 at the S.D Avenue Hotel, Jitlada room, 2nd floor, Borom Rajchonni Road, Bangbunru Sub-district, Bangplad District, Bangkok Metropolis.
- 1.3 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:
 - 1) 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.
 - 2) Facilitating Shareholders Attendance and Voting at the Meetings
 - 3) 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.
 - 4) 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.
 - 5) Giving Opportunity to Shareholders to ask Questions and express their Opinions at The General Meetings.
 - 6) The Company will, at all General Meetings, provide the opportunity to all shareholders to ask questions, express comments or offer any suggestions.
- 1.4 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

- 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.
- 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.

• 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 11.9 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.

- (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 Shareholding" and "Executive Shareholding" 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 for Auditor's Remuneration
Agenda for an appointment of auditors clearly includes names of auditors, affiliated company, auditor licenses, experience, auditors' competency, years of auditing for the Company, issues relating to the independence of auditors and auditors' remuneration with the opinion of the Board of Directors according to recommendation of the Audit Committee.

Auditor's Remuneration

The Company paid the audit fee to the EY office Limited in fiscal year 2019 for 1,290,000 baht and without other non audit service. The auditors did not receive any other remuneration from the Company.

	2019	2018
Audit fee	1,290,000 baht	1,290,000 baht
Other non audit service	-0-	-0-
Total	1,290,000 baht	1,290,000 baht

5. BOARD RESPONSIBILITIES

5.1 COMPOSITION OF THE BOARD OF DIRECTORS

Company has prescribed that the Board shall comprise 9 Directors consisting of 3 Independent Directors (Company has independent directors not less than 3 persons and not less than one third of total directors of the Company), 3 Executive Directors and 3 Non-Executive Directors (Representatives of its major shareholder)

Audit Committee is appointed by the Board of Directors, and consists of 3 members and all must be Independent Directors.

Nomination and Remuneration Committee will be selected from Board of Directors, and consists of 3 members out of which the Chairman of the committee and at least one member must be Independent Directors. Nomination and Remuneration Committee serve for 3 years per term.

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.

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 9 years from the first day of appointment as Independent Director. Upon completing 9 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.

5.6 THE BOARD OF DIRECTOR MEETING AND COMMITTEES' MEETING

The Company has scheduled all Director meeting in advance throughout the year, allowing the Directors to allocate time and attend meeting. Unless there is a special agenda, the Chairman of the Board of Director or Directors required by law to hold additional meetings as necessary. The meetings of the Board of Director or Directors, at least-half of the total members must be present to constitute a quorum.

The Board of Directors' meeting has meetings in every 3 month according to the Company's Articles of Association, and Audit Committee meeting shall have the duty to arrange meetings at least 4 times a year. The Company Secretary or Audit Committee's secretary will send a letter of meeting invitation together with the agenda and meeting documents to members at least 7 days in advance so that the Board or Director could have sufficient time to study the information before attending each meeting.

The Nomination and Remuneration Committee will be meeting at least 2 times a year.

Name	BOARD (9 persons)	AC (3 persons)	NRC (3 persons)	AGM (9 persons)	OTHER
Number of meetings	5	4	3	1	3
Dr. Benjamin James Harris	5/5			0/1	
Mr. Tamotsu Tamaki ¹	0/1				
Mrs. Caroline Prior ²	1/1				
Mr. Christian Moller Lauren ³	1/4			0/1	
Mr. Suchir Srivetbodee ⁴	5/5			1/1	
Mr. Rakchai Sakulteera	5/5			1/1	
Mr. Adam Jonathan Sloan ⁵	4/4			1/1	
Dr. Anuphan Kitnitchiva	5/5	4/4		1/1	
Mr. Jan Dam Pederson	5/5	4/4	3/3	1/1	3/3
Mr. Jetsada Wongwatanasin	4/4	2/3	3/3	1/1	
Mr. Dai Oyama ⁶	2/3		3/3	0/1	1/1
Mr. Shinya Yano ⁷	1/1				
Mr. Martin Thaysen ⁸	1/1				
Attendance rate	89%	91%	100%	67%	100%

¹ Mr. Tamotsu Tamaki tendered the resignation as a Executive Director with effective on 21 March 2019

² Mrs. Caroline Prior tendered the resignation as the Non-Executive Director and Nomination and Remuneration Committee with effective on 21 March 2019

³ Mr.Christian Moller Laursen tendered the resignation as the Non-Executive Director with effective on 8 August 2019

⁴ Mr.Suchitr Srivetbodee tendered the resignation as Deputy Chairman with effective on 14 November 2019

⁵ Mr.Adam Jonathan Sloan was appointed as the Non-Executive Director with effective on 21 March 2019

⁶ Mr.Dai Oyama was appointed as the Non Executive Director and member of Nomination and Remuneration committee with effective on 21 March 2019

⁷ Mr.Shinya Yano was appointed as the Executive Director with effective on 14 November 2019

⁸ Mr.Martin Thaysen was appointed as the Non-Executive Director with effective on 14 November 2019

5.7 REMUNERATION FOR DIRECTOR

The Company has a policy to pay Remuneration of director both in terms of remuneration for Independent Director and meeting allowance per time (only for attendants) which will pay only 3 Independent Director. The Remuneration for director will be at the rate specified in each year as approved by Shareholders' meeting.

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.

Remuneration and meeting allowance year 2019 (Baht)

Name	Position	Remuneration for Independent Director	Meeting allowance (Total)
Dr. Anuphan Kitnitchiva	Independent Director	437,000.00	100,000.00
	Chairman of Audit Committee		
Mr. Jan Dam Pedersen	Independent Director	437,000.00	138,000.00
	Audit Committee		
	Chairman of Nomination and Remuneration Committee		
Mr. Jetsada Wongwatanasin ¹	Independent Director	374,742.47	80,000.00
	Audit Committee		
	Nomination and Remuneration Committee		

¹ Mr. Jetsada Wongwatanasin was appointed as the Independent Director, Audit Committee and Nomination and Remuneration committee with effective on 22 February 2019.

5.8 DIRECTORS AND MANAGEMENT SELECTION

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 proposed 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 on 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 no. 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 Chairmen of the meeting shall request for the election of new directors until the vacant positions are filled.

5.9 ORIENTATION FOR NEW DIRECTORS

The Board of Directors establishes an orientation for every new director to create knowledge and understanding in the business including the Company's operations such as capital structure, shareholders, performance and system information including laws and regulation that useful for being a directors. This aims to prepare readiness of new directors, enabling them to recognize their roles and responsibilities. There is a policy to enhance knowledge and new so that directors can hold positions as quickly as possible with efficiency.

5.10 SUCCESSION PLAN

The Board of Directors has established a succession plan in the management level and positions in the main line by considering performance, potential and readiness of the individual. The Company has equipped a successor with knowledge development, skills required by job positions so that he or she will take important positions in the future.

5.11 DEVELOPMENT OF DIRECTOR

The Board of Directors has a policy to promote and facilitate training and education for the Directors. In order to improve and perform continually, training courses inside and outside the country are offered to the Directors, enabling them to understand the directors' performance.

Director	Training	Training courses	Institution
Mr. Adam Jonathn Sloan	11 March 2019	Director Accreditation Program (DAP) class 158/2019	Thai Institute of Directors (IOD)

5.12 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 2019 was score 4.2 (out of score 5) or 84%, In 2018 was score 4.5 (out of score 5).

Audit Committee acted in compliance with the Carter of the Audit Committee and in accordance with SET's guidelines governing the qualifications and scope of the operation of the Audit Committee.

The results from the assessment will be used for planning, developing, and improving the roles and responsibilities of the Board of Director.

5.13 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 department / function and the internal auditor. Its opinion is that the Board maintains adequate risk management practices that are relevant, suitable and sufficient.

5.14 INSIDER INFORMATION POLICY

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.

5.15 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 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

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”.

Detail for social responsibility are summarized below.

1. 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 Conduct. In this respect, all employees have trained and signed for acknowledgement since the first day of working with the Company.

2. 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 Conduct 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.

3. 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.

4. 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”.

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

5. Activity for society and community

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.

Over two decades of operating the business in Kratoomlorn district, Nakornpratom province, the Company has manufactured products with good quality which are distributed domestically and globally, generating revenues to over 3 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.

SAFETY, HEALTHY & ENVIRONMENT POLICY

The company considers occupational safety, health, and environment as an integral part of the business and as corporate social responsibility. Therefore, the company has established the following policies for implementation.

1. Comply with current and future applicable laws and requirements including commitments to develop occupational health and safety management system according to TISI 18001, environmental management system according to ISO14001, and group's business practices by adopting rules and requirements as minimum standard in the operation.
2. Manage risks and opportunities for prevention and control of occupational hazards, injuries, diseases, environmental pollution. And, avoid risks that may affect employees and stakeholders.
3. Commit to environmental protection including pollution prevention, and commit to protection and prevention in relation to the context of the organization, as well as prevention of occupational injuries and illness according to objectives and goals.
4. Comply with standards for waste disposal, and reduce waste to a minimum, as well as consume energy and water resources efficiently according to objectives and goals.
5. Provide standards for occupational safety, health and environment for contractors and/or visitors by complying with policies and regulations of the organization.
6. Cooperate and disseminate information and policies to employees, stakeholders, third parties in both government and private sectors.
7. Assess performance of all employees in terms of their cooperation in compliance with rules and regulation on occupational safety, health, and environment as a main topic in the annual employee assessment.
8. Define responsibilities in terms of occupational safety, health, and environment as the responsibilities of every executive and employee both at work and at home.
9. Promote, support and develop knowledge and competency by provide training, education, and create awareness.
10. Commit to product development responsibility, which must be safe for users and the environment throughout the product's life cycle.
11. Allocate necessary resources appropriately to ensure that the operations are in accordance with the policy, objectives and goals.
12. Continuously develop and improve in terms of occupational safety, health, and environment in order to raise the level of the company's management competency in terms of occupational safety, health, and environment under the supervision of the occupational safety, health, and environment committee which has been assigned to supervise, define policies, objectives and goals, as well as prepare an ongoing annual improvement plan, and monitor the implementation and evaluate performance.

The company has passed the test and has been certified for occupational health and safety standard (TISI 18001: 2011), and has been certified for environmental management (ISO14001: 2015), which are confirmation that the business operation prioritizes occupational safety, health, and environment for all employees and related parties.

ACHIEVEMENTS & AWARDS



The Company has been certified for the following

Certificate	Issued by the institution	Year of certificated
ISO 9001:2015 (Quality System)	TUV NORD	15 August 2018
TIS 18001:2554 (Safety System)	MASCI	25 August 2017
ISO 14001:2015 (Environment System)	TUV NORD	7 December 2018
Anti-Corruption Policy	Thailand Private Sector Collective Action Coalition Against Corruption (CAC)	21 November 2017

Operating performance on SHE according to 2019, objectives and targets are the following

Incident	Number
Injuries require leave day of 1-3 days	0 person
Injuries require leave day more than 3 days	0 person
FIRE	0 time
Chemical leakage to outside of the plant	0 time

Important projects for Community and Society, and Safety, Healthy and Environment in 2019

Audit on SHE, Working environment, Surrounding Environment

The Company conducted annual audit on SHE in 2019 to monitor SHE problems to employees, and environmental problem which might impact surrounding communities





January 11, 2019

Thai Poly Acrylic Public Company Limited granted scholarships to students at kindergarten level to junior high school level, and took pictures with Mr. Sonchai Rasamiemcham, the principal of Ban Krathum Lom School on the Children's Day.

February 11, 2019

Provide the appetizers for underprivileged children at pre-kindergarten and kindergarten levels at Ban Dek Sarn Rak and Dek Tarntawan children foundations, Krathum Lom Sub-district, Sam Phran District, Nakhon Pathom Province.

February 22, 2019

Helmet and safety belt campaign to raise awareness of safe motorcycles and cars safety amongst employees.

March 8, 2019

Green city plan activities in the municipality area of Krathum Lom: This is a joint project with the Om Noi Community with the goal of creating livable community with more green spaces.

April 11, 2019

Drunk driving prevention campaign during Songkran Festival to make employees aware of safety during the holiday period, and beware of driving on the roads, especially when they return to their hometowns.

Bathing the Buddha Ritual during Songkran Festival for auspiciousness and paying respect to the Buddha and the Sangha on the first day of the Thai New Year.

April 20, 2019 and April 22, 2019

Influenza Prevention Campaign to educate employees about how to prevent influenza and to promote healthy lifestyle at work and at home, which is the main cause of illness and absence from work.

April 26 - 27, 2019

Summer Diseases Campaign to educate employees about the danger of diseases that occur during the summer and to raise white awareness of the seriousness of the following diseases:

1. Diarrhea
2. Food poisoning
3. Dysentery
4. Severe diarrhea or cholera
5. Rabies or Hydrophobia
6. Heatstroke or Sunstroke
7. Typhoid fever

May and October 2019

Standard on Prevention and Solution to Drugs Problems in an Establishment (MorYorSor.)

Thai Poly Acrylic Public Company Limited organized campaign in accordance with the Standard on Prevention and Solution to Drugs Problems in an Establishment (MorYorSor.) regarding drugs problems and educated employees about drugs and drugs prevention guidelines in an establishment.

May 4 - 6, 2019

Volunteer activity to clean up the community and nearby areas in order for employees to be aware and conscious that they must help cleaning and contributing to the community.



May 15, 2019 Vision and Value at Work Activity

Vision - "To be known as a world leader in manufacturing and distributing acrylic and plastic sheets. We will inspire and create innovation, creating valuable products and good performance. "

Value - "1. Close collaboration, 2. Achieve our highest potential, 3. Creativity and innovation, 4. Be a caring neighbor, 5. Customer insight, 6. Attention to safety, health, and environment."

May 17, 2019

National Tree Day activity to encourage employees to realize the importance of nature, restoring natural resources, and giving away seedlings of big trees. 100 seedlings were obtained from Phutthamonthon Seedlings Nursery Center, which were given to employees to plant at their homes.

June 8, 2019

Employees' Children Education Support Activity

The company is aware of the importance of education and has supported the company's employees' children by providing scholarships. Scholarships were given to students from Elementary 1 level to Vocational Certificate level (vocational certificate). In 2019, 10 children were eligible for the scholarships.

July 10, 2019

No Alcohol for Buddhist Lent Day Campaign Activity: the company together with the employees organized a 3-month No Alcohol for Buddhist Lent Day Campaign Activity from July 17 - October 13, 2019.



July 12, 2019

Light bulb offering activity on Buddhist Lent Day to carry on Buddhist tradition: the company is aware of the importance of Buddhism, therefore, the company's executives and employees offered light bulbs and supplies to Wat Nakhon Chum Chuen during the Buddhist Lent Festival which is an important day, which is a place for worship for people in Krathum Lom community.





July 25, 2019

Aedes Mosquitoes Control Campaign: The company and employees together launched a campaign for Dengue hemorrhagic fever, Zika virus infection, Chikungunya, and Aedes larvae control to prevent 3 severe diseases that rely on mosquitoes as carriers.

August 2019

National Mother's Day Promotion Activity in 2019: the company recognizes the importance of Mother's Day activities, which the company organized a photo contest where employees were invited to submit their family photos for the contest. 40 employees participated in the contest.

September 21, 2019

The Company has conducted contingency plan rehearsal in the case of chemical leakage at the chemical transporting area to the storage.

October 17, 2019

Acrylic Sheets Donation Activity: the company donated 36 clear acrylic sheets to the Krathum Lom Sub-district Health Promotion Hospital. Mr. Pittayaphut Kanto, director of the Krathum Lom Sub-district Health Promotion Hospital, received the acrylic sheets on October 17, 2019.



October 18, 2019

Anti-corruption Activity, Anti-corruption Week, the Private Sector Collective Action Coalition Against Corruption Project: This is an ongoing activity expanding from being certified by the Private Sector Collective Action Coalition Against Corruption Project in 2017.

The activity in 2019 was focused on enhancing knowledge and understanding related to:

1. Anti-Corruption Policy which has been clearly defined, and covers the company's representatives, executives and employees in all departments and at all levels.
2. Channels for filing complaint related to fraudulent/corrupt behaviors including theft, conflict of interest, and bribery.
3. Policy for systematic handling of complaints and investigations of fraudulent/corrupt behavior where all information will be confidential to ensure impartiality, employee protection, and zero impact on work.





October 24, 2019

The company conducted an annual health checkup for employees on October 24, 2019 in order to monitor any potential health problems for the employees.

November and December 2019

"Garage Sales for My School"

Executives and employees were selling their clothes, electrical appliances, and daily necessities and donated all the proceeds from this event as scholarships to Ban Rong Toey Child Development Center, Pho Thong Sub-district, Phone Thong District, Roi Et Province. Mr. Sakhon Prathumchat, a production staff, was the company's representative.



December 17, 2019

Disabled Awards Acceptance: the company has been selected as an outstanding establishment for compliance with employment laws for the disabled. Mr. Thanawat Kulprasertat, the company's representative, accepted the award from Mr. Charnna Iamsaeng, the Governor of Nakhon Pathom Province.



December 18, 2019

Activity for a project promoting and providing knowledge on acrylic sheet processing: A group of 20 teachers and students at Secondary 2 level from Ban Krathum Lom School visited the factory for a tour on acrylic processing and the benefits of acrylic sheets at the Technical Center. Mr. Wittaya Mongkolkhachit, the Technical Center Manager, was in charge of the project.



December 25, 2019

Drunk driving prevention campaign for the New Year to promote awareness amongst employees of safety during the holiday period, and to be careful while driving on the roads, especially when they return to their hometowns.



During on December 2019

The company organized the 2019 Anti-Drugs Sports Event where employees competed in various sports such as football, takraw, table tennis, volleyball, etc.

The objectives of this event are to keep employees away from drugs and create unity amongst the employees. The employees competed in the event, which includes; 89 male footballers, 30 female footballers, 26 takraw players, 61 table tennis players, and 30 female volleyball players.



December 27, 2019

Basic Fire Fighting Training

2019 Basic Fire Fighting Training and Fire Evacuation Drill on December 27, a team of speakers from the First Responder Unit, Bang Krathuea Municipality organized the 2019 fire evacuation drill.

Fire Drill and Training



INTERNAL CONTROL

The Board of Directors and the Management give the importance to internal control. The Company has continuous monitoring and supervision as it realizes that an internal control system is an important mechanism that enables the Company to conduct business and achieve its objectives, reliable financial and operational data reporting, compliance with laws, rules and regulations and prevention or mitigation of risks from actions that may cause loss to the company's properties and reputation. Internal control evaluates performance based on Good Corporate Governance (GCG) and Collective Action Coalition Against Corruption (CAC). The Board of Directors has clearly defined roles and responsibilities and the Directors shall comply with such roles and responsibilities. The Company clearly defines structure of organization, committee and the Management and monitors work lines in order to balance the authority and internal control appropriately, leading to appropriate work.

The Board of Directors appoints the Audit Committee to supervise and manage the internal control system, risk management system, corporate governance and compliance with the Company's policy and anti-corruption measures to ensure its appropriateness and effectiveness. The internal control also requires the Company to comply with related regulations and laws. It ensures that there will be no conflict of interest, relate transaction and use of properties to prevent fraud or misconduct. The Company has established the internal auditor (as present, the internal auditor is Miss Thanjira Kunathipsritrakool) which is an independent auditor directing working under the Audit Committee, to inspect and evaluate sufficiency of internal control systems, risk management system, corporate governance in all departments in the Company. This is to ensure that operations employ sufficient and appropriate with overall performance, and ensure that the internal control systems are fully operated as defined so that immediate solution can be proceeded in a timely manner. (supervise results on above are disclose in Audit Committee report).

RELATED PARTY TRANSACTIONS

The material related party transactions consist of the transactions carried out with Lucite Group, 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:-

1. Transactions with related parties for the year ended 31 December 2019

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	1.43	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	0.45	Contract price and as agreed.	To expand the business in Korea.
Lucite International UK Ltd. (Darwen)	Shareholder is Lucite International UK Overseas Holdco1 Limited	Service expenses	1.08	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	Service expenses	0.11	Contract price and as agreed.	To expand the business in Singapore.
Thai MMA Co.,Ltd.	Shareholder is Mitsubishi Chemical Corporation (MCC)	Purchases of raw materials	350.45	As agreed with reference to market price.	Quality and prevent loss of supply.
Diapolyacrylate Co.,Ltd.	Shareholder is Mitsubishi Chemical Corporation (MCC)	Purchases of raw materials	5.73	As agreed with reference to market price.	Quality and prevent loss of supply.

2. The balances of the accounts between the Company and those related parties as at 31 December 2019 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	0.47	Contract price and as agreed.	To expand the business in China
Lucite International UK Ltd. (Darwen)	Shareholder is Lucite International UK Overseas Holdco1 Limited	Other Payable	0.08	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 (MCC)	Trade accounts payable	96.66	As agreed with reference to market price	Quality and prevent loss of supply.
Diapolyacrylate Co.,Ltd.	Shareholder is Mitsubishi Chemical Corporation (MCC)	Trade accounts payable	2.38	As agreed with reference to market price	Quality and prevent loss of supply

REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS

The Board of Directors is responsible for overseeing the preparation of financial reports and the presentation financial statements and financial information in accordance with the good corporate governance of the company and in accordance with the generally accepted accounting standards. Financial reports must disclose complete and accurate information and financial statements with transparency as shown in the company's annual report by adopting appropriate accounting policies that are regularly implemented with discretion and care, as well as establishing and maintaining an effective internal control to ensure reasonable confidence in the reliability of the financial statements, asset maintenance with good protection system without fraud or unusual business operations, connected transactions which may cause a conflict of interest, actual transactions that are reasonable, normal and for the best interest of the business, including compliance with relevant laws and regulations.

In overseeing the preparation and presentation of the company's financial reports in order to achieve the above objectives, the Board of Directors has appointed independent auditors to audit the company's financial statements, as well as assigned the Audit Committee, consisting of 3 independent directors, to establish a system for auditing financial accounting information.

Every member of the Board of Directors have considered and reviewed the 2019 financial statements, and certifies that the company's financial statements as of December 31, 2019 are accurate and complete with sufficient information, and have been prepared in accordance with generally accepted accounting standards based on the opinion made by the auditor in the auditor's report. In addition, they have also been audited by the internal audit, which is considered that the process of financial statements preparation is in compliance with the above audit process.



(Mr. Benjamin James Harris)
Chairman



(Mr. Rakchai Sakulteera)
Managing Director

REPORT OF THE AUDIT COMMITTEE

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. Jan Dam Pedersen and Mr. Jetsada Wongwatanasin as Committee members. Ms. Thanjira Kunathipsritrakool, Internal Auditor serves as secretary to the Audit Committee.

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 2019, 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 2020:** The Committee endorsed the EY Office Limited as the Company's Auditor for 2020 with the Board's concurrence for presentation and shareholders' approval at the AGM 2020 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 18, 2020

REPORT OF THE 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 2019, 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 2019, 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 2019, amounting to Baht 936 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.

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.

Wtue K.

Wattoo Kayankannavee

Certified Public Accountant (Thailand) No. 5423

EY Office Limited

Bangkok: 19 February 2020

EXPLANATION OF FINANCIAL ANALYSIS AND OPERATING PERFORMANCE

1. Operating results under the Business Operation Plans

Operating results under the Business Operation Plans 2019 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 2019 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 and service 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 2019, the Company had revenue from sales and services of Baht 935.71 million, a decrease of Baht 213.31 million or 18.56% compared to the previous year, mainly due to selling prices competition in the market which resulted in lower sales volume. However, the Company's operating results in 2019 was net profit after tax at Baht 33.05 million (2018 net loss at Baht 39.06 million). The main reason of the improved profitability in 2019 was higher contribution margin as a result of lower production cost.

Trade Receivables

Trade receivables are detailed below. (comparative year 2017 - 2019)

Comparative trade receivables	31-Dec -19		31 -Dec-18		31-Dec-17	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Trade receivables - related parties						
Not due	0	0%	0	0%	0	0%
Overdue not over 3 months	0	0%	0	0%	2,531	1%
Total trade receivables - related parties	0	0%	0	0%	2,531	1%
Trade receivables - non-related parties						
Not due	179,582	78%	233,185	80%	218,893	81%
Overdue						
Not over 3 months	45,686	20%	52,083	18%	41,617	15%
3 - 6 months	0	0%	0	0%	0	0%
6 - 12 months	0	0%	0	0%	0	0%
Over 12 months	5,656	2%	6,140	2%	6,639	2%
Total trade receivables - non-related parties	230,924	100%	291,408	100%	267,149	99%
Total trade receivables	230,924	100%	291,408	100%	269,680	100%
Less: Allowance for doubtful accounts	-6,555	-3%	-6,140	-2%	-6,496	-2%
Total trade receivables - net	224,369	97%	285,268	98%	263,184	98%

Trade receivables as at 31 December 2017, 2018 and 2019 were Baht 263.18 million, Baht 285.27 million and Baht 224.37 million, respectively, comprising both trade receivables - related parties and non-related parties. Trade receivables have credit terms of 30 - 120 days depending on trade conditions of each customer.

The average day receivable from 2017-2019 were 82 days, 88 days and 100 days, respectively. As at 31 December 2017 - 2019, the Company set up allowance for doubtful accounts amounting to Baht 6.50 million, Baht 6.14 million and Baht 6.56 million respectively. In 2019 the outstanding allowance for doubtful accounts was increased Baht 0.41 million, resulting from the accounting estimate for general reserve whereas the long outstanding receivables were partially collected 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 2017-2019, most of the trade receivables were not due and overdue not over 3 months, accounted for 97%, 98% and 98% of total trade receivables before allowance for doubtful accounts, respectively. The trade receivables which were overdue for more than 3 months remain the same proportion at 2% each year.

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

Inventory is detailed below. (comparative year 2017 - 2019)

Comparative inventory	31-Dec -19		31-Dec -18		31-Dec -17	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Finished goods	30,322	28%	36,406	29%	45,056	35%
Raw materials	41,870	39%	39,376	31%	41,593	32%
Spare parts and factory supplies	32,492	30%	35,010	28%	34,684	27%
Goods in transit	2,933	3%	15,318	12%	7,360	6%
Total	107,617	100%	126,110	100%	128,693	100%
Less : Reduce cost to net realisable value	-10,722	-10%	-11,327	-9%	-12,640	-10%
Total	96,895	90%	114,783	91%	116,053	90%

Inventory as at 31 December 2017- 2019 were Baht 116.05 million, Baht 114.78 million and Baht 96.90 million, respectively. The inventory turnover ratio from 2017- 2019 were 23.91 times, 26.94 times and 23.59 times, respectively

The average number-of-day-sales were 15 days, 13 days and 15 days. The slightly increase of inventory lead time in 2019 resulted from stock control policy to maintain safety levels of stock in order to reduce lead time of the customer orders.

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 2017- 2019 were Baht 12.64 million, Baht 11.33 million and Baht 10.72 million, respectively. The decreased allowance in 2019 was due to continuously monitoring the inventory.

Property, Plant and equipment

Details of property, plant and equipment as per following (comparative year 2017 - 2019)

Category of Asset	31-Dec -19		31-Dec -18		31-Dec -17	
	Million Baht	%	Million Baht	%	Million Baht	%
Land	136.33	54%	136.33	51%	136.33	51%
Building and building improvement	41.22	16%	38.21	14%	41.82	16%
Machine and equipment	60.86	24%	68.76	26%	74.77	28%
Furniture, fixture, office equipment and vehicles	3.70	1%	6.82	3%	6.94	3%
Assets under construction and installation	10.36	4%	15.06	6%	9.10	3%
Total	252.47	100%	265.18	100%	268.96	100%

During the year 2019 the Company had acquired additional assets amounting Baht 9.50 million (2018: Baht 16.94 million). The return on fixed assets ratio from 2017-2019 were 26.3%, -6.81% and 20.86%, respectively.

3. Financial Positions

Assets

As at 31st December 2019, the Company had total assets at Baht 751.25 million which was decreased by Baht 138.30 million or 15.5% from the previous year, mainly due to the decrease in cash at bank Baht 35.65 million, inventories Baht 17.89 million and accounts receivable Baht 60.97 million.

Liabilities

As at 31st December 2019, the Company had total liabilities at Baht 242.54 million which was decreased by Baht 113.35 million or 31.9 % from the previous year, mainly due to the decrease in current liabilities at Baht 125.13 million as a result of the decrease in trade payables.

Liquidity

In 2019, the Company had net cash flow generated from operating activities at Baht 33.65 million, increased by Baht 102.81 million from the previous year, mainly from increase of operating profit.

Net cash outflows from investing activities for the year was Baht 13.24 million, an increased cash usage of Baht 3.66 million from the previous year, mainly from improvement of plant and acquisition of machine and equipment.

Net cash outflows from financing activities for the year was Baht 56.07 million, an increased cash usage of Baht 18.78 million from the previous year, mainly due to higher dividend paid in 2019 from operating results in 2018 compared to the previous year, which resulted in the net cash and cash equivalent in 2019 decreased from 2018 by Baht 35.66 million.

The Company recorded an increase in net cash flows generated from operating activities, increase in net cash used in investing and financing activities, which resulted in higher liquidity ratio in year 2019 at 2.41 times compared with the previous year at 1.86 times.

Capital Structure

The Company had ratio of liabilities to shareholders' equity at 0.48 times, decreased from the previous year at 0.67 times, mainly due to lower liabilities as a result of decrease in trade payables.

Based on the financial position and the operating results of the year 2019, the Board of Directors Meeting No 1/2020, on 19 February 2020 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 2020.

4. 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.

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

Thai Poly Acrylic Public Company Limited

As at 31 December 2019

(Unit: Baht)

	<u>Note</u>	<u>2019</u>	<u>2018</u>
Assets			
Current assets			
Cash and cash equivalents	7	162,744,016	198,395,426
Current investment - fixed deposit		1,166,289	-
Trade and other receivables	8	224,821,400	285,787,188
Inventories	9	96,895,430	114,782,979
Other current assets		<u>5,423,009</u>	<u>11,304,004</u>
Total current assets		<u>491,050,144</u>	<u>610,269,597</u>
Non-current assets			
Restricted bank deposits	10	-	1,152,032
Property, plant and equipment	11	252,468,541	265,180,506
Intangible assets - computer software		950,707	747,868
Deferred tax assets	17	6,473,784	11,891,751
Other non-current assets		<u>303,018</u>	<u>303,018</u>
Total non-current assets		<u>260,196,050</u>	<u>279,275,175</u>
Total assets		<u><u>751,246,194</u></u>	<u><u>889,544,772</u></u>

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 2019

		(Unit: Baht)	
	<u>Note</u>	<u>2019</u>	<u>2018</u>
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables	12	200,894,744	321,169,549
Current portion of liabilities under			
finance lease agreements		-	524,832
Income tax payable		1,075,158	-
Other current liabilities		1,673,595	7,075,989
Total current liabilities		<u>203,643,497</u>	<u>328,770,370</u>
Non-current liabilities			
Liabilities under finance lease agreements,			
net of current portion		-	872,763
Provision for long-term employee benefits	13	38,895,259	26,246,395
Total non-current liabilities		<u>38,895,259</u>	<u>27,119,158</u>
Total liabilities		<u>242,538,756</u>	<u>355,889,528</u>
Shareholders' equity			
Share capital			
Registered			
121,500,000 ordinary shares of Baht 1 each		<u>121,500,000</u>	<u>121,500,000</u>
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	15	12,150,000	12,150,000
Unappropriated		141,707,438	166,655,244
Total shareholders' equity		<u>508,707,438</u>	<u>533,655,244</u>
Total liabilities and shareholders' equity		<u>751,246,194</u>	<u>889,544,772</u>

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 2019

Statement of comprehensive income

For the year ended 31 December 2019

(Unit: Baht)

	<u>Note</u>	<u>2019</u>	<u>2018</u>
Profit or loss:			
Revenues			
Sales and services		935,712,897	1,149,021,724
Other income			
Scrap sales		5,802,171	14,050,610
Others		<u>4,305,244</u>	<u>4,392,512</u>
Total revenues		<u>945,820,312</u>	<u>1,167,464,846</u>
Expenses			
Cost of sales and services		786,883,561	1,097,350,426
Selling and distribution expenses		36,906,626	37,811,732
Administrative expenses		<u>80,707,201</u>	<u>81,483,626</u>
Total expenses		<u>904,497,388</u>	<u>1,216,645,784</u>
Profit (loss) before finance cost and income tax benefits (expenses)		41,322,924	(49,180,938)
Finance cost		<u>(71,867)</u>	<u>(69,967)</u>
Profit (loss) before income tax benefits (expenses)		41,251,057	(49,250,905)
Income tax benefits (expenses)	17	<u>(8,200,844)</u>	<u>10,187,795</u>
Profit (loss) for the year		<u>33,050,213</u>	<u>(39,063,110)</u>
Other comprehensive income:			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>			
Actuarial loss - net of income tax		<u>(3,323,019)</u>	<u>(401,694)</u>
Other comprehensive income for the year		<u>(3,323,019)</u>	<u>(401,694)</u>
Total comprehensive income for the year		<u>29,727,194</u>	<u>(39,464,804)</u>
Earnings per share	18		
Basic earnings (loss) per share		<u>0.27</u>	<u>(0.32)</u>

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Thai Poly Acrylic Public Company Limited

For the year ended 31 December 2019

(Unit: Baht)

	Issued and fully paid-up		Retained earnings		Total
	share capital	Share premium	Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2018	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 21)	-	-	-	(36,450,000)	(36,450,000)
Balance as at 31 December 2018	<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>
Balance as at 1 January 2019	121,500,000	233,350,000	12,150,000	166,655,244	533,655,244
Profit for the year	-	-	-	33,050,213	33,050,213
Other comprehensive income for the year	-	-	-	(3,323,019)	(3,323,019)
Total comprehensive income for the year	-	-	-	29,727,194	29,727,194
Dividend paid (Note 21)	-	-	-	(54,675,000)	(54,675,000)
Balance as at 31 December 2019	<u>121,500,000</u>	<u>233,350,000</u>	<u>12,150,000</u>	<u>141,707,438</u>	<u>508,707,438</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 2019

	(Unit: Baht)	
	<u>2019</u>	<u>2018</u>
Cash flows from (used in) operating activities		
Profit (loss) before tax	41,251,057	(49,250,905)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	20,948,144	20,882,931
Allowance for doubtful accounts (reversal)	414,803	(356,125)
Reversal of reduce cost of inventory to net realisable value	(605,159)	(1,313,254)
Gain on sales of machinery and equipment	(187,554)	(1,959)
Loss from write-off of equipment	-	3,121
Provision for long-term employee benefits	11,574,107	5,566,790
Unrealised loss (gain) on foreign exchange	(1,089,544)	1,158,246
Interest income	(762,085)	(1,687,936)
Interest expenses	<u>71,867</u>	<u>69,967</u>
Profit (loss) from operating activities before changes in operating assets and liabilities	71,615,636	(24,929,124)
Operating assets (increase) decrease		
Trade and other receivables	60,746,316	(22,963,710)
Inventories	18,492,708	2,583,569
Other current assets	5,866,738	519,475
Other non-current assets	-	(30,174)
Operating liabilities increase (decrease)		
Trade and other payables	(113,638,199)	(2,331,393)
Other current liabilities	(5,401,868)	(4,889,865)
Cash paid for long-term employee benefits	<u>(3,079,016)</u>	<u>(3,176,852)</u>
Cash flows from (used in) operating activities	34,602,315	(55,218,074)
Cash paid for interest expenses	(71,867)	(69,967)
Cash paid for income tax	<u>(876,964)</u>	<u>(13,866,804)</u>
Net cash flows from (used in) operating activities	<u>33,653,484</u>	<u>(69,154,845)</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 2019

	(Unit: Baht)	
	<u>2019</u>	<u>2018</u>
Cash flows from (used in) investing activities		
Improvements of plant and acquisition of machinery and equipment	(15,251,384)	(10,775,320)
Acquisitions of computer software	(554,400)	(515,300)
Cash received from sales of machinery and equipment	1,800,800	1,962
Cash received from interest	<u>762,837</u>	<u>1,711,151</u>
Net cash flows used in investing activities	<u>(13,242,147)</u>	<u>(9,577,507)</u>
Cash flows from (used in) financing activities		
Payment of liabilities under finance lease agreements	(1,397,595)	(840,875)
Dividend paid	<u>(54,675,000)</u>	<u>(36,450,000)</u>
Net cash flows used in financing activities	<u>(56,072,595)</u>	<u>(37,290,875)</u>
Net decrease in cash and cash equivalents	(35,661,258)	(116,023,227)
Unrealised exchange gain (loss) for cash and cash equivalents	9,848	(107,599)
Cash and cash equivalents at beginning of year	<u>198,395,426</u>	<u>314,526,252</u>
Cash and cash equivalents at end of year	<u><u>162,744,016</u></u>	<u><u>198,395,426</u></u>
Supplemental cash flow information		
Non-cash transactions:		
Increase (decrease) in accounts payable from purchases		
of machinery and equipment	(5,753,520)	6,162,728

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 2019

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, Krathumloin, Sampran, Nakornpathom (its branch office is located at 134/5 Krung Thonburi Road, Klong Tonsai, Klong Sarn, Bangkok).

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 have adopted the revised (revised 2018) and new financial reporting standards and interpretations 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 adoption of these financial reporting standards does not have any significant impact on the Company's financial statements. However, the new standard involves changes to key principles, which are 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 recognised 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.

This standard 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 2020

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. 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 except the following new standards which involve changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments 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
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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 believes that adoption of these standards will not have any significant impact on the financial statements.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The Company plans to adopt TFRS 16 using the modified retrospective method of adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The management of the Company expects the effect of the adoption of this accounting standard to the statement of financial position as at 1 January 2020 to be to increase the Company's assets by approximately Baht 3 million and the Company's liabilities by approximately Baht 3 million.

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

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

Rendering of services

Service revenue is recognised at a point in time upon completion of the service.

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, chemicals, 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 are computer software with finite useful lives of approximately 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.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Company recognises restructuring-related costs.

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.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

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:

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

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.

	<u>2019</u>	<u>2018</u>	(Unit: Million Baht)
			<u>Transfer pricing policies</u>
<u>Transactions with related parties</u>			
Purchases of raw materials	356	606	As agreed with reference to market price
Service expenses	3	5	Contract price and as agreed

The balances of the accounts between the Company and those related parties as at 31 December 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</u>
	(Unit: Thousand Baht)	
<u>Trade and other payables - related parties (Note 12)</u>		
Fellow subsidiaries:		
Shanghai Delight Trading Company Limited	469	1,387
Lucite Korea	-	1,091
Lucite (Darwen) UK	83	121
Lucite International Singapore Pte Ltd	5	5
Subsidiaries of ultimate parent:		
Thai MMA Company Limited	96,662	197,976
Diapolyacrylate Company Limited	2,382	6,412
Total trade and other payables - related parties	<u>99,601</u>	<u>206,992</u>

Directors and management's benefits

During the years ended 31 December 2019 and 2018, the Company had employee benefit expenses payable to its directors and management as below.

	<u>2019</u>	<u>2018</u>
	(Unit: Thousand Baht)	
Short-term employee benefits	19,652	23,829
Post-employment benefits	3,737	1,812
Total	<u>23,389</u>	<u>25,641</u>

7. Cash and cash equivalents

	(Unit: Thousand Baht)	
	<u>2019</u>	<u>2018</u>
Cash	50	50
Bank deposits	162,694	118,345
Bank of Thailand bond	-	80,000
Total	<u>162,744</u>	<u>198,395</u>

As at 31 December 2019, bank deposits in saving accounts and Bank of Thailand Bond carried interests between 0.15 and 1.00 percent per annum (2018: between 0.15 and 1.40 percent per annum).

8. Trade and other receivables

	(Unit: Thousand Baht)	
	<u>2019</u>	<u>2018</u>
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	179,582	233,185
Past due		
Up to 3 months	45,686	52,083
Over 12 months	5,656	6,140
Total	<u>230,924</u>	<u>291,408</u>
Less: Allowance for doubtful debts	<u>(6,555)</u>	<u>(6,140)</u>
Total trade receivables - unrelated parties, net	<u>224,369</u>	<u>285,268</u>
<u>Other receivables</u>		
Loans to employees	428	387
Others	24	132
Total other receivables	<u>452</u>	<u>519</u>
Total trade and other receivables - net	<u>224,821</u>	<u>285,787</u>

9. Inventories

(Unit: Thousand Baht)

	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Finished goods	30,322	36,406	(2,896)	(2,654)	27,426	33,752
Raw materials	41,870	39,376	(4,326)	(4,246)	37,544	35,130
Spare parts and factory supplies	32,492	35,010	(3,500)	(4,427)	28,992	30,583
Goods in transit	2,933	15,318	-	-	2,933	15,318
Total	<u>107,617</u>	<u>126,110</u>	<u>(10,722)</u>	<u>(11,327)</u>	<u>96,895</u>	<u>114,783</u>

During the current year, the Company reversed the write-down of cost of inventories by Baht 1 million (2018: Baht 1 million), and reduced the amount of inventories recognised as expenses during the year.

10. Restricted bank deposits

These represent fixed deposits pledged with the banks to secure credit facilities.

11. 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)							
Cost							
1 January 2018	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
Additions	-	95	1,321	1,026	-	7,056	9,498
Disposals	-	(719)	(2,783)	(2,830)	(3,499)	-	(9,781)
Transfer in (out)	-	8,402	3,294	65	-	(11,761)	-
31 December 2019	136,331	192,847	473,145	20,254	10,133	10,359	843,049
Accumulated depreciation							
1 January 2018	-	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
Depreciation for the year	-	5,480	12,360	1,821	935	-	20,596
Depreciation on disposals	-	(718)	(2,633)	(2,810)	(2,006)	-	(8,167)
31 December 2019	-	151,604	412,285	16,931	9,760	-	590,580
Net book value							
31 December 2018	136,331	38,207	68,755	4,073	2,751	15,064	265,181
31 December 2019	136,331	41,223	60,860	3,323	373	10,359	252,469
Depreciation for the year							
2018 (Baht 17 million included in manufacturing cost, and the balance in selling and distribution and administrative expenses)							20,710
2019 (Baht 17 million included in manufacturing cost, and the balance in selling and distribution and administrative expenses)							20,596

As at 31 December 2019, the Company has motor vehicles with net book value of Baht 0.4 million (2018: Baht 3 million) which were acquired under finance lease agreements.

As at 31 December 2019, 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 433 million (2018: Baht 428 million).

12. Trade and other payables

	(Unit: Thousand Baht)	
	<u>2019</u>	<u>2018</u>
Trade payables - related parties	99,044	204,388
Trade payables - unrelated parties	68,857	74,278
Other payables - related parties	557	2,604
Other payables - unrelated parties	9,000	12,986
Accrued expenses	23,437	26,914
Total trade and other payables	<u>200,895</u>	<u>321,170</u>

13. 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)		
	2019		
	Severance payment plan	Long service awards	Total
Provision for long-term employee benefits			
at beginning of year	25,513	733	26,246
Included in profit or loss:			
Current service cost	3,936	408	4,344
Interest cost	792	24	816
Past service cost	6,414	-	6,414
Included in other comprehensive income:			
Actuarial loss arising from			
- Financial assumptions changes	4,154	-	4,154
Benefits paid during the year	(2,991)	(88)	(3,079)
Provision for long-term employee benefits			
at end of year	<u>37,818</u>	<u>1,077</u>	<u>38,895</u>

(Unit: Thousand Baht)

	2018		
	Severance payment plan	Long service awards	Total
Provision for long-term employee benefits			
at beginning of year	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)
Provision for long-term employee benefits			
at end of year	25,513	733	26,246

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law was effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Company has additional long-term employee benefit liabilities of Baht 6.4 million as a result. The Company reflects the effect of the change by recognising past service costs as expenses in the income statement of the current year.

The Company expects to pay Baht 3.4 million of long-term employee benefits within next year (2018: Baht 2.4 million).

As at 31 December 2019, the weighted average duration of the liabilities for long-term employee benefit is 9 years (2018: 9 years).

Significant actuarial assumptions are summarised below:

	<u>2019</u>	<u>2018</u>
Discount rate	1.3%	2.7%
Salary increase rate	4.0%	4.0%
Turnover rate	0% - 27.0%	0% - 27.0%

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2019 and 2018 are summarised below:

(Unit: Million Baht)

	2019			
	Severance payment plan		Long service awards	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(3.2)	3.6	(0.1)	0.1
Salary increase rate	4.0	(3.5)	-	-
Turnover rate	(3.4)	2.3	(0.1)	0.1

(Unit: Million Baht)

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

14. Undrawn credit facilities

As at 31 December 2019, undrawn credit facilities of the Company granted by financial institutions amounted to approximately Baht 325 million (2018: Baht 318 million).

15. 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.

16. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)	
	<u>2019</u>	<u>2018</u>
Raw materials and consumables used	607,247	934,572
Salaries, wages and other employee benefits	134,116	126,434
Fuel and utility expenses	55,367	52,949
Transportation expenses	23,226	21,931
Depreciation and amortisation	20,948	20,883
Repair and maintenance expenditure	14,102	10,490
Changes in finished goods	6,085	8,650

17. Income tax

Income tax for the years ended 31 December 2019 and 2018 are made up as follows:

	(Unit: Thousand Baht)	
	<u>2019</u>	<u>2018</u>
Current income tax		
Current income tax charge	1,952	-
Deferred tax		
Relating to origination and reversal of temporary differences	<u>6,249</u>	<u>(10,188)</u>
Income tax expenses (benefits) reported in profit or loss	<u>8,201</u>	<u>(10,188)</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2019 and 2018 are as follows:

	(Unit: Thousand Baht)	
	<u>2019</u>	<u>2018</u>
Deferred tax relating to actuarial losses	<u>(831)</u>	<u>(100)</u>

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

	(Unit: Thousand Baht)	
	<u>2019</u>	<u>2018</u>
Accounting profit (loss) before tax	<u>41,251</u>	<u>(49,251)</u>
Applicable tax rate	20 percent	20 percent
Accounting profit (loss) before tax multiplied by income tax rate	8,250	(9,850)
Effects of:		
Non-deductible expenses	147	26
Additional expense deductions allowed	<u>(191)</u>	<u>(364)</u>
Income tax expenses (benefits) reported in profit or loss	<u>8,201</u>	<u>(10,188)</u>

The components of deferred tax assets and deferred tax liabilities as at 31 December 2019 and 2018 are as follows:

	(Unit: Thousand Baht)	
	<u>2019</u>	<u>2018</u>
Deferred tax assets		
Provision for long-term employee benefits	7,779	5,249
Reduction of inventory cost to net realisable value	2,144	2,265
Allowance for doubtful accounts	1,311	1,228
Provision for expenses	980	470
Unused tax loss	-	9,363
Others	-	22
Total	<u>12,214</u>	<u>18,597</u>
Deferred tax liabilities		
Difference depreciation for accounting and tax purpose	(5,740)	(6,701)
Others	-	(4)
Total	<u>(5,740)</u>	<u>(6,705)</u>
Deferred tax assets - net	<u>6,474</u>	<u>11,892</u>

18. 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.

19. 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 engaged principally 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 profit (loss) and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment.

Geographic information

Sales and service income are based on locations of the customers for the years ended 31 December 2019 and 2018 are as follows:

	(Unit: Million Baht)	
	<u>2019</u>	<u>2018</u>
Thailand	567	671
Overseas	369	478
Total	<u>936</u>	<u>1,149</u>

Major customers

For the year 2019 and 2018, the Company has no major customer with revenue of 10 percent or more of an entity's revenues.

20. 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 2019 amounting to approximately Baht 4 million (2018: Baht 4 million) were recognised as expenses.

21. Dividends

<u>Dividends</u>	<u>Approved by</u>	<u>Total dividends</u> (Million Baht)	<u>Dividend per share</u> (Baht per share)
Final dividend for 2017	Annual General Meeting of the shareholders on 27 April 2018	36.5	0.30
Final dividend for 2018	Annual General Meeting of the shareholders on 24 April 2019	54.7	0.45

22. Commitments and contingent liabilities

22.1 Capital commitments

As at 31 December 2019, the Company had capital commitments relating to the acquisitions of building improvements, machinery and equipment totaling Baht 3 million (2018: Nil).

22.2 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>2019</u>	<u>2018</u>
Payable:		
In up to 1 year	2	2
In over 1 and up to 3 years	2	1

22.3 Guarantees

As at 31 December 2019, there were outstanding bank guarantees of approximately Baht 7 million (2018: 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.

23. Financial instruments

23.1 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 2019 and 2018, 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)

2019

	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
	Within					
	1 year	1 - 5 years				
Financial assets						
Cash and cash equivalents	-	-	163	-	163	0.15 - 1.00
Current investment	1	-	-	-	1	1.25
Trade and other receivables	-	-	-	226	226	-
	<u>1</u>	<u>-</u>	<u>163</u>	<u>226</u>	<u>390</u>	
Financial liabilities						
Trade and other payables	-	-	-	201	201	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>201</u>	<u>201</u>	

(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				
Financial assets						
Cash and cash equivalents	80	-	118	-	198	0.15 - 1.40
Trade and other receivables	-	-	-	286	286	-
Restricted bank deposits	1	-	-	-	1	1.25
	<u>81</u>	<u>-</u>	<u>118</u>	<u>286</u>	<u>485</u>	
Financial liabilities						
Trade and other payables	-	-	-	321	321	-
Liabilities under finance lease agreements	1	1	-	-	2	0.32 - 0.66
	<u>1</u>	<u>1</u>	<u>-</u>	<u>321</u>	<u>323</u>	

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 2019 and 2018, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	2019	2018	2019	2018	2019	2018
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	2.5	3.4	1.0	1.0	30.1084	32.4498
Australian dollar	1.0	1.2	-	0.1	21.0131	22.8411
Japanese yen	-	-	13.2	12.9	0.2754	0.2931
Euro	-	-	-	0.1	33.6780	37.1252

The outstanding forward exchange contracts of the Company are summarised below.

31 December 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

As at 31 December 2019, the Company has no outstanding balances of forward exchange contract.

23.2 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.

24. 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 2019, the Company's debt-to-equity ratio was 0.48:1 (2018: 0.67:1).

25. Event after the reporting period

On 19 February 2020, 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 2020 Annual General Meeting of the Company's shareholders for approval.

26. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 19 February 2020.

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