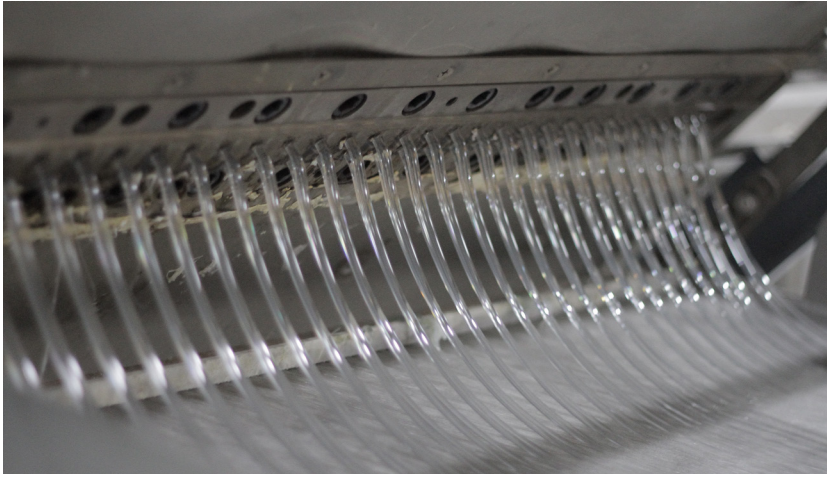


ANNUAL REPORT 2019-2020





NEW FACTORY AT PT. POLYPLEX FILMS INDONESIA

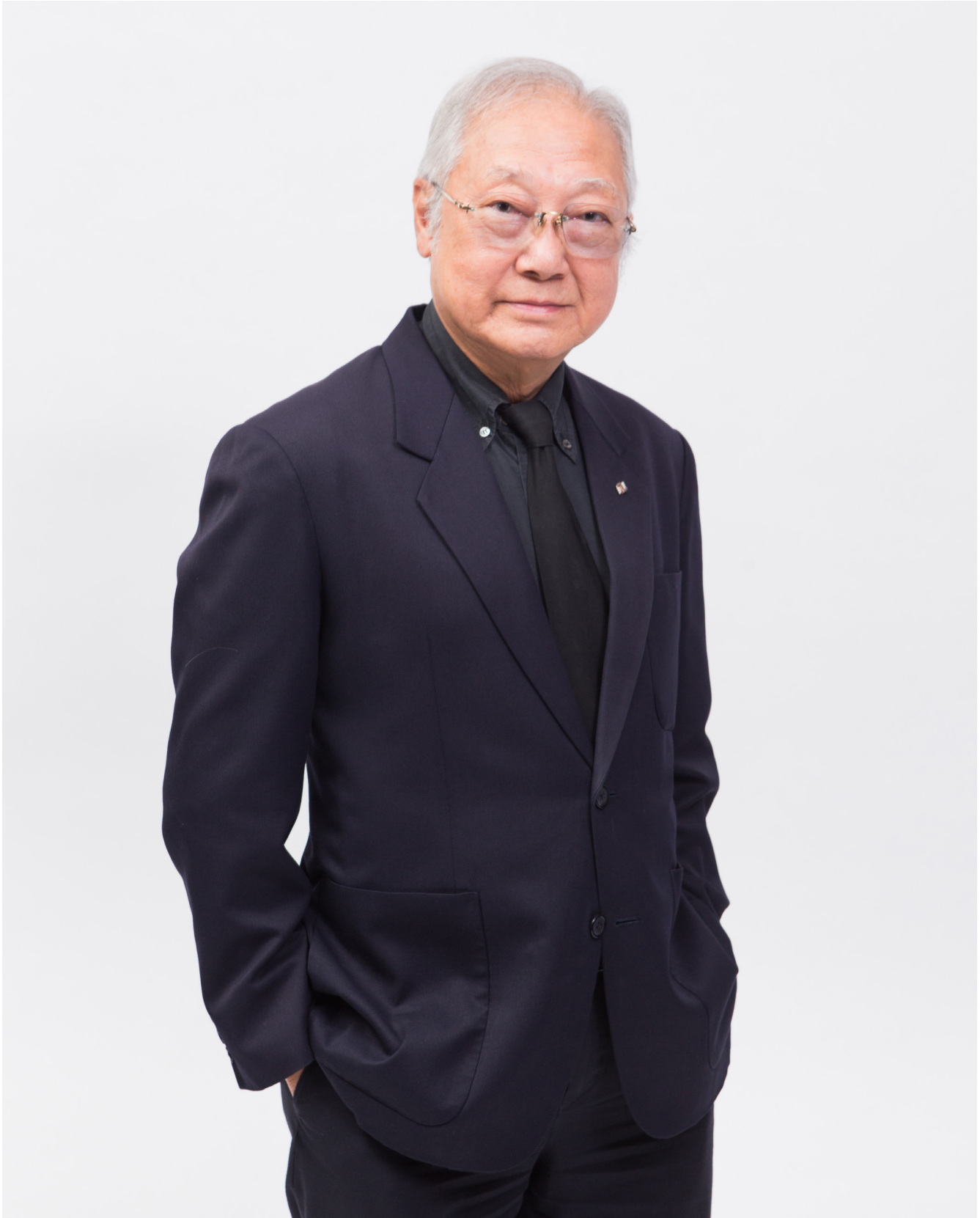
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Investors can study the additional information of the company from the Annual Registration Statement Form 56-1 as shown in SEC website www.sec.or.th or the Company website www.polyplexthailand.com.

Message from Chairman

Mr. Manu Leopaiprote
Chairman – Board and Audit Committee



Dear Valued Shareholders,

Stable earnings during the year under review reflect the impact of your Company's long-standing strategy of geographical and product diversification, portfolio expansion—especially on the value added and specialty side as well as on-going initiatives on operational effectiveness.

Sales at 14.1 Billion THB declined marginally by 5% despite a 12% increase in volume. Fall in raw material costs induced a fall in selling prices. Net profits at 1.80 Billion THB after adjusting for the foreign exchange losses as well as impairment reversal gain reflects a minor decline of 4% from the previous year.

The successful commissioning and a quick ramp up of the Indonesia PET film greenfield project is a major milestone and will favorably impact earnings for future. Several ongoing smaller investments aimed at increasing our competitive edge with increasing share of specialty products and productivity enhancement together with the BOPP line under implementation adjacent to the PET film line in Indonesia, would provide further stimulus to our operations in the next 1-3 years, help diversify the product offering while at the same time mitigating challenges posed by concerns surrounding sustainability on our core business of PET films.

The robustness of our industry and Company's superior positioning is evident from the lack of any adverse impact of the Covid-19 global pandemic. Operations across all of the Company's locations have remained unaffected and continue to operate at optimum levels. On the demand side, the flexible packaging segment – which is the Company's principle business has seen a surge of demand while the industrial end use segment has seen a decline the extent of which depends on the application. Both would normalize over the medium term. Some of the longer-term implications including de-globalization and preference for shorter supply chains, acceleration of loose to packaged sales of a range of products, importance of hygiene, higher home consumption etc. will be broadly positive for the industry and the Company, in particular.

PTL has been developing environmentally friendly and sustainable solutions, as an endeavor to contribute continuously and effectively towards global initiatives around sustainability and a circular economy. As a key initiative, it has committed further investment in Ecoblue which converts post-industrial and post-consumer PET and Polyolefin waste into resin which finds use in various packaging and industrial segments. Your Company has also developed and commercialized films having up to 90% PCR content. Our R&D efforts remain directed towards developing solutions which conform to our commitment to reducing the impact of plastic waste on the environment.

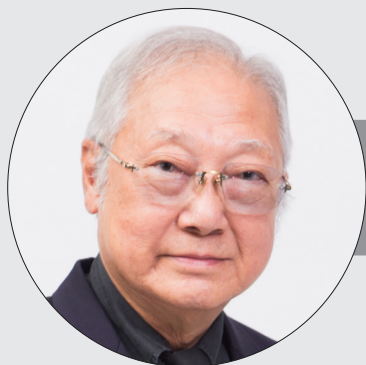
Your Company's financial profile remains conservative with a leverage ratio of 0.11 at the end of the current financial year.

Keeping in mind the cash requirement for the growth capital commitments, the Board has proposed a final dividend of 0.29 THB per share subject to approval of the shareholders. Taken together with the interim dividend of 0.36 THB per share, the total payout for the year is 0.65 THB per share, which is roughly 31% of the adjusted net profit of the company.

Improving industry margins have attracted more investments globally which will come onstream over the next two years with potential implications on demand supply balance. Our geographically diversified presence, an extensive product offering, integrated operations and a wide spread of customers should help deliver better performance as compared to competition.

On behalf of the Board, I would like to thank all the shareholders, business partners and the employees of the Company for their unwavering support and efforts without which we would not have been able to weather the ups and downs of business. We look forward to the continued support and faith in the future as well.

Board of Directors



Mr. Manu Leopairote
Chairman
Board and Audit Committee



Mr. Shiraz Erach Poonevala
Director and Member
Audit Committee



Mr. Amit Prakash
Managing Director



Mr. Ranjit Singh
Director

Dr. Virabongsa Ramangkura
Director and Member
Audit Committee



Mr. Sanjiv Saraf
Vice-Chairman



Mr. Praphad Phodhivorakhun
Director



Mrs. Sakhi Saraf
Director



Audit Committee Report 2019-20

To the Shareholders of Polyplex (Thailand) Public Co., Ltd.

Following the company's transformation into a public limited company on August 11, 2004, the shareholders' meeting held on September 2, 2004 decided to constitute an Audit Committee comprising of three independent directors with knowledge, expertise and experience in finance & accounting, industry and business. The appointees were Mr. Manu Leopairote (Chairman of the Audit Committee), Dr. Virabongsa Ramangkura and Mr. Shiraz Erach Poonevala.

The Audit Committee performed duties under the delegation of authority set out by the Board of Directors. Among the Audit Committee's responsibilities are to review the quarterly / annual financial results of the company, supervise whether the company was in compliance with the rules and regulations of the Stock Exchange of Thailand (SET) and Securities Exchange Commission (SEC), ensure the transparency of the accounting system, review of internal control systems and promote good corporate governance practices.

In the financial year ended March 31, 2020, a total of five Audit Committee meetings were held.

1. Reviewed and approved the quarterly and yearly financial statements of the company and its subsidiaries to ensure compliance with the generally accepted accounting standards and disclosure of key information before proposing them for the Board's approval as also prior to submission to SEC and SET. After due consideration and discussion, it is the opinion of the Committee that the above mentioned financial statements are presented fairly in accordance with generally accepted accounting principles and sufficiently disclosed.
2. Reviewed the disclosure of information on transactions between the company and its affiliates or any transactions, which may have been perceived as potentially causing conflicts of interest.
3. Reviewed and monitored the corporate compliance and internal control systems as also risk mitigation measures. The Committee believes that overall the company's internal control systems are adequate.
4. Reviewed the proposal for dividend for FY 2018-19 and recommended to the Board of Directors for their consideration and approval.
5. Reviewed and approved the Annual budget for financial year 2019-20 for the Company and its subsidiaries and recommended to the Board for their consideration and approval
6. Reviewed and approved the proposal to invest in Brownfield BOPP film line project in Indonesia and recommended to the Board for their consideration and approval
7. Considered and recommended to the Board of Directors to appoint Mr. Chayapol Suppasdtanon (CPA No. 3972) and/or Ms. Pimjai Manitkajohnkit (CPA No. 4521) and/or Ms. Sumana Punpongsanon (CPA No. 5872) and/or Ms. Rosaporn Decharkom (CPA No. 5659) and/or Ms. Rungrapa Lertsuwankul (CPA No. 3516) and/or Mr. Sophon Permsirivallop (CPA No. 3182) of EY Office Limited as the Company's auditors for the accounting period ending 31 March 2020 with the remuneration of up to Baht 3,665,000.

Mr. Manu Leopairote



Board Chairman and
Audit Committee Chairman

Dr. Virabongsa Ramangkura



Audit Committee Member

Mr. Shiraz Erach Poonevala



Audit Committee Member

The Board of Directors' Report on its Responsibility to Financial Statements

To the Shareholders of Polyplex (Thailand) Public Company Limited

In recognition of its duties and responsibilities and in compliance with good corporate governance principles, the Board of Directors has ensured that the financial statements and financial information appearing in the annual report are accurate, complete and adequate. All material information has been sufficiently disclosed in the Notes to financial statements. The financial statements are in compliance with the generally accepted accounting practices in Thailand and follow accounting standards and practices that are appropriate to the nature of business. To ensure reasonable confidence in using these financial statements, the Board has instituted and maintained internal control systems, subject to periodic review by the Audit committee and reported to the Board.

The company auditor has applied generally accepted auditing standards in auditing the company's financial statements for 2019-20 and is of the view that these financial statements present fairly, in all respects, the financial standing, results of the operations and cash flows for the company, in accordance with generally accepted accounting principles.

Mr. Manu Leopairote



Chairman

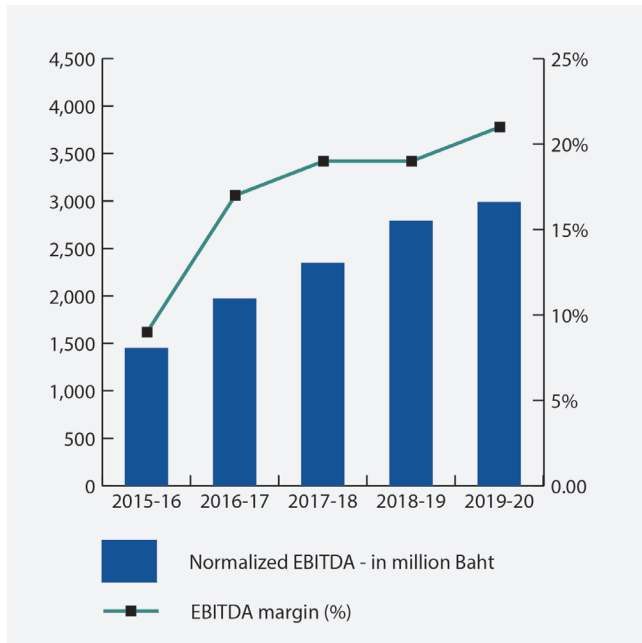
Mr. Sanjiv Saraf



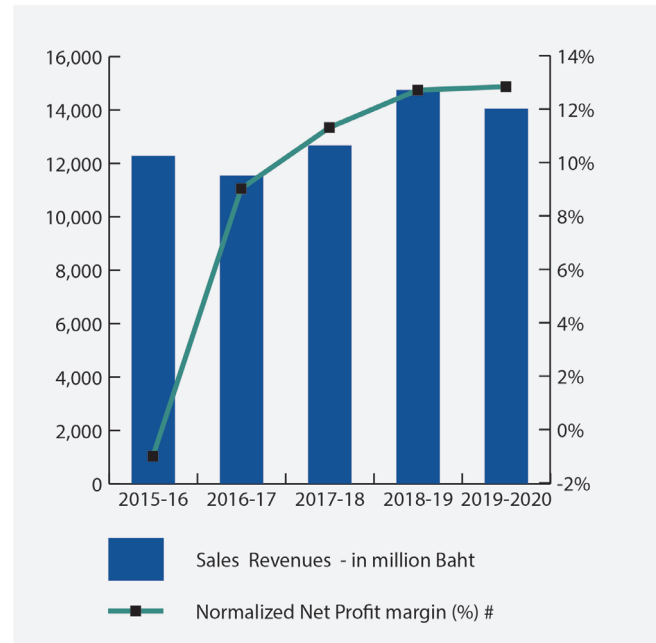
Managing Director

Key Financial Indicators

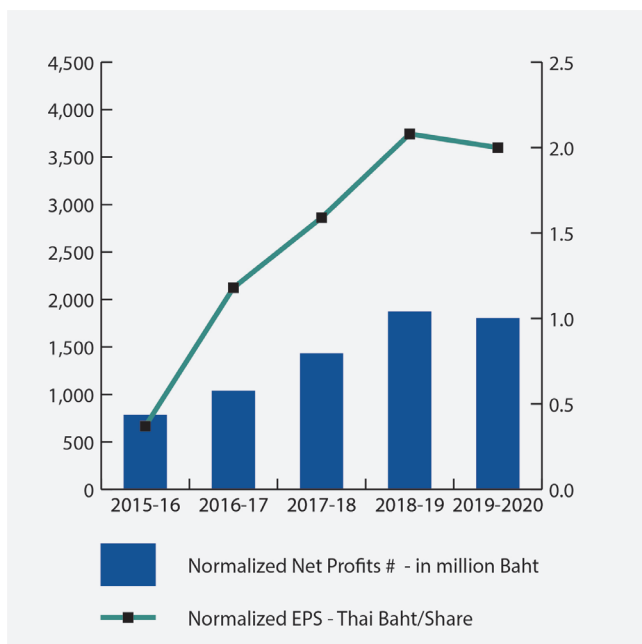
Normalized EBITDA



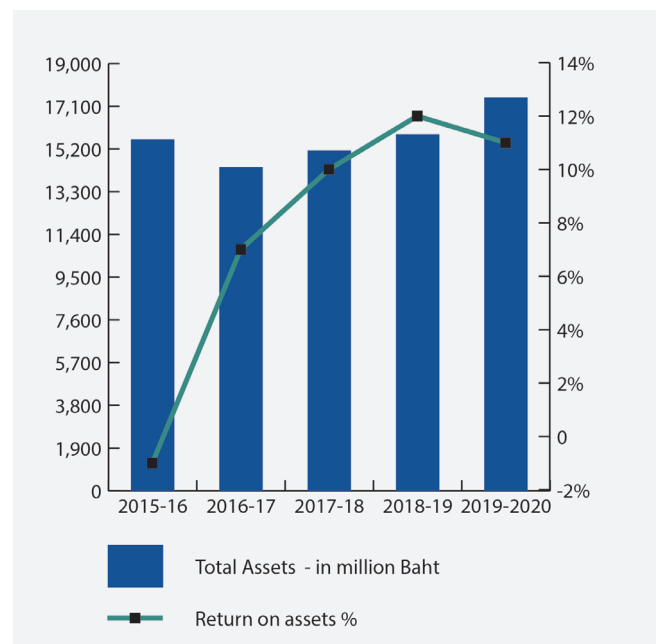
Sales Revenues



Normalized Net Profits



Total Assets



Note: # Normalized for FX fluctuations and any one-time exceptional items

Financial Highlights

Progression (Thousand Baht)	2017-18	2018-19	2019-20
Net Sales	12,672,954	14,746,184	14,050,846
Total Revenues	12,727,456	15,264,047	14,124,697
Gross Profit	2,653,062	3,203,093	3,281,561
Net Profit (Loss)*	1,433,943	1,874,100	1,803,926
Total Assets	15,136,495	15,850,712	17,490,087
Total Liabilities	4,597,223	4,240,523	4,568,369
Shareholder's equity	10,539,272	11,610,189	12,921,718
Financial Ratios*			
Net Profit Margin (%)	11.31%	12.71%	12.84%
Return on Equity (%)	14.19%	16.97%	15.85%
Return on Assets (%)	9.71%	12.10%	10.82%
Per Share Data (Baht)			
No. of shares	900,000,000	900,000,000	900,000,000
Dividend per share (Baht)	0.55	0.64	0.65#
Earnings per share*	1.59	2.08	2.00
Par value	1	1	1

Note:

Above figures and ratios are on consolidated basis, including the Company's subsidiaries in USA, Turkey, Indonesia, Singapore, Netherlands, China and Thailand

* Normalized for FX fluctuations and Impairment Reversal gains.

#As proposed by the Board of Directors for consideration and approval in the 2020 Annual General meeting of the Shareholders



General information

The Company	Polyplex (Thailand) Public Company Limited
Stock Exchange of Thailand symbol	PTL
Registered Head office	75/26, Ocean Tower II, 18th Floor, Sukhumvit Soi 19, Kwaeng North Klongtoey, Khet Wattana, Bangkok 10110
Telephone	(662) 665-2706-8
Facsimile	(662) 665 2705
Factory 1	Siam Eastern Industrial Park, 60/24, Moo 3, Tambol Marbyangporn, Amphur Pluak Daeng, Rayong 21140
Factory 2	Siam Eastern Industrial Park, 60/91 Moo 3, Tambol Marbyangporn, Amphur Pluakdaeng , Rayong 21140
Factory 3	Siam Eastern Industrial Park, 60/109,Moo 3, Tambol Marbyangporn, Amphur Pluakdaeng, Rayong 21140
Type of Business	Manufacturer of Polyester Thin Film (Plain and Metallized), Polyester Chips, Polyester Thick Film (Plain), Extrusion Coated film, Cast Polypropylene Film (Plain and Metallized), Silicone Coated Film and Blown PP Film
Company registration number	0107547000729
Telephone	(66) 38 627 074-99
Facsimile	(66) 38 627 070
Website	http://www.polyplexthailand.com
Registered Capital	Baht 900,000,000
Common Shares	900,000,000 shares
Par Value	Baht 1.00 per share
Paid-up Capital	Baht 900,000,000
Number of Employees	1,398 including subsidiaries in Turkey, USA and Indonesia, and 713 in Thailand

Subsidiaries in which the company holds more than 10% share - As at 31st March, 2020

Company Name and Address	Business Type	Registered Capital (shares)	Issued & Paid Up - No. of shares held by the Company	% Share-holding	Type of Shares
Polyplex (Singapore) Pte Ltd. 61, Club Street, Singapore - 069436	Investment Holding Company	100,000 300,000	100,000 39,100	100% 100%	Common Preference
Polyplex Europa Polyester Film* Sanayi Ve Ticaret A.S. Karamahmet Mah. Avrupa Serbest Bolgesi, 3 Sokak No. 4 Ergene, Tekirdag, TURKEY	Manufacturing Company	1,500,000	1,500,000	100%	Common
Polyplex Trading (Shenzhen) Co. Ltd* Room.1309, A block, Galaxy Century Building, Caitian South Rd., Futian District, Shenzhen, People's Republic of China	Trading & Distribution Company##	\$400,000**	\$400,000**	100%	Common
Polyplex (America) Holdings Inc. 251 Little Falls Drive, Wilmington, DE 19808	Investment and Trading & Distribution Company	10,000	9,324	100%	Common
Polyplex USA LLC*** 641 South Lawrence Street, Montgomery, AL 36004	Manufacturing Company	****	\$46,616,500	100%	Common
EcoBlue Limited 60/91, Moo 3 Siam Eastern Industrial Park, Marbyangporn Sub-district, Pluak Daeng District, Rayong, THAILAND	Manufacturing Company	1,065,000	708,225	66.5%	Common
Polyplex Paketleme Çözümleri Sanayi ve Ticaret A.Ş# Muhittin Mahallesi, Çetin Emeç Bulvarı, Acun Sokak, Cemil Bayram Apt., No: 7/1 Çorlu/Tekirdağ, Turkey	Trading & Distribution Company	20,000	20,000	100%	Common
Polyplex Europe B.V. Zuidplein 126WTC, Toren H, 1077 XV Amsterdam NETHERLANDS	Trading & Distribution Company	30,000	2,000	100%	Common
PT. Polyplex Films Indonesia Jl. Modern Industri XVIII Blok AN No. 7, Nambo Udik, Cikande, Serang Regency, Banten, Indonesia - 42186)	Manufacturing Company	54,000	33,749	99.997%	Common

* Indirect holding via PSPL

\$ 400,000 refers to the registered & paid up Share capital of Polyplex Trading (Shenzhen) Co. Ltd. There is no concept of number of shares or par value per share in People's Republic of China. * Indirect Holding via Polyplex America Holdings Inc.

****There are no shares of Polyplex USA LLC. Capital contribution from PAH is termed as Members Unit and it is 100% by PAH.

Indirect holding via Polyplex Europa Polyester Film Sanayi Ve Ticaret Anonim Sirketi

The Company has been liquidated in June 2020

Other References

Registrar

Name	Thailand Securities Depository Co., Ltd.
Address	93 Ratchadaphisek Road, Dindaeng, Bangkok 10400, Thailand
Telephone	(662) 264-9090
Facsimile	(662) 664-0789-90

Trustee

N/A

Auditing Firm

Name	EY Office Limited
Address	33rd Floor, Lake Rajada Office Complex, 193/136-137 Rajadapisek road Near Queen Sirikit National Convention Centre, Bangkok 10110, Thailand
Telephone	(662) 264-0777
Facsimile	(662) 661-9190
Auditors*	Mr. Chayapol Suppasertanon (CPA No. 3972) and/or Ms. Pimjai Manitkajohnkit (CPA No. 4521) and/or Ms. Sumana Punpongsanon (CPA No. 5872) and /or Ms. Rosaporn Decharkom (CPA No. 5659) and/or Ms. Rungrapa Lertsuwankul (CPA No. 3516) and/or Mr. Sophon Permsirivallop (CPA No. 3182)
* Auditors of the company for the FY 2019-20	

Legal Advisors

Name	Linklaters (Thailand) Ltd
Address	20th Floor, Capital Tower, All Seasons Place, 87/1 Wireless Road Bangkok 10330, Thailand
Telephone	(662) 305 8000
Facsimile	(662) 305 8010
Contact person	Mr. Pichitpon Eammongkolchai

Name	Baker & McKenzie Ltd.
Address	990 Abdulrahim Place, 5th floor and 22nd -25th Floors, Rama IV Road, Silom, Bangrak, Bangkok 10500, Thailand
Telephone	(662) 636-2000
Facsimile	(662) 636-2110
Contact person	Mr. Theppachol Kosol

Advisor or manager under management contract

N/A

Policy and Overview of Business Operation

Vision, Mission, Objective and Strategy of PTL

Vision	Mission
Continuously grow and create value in all businesses and establish global leadership in the plastic film business.	Create value for stakeholders (Investors, Customers, Employees, Community) through delivering profitable value to customers and maximizing their satisfaction.

Our core values inspire our internal and external interactions.

Seamlessness	We leverage synergies across hierarchies, functions and locations.
Care	We value our people and are committed to their development. We take a long-term approach to all our relationships.
Ownership & Responsibility	We honor our commitments towards internal and external stakeholders.
Excellence	We stretch ourselves continuously to improve the way we work. We constantly pursue newer and better ideas, processes, products and practices.

Company Background and Key Developments

On 26th March 2002 Polyplex Corporation Limited (PCL), a company based in India and listed on the Bombay Stock Exchange and the National Stock Exchange incorporated Polyplex (Thailand) Plc. (“PTL” or “the Company”) as a private company to manufacture and distribute PET Film. The Company’s journey and key developments are outlined as follows:

2002

PTL incorporation

2003

Thin PET film line 1 start-up–Thailand 

Thin PET film line 2 start-up–Thailand 

2004

PTL registered as a Public company

PET Resin Batch plant start-up–Thailand 

IPO 240,000,000 shares at Baht 6.90 per share

2005

PET Resin Continuous plant start-up–Thailand 

Metallizer Line 1 start-up–Thailand 

Thin Pet film line start-up–Turkey (100% subsidiary company Polyplex Europa Polyester Film San ve Ticaret. A.Ş.) 

2006

Acquisition of 80.24% in a Trading Distribution company in USA and renamed it Polyplex (Americas) Inc.

Metallizer Line 1 start-up–Turkey 

PET Resin plant start-up–Turkey 

2008

Extrusion Coating Line 1 start-up–Thailand 

Thin PET film line 2 & Metallizer Line 2 start-up–Turkey and Thailand 

2009

Polyplex Trading (Shenzhen) Co. Ltd set up (100% subsidiary–capital injected through Polyplex (Singapore) Pte Ltd)

2010

Cast Polypropylene line & Metallizer Line 3 start-up–Thailand 

2012

Silicone Coating line 1 start-up–Thailand 

Polyplex USA LLC acquired Metalizing assets from Vacumet Plastics
Set up Liaison office in Malaysia

2013

Merged Trading company with the manufacturing subsidiary PUL

Extrusion Coating line 2 start-up–Thailand 

Set up Trading and Distribution Company–Turkey–Polyplex Paketleme Çözümleri Sanayi ve Ticaret A.Ş. (100% subsidiary of

Polyplex Europa Polyester Film San ve Ticaret. A.Ş.)

Thick PET Film line & Blown PP film line start-up–Thailand 

EcoBlue Limited

Recycling plant start-up–Thailand 

2014

PET resin plant for Thick Film start-up–Thailand 

Offline coater start-up–Turkey 

Set up of a Liaison office–Korea

PET Resin plant start-up–USA 

Metalliser Line 4 start-up – Thailand 

2015

Metalliser Line 3 start-up–Turkey 

Polyplex Resins (Turkey) sold to IndoRama Netherlands B.V.

2016

EGM approved Rights Offering of 100 million Ordinary shares in the ratio of 1 new share for every 8 existing shares, recommended at an Issue price of Baht 6.40/share
Rights Offering over-subscribed–THB 640 million capital raised

2017

Set-up PT Polyplex Films Indonesia (PFI) (99.995% subsidiary of PTL)
Equity of IDR 202.5 billion injected into PFI

2018

Equity of IDR 135 billion injected into PT.PFI

Blown film line 2 start-up–Thailand 

Board approved set up of Representative Office in Japan

Board approved liquidation of China Trading Company

Metallizer start-up–USA 

2019

Board approved set up BOPP film line in Indonesia (Capital Investment of USD 48 million)

Thin PET line 1 & Metallizer Line 1 start-up–Indonesia 

Silicone Coated Film Line 2 start up–Thailand

2020

Offline Coater start-up–Thailand 

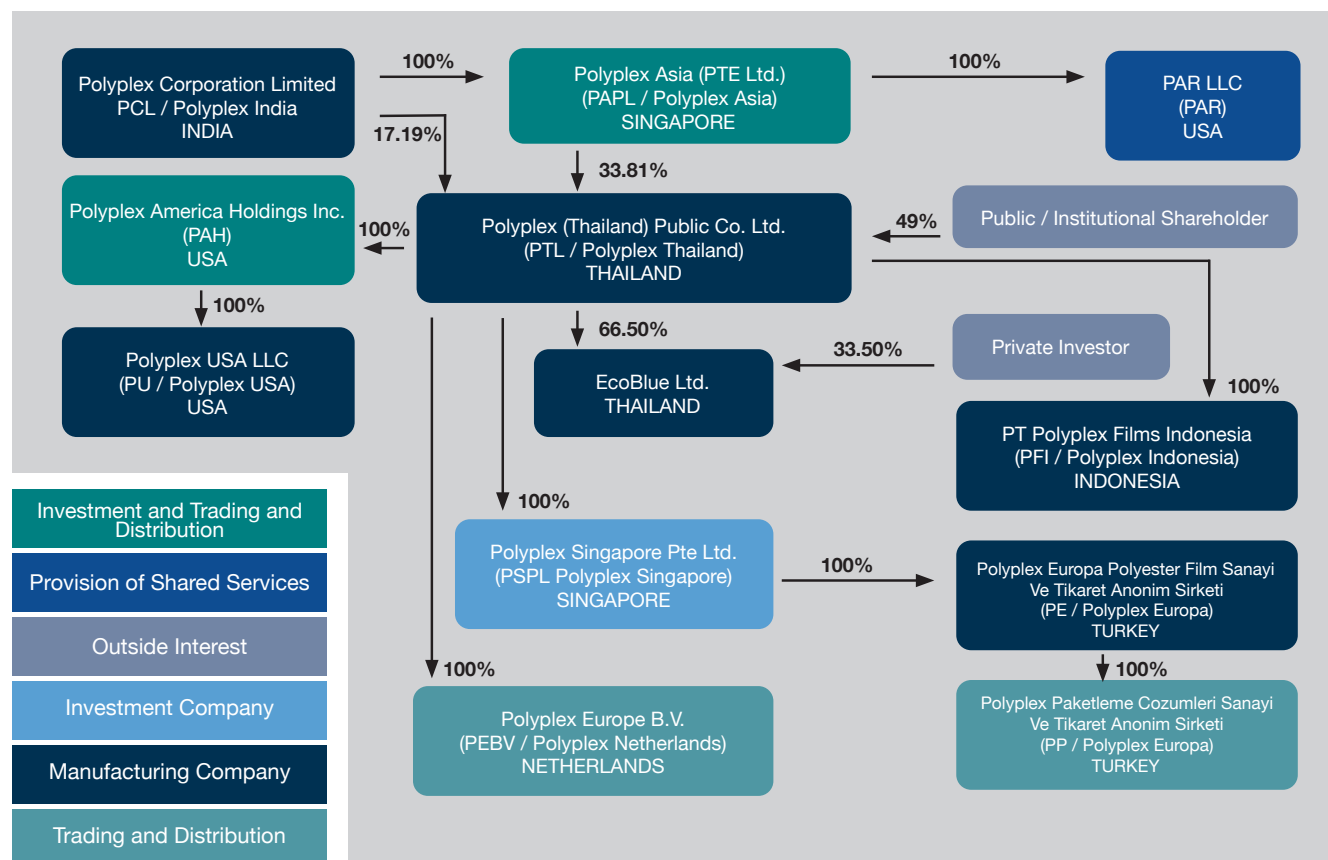
PET Resin plant start-up–Indonesia 

Board approved the Project to set up a state-of-the-art Post consumer-waste recycling line at Ecoblue Limited at a Capital cost of 12 million USD

Liquidation of the Polyplex Trading (Shenzhen) Co. Ltd

Shareholding Structure

The current Shareholding structure is as follows:



*Polyplex Trading (Shenzhen) Co. Ltd (PTSL), the Company's Trading subsidiary in China has been liquidated in June 2020.

MANUFACTURING COMPANIES

Polyplex Corporation Limited | PCL / Polyplex India | INDIA

Incepted in 1988, PCL has been in the plastics manufacturing and distributing business for over 30 years. Not only is it one of the major producers and distributors of Polyester film in India but globally it has the 5th largest capacity for PET film. Listed in both the Bombay Stock Exchange as well as the National Stock Exchange in India, its paid-up capital is INR 325.6 million (approximately Bt. 137.7 million).

Holding Information: The aggregate of its indirect and direct shareholding in the Company is 51% of PTL's paid up capital.

Market Segmentation Policy: Given that both PCL and PTL and its subsidiaries overlap in business segments and operate in both the domestic and export markets, the Group has developed an equitable policy for distribution of markets. Factors such as product range, delivered cost to customer, supply lead times and preferential duty access are among those considered for this purpose.

Investment Related Policy: The Group has further developed a policy regarding future investments in polyester film or related areas between PTL and its parent company. Investments in India/SAARC regions would be decided and made by PCL and its other subsidiaries (excluding the Company), while investments in all other countries would be made by PTL or its subsidiaries.

Polyplex Europa Polyester Film Sanayi Ve Tikaret Anonim Sirketi | (PE / Polyplex Europa) | TURKEY

PSPL had incorporated a 100% owned subsidiary company, PE in Turkey for setting up a Greenfield polyester film plant to cater to the European and other proximate markets. The commercial operations started in December, 2005 with the start up of the first thin PET film line.

The issued and paid up capital of PE, including Additional Contribution from PSPL, as of March 31, 2020 stands at Euro 8.8 million.

Polyplex USA LLC | (PU / Polyplex USA) | USA

Polyplex USA LLC, Decatur, Alabama, was established in FY 2011-12 as a 100% subsidiary of PAH. This is the first manufacturing base of Polyplex in USA. The thin PET film line has started commercial production in April, 2013 and the PET Resins plant project commenced commercial production in October 2014. The members' contribution which represents the paid up capital as on 31st March'20 is USD 46.2 million.

PT Polyplex Films Indonesia | (PFI / Polyplex Indonesia) | INDONESIA

In October, 2017, PT. Polyplex Films Indonesia (PT PFI) was established with an Authorized and Registered Share Capital of IDR 540 billion. PT PFI is owned 99.99% by PTL and 1 share is held by Mr. Amit Prakash, to comply with a regulatory requirement in Indonesia, of having a minimum of 2 shareholders. The Thin PET line start-up was in November 2019 and the resin plant in March 2020. In June 2019, The PTL board additionally approved the investment into a BOPP line in Indonesia the start-up of which is slated for the first half of 2021-22. As at 31st March, 2020, the Called up and Paid up Share capital of PT PFI is IDR 337.5 billion.

EcoBlue Ltd. | THAILAND

In 2013, Polyplex has made an investment to provide sustainable solutions for film-based process waste was one of its first major steps towards this direction. The operations have been implemented in Thailand, under a subsidiary called Ecoblue Limited (EB). Polyplex currently owns 66.5% stake in this subsidiary, balance being held by a minority shareholder who is also the Managing Director of the Company. In March, 2020, the PTL Board has approved an Investment into a state-of-art Recycling facility, the start-up of which is slated for the first half of 2021-22. As at 31st March, 2020 the Paid-up Capital of EB is Baht 10.65 million.

INVESTMENT AND TRADING AND DISTRIBUTION

Polyplex Asia (PTE Ltd.) | (PAPL / Polyplex Asia) | SINGAPORE

PAPL, a 100% subsidiary of PCL, established in 2004, is a major shareholder of the Company, holding 33.81% as on March 31, 2020. The issues and paid up capital of PAPL as of March 31, 2020 stands at USD 1.13 million.

Polyplex America Holdings Inc. | (PAH) | USA

In FY 2011-12, PTL invested in setting up a 100% Investment and Trading & Distribution Company in USA. PAH has further invested in Polyplex (USA) LLC, a manufacturing facility. The issued and paid up capital of PAH (including the Additional Paid-In Capital) as on 31st March'2020 is USD 46.62 million.

INVESTMENT COMPANY

Polyplex Singapore Pte Ltd. | (PSPL Polyplex Singapore) | SINGAPORE

PSPL, a 100% subsidiary of PTL, was established as a wholly owned investment company in 2004. The investments in Polyplex Europa (PE) and the trading company in China (PTSL) were made via this entity. The issued and paid up capital of PSPL (including Preference Share Capital) as of March 31, 2020 stands at Euro 9.14 million.

TRADING AND DISTRIBUTION

Polyplex Paketleme Cozumleri Sanayi Ve Ticaret Anonim Sirketi | (PP / Polyplex Europa) | TURKEY

In FY 2013-14, Polyplex Europa Polyester Film Sanayi ve Ticaret Anonim Şirketi (PE) had established a company in Turkey, named Polyplex Paketleme Çözümleri Sanayi ve Ticaret A.Ş. holding 100% of its share capital. This company is mainly engaged in trading of PET Film, PET chips and other products of the Company. The Registered Share capital of this company is TRY 100,000 as of March 31, 2020, which has been fully called and paid up.

Polyplex Europe B.V. | (PEBV / Polyplex Netherlands) | NETHERLANDS

Polyplex Europe B.V was established in April 2013 as a 100% subsidiary of Polyplex (Thailand) Plc. The registered capital is 3 million Euro of which Euro 0.2 million has been called and paid up till 31st March'20. This company is mainly engaged in the warehousing and distribution of different products of the Company in the European market.

Nature of Business

Company Overview

The Company offers a wide range of plastic films across various substrates - PET (thin & thick), BOPP, CPP and Blown PP/PE. These films are used not only in flexible packaging but also in several diverse industrial applications like tapes, labels, thermal lamination, imaging and graphics, photo-voltaic, construction, and optical applications. Within the substrates, Polyplex Group has fifth largest global capacity for Polyester (PET) films.

PET film is a high-performance film with a unique combination of qualities such as high tensile strength, durability, heat resistance, good gas-barrier properties, dimensional stability, chemical inertness, clarity and recyclability. This product versatility matched with a wide and growing range of applications negates any dependence on any particular product or application.

Downstream businesses like metallizing, silicone coating, extrusion coating, holography and offline chemical coating have enabled Polyplex to offer products for a variety of applications - general packaging, specialty packaging, electrical, liners, roofing and a whole gamut of other industrial applications. The Blown PP lines in Thailand have helped expand the product line of the downstream silicone coating business.

Flexible packaging provides unmatched value as compared to rigid packaging by consuming lower raw material owing to being light weight, occupies less shelf space, generates relatively less waste and is the most cost-effective method for packaging. Better packaging not only improves the shelf life of products but is also essential for improving product appeal in a competitive consumer goods industry.

The Company believes that its unique model of on-shore, offshore and near-shore business locations in combination with its other strengths including customer relationship, access & intimacy and wide offering of specialty, innovative and value-added products shall continue to be the key enablers for outperformance and earnings stability.

There is an increasing concern by all stakeholders & environmental groups on usage of plastics. Flexible packaging is mostly multi-layered and as such provides sustainability benefits in several ways. These include: resource efficiency, reduced material to landfill, high product to package ratio, lower carbon footprint throughout the life cycle of packaging among many others. The Company continuously strives to work on providing sustainable solutions (products, processes) as a commitment towards sustainable environment. The Company's recycling unit in Thailand – Ecoblue Limited, which provides sustainable solutions for film-based process waste was its first major step towards this direction.

PET film is made from Polyester resin (chips), which in turn is produced from Purified Terephthalic Acid (PTA) and Mono- Ethylene Glycol (MEG). The Company produces its own PET resin which not only provides cost advantages but also helps in maintaining consistent quality of its film and supports new product development by adding the required additives at the PET Resin stage.

Revenue Structure

PTL's consolidated sales value classified by regions is shown below:

Consolidated	2017-18		2018-19		2019-20	
Customers	Bt. Million	%	Bt. Million	%	Bt. Million	%
Exports						
Asia	2,762.03	21.70	3,162.70	20.72	2,990.64	21.17
North America	1,815.46	14.26	2,404.06	15.75	2,534.77	17.95
Europe	3,080.74	24.21	3,511.09	23.00	3,005.33	21.28
Others	360.01	2.83	374.91	2.46	548.73	3.88
Total exports	8,018.24	63.00	9,452.77	61.93	9,079.46	64.28
Domestic sales						
- PTL (Thailand)	840.47	6.60	858.16	5.62	814.33	5.77
- PE (Turkey)	869.55	6.83	950.81	6.23	978.97	6.93
- PUL (USA)	2,539.70	19.95	2,637.57	17.28	2,502.24	17.72
- PFI (Indonesia)	-	-	-	-	283.48	2.01
Total Domestic sales	4,249.73	33.39	4,446.54	29.13	4,579.01	32.42
Sale of chips/others ¹	404.99	3.18	846.88	5.55	392.37	2.78
Total sales revenues	12,672.95	99.57	14,746.18	96.61	14,050.85	99.48
Other revenues ²	54.50	0.43	517.86	3.39	73.85	0.52
Grand total	12,727.46	100.00	15,264.05	100.00	14,124.70	100.00

Note:

1) Sale of chips/others includes both domestic and export sales.

2) Includes Exchange gain (if any), Export Incentive, interest received, etc.

Business Goals

The Company vision is to be the leader and preferred provider of flexible packaging solutions globally. Consistency in quality, best-in-class after sales services, excellence in innovation and global presence are just some of the strengths and areas of focus for the Company to help realize this vision.

To this end the Company will continue building trusted, strong partnerships with Customers, Vendors, Employees and Communities where it functions to be able to create long term growth and value for its shareholders.

Promotion Certificates of PTL

S.No	Certificate No.	Type of business	Date granted
1	1321(2)/2545	PET film	20-May-02
2	1287/(2)/2546	PET film and PET Resin	11-Jun-03
3	1159(2)/2548	Metallized Films	22-Feb-05
4	1261(2)/2550	Thermal Lamination Films	14-Mar-07
5	1044(2)/2551	Metallized Films	10-Jan-08
6	1110(2)/2552	CPP film (Plain and Metallized CPP)	4-Feb-09
7	1719(2)/2553	Silicone Coated Film / Blown PP	14-July-10
8	1705(2)/2555	Thermal Lamination Film (Line 2)	12-May-2012
9	1827(2)/2555	PET Thick Film and PET Resin	21-May-2012
10	1357(2)/2557	Metallized Films	20-March-2014
11	61-0672-1-18-1-0	Blown Film	11-June-2018

Business Operations by Each Product Line Including Product Descriptions, Characteristics and Applications

SARAFIL

Sarafil base films are suitable for a range of applications with its inherent properties of being clear, transparent, flexible and with high Tensile strength and modulus with high heat resistance.

The key product line of Polyplex continues to be its Sarafil range of plastic films which are base films manufactured by using petrochemical raw materials like PET (Polyester) resin and PP (polypropylene) resin. Polyplex has an inhouse captive capacity for all PET resin requirements.

BOPET FILMS

They are clear, flexible, transparent or translucent material produced from PET polymer, a linear, thermoplastic polyester resin. PET film is a high-performance plastic film and is generally more expensive than other plastic films with several unique properties that are required for various end-uses. PET film has certain inherent desirable qualities such as high tensile strength, durability, heat resistance, good gas-barrier properties, dimensional stability, chemical inertness and clarity. PET film is available commercially in a range of widths, thicknesses and properties depending upon the needs of end users. It can be made as a single layer or can be coextruded with other co-polymers into a multilayer film encompassing the desired characteristics of each material. The distinct physical properties of the various types of PET film can be imparted into the product either during

the polymerization of the PET resin, by the addition of chemicals such as slip modifiers (surface modifiers) or color additives, or subsequently during the PET film production process where various surface finishes may also be imparted by externally treating the films' surface(s). The biaxial orientation of the PET film makes it suitable for such applications as food packaging, electrical insulation, and printing sheets by increasing the product's crystallinity and thereby improving its tensile strength, heat resistance, and gas-barrier properties.

BOPET Thin Films

All these years, Polyplex was predominantly operating only in thin PET films. The largest application of thin PET films is flexible packaging.

On back of state-of-the-art Thin film line capabilities and several downstream investments, Polyplex offers a wide range of products both for flexible packaging and industrial applications. Products offered impact the end use in many different ways such as aesthetics, functional performance, durability, strength, ease of processing, cost efficiency, productivity, reducing carbon foot print, meeting bio content guidelines etc.

Below is a list of few products from the large product basket of Polyplex Thin films

Plain	Peelable Sealable PET
Corona Treated	Shrink Sleeve PET
Chemically Coated PET	Carton Lamination
Transparent Barrier	Matte
Heat sealable	White
Green Wrap (Confectionary PET)	Ultra Clear
Antiskid PET	UV Stabilized PET
Thermoformable PET	Metallized
Straight Tear PET	



BOPET Thick Industrial

Polyplex thick PET film segment with a thickness range of 23 to 350μ. Thick PET film is suitable for various Display, PV, Electrical and Industrial applications. Sarafil Thick film is produced with strict quality and cleanliness norms:

- Cleanroom condition for super clear PET films (Class 1000/10000)
- Low MD shrinkage (<1.0%) capability
- Web inspection and Auto web cleaning at TDO outlet

Below is a list of few products in Thick films

Graphic Application	General Industrial Application
Window Film Application	PV Application
Electrical & Electronic Application	

BOPP FILMS

Sarafil BOPP films are transparent bi-oriented polypropylene films designed to offer high performance, great appearance and easy converting for flexible packaging and other applications.

Like BOPET film, BOPP is also a biaxially oriented film with good mechanical and physical properties. It is a clear, flexible, transparent or translucent material produced from PP polymer, a linear, thermoplastic polypropylene resin. BOPP film is available commercially in a range of widths, thicknesses and properties depending upon the end use requirements. The subsidiary in Indonesia is implementing a project for BOPP film which is expected to start-up by H1 of FY 2021-22.

Key characteristics of BOPP films are:

- Good surface gloss
- Good hot tack & seal strength
- Good slip & anti-static
- Good moisture barrier
- Good surface treatment retention
- Good machinability
- Good mechanical properties

CPP FILMS

Sarafil CPP films are transparent cast polypropylene films designed to offer high performance, great appearance and easy converting for flexible packaging and other applications.

CPP films are also produced from a combination of various grades of PP polymer. Various constructions of CPP are available (multi-layer options) which are used to cater to several applications in speciality packaging, as a sealant layer in conjunction with other plastic substrates for packaging of food products, twist wrap usage in candies, etc.

Key characteristics of CPP films are:

- High Clarity and Gloss
- Higher seal strength
- Good hot tack strength
- Good anchoring of inks and adhesive to Treated Surface
- Good machinability on Packaging line
- Resistance to grease and oil
- Good resistance to tears & puncture
- Good moisture barrier
- Low static properties

BLOWN PP/PE FILMS

Sarafil BLOWN PP and PE film are available in a wide variety of features and properties used in speciality flexible and other applications

BLOWN PP, another variant of PP based film are used in pressure sensitive applications.

Another variant of PP based film; this film would be silicone coated either on one or two sides for usage as a carrier film for pressure sensitive applications. Available in various colors, this kind of PP film is mainly used in

the peel & stick waterproofing membranes where low release property at very high temperature is required. The Blown PP film is a niche product requiring specialized assets with unique flatness and low shrinkage requirements to enable optimum film processing a on variety of coating machines.

SUSTAINABLE FILMS

Polyplex sustainable range of films aim to reduce the carbon footprint for a greener earth.

Key characteristic of sustainable films are:

- Source Reduction
- Low GHG emission
- Biodegradable
- Bio-Based
- Post-consumer Recycle (PCR) Content

HOLOGRAPHIC FILMS

Sarafil Holographic range of films are PET and BOPP base film with a wide range of design and features for use in Brand protection, Aesthetic, Decoration, Packaging, and Gift Wrap applications.

Holography film is widely used for brand protection, increases the brand value and protects against counterfeiting of the end products by making it completely holographic.

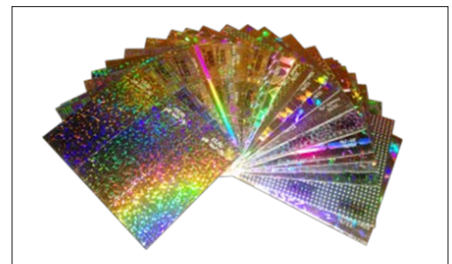
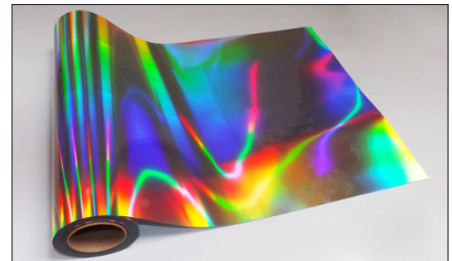
The film gives the product that perfect shine and highlights its brand looks.

- Brand Protection
- Aesthetic Appeal
- Decorative Packaging
- Premium Packaging

Sarafil Holographic films are available with both:

- Seamless and
- With Shim lines

Holographic Patterns are created by way of an embossing process which can provide a remarkable 3-D effect and/or spectral (rainbow) coloring. The embossing process is akin to cutting tiny grooves into the film's surface at various angles and in different shapes. These micro-embossed grooves cause the "diffraction" of normal white light into stunning spectral color.



SARALAM

The Saralam range of extrusion coated film products cater to a variety of end use such as thermal lamination products like book covers, identity cards, etc besides carton lamination, wide format commercial films, etc.

Saralam films are extrusion coated with adhesive resins like LDPE or EVA to make lamination films which cater to applications like Thermal Lamination of documents or printed media, Reflective Insulation, Flexible packaging intermediates and Rigid packing using printed corrugated carton board. Polyplex can offer a range of BOPP, BOPET and Nylon based extrusion coated films.

BOPET thermal lamination films are used to get some properties which are typical in polyester like a high gloss and high stiffness. A wide variety of PET thermal lamination films is available in a range of thickness from 25mic to 250mic. Other key features of PET thermal lamination films include High bond strength, UV coating on the surface and high tensile strength. Applications of these films are increasing each day. Some main applications are Costly brochures, Catalogues, Menu cards, Mark sheets, Maps, Publicity material, etc.

Metallized BOPET lamination films cater to two very important industries - Reflective Insulation in the construction industry, also termed as “Roof Insulation” and “Carton Lamination”, in the Offset Printing industry. Metallized lamination films are gaining strong grounds in the following applications:

- **UV OFFSET PRINTING** For its advantages to offer higher press productivity, superior adhesion to paper/ board lamination, as a process saving tool & most important to print houses, as a “TIME” saving tool
- **ROOF INSULATION** As an economical lamination substitute and a highly user-friendly material, to very high cost Aluminum foils.

BOPP films have a wide range of aesthetics and hence it is easily possible to have various looks of laminating films. Main features of BOPP thermal lamination films are higher yield (m2 per kgs) in the same cost with comparison to some other films like BOPET films, reasonable strength for lamination purpose, excellent gloss, high transparency, good moisture barrier and good chemical resistance. Typical applications of BOPP thermal lamination films include Textbook covers, Brochures, Leaflets, Sweet boxes, Cosmetics, Shopping bags, Diaries.

- Reflective Insulation Film
- Decorative Lamination Film
- Polyester Thermal Lamination Film-Thin gauge
- Polyester Thermal Lamination Film-Thick gauge
- Polypropylene Thermal Lamination Film
- Nylon Thermal Lamination Film
- MegaBond Nylon Thermal Lamination Film
- MegaBond Polyester Thermal Lamination Film
- MegaBond Polypropylene Thermal Lamination Film
- Zafira UV Polyester Thermal Lamination Film

SARACOTE

The Saracote range of silicone coated films (PET/PP) is designed to provide an excellent carrier to pressure sensitive material. The typical applications are in labels, tapes, roofing shingles and peel & stick underlayments.

Silicone coated films are widely used in pressure sensitive adhesive applications as a carrier film. Polyplex offers a wide variety of film thicknesses with custom release levels to suit individual application needs. These REACH compliant films provide excellent silicone anchorage, smooth silicone lay down and flat release profile both at various de-lamination speeds and a wide range of temperatures. With products across clear, colored, metallized and matte category, Polyplex offers one or two-sided coated films using both 100% solids and solvent-based technologies. Custom printing and slitting are also offered as a part of the total solution.

- Release Liner-Labels
- Release Liner-Speciality
- Shingle Roofing Tape
- Release Film Liner
- Primer Coated Liner
- Release Liner – Electronic Industry

The segmental break-up of revenue (PTL Standalone and Consolidated) from Film sales [Plain (Thin & Thick) & Metallized PET films, Offline Coated films, Thermal Lamination films, Silicone Coated Films, CPP film and Blown films are as follows:

Consolidated Sales		2017-18		2018-19		2019-20#	
Segment	Bt. Million	%	Bt. Million	%	Bt. Million	%	
Packaging Use	7,045.69	57.43	8,186.91	58.90	9,426.92	69.02	
Industrial Use	5,149.26	41.97	5,651.24	40.66	4,088.32	29.93	
Electrical Use	73.02	0.60	61.16	0.44	143.24	1.05	
Total Film Sales	12,267.97	100.00	13,899.30	100.00	13,658.48	100.00	

Basis of Application classification improvised in 2019-20 to consider combination of product type/ customer and the thickness (micron) of the film

Note:

Sales of all types of films have been segregated above, depending on end use application of each type of product sold.

Business Strategy

Key elements of the strategy are:

- Focus on expanding the product basket and high value add sales through down-stream and side-stream investments but without losing sight of cost structure. Follow a plant in plant concept where we excel both in specialty focus as well as cost efficiency.
- Continually upgrade technical and R&D capabilities along with necessary equipment capability to augment strategy of Innovation and improve value add product portfolio with Time to Market and affordable product being the corner stone
- Attain cost leadership by way of capacity expansion through debottlenecking existing assets or investing in new high productivity lines and vertical integration. Backward integration into the manufacturing of its own PET chips at all the manufacturing locations has helped strengthened the cost structure, in addition to maintaining the quality of input resin and hence of final product. On the other hand down-stream investments in metallizing and coating have not only helped in expanding the product portfolio but also reducing the cost of such products in comparison of stand-alone production of same thereby making them affordable for customers
- Continued focus on improvement in cost efficiency through Kaizens including debottlenecking and energy saving/ efficient investments
- To build strong global delivery capabilities with a judicious mix of on-shore, near-shore and off-shore strategy.

- Capture high growth markets and build good customer relationship. The new BOPET film capacity at Polyplex Indonesia, commissioned in November 2019, being the world's fastest and widest line with highest capacity in the region, is expected to be the most cost competitive line in the group and will enable us to capture the demand growth in all key markets.
- Concentric and related diversification to bring stability in earnings. The Brownfield BOPP film project under implementation at Indonesia and the other downstream smaller investments in Silicone Coated film, Holographic film, Blown film and Offline coated film at Thailand and Turkey help reinforce this strategy.
- Consolidate market position through our strong presence in all the key geographies either through a manufacturing or a distribution/ liaison office set-up. The wide network of distributors and agents has helped the Company to gain access to all key markets of the world and ensure a geographically diversified customer portfolio with no significant exposure or dependency on any single large customer or group.
- Systems are created and strengthened to enhance cross-learning and sharing best practices/benchmarking across various units and businesses of the Group to enhance efficiency and synergy.
- Focus on sustainability initiatives including development of new sustainable products using higher recycled content and also to adopt, sustainable processes. The setting up of a recycle plant in Thailand in 2013, under its subsidiary Ecoblue Limited, for providing sustainable solution for film-based process waste was the Company's first step towards the Green Initiative. A new state of the Art recycling facility is coming up at this subsidiary and would cater to high end applications in PET Bottles, Polyester Filament Yarn and support brand owners meet their sustainability targets.

Distribution Channel

The Company distributes its products to both domestic and overseas markets, with main focus put on the latter.

The product distribution is being made directly to the end users using its own marketing arms in USA, Turkey and Netherlands, its Representative offices in Korea and Japan, as well as commission agents across the globe. The indirect channel is mainly through distributors in designated areas. The sales through distributors and commission agents help support and even boost the sale volumes as these distributors and agents are in close proximity of the target markets, hence allowing for closer service provision to the customers with rapid delivery, and also better market penetration to access small customers.

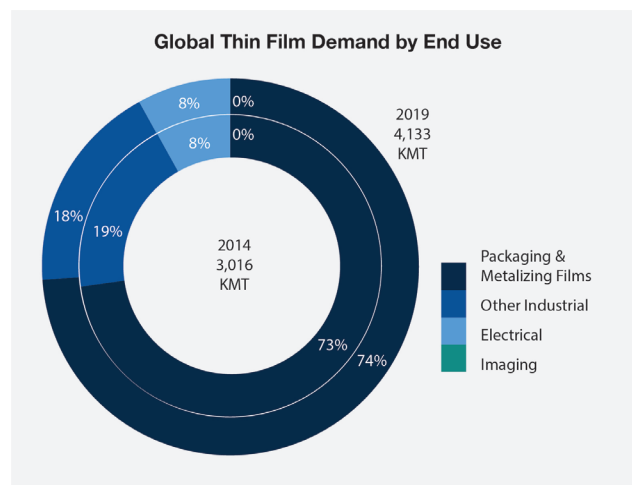
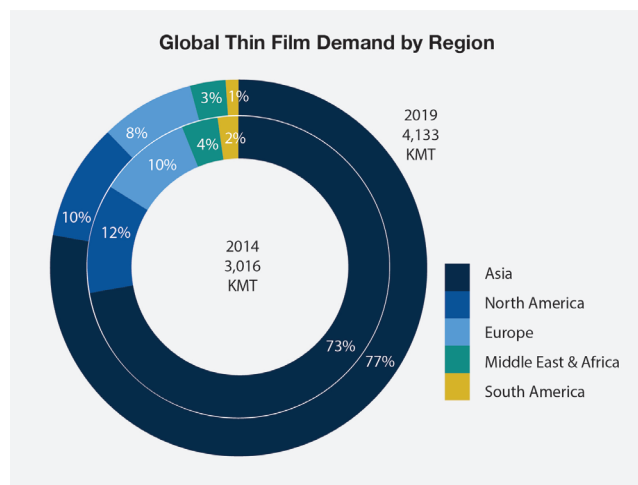
Value of total film sales to end users and distributors are as follows. Sales made through commission agents are included in 'End Users' segment.

Consolidated Sales		2017-18		2018-19		2019-20	
Customers	Bt. Million	%	Bt. Million	%	Bt. Million	%	
End Users	8,287.78	67.56	10,091.68	72.61	9,371.92	68.62	
Distributors	3,980.19	32.44	3,807.62	27.39	4,286.56	31.38	
Total	12,267.97	100.00	13,899.30	100.00	13,658.48	100.00	

Markets and Competitive Environment

Global Demand and Supply

Thin PET Film

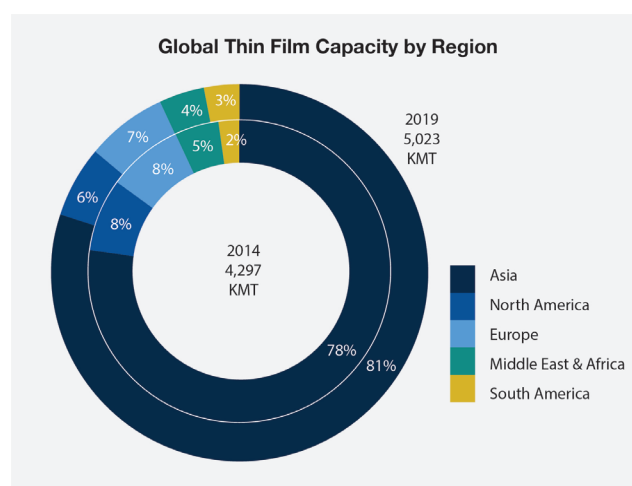


As is evident from above graph, the largest application of thin PET films is flexible packaging, which accounts for about 74% of the Global Thin PET film demand. Better packaging not only improves the shelf life of the products but is also essential for improving product appeal in a highly competitive consumer goods industry. Flexible packaging also plays a key role in source reduction on the principle of ‘use less waste in the first place’ which has ensured higher-than-GDP growth in the flexible packaging industry across the globe. PET film, being a higher-end substrate within packaging, has historically grown more rapidly than other substrates, growing at an average of about 5-7% per annum, globally.

Demand in packaging is quite resilient as it relates to consumption of food products and consumer staples which are to a large extent non-discretionary in nature. The historic trend of demand growth is expected to continue in the long term and also in the near future, despite impact on global economies from the ongoing Covid-19 pandemic.

An increase in the purchasing power, coupled with the changing life style of people in the developing countries has brought with it a substantial increase in the per capita consumption of packaging material. As a result of this, Asia is the largest market for Thin PET films with more than three-fourth of the films produced globally being consumed in this region. Within Asia, China and India are the largest consumers. At the same time, per capita consumption of packaging material in developing countries is still very low as compared to the mature markets. The key drivers of demand growth in these regions are the increase in the share of organized sector, increasing consumerism, changing demographics and the resulting need for better and more convenient packaging.

A similar trend is also evident on the supply-side with more than three-fourth of the Global capacities being located in Asia. Most of the new capacity in Thin film is also focused on the packaging segment, with an



Data Source: Company estimates from Industry/Market study reports

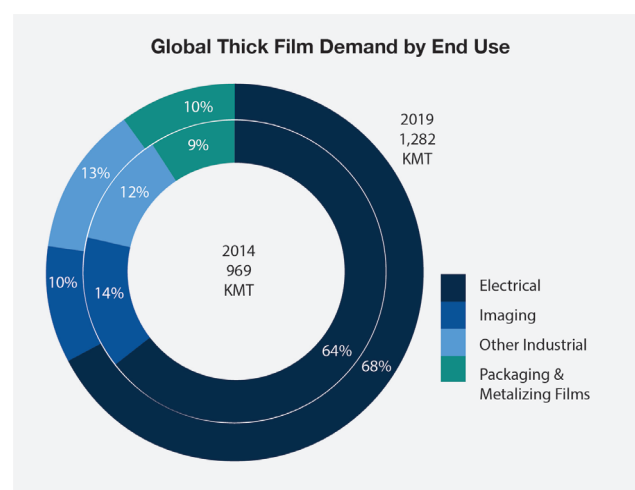
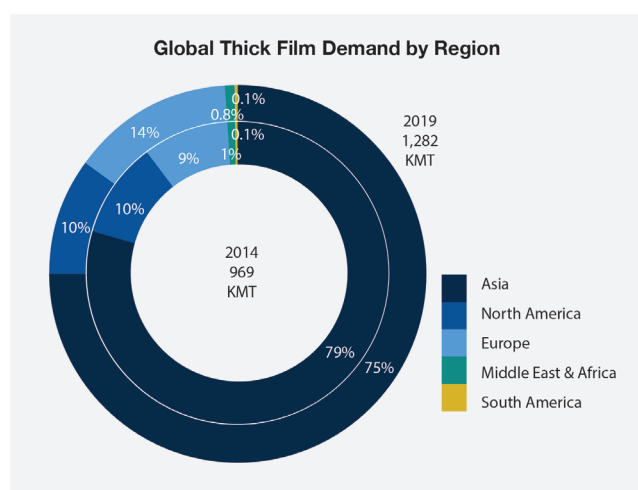
emphasis on high productivity and low operating costs. The high speed and productivity of the new technology 10.6 meter width lines (similar to the Indonesia line of Polyplex) are expected to increase the cost competitiveness of the key players and may result in closure of some old and inefficient lines which are unable to compete.

The steady growth in demand over the past few years is reflected in the improved industry CUF and margins. Companies with consistent quality products, continued focus on improving cost efficiency, diversified product portfolio, access to international customers and a superior supply chain model stand a better chance of participating in the market growth and improving/maintaining their margins above the industry averages.

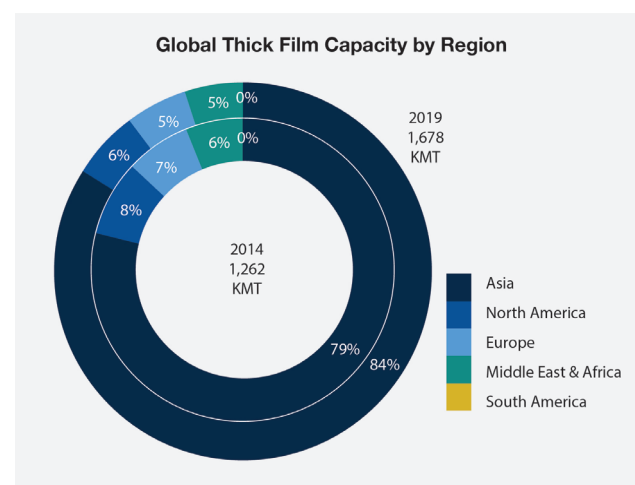
Thick PET Film

Electrical and Industrial are the key segments in Thick film industry. In the last few years the demand of Thick PET film has been growing at a CAGR of about 4-5%.

New innovations and usage new applications in the Electrical segments (like Flat Screen panel, PV solar cells etc) have been driving the growth in the past and would help this industry to continue to grow at a healthy CAGR of about 4-6% in the long term, although there is a temporary contraction in demand due to the impact of Covid-19 pandemic.



Similar to Thin Film industry, the additions in the capacity of Thick PET film has mostly been done mainly by countries within Asia like China, South Korea and Japan, resulting in Asia having 84% of the Global capacities.

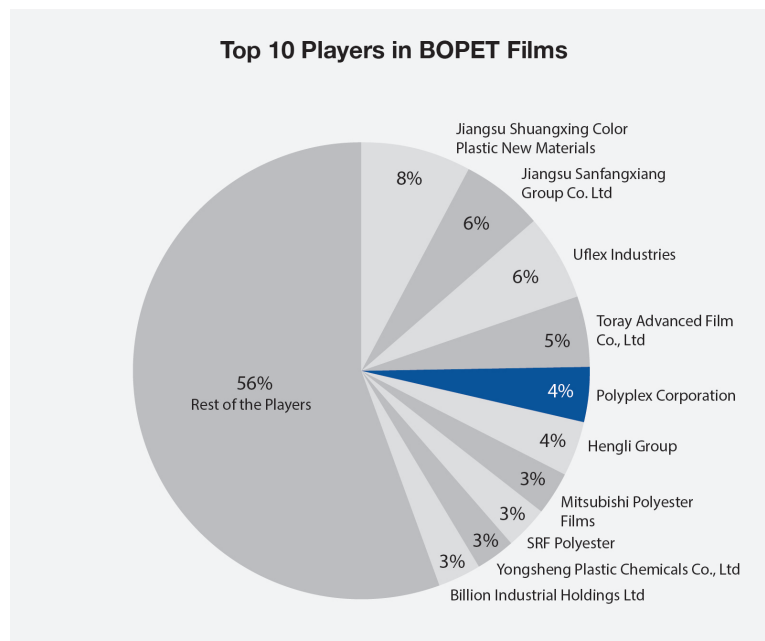


Industry Situation

Global Competition

Due to the consistent and healthy growth in demand for the past few decades, the BOPET film industry has attracted new investments globally, by incumbent players as well as few new entrants. This has, in the recent few years, led to a structural change in the industry. The erstwhile majors owing to their higher operating cost structures have chosen to concentrate on niche technology-oriented segments like films for Optical applications, solar panels and specific high-end applications within packaging. The competition in the Flexible Packaging

segment is hence limited to few other players who have scaled up their operations over the years and have strategically distributed their manufacturing presence globally in order to diversify the geographical risk and be closer to the target markets. Even with all the new capacity additions, the Industry still remains quite fragmented with the top player having only 8% capacity share and the top 10 players accounting for just 44% capacity share.



Producer	Capacity -KTPA	%	Manufacturing base
Jiangsu Shuangxing Color Plastic New Materials	409	8%	China
Jiangsu Sanfangxiang Group Co. Ltd	290	6%	China
Uflex Industries	283	6%	India/ Egypt/ UAE/ US/ Mexico/ Poland
Toray Advanced Film Co., Ltd	257	5%	Japan/South Korea/Malaysia/ China/France/ US
Polyplex Corporation#	230	4%	India/ Thailand/ Indonesia/ Turkey/ US
Hengli Group	180	4%	China
Mitsubishi Polyester Films	169	3%	Japan//Indonesia/Germany/ US
SRF Polyester#	165	3%	India/ Thailand/ Hungary
Yongsheng Plastic Chemicals Co., Ltd	150	3%	China
Billion Industrial Holdings Ltd	150	3%	China

Including annualized capacity of new lines which recently started up in 2019-2020

	Erstwhile Major players
	Major players with competitive strength of global reach
	Chinese competition with scale but concentrated capacity only in China

As is evident from the above table, Polyplex group with its well spread out manufacturing facilities in India, Thailand, Turkey, USA and the latest one in Indonesia, is one of the major players and has attained preferred supplier status in the industry.

Domestic Competition

Thailand's PET film market is of small scale as compared to the global PET film market. As per our estimates, demand of PET film (thin & thick) in Thailand is approximately 54,000 tons per year with growth rate for next few years expected to be about 2-3% p.a. PTL has principally focused on Thin PET film since its inception in Thailand and started with one PET film line, within nine months set up a second line as well. Over the years, PTL has had several other capacity expansions in downstream and side stream businesses. It is presently having the second largest capacity in Thin BOPET.

The film production capacities of the various plastic film producers in Thailand as at 31st March 2020 are as follows:

Production line (tons per year)	Thai Film Industrials Plc.	A.J. Plast. Plc.	SRF Industries Limited	PTL*
BOPP film	73,000	132,000		-
PET Thin film	-	62,000	72,500	48,000
PET Thick Film				30,146
CPP film (incl. CPP metallized film)	3,500	16,000		16,114
BOPA film	-	30,000		-
Metallized film	4,800	23,500	12,000	23,800
Blown Film				10,560
Total	81,300	263,500	84,500	128,620
Thermal Lamination film	-	-		365 Mn Sqm
Silicone Coated Film				816.48 Mn Sqm
Offline Coated Film				70 Mn Sqm

Source: Form 56-1/Industry sources

* PTL capacities are as approved by BOI (for projects promoted by BOI). For actual attainable capacities, please refer table below, under section 'Production Capacity'

** Combined capacity p.a. as approved by BOI for CPP plain and metallized film

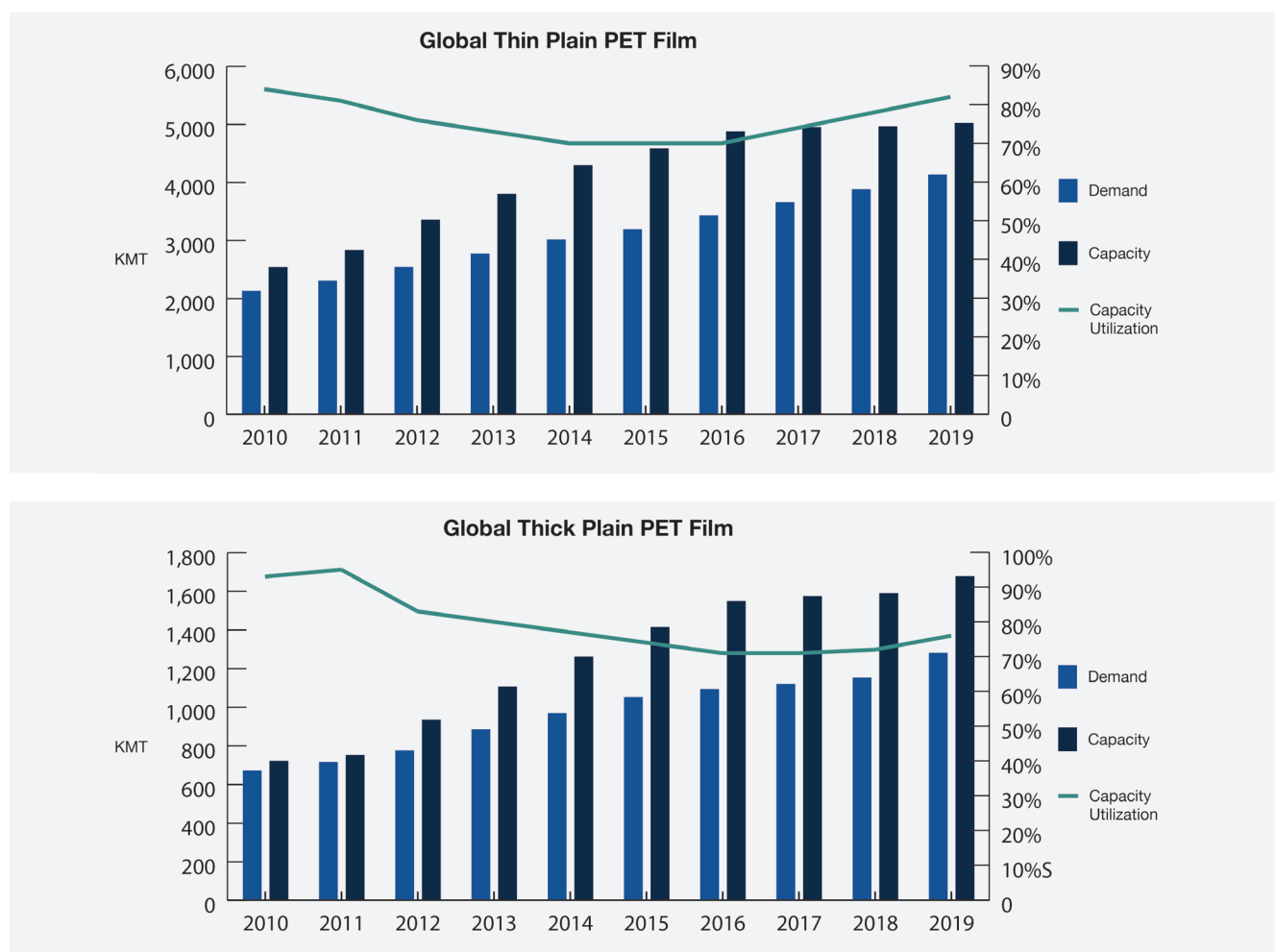
Conclusion on PET film industry

The demand supply situation in global PET thin & thick film industry had improved during the past couple of years. This has resulted in overall improvement in the industry CUF in 2019 to over 80% in Thin film and over 75% in Thick film.

Levels of 80-90% are considered high and close to the full machinery capacity. In practice, some producers produce lower than the nameplate capacity being constrained by older assets while some produce with capacity utilization even higher than 100% of the nameplate capacity using new and modern machinery and based on their long-time expertise and experience.

There are new capacities slated to be added over next 2 years. Out of the overall expected capacity addition of 1 million tons in Thin film, approximately 0.5 million tons will be in China and balance 0.5 million tons capacities are well spread all across the globe. Due to the healthy demand growth expected, especially in the Flexible packaging, the new capacities are expected to be well absorbed in the markets, although temporary market disruptions may be felt, as and when each new line starts up in various geographies across the globe. The Company believes that its well-distributed manufacturing operations, diversified value-added product portfolio, quality consistency, international customer base, customer relationship, access & intimacy, efficient supply chain and a conservative Balance Sheet will allow it to grow profitably and withstand industry volatilities better.

The trend of global capacity utilization for Thin and Thick PET film for last 10 years is as under:



Source: Company estimates from Industry/Market study reports

Despite the rising demand for PET film, it is not easy for new entrants to compete with the existing players. This is because, it is an industry, that needs high levels of know-how, skills and expertise to ensure the exact product size, standard and specifications required by the customers. Project management skills are also needed to enhance efficiency and cost effectiveness that will lead to competitiveness against other producers.

Polyplex group has accumulated over 30 years' experience in the PET film industry. It has been strengthened

with consistent expansion in production capacity. Its management is highly competent. Delivery of products is efficient by having geographically distributed production bases and a widely spread sales and distribution network that allow for easy access to the customers.

The emphasis on the countries with high demand growth potential, production and cost effectiveness and concentrating on business segments such as packaging, industrial and electrical segments which have recorded healthy growth all along has contributed to the Polyplex group becoming one of the leading global producers and preferred supplier of thin PET film.

Trade Defense Risk

Trade defense measures (Anti-dumping duties, countervailing duties, safeguard measures etc) are imposed to protect local producers against unfairly traded or subsidized imports. Anti-dumping duties are imposed on imports if the ex-factory prices of such imported products are proved to be lower than the local selling prices of similar products in the respective exporting country. Countervailing duties are tariffs levied on imported products to offset the impact of subsidies applicable for exporters in those nations. Such tariff measures increase prices of imported products, usually rendering exporters uncompetitive.

PET Film: International trade in PET film has been subject to trade defense measures for more than three decades through the imposition of anti-dumping duties and countervailing duties. The important markets adopting this measure are the EU, the US, Korea, Indonesia and Brazil.

A summary of the AD/CVD duties applicable in the major export markets of PET Films are as under:

Country of Import	Duty (AD+CVD) applicable on Polyplex	Other Countries on whom AD/CVD applicable	Other Countries Duty Rates (AD+CVD) Excluding Polyplex (Min-Max)
USA	13.75%(PCL)	India#	7.22% - 65.59%
		China	31.24% - 76.72%
		Taiwan#	0% - 4.48%
		UAE	4.05% - 70.75%
Brazil	259.79(\$/Mt) (PCL) 67.44(\$/Mt) (PE)	India#	222.15(\$/Mt) - 938.25(\$/Mt)
		Turkey	646.12(\$/Mt)
		UAE	436.78(\$/Mt) - 576.32(\$/Mt)
		Mexico	1013.98(\$/Mt)
		Egypt#	419.45(\$/Mt) - 483.83(\$/Mt)
		China#	946.36(\$/Mt)
		Bahrain	480.15(\$/Mt)
Korea	34.90% (PCL) 3.67% (PTL)	Peru	123.20(\$/Mt)
		India	34.90%
		Thailand	3.68% - 3.71%
		Taiwan	8.68%
		UAE	7.98% - 60.95%
Indonesia	8.5% (PCL) 2.20% (PTL)	China	13.51% - 36.98%
		India#	4.00% - 8.50%
		China#	2.60% - 10.60%
Turkey	21.61%(PCL)	Thailand#	5.40% - 7.10%
		India	4.25% - 21.61%

#Sunset review ongoing

The company is undertaking all the safeguards to insulate against the risk arising out of anti-dumping duties and other protective barriers imposed by the importing countries. Polyplex's strategy of having a geographically diversified manufacturing set up has protected it from such trade barriers and helped retain its competitive positioning over the years. As a local producer in many countries, it is also evaluating actions for protection against unfairly traded or subsidized imports from other countries.

BOPP Film: The key markets imposing trade defense measures in case of BOPP films are Indonesia, Vietnam, Korea, Pakistan etc. The brownfield expansion in Indonesia which is expected to start in H1 of FY 2021-22 may have some impact on exports to Korea. On the other hand, the Indonesian market is protected against imports from other key exporting countries like Thailand & Vietnam.

PET Film Resin: In case of PET Film Resin, there are not many trade defense measures across the globe except the safeguard duties imposed by Turkey on imports from Korea.

Outlook for the PET film industry:

- Global demand for Thin PET films is expected to grow at a CAGR of about 5-7% pa over the next few years and for Thick PET films it is expected to grow at about 4-6% pa in the long term, although in the short term there is a contraction in demand due to the Covid-19 situation.
- The ongoing Covid-19 situation is currently not posing any significant challenge to the BOPET film industry as it goes largely into flexible packaging of food and other consumer essentials, which is actually witnessing a temporary uptick in demand. There is however, a slowdown witnessed in Industrial applications (mainly in Thick PET film), where the consumer spending is more discretionary in nature.
- The planned Global capacity additions of approximately 0.5 million MT in Thin BOPET film (excluding China) and 0.5 million MT in China over the next 1-2 years, mostly by incumbent industry players, may result in temporary disruptions in the market as and when each line starts-up. Delay in start-up of new lines due to Covid19 may provide temporary relief of a few months
- The manufacturers of the new lines would also work towards diversifying their product range and expanding their market reach, although this will be a slow process given the nature of applications and tedious customer qualification timelines.
- Industry is stepping into competitive era which would see survival of the fittest. Key differentiators would be Product basket, Cost of production, Debt leverage and Cash reserves.
- Older and inefficient film lines, especially in Europe, China and Indonesia may eventually shutdown due to their inability to compete with the new high capacity lines.

Manufacturing of Product

Production

Production Capacity

Capacities of Polyplex Group is as follows:

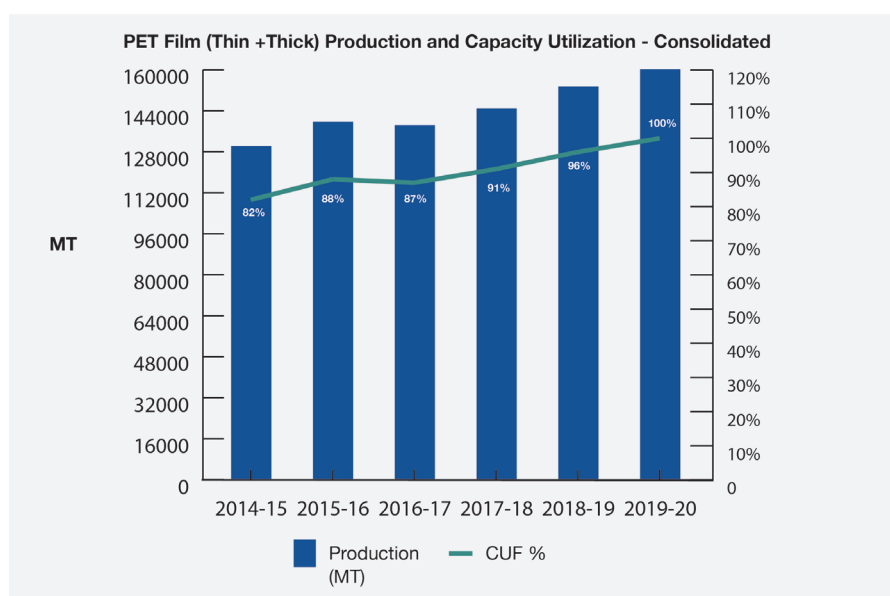
	Resin* (MT)		Base Film* (MT)					Coated Value Added Film*		Coated (Million Sqm)
	Resin	Recycled Resin	PET Thin	PET Thick	BOPP	CPP	Blown	Metallized (MT)	Holography (MT)	
Thailand	106,050	45,000	42,000	28,800		10,000	13,645	21,700	480	985
Turkey	75,850		58,000				4,392	17,700	480	320
USA	57,600		31,000					9,250		
Indonesia	73,000		44,000		60,000			6,000		
PTL Consolidated	312,500	45,000	175,000	28,800	60,000	10,000	18,037	54,650	960	1,305
PCL Group Consolidated	390,100	45,000	230,000	28,800	95,000	10,000	18,037	88,250	5,040	1,562

* Including Upcoming Capacities

Note: Capacities mentioned above are attainable capacities. For BOI approved capacities of the Company, please refer table above under section 'Domestic competition'.

The capacity utilization rates for the Plain PET film lines (Thin +Thick) of PTL (Consolidated) are as follows:

- Capacity and Production of any new line is included in graphs for proportionate period, since start of commercial production
- Improved CUF has been possible due to continuing efforts by the Company in debottlenecking its existing capacities



Major Raw Materials

PET Resin

PET Resin (polyethylene terephthalate resin) is the major raw material in the production process for PET films. It has been the strategy of Polyplex to produce its own Resins at all the manufacturing locations. Accordingly, every location has its own Resin plant with sufficient capacity to meet its requirement.

Purified Terephthalic Acid (PTA) and Mono Ethylene Glycol (MEG)

The major raw materials for PET resin production are purified terephthalic acid (PTA) and mono ethylene glycol (MEG). To ensure uninterrupted procurement of raw materials the Company has currently tied up with local suppliers for PTA and MEG for PTL. In Turkey, the company procures bulk of PTA & MEG from 2-3 global suppliers through long term / yearly contracts and also explores spot opportunities for some part of the business as and when the market conditions are favorable to leverage on the surplus situation on these raw materials from time to time. The subsidiary in USA and in Indonesia are procuring their requirements from local suppliers.

The company enters into Annual contracts as per which 100% of the company's requirements would be supplied as per the specified price formula throughout the contractual period(s).

Major Raw Materials for the Extrusion Coated Film Production

Apart from PET film, which comes mostly from the company's in house production and imports from the group company (at Arm's length pricing), the major raw materials for the Extrusion Coated film production are BOPP base film and Coating chemicals such as LDPE and EVA. All these are sourced from various manufacturers / traders from within Thailand as well as imports from within the region. Start-up of the new Offline Coated film line in Q4 2019-20 would help expanding the product range of specialized Extrusion Coated films.

Major Raw Materials for the Cast Polypropylene Film Production

The major raw materials for the Cast Polypropylene film production are Homo Polymer and Co-Polymer. Homopolymer is being procured locally while Co-Polymer is sourced from imports within the region and from middle-east / India.

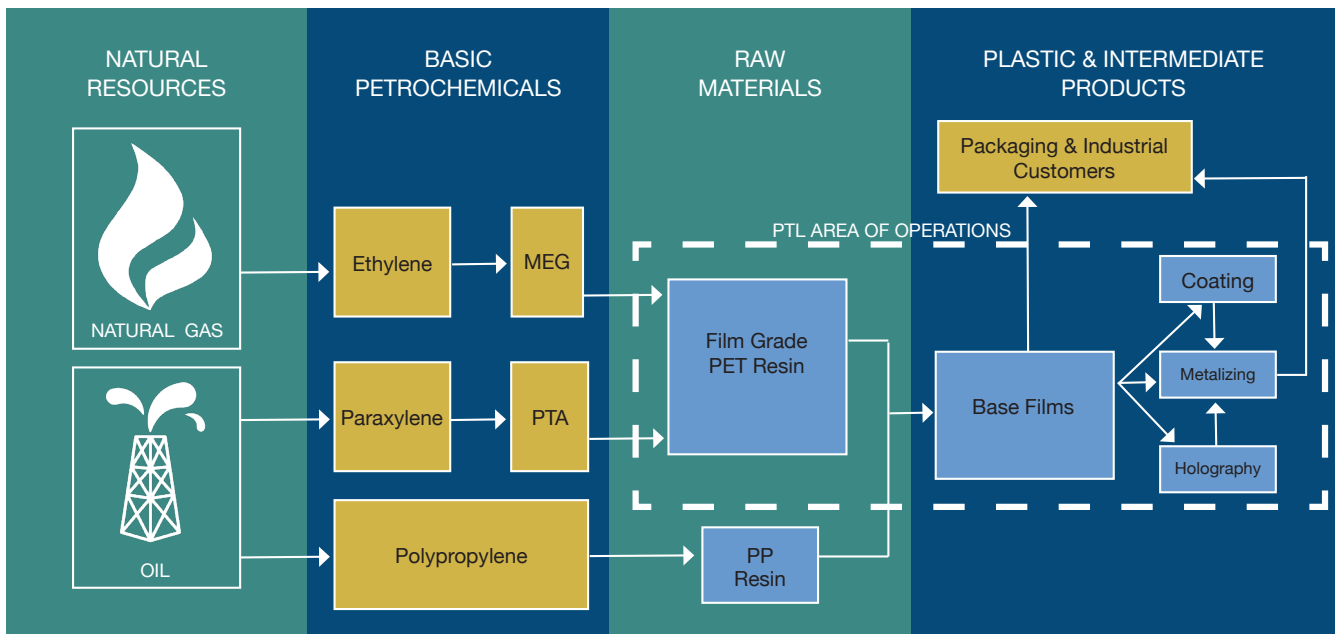
Major Raw Materials for the Silicone Coated Film Production

For the Silicone Coating line, the main raw material is PET film which is transferred from the Company's in-house production and also imported from the Group companies (at Arm's length pricing). Silicone and other chemicals are being imported from USA and Europe from leading suppliers.

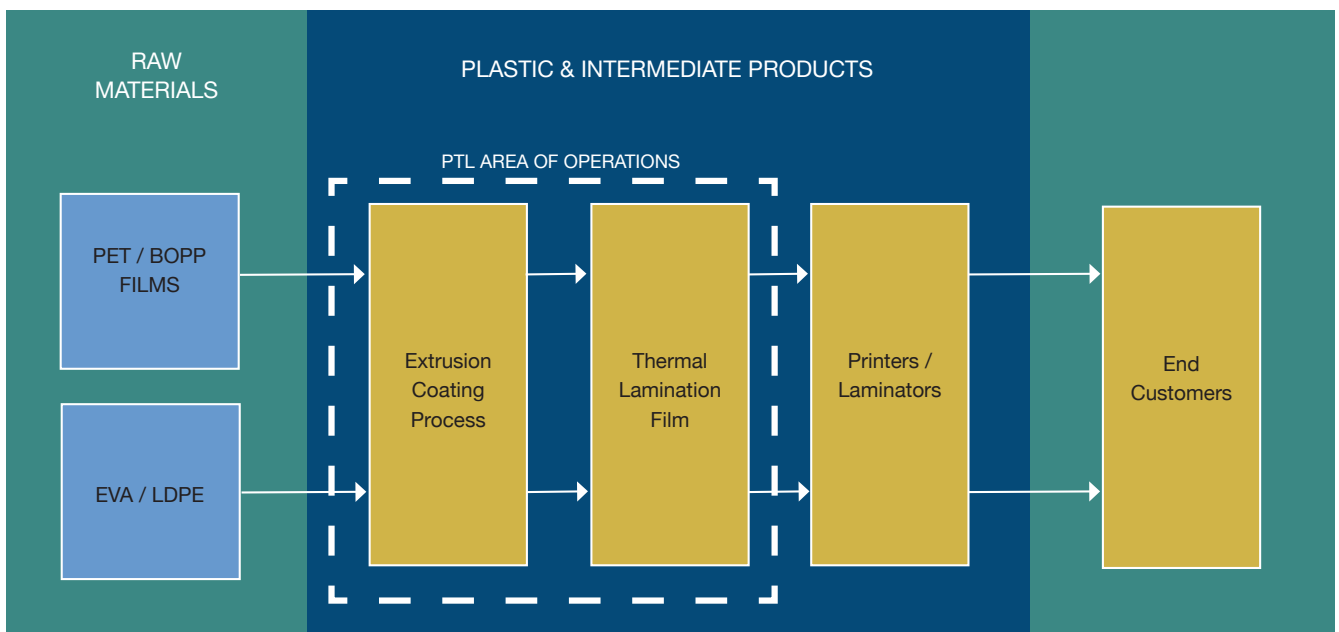
Major Raw Materials for the Blown PP Film Production

For Blown PP film line, the main raw material is PP resins (Homopolymer, Co-Polymer and PP Color master batches). These are sourced from local suppliers as well as imports from within this region.

The value chain for the Company's PET, CPP & Blown PP film business is depicted below:



The value chain for Thermal Lamination film is given below:



Impact on the environment

There is minimal impact on environment caused from the polyester film production process since PET in both film and resins are generally recyclable. Also, the Company being on the forefront of this issue, has developed a few products with post-consumer recycling content of up to 90%. The Company's subsidiary in Thailand, Ecoblue Limited is investing in a state-of-the-art recycling line dedicated for hard to recycle materials such as mixed plastic laminates, coated films, label matrix, printed PP & HDPE waste. The Group also has a dedicated R&D center whose main focus is to work collaboratively with customers and help provide innovative and sustainable solutions such as down gauging of film, create mono material substrate etc. The Group is an active member of international forums and associations working in this direction.

For its Polyester resin line, it has the required EIA approval and submits regular reports required as per EIA approval to the concerned authorities. For the upcoming new PET resin line at Thailand, EIA approval will be required and the Company is in the process of arranging the same.

The Company has been following best practices relating to the environment, health and safety and has been diligently following the guidelines that have been set out as per the following certifications:

Management System International Standards	PTL Thailand	PE Turkey	PU USA	PFI Indonesia	Ecoblue Limited
Quality Management System (ISO 9001:2015)	Certified since 2003	Certified since 2006	Certified since 2018	Under Implementation	-
Environment Management system (ISO 14001:2015)	Certified since 2004	Certified since 2009	Certified since 2018	Under Implementation	-
Occupational health & safety management system (OHSAS 18001:2007/ISO 45001:2018)	Certified since 2008	Certified since 2009	-	Under Implementation	-
Food Safety Management System (ISO 22000:2005 / BRC-IOP/ FSSC-V5)	Certified since 2009 (ISO 22000) and FSSC 22000 V4.1 since 14 January 2020	Certified since 2006 (BRC-IOP)	Under Implementation	Under Implementation	-
Energy Management System (ISO 50001:2011)	Under implementation	Certified since 2014	-	Under Implementation	-
Global Recycled Standard Certification	-	-	-	-	Certified since March 2020
Letter of No Objection (LNO) for Food Contact Applications (U.S. Food & Drug Administration)	-	-	-	-	Certified since July 2019

Risk Factors

Before deciding to invest in the shares of the Company, investors should prudently consider the information about risk factors described in this section and all information contained herein. Apart from the said risk factors, there could still be other unpredictable risks that may adversely impact the Company's operating results.

The key risk factors are:

Competition and Business Volatility Risks

The industry margin in standard PET film hinges on Value Addition "VA" (i.e. difference between the PET film price and the prices of PTA and MEG which are the major raw materials). Whenever the demand supply balance favors the suppliers, VA usually widens, thereby encouraging the manufacturers to increase production by expanding their capacities. On the contrary, if PET film supply is larger than market demand, the film prices tend to decline, hence narrowing VA levels. This will inevitably affect every producer's revenues and profits, though the impact would vary considerably depending upon the product mix, market positioning and other factors. Post the steep expansion in margins in 2010-11, a lot of capacity addition took place in the PET film industry. This skewed the demand-supply balance and impacted margins on standard products for next few years. However, the industry utilization rates have improved significantly in the last 2-3 years with constant demand growth. 2019 witnessed start-up of some new lines, mostly by incumbent players in different parts of the world and were absorbed quickly without affecting the demand supply balance significantly. There are several more lines which are slated to start in the next 2-3 years. These lines are spread across geographies but mostly by incumbent players. The ongoing Covid-19 pandemic might cause some delays in the start-up of these capacities and even some cancellations. In a hyper competitive market scenario, the industry may also see likely closure of some old and inefficient lines which may not be economically viable when compared to the high capacity contemporary lines.

The industry volatility for the standard products has also become somewhat damped over the last 4-5 years due to a host of factors including more rational behavior by industry participants, lenders, sponsors besides institutional changes, especially in Asia on new lending norms, bankruptcy laws, etc.

To mitigate such risk, the Company has taken several steps:

- With high productivity levels, cost control measures and a diversified product range including various value-added products, Polyplex believes it has a well-designed and robust business model which helps moderate the volatility in its earnings.
- A geographically well spread manufacturing presence and broad-based product offering, comprising of different substrates of plastic films, including value-added films helps to maintain a balanced sales portfolio and mitigate the risk of over dependency on a single product and single market.
- Over the years, the Company has been focusing on increasing its share of high value-added segment (HVAS) films. High Value-added segment comprise those product types which are a specialty either from the production/process perspective and/or application/customer perspective and usually higher margin sales. Given evolving product portfolio, market needs and entry barriers, the Company periodically revisits and redefines the methodology for determining the High Value Added (HVA) film sales according to the changing nature of the applications and its key differentiations in comparison to standard films and vis-à-vis the competition.
- Regular and judicious investments in metallizing/ downstream coating and side-stream investments in blown PP/PE capacities helps Polyplex continuously innovate on product offerings to its customers and further improve the mix of HVAS film in its sales.

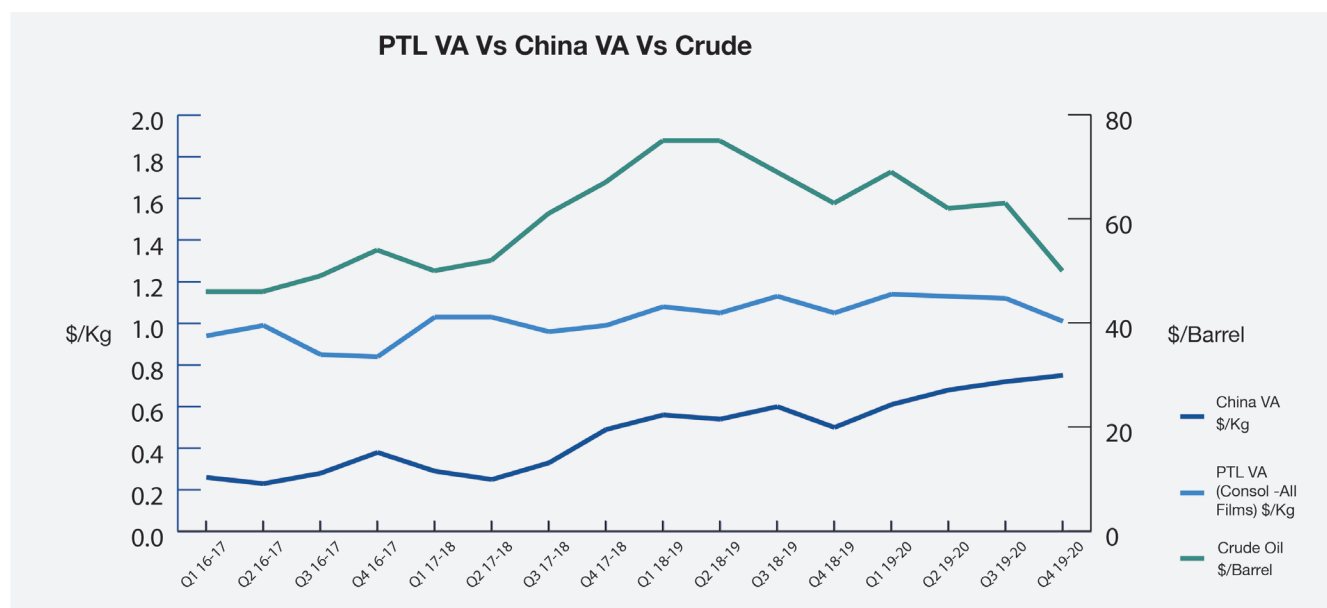
- Investments to upgrade and modify the older lines further helps in reorienting the product mix towards specialty and enabling production of standard standard products on the higher productivity newer lines thereby optimizing costs
- Increased focus on new product development through R&D in addition to having a strong technical services team is a further differentiator between Polyplex and its competition.

Risks relating to uncertainty in prices of the product and raw material

The basic raw material for production of PET film is PET resin, which in turn is produced from Purified Terephthalate Acid (PTA) and Mono Ethylene Glycol (MEG). Being byproducts of the petro-chemical chain, the prices of PTA & MEG are impacted by Global crude oil prices, apart from demand-supply within its own industry.

Since the cost of resin is the single largest component of the total production cost of Polyester film, any adverse fluctuations in the PET resin input prices may impact the Company's operating margins depending upon the ability of the Company to pass on the same to its customers. As selling prices are usually negotiated on a monthly / quarterly basis, in a balanced demand supply situation, the Company is usually able to adjust the selling prices for the standard products following any changes in the PET resin cost and other operating costs, although this happens usually with a time lag varying from 1-3 months depending on the region and prevailing market conditions. The price and margins on the HVA products tend to be more stable.

The below graph helps to analyze the correlation between crude oil prices and VA of PET films. Any movement in the raw material prices is generally passed on to the end customers, albeit with some time lag of 2-3 months. Stability of crude oil at any particular level usually helps in improving business sentiment and enables all the players in the entire supply chain to overcome uncertainty caused by crude oil volatility. Given the diverse product offering at PTL and the fairly good mix of HVA products, PTL's VA remains higher in comparison to industry VA (China) of standard PET films and the Company continues to improve its HVA product portfolio by making new investments to improve its HVA production capabilities.



Source: Industry reports and Company Information

The Company monitors world and local input price trends carefully and determines its procurement plans accordingly. Also, unpredictable price movements of raw materials affect all industry participants and thus does

not put Polyplex in a materially advantageous or disadvantageous position vis-à-vis its competitors. The prices of downstream products like Off-line coated, silicone-coated and extrusion coated films are less susceptible to changes in raw material prices and thus helps to counter the volatility in the standard films. Similar factors are at play in the inputs required for the Polypropylene (PP) based CPP/Blown films used in flexible packaging. However, the industrial end use films – Thick PET films, Coated PET films and some of PP based films are more stable in pricing and margins

Risk associated with reliance on only a few raw material suppliers

The 2 major raw materials for the BOPET film production are PTA and MEG, which are well traded commodities, and are available from a variety of manufacturers across the world. At all its manufacturing locations, the Company sources its major raw materials either locally and/or through imports, based on pricing and other commercial considerations such as delivery lead time/ inventory carrying levels etc. The Company usually enters into yearly contracts for the supply of its major raw material so as to ensure its availability. Some of these contracts have a supply guarantee clause to ensure that the supplies remain uninterrupted for a reasonable period of time in case of any unforeseen circumstances. In any case, these are well traded commodities and availability is usually not an issue. The company also maintains sufficient safety stock, for PTA/MEG as well as PET Resin to take care of any contingency. As far as the pricing is concerned, since it is formula based linked to certain standard international benchmark indices, there is high degree of transparency. For the other downstream coated films and PP based films, apart from PET film which is transferred from the Company's in-house production and also imported from third parties or other group companies at arm's length pricing, the other major raw materials are relatively insignificant in value terms and sourced from various manufacturers / traders locally as well as imports.

Risk from environmental regulatory measures

All the production lines of PTL, except for the Polyester resin line, do not require any environmental impact assessment (EIA). For its existing Polyester Resin line, the Company has the required clearance from the regulatory authorities and utmost care is taken to ensure compliance to the same. For the upcoming Batch PET resin line, the Company is in the process of arranging the EIA approval.

For the new project in Indonesia as well as in the existing production lines in USA and Turkey, the Company has received the necessary environmental licenses and/or approvals required for our industry.

Risk from competition from existing manufacturers and entry of new players

With consistently rising demand and healthy growth potential, the PET film industry attracts new investments from time to time from existing large manufacturers who are well-established companies with long experience in this industry, as well as medium to small producers and sometimes new entrants with capability to accommodate investment in PET film plants and machinery. Few new capacities have already started up last year in India, Thailand and Indonesia and have had no material adverse impact on the market situation. The balance new capacities are also mostly by incumbent players in different parts of the world and are slated to start in next 2-3 years. Given the Covid-19 situation, some of these capacities might be delayed, deferred or even cancelled. There could also be likely closure of some old and inefficient lines which may not be economically viable when compared to the new high productive assets like the one commissioned by the Company in Indonesia. Overall, despite the past volatile history of this industry, it continues to remain an attractive industry with strong fundamentals and a steady demand growth.

Compared to other players, Polyplex's lower cost of production, established quality and technical services, geographically diversified manufacturing presence, wide range of products and applications and global market

reach are some of key factors which make Polyplex one of the leading and preferred players in this industry and it remains confident of being able to outperform the industry peers.

The Company has been continuously evaluating other growth options in PET film / value added products / related areas like CPP / BOPP / Blown film/ Silicone Coated Films at all existing manufacturing locations in Turkey/ Thailand/US/ Indonesia, while also carefully evaluating growth options in other new locations/new product lines. The BOPP line under construction in Indonesia is another step towards diversifying the product portfolio and becoming a one stop solution for all packaging film needs of our customers. Similarly, company pursues a strategy of being “one stop shop” for several industrial applications line PV, Labels, Construction etc.

Risk from trade barrier measures

Trade barrier measures imposed by various countries are broadly of two major types:

- **Anti-dumping (AD):** An anti-dumping duty can be imposed on imports if the ex-factory prices of such imported products are proved to be lower than the local selling prices of the similar products in the countries of the exporters. The important markets adopting this measure in the past few years are the European Union, USA, Korea, Indonesia and Brazil.
- **Anti-subsidy:** A countervailing duty (CVD) can be imposed if the government or any government agency provides any benefits or privileges specifically to any company or exporter of such country.

Such tax measures cause higher import duty on the goods produced and exported from the targeted countries and hence may find it difficult to compete with the products of the rivals with lower duty applicable. For manufacturers having a diversified manufacturing base across multiple locations, such trade defense measures can be an opportunity if anti-dumping duties are levied against imports from some of the countries.

The company is taking all safeguards to insulate against the risk arising out of anti-dumping duties and other protective barriers imposed by the importing countries. A geographically well-diversified manufacturing presence and end-to-end product portfolio like ours will help mitigate the adverse fall-out of such an action, if any. The local manufacturing presence in USA, Europe and now in Indonesia, helps the Company to take advantage of such trade barriers levied by these countries against imports from Asian countries.

Risks from future projects

The major risks associated with any new Projects are as below:

- **Market Risk:** Since Polyplex has a global reach and an extensive marketing and distribution network, the Company does not foresee any major risk in developing markets for its products, even for the new upcoming BOPP film line in Indonesia, where the Company can leverage on customer synergies and become a single source preferred supplier for all the flexible packaging film needs of its customers.
- **Competition Risk:** The Company believes that its cost structure would be globally very competitive and it has the widest product range which is one of the major advantages to gain an edge over some of the existing producers/new entrants.
- **Project Implementation risk:** Due to the experienced Projects team at Polyplex, the Company remains confident of successful implementation of new projects on time and within Budgeted costs except for unforeseen circumstances. The BOPP Project at Indonesia is on schedule and expected to start commercial

operations within H1 of 2021-22.

- **Funding Risk:** For large projects, the Company takes long term Debt to the extent of 65-75% of the Project cost and the balance is funded out of internal accruals. Based on the good relationship with existing banks and the low gearing ratio, the Company is quite confident of raising the required financing for any new future projects at competitive terms and conditions. For the BOPP project in Indonesia, the Company has contracted a term loan of USD 25 million (or Euro equivalent) and the balance is being funded out of Equity / Quasi-equity investment.
- **Currency Risk:** For any new project, the currency of borrowing is decided, based on the projected operational cash flows of the project. The currency which has the maximum surplus in the operational cash flows is chosen to be the currency for the loan. If there are multiple currencies of surplus in operations, the Company may also consider borrowing in more than 1 currency (USD and/or Euro), depending on the currency exposure in the Project cost. This helps to create a natural hedge for the Project expense as well as the loan repayments, as and when the repayments start. The company also has internal FX guidelines to cover net exposure of Project costs, in various currencies by booking appropriate forward contracts, so that the risk on the initially estimated overall Project cost, on account of currency fluctuations is minimized.

Apart from all the Project specific risks and their mitigation plans as discussed above, the Company would also like to mention here that the overall Project risk of any new Project is covered by taking appropriate Insurance policies to cover various risks such as Erection and Construction all risks, Marine risks, Loss of Profit coverage due to delay in Project Start-up etc.

Risk from dependence on the parent company

As at 31st March, 2020, Polyplex Corporation Ltd. (PCL), through direct and indirect shareholding, controls 51% of the paid-up shares in the Company.

Over the years, the Company successfully implemented a program for reducing the dependence on expatriates by increasing the proportion of local Thai staff in operating/managerial positions and has been managing the production and operations efficiently thereafter. The Company's present management team is composed of experienced key personnel in production, marketing, distribution and accounting/finance. It has thus been able to run the business on its own without too much reliance on the parent company.

PTL's business operations are independent from PCL with respect to public offering of equity, borrowing of loans, and other investments in the future. The parent company need not request any approval from any government bodies except for reporting of significant events to two stock exchanges where it is listed, namely Mumbai Stock Exchange and National Stock Exchange.

The Company is confident that there will be no conflict of business interest between PCL and PTL on account of the following:

- It is Polyplex's policy in business operation that there is an equitable distribution of business between the various manufacturing units aligned to efficient servicing of customers.
- The investment in PTL and its subsidiaries is significant as compared to PCL's own assets and hence considered to be the flagship company of the Polyplex Group. As such, the success of PTL is very critical for PCL.

Risk from Sponsor Group holding about 51% of total shares

PTL's major shareholder is PCL (As of March 31, 2020 the promoter Mr. Sanjiv Saraf and related parties control 50.03% in PCL), holding 17.19%, and Polyplex (Asia) Pte. Ltd. ("PAPL") which is wholly owned by PCL, holding 33.81%, thus in aggregate holding 51% of PTL paid-up common shares of Bt. 900 million. Thus, in matters that require a three-fourths majority vote of shareholders, the minority shareholders can successfully oppose corporate actions undertaken or supported by the majority shareholders. However, the parent company will continue to play a vital role in determining the Company's policy and strategic direction setting. PCL is on the Stock Exchanges in India and abides by the Corporate Governance regulations prevailing for listed companies in India.

Foreign exchange risk

Most of PTL's products, i.e. about 75-85%, are for exports, which are mostly denominated in US dollars and Euro. As against this, raw material (PTA & MEG) prices are linked to the US dollar, although their payments are done in Thai Baht and there are Long term loan related interest payments/loan repayments in USD and Euro. On a standalone basis, the company as at March 31st '20 had USD loan of about 0.9 million and Euro loan of about 94 million borrowed from the Turkey subsidiary for the investment in Indonesia, repayment including prepayment of bank term loans and working capital loans. There are some expenses which are in Thai Baht, i.e. locally procured raw materials, packing materials, salaries, utilities and other administrative expenses which have to be settled by income from domestic sales and from the surplus income from USD/Euro exports. Thus, broadly speaking, PTL has a net surplus US dollar and Euro position on the trade front, which can be hedged somewhat against repayment/ interest payment on its long-term loans. To the extent possible, the company has been trying to create a natural hedge to mitigate the risk from currency fluctuations. On an ongoing basis, the company also takes forward covers, to cover the net surplus exposure in USD and Euro.

Similarly, the Company's subsidiary in Turkey has a net surplus Euro currency whereas they have certain payments in the local currency, which is hedged from time to time by taking appropriate forward covers.

The subsidiary in USA mainly has USD revenues and USD payments, so there is a natural hedge. The project financing was also made in USD currency and the term loan was fully repaid (including some prepayment) in March 2020. Apart from bank loans taken for project financing and working capital financing, the US subsidiary has also taken some inter-co loans from Polyplex Europa (PE) for supporting its financing requirements. These loans are Euro denominated and the O/S amount of the loan at 31st March, 2020 was Euro 42.5 million.

The subsidiary in Indonesia has contracted Long term debt of USD 55 million (or Euro equivalent) for its BOPET project and USD 25 million for the upcoming BOPP project. Disbursal of BOPET loan until 31st March, 2020 is Euro 19.7 million Euro and USD 15.5 million. Apart from this, they have also borrowed inter-company debt of Euro 36 million from the Group company in Turkey to support its project financing and working capital requirement. The Company has exports to Europe and US and in Euro and USD currencies respectively, which will be used to naturally hedge against Loan repayment/ interest payments.

However, the Company continues to be exposed to unrealized FX fluctuation impact as the forex loans need to be restated at the period end exchange rate, in line with the applicable accounting standard and this can create sharp swings in the reported profitability of the Company. But the Company considers it prudent to plan its cashflows and forex risk management based on the principles of natural hedging. As such, it continues to focus on improving the operational performance, rather than trying to protect the unrealized FX fluctuation impact as the purpose of borrowing loans in foreign currency and the natural hedge from export earnings would be defeated if the forex loans are swapped to local currency, merely to eliminate the risk of unrealized FX fluctuation on the loan restatements and to achieve more stability in reported earnings. In order to provide a better assessment of operational performance, the Company has been normalizing the impact of the FX fluctuation, while reporting the

performance to shareholders and while considering the Net profits for dividend payout.

Interest rate risk

As of March 31, 2020, the Company's outstanding long-term bank loans on a consolidated basis were Euro 19.7 million and USD 16.4 million whereas outstanding short-term loans were USD 1 million and Baht 874 million. The USD loans have floating LIBOR based interest rates and the Euro loans have floating EURIBOR based rates. Apart from the above, the Company in Thailand and the subsidiaries in Indonesia and USA have inter-company loans from the Turkey subsidiary totaling to Euro 172.5 million, which gets eliminated in consolidation. Pricing of these loans are on Arms' length basis, linked to Floating EURIBOR rates. The floating interest rate may put the Company at a risk of rising financial cost if the interest rates move up. There are various reasons for interest rate changes like economic growth, inflation expectations and unemployment, among others. All these factors are external and uncontrollable. However, the company has been constantly monitoring the interest rates and will evaluate interest rate swaps for converting the liability into fixed rates, if considered beneficial.

Risk from overlap of products and markets

The product portfolio of PCL, PTL, PE, PFI and PUL is quite similar. In order to mitigate the risk from overlapping of products and markets, Polyplex has also evolved an equitable policy for distribution of markets, between its Indian, Thailand, Turkey, Indonesian and USA operations based on the several factors like product range, delivered cost to customer, supply lead times and preferential duty access. Based on the same, PTL & PFI would mainly serve South East Asia, Asia Pacific, China, and Australia & New Zealand. PCL would serve South Asia. Turkey operations will mainly cater to Europe, Africa and CIS/Russian markets.

The new line in Indonesia, although planned mainly to cater to the domestic market, is currently also exporting some volumes to Korea, Japan, Europe and USA, depending on the Pricing, material availability, delivered cost to customer, preferential duty access etc. The US manufacturing entity would mainly focus on North American market. Certain markets which are basically spot markets such as Middle East, South America etc may be serviced by either of the supply locations depending on the availability of the product and other factors such as capacity availability etc.

The Polyplex Group also has a policy on future investments in polyester film / related areas between the Company and its parent company. Investments in India/SAARC region would be decided and made by PCL and its other subsidiaries (excluding the Company) while investments in Thailand / ASEAN region as well as other countries would be in all likelihood be made by PTL or the subsidiaries in which the Company has a major stake. The above is subject to availability of Investible cash / ability to borrow debt by the existing / preferred Company as per the policy. In line with this Investment policy, the latest investment in Indonesia is fully owned by PTL.

Credit risks

Credit risk of customers is another significant risk for any business. Credit risk refers to the risk of non-payment by debtors. This risk increases in case of unsecured or open payment terms. The Company manages the risk by adopting appropriate credit control policies and procedures. The Company has a well-defined and robust internal credit management system to monitor unsecured sales. The Company also has a global credit insurance cover to secure non-payment risks of customers. As such, most of the sales, which are on credit are secured either through a Letter of credit issued by the customer or secured under credit insurance coverage. The Company also takes extra caution in selection of any new customers and granting of credit.

Risk from regulatory measures or drive against use of plastics

There are growing concerns, in general, on the usage of plastics and more specifically, single-use plastics such as carry bags, straws, disposable spoons etc. When we look at plastic consumption globally, Flexible packaging <10% of total plastic consumption and PET film used in flexible packaging is <1%.

Within various forms of packaging, flexible packaging is held to be a relatively environmental friendly form of packaging due to its lower packaging weight to product ratio with a significantly lower carbon footprint (GHG emission), etc. However, its recyclability is an issue arising from technical challenges and lack of efficient & economic collection mechanism for post-consumer waste. This has led to regulatory measures like banning the use of single use plastics, implementing levies and mandating recyclability. However, there is a general acceptance and understanding on advantages of flexible packaging and, therefore a complete ban on multilayer flexible packaging is unlikely as is the case with other single use plastics. In addition, all the stakeholders in the value chain including brand owners, converters, plastic manufactures, etc. are working together on various fronts e.g. higher recycled content, improved collection system, achieving higher recyclability by changing the structure, etc.

Governments around the world and the industry at large are focusing on developing economical models for collection, sorting and reuse/ recycling of post-consumer plastic waste.

To facilitate the same, there is an increasing trend towards Extended Producer Responsibility (EPR) measures to fund such initiatives. Additionally, several industry Groups and Organizations like CEFLEX, Ellen MacArthur Foundation etc, are actively pursuing the sustainability agendas simultaneously.

The Industry is working on multiple fronts to provide sustainable solutions such as:

- Higher rPET content in packaging
- Single substrate packaging solutions
- Higher Bio content or Bio sourced solutions
- Several alternative usages of plastic waste being pursued like conversion to fuel oil, incineration, road construction, etc.

Being a complex issue, each industry participant is challenged with both threats as well as opportunities. Polyplex Group has been one of few companies working on sustainability initiatives for a long time. It has become members of organizations like PETCORE, CEFLEX etc and actively participates in various initiatives in this direction at a global forum. The Company had invested in a Recycling arm in Thailand, Ecoblue Limited, in 2013 which focuses on recycling post-consumer as well as post-industrial plastic waste for varied applications. The Company has recently launched a few products with post-consumer recycling (PCR) content of up to 90%. This Company is investing in a state-of-the-art recycling line dedicated for hard to recycle materials such as mixed plastic laminates, coated films, label matrix, printed PP & HDPE waste. The Group also has a dedicated R&D center whose main focus is to work collaboratively with customers and help provide innovative and sustainable solutions such as down gauging of film, create mono material substrate etc.

As per Industry experts, given the advantage of BOPET film in flexible packaging, there are currently no viable alternatives to PET film in this segment. Further, any new alternative would take few years' time to be established and to gain acceptance in the Industry and hence, there is no major threat to this industry in the medium term i.e. next 3-5 years. In any case, the multi country manufacturing and sales base of the Company will help reduce the extent of risk of any adverse development in any particular country / region.

Covid-19 Related risks

The immediate impact of the pandemic on the PET industry would stem from the large-scale unemployment as witnessed worldwide. This impact, is expected to be felt for a period of 6 -18 months and result in a reduction in the demand for discretionary items in both the packaging and industrial segments. These would include expensive snacks/boutique products etc and white goods, mobile devices, LED/LCD devices and the automotive segment, thereby leading to a reduction in demand for the films used in these segments. However, given the presence and active participation in host of industrial applications, Polyplex should be able to ensure healthy CUF for these film segments. Increased demand of health and personal protection/hygiene related products such as face shields will help alleviate the stress on CUF and margins.

On the other hand, consumer staples, which make up approximately 70% of Polyplex's business, is expected to see stable to elevated demand. In developed economies such as Japan, Korea, Europe and US - there is an increase in demand for films going into flexible packaging, as consumers gravitate towards more packaged goods to avoid inherent risk of contamination in the fresh food segment.

Future Projects

The company currently has following ongoing projects:

Brownfield BOPP Project at PT. Polyplex Films Indonesia

In June, 2019 the Board approved an investment in a BOPP (Biaxially Oriented Polypropylene Film) film project in Indonesia, co-located with its ongoing investment in a PET film line on existing surplus land.

Project Details

1. Total capital investment is about 52.5 million USD
2. State of the art, high output 10.4-meter-wide, multi-layer, BOPP line with machine configuration designed to produce various specialty products in addition to standard films
3. Stated capacity of about 60,000 TPA
4. Target Debt to Equity ratio to fund capital investment: 2:1
5. Project start up expected by H1 of 2021-22

About the project and Rationale

There are three main face substrates (BOPP, BOPET and Nylon) which are used in flexible packaging based on the product packed and packaging machines used. Out of these three, BOPP has largest demand globally which is ~9 million tons per year and more than twice that of Thin PET film and finds its unique space along with other substrates due to its differentiated properties as given below:

	Content Resistance			Pinhole Resistance	Boiling Resistance	Flavor Barrier	O2 Barrier	Heat Resistance
	Acid	Alkali	Alcohol					
BOPP	Excellent	Excellent	Good	Good	Poor	Poor	Very Poor	Very Poor
BOPET	Good	Poor	Excellent	Poor	Excellent	Excellent	Poor	Excellent
Nylon	Very Poor	Good	Poor	Excellent	Excellent	Good	Good	Good

The global growth rate in BOPP film industry is expected to be 4%-6% and provides an opportunity for the Company to grow in a familiar industry. Besides growth in demand specially in Asia, commonality of customers with BOPET in flexible packaging, low cost of operations due to co-location and high productive line in SEA, coupled with global sales and distribution network provides further substance to the overall project. The investment is also in line with the Company's strategy to broad base the product portfolio, to offer a better value proposition to the customers and to diversify the risk without losing sight of cost and production efficiencies.

The concerns around sustainability and circulation economy has led to banning of certain type of plastics (like single use package) and/or targeting a higher % of recyclable content in the end product. With proposed investment in BOPP, the Company would also be able to actively participate in the development around Mono material laminate structures based on Olefinic (PP/PE) films

Recycling Project at Ecoblue Limited, Thailand

In March, 2020 the Board approved an investment in a state-of-the-art recycling facility at Ecoblue Limited, the subsidiary in Thailand, in which the Company holds 66.5% stake and balance is held by a minority shareholder.

Project Details

1. Total capital investment is about 12 million USD
2. Stated capacity of about 25,000 TPA
3. Target Debt to Equity ratio to fund capital investment is not over 2:1
4. Project start up expected within H1 2021-22

About the project and Rationale

Growing the recycling business is an important step towards sustainability not just for the company but the industry as a whole. EcoBlue has been at the forefront of providing sustainable solutions to the problems of plastic waste. With more and more countries' Governments playing an active role in setting out expectations on the sustainability front, leading Brand Owners have come out with clear strategies and shown commitment to their goal of increasing the recycled contents in their products over the next few years. These commitments from Consumer Product Companies both for packaging and apparels cannot be met with the existing recycling capacities. This sets the environment for recyclers with high quality standards and certifications to be able to operate and compete v/s unorganized players.

Over the last one year or so, EcoBlue has modified one of its existing extrusion lines with which it has successfully been able to develop a high quality rPET grade called 3D Pure which is being used to replace virgin materials in applications like PET film, Filament Yarn and Bottles. Based on the success in qualification of 3D Pure, Ecoblue is venturing into a larger Project for Post-consumer bottles recycling, for the same high-end applications to meet the demands of Consumer Product Companies. This project demonstrates Ecoblue's commitment towards sustainability. With this project, the company would be positioned amongst the leading recycling companies in the region.

Other Capital Expenditure

Apart from the BOPP project in Indonesia and the Recycling line at EcoBlue Limited, the Company is also investing in some smaller projects to either improve the HVAS portfolio or production efficiency of existing productions line. The total capital outlay in such projects is about 35-40 million USD, of which about USD 8 million has already been spent until March 2020 and balance will be expended over next 12-18 months. These projects will be funded out of the internal cash generations of the Company and expected to start operations in this year and some in next year.

THAILAND

Twin Screw Extruder
Blown Film Line
Holographic Film
Batch Resin Line

TURKEY

Batch Resin Plant
Holographic Film
Twin Screw Extruder
Blown Film Line
Offline Coater
Metallizer

As an ongoing effort to improve productivity, reduce wastages, conserve energy, develop new products and enhance quality control, PTL and its subsidiaries undertake several small/medium capital expenditures on the basis of cost benefit analysis. The total outlay over the next 12 months for such projects is estimated at about 12-14 million USD which also includes insurance spares and miscellaneous equipments for upkeep of the machinery.

Legal Dispute

None

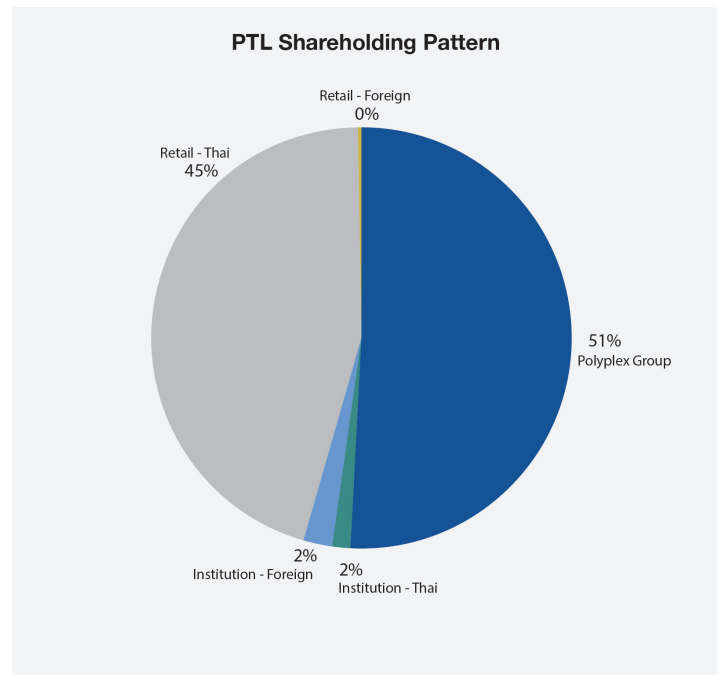
Shareholding Structure

Securities

PTL's Registered capital at 31st March, 2020 was Baht 900 million and Paid-up capital was Baht 900 million, divided into 900 million ordinary shares each of Bt. 1 par value.

The shareholding structure of PTL as on 31st March 2020 is:

Category	Shares	%
Polyplex Group	459,000,000	51.00%
Institution – Thai	13,184,143	1.46%
Institution – Foreign	18,465,870	2.05%
Retail – Thai	408,430,424	45.38%
Retail – Foreign	919,563	0.10%
TOTAL	900,000,000	100.00%



PCL's shareholding structure as of March 31, 2020 is shown as below:

Name	%
Promoter/Sponsor Group	50.03
Institutional investors	10.72
Indian public (Non-Institutional Investors)	34.21
Other shareholders	5.04
Grand total	100.00

PAPL is 100% held by PCL and together PAPL and PCL hold 51% of PTL.

Top 10 Shareholders in PTL as at 31, March 2020

Shareholder Name	Number of shares	% Holding
POLYPLEX (ASIA) PTE LTD.*	304,290,882	33.810%
POLYPLEX CORPORATION LTD.*	154,709,118	17.190%
Mr.Paiwan Chatpitak	44,990,000	4.999%
Mr.Paisarn Chatpitak	44,990,000	4.999%
Mr.Piyawat Chartpitak	44,990,000	4.999%
Mrs. Yuwarad Chusakul	44,800,000	4.978%
Mr.Sunchai Udomratchatavanich	16,940,000	1.882%
Thai NDVR Co.,Ltd.	13,044,043	1.449%
Mr. Anan Raveesangsul	11,500,000	1.278%
Mr. Anan Chatpirayapan	8,380,050	0.931%

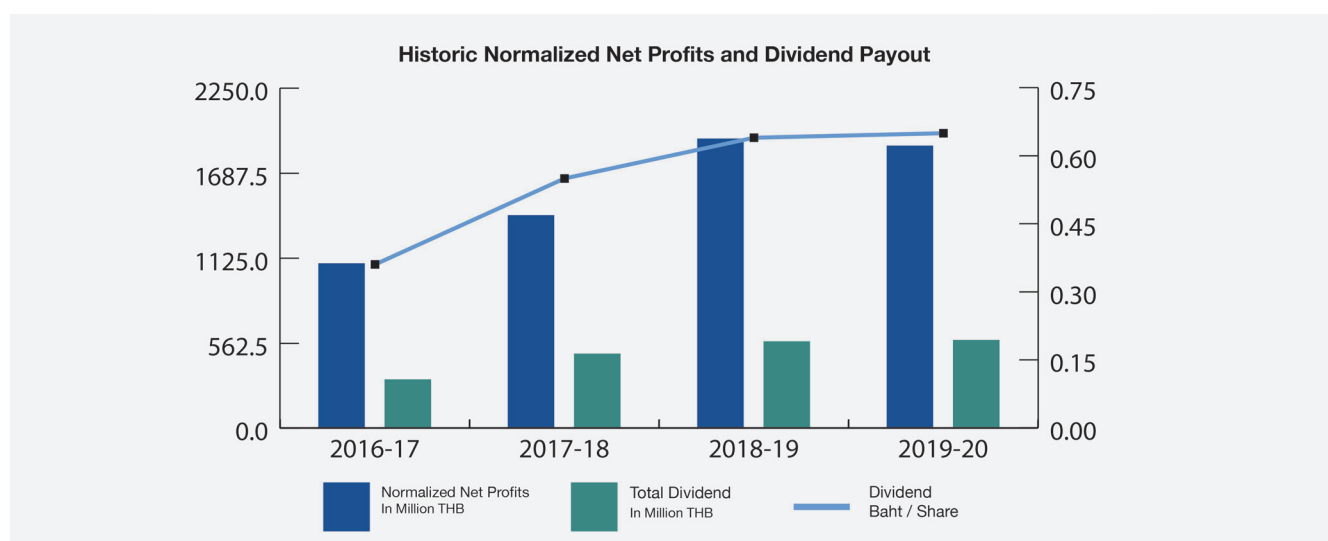
*Major shareholders in PTL

Dividend payment policy

As per the dividend policy stated in the prospectus, dividend is paid out at rate of about 40% of the annual net profit, taking into account economic conditions, growth plans, future deployment opportunities, the Company's financial position and liquidity and subject to the approval by the shareholders.

For the FY 2019-20, a dividend of Baht 0.65/share has been recommended by the board of directors to the 2020 Annual general meeting of shareholders for approval, which is a payout of 31% on normalized consolidated profits (impact of unrealized forex losses and Impairment loss reversal has been normalized).

The historic trend of Normalized Net Profit# and the Dividend declared/paid for past few years is as under:



	Normalized Net Profits	Total Dividend	Dividend Baht Per Share
2016-17	1,091	324	0.36
2017-18	1,410	495	0.55
2018-19	1,918	576	0.64
2019-20	1,871	585	0.65

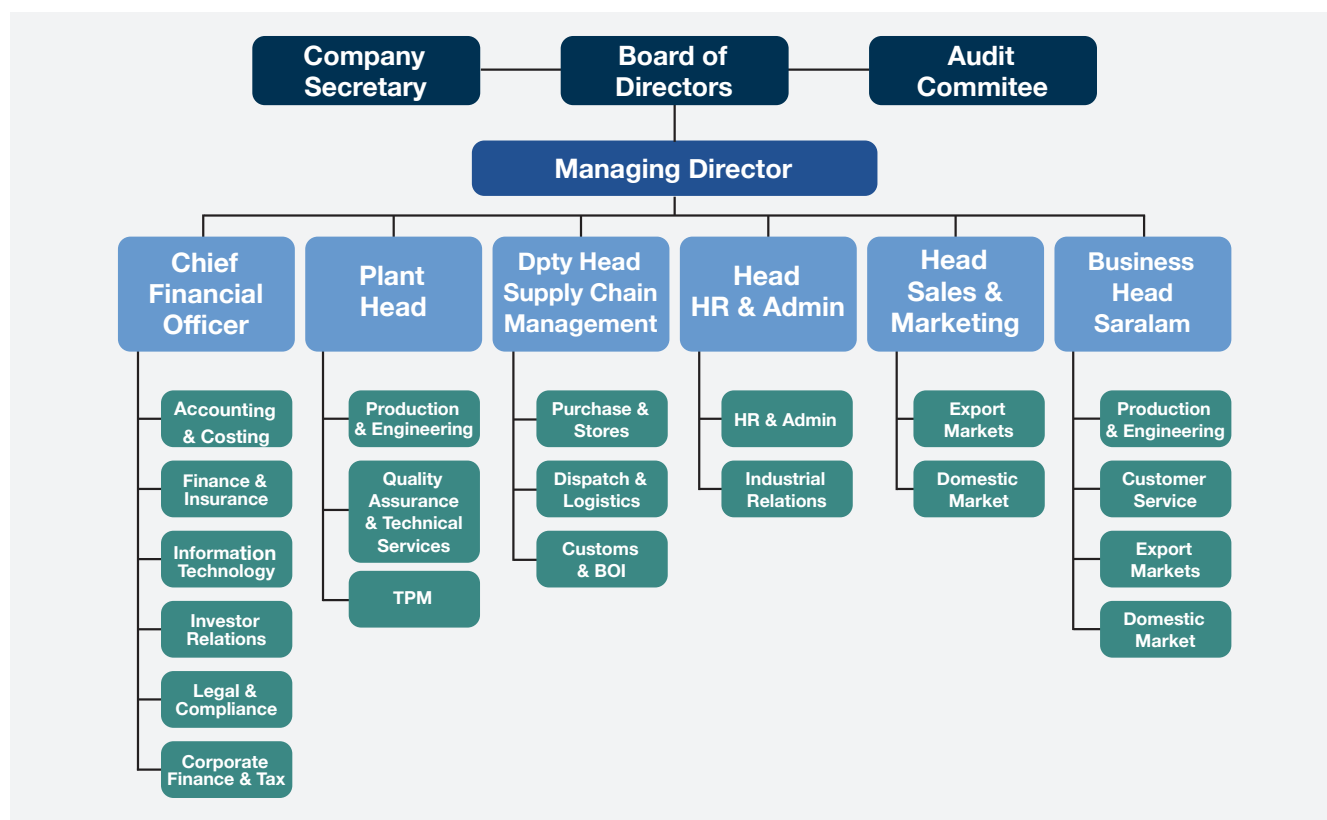
Normalized for forex fluctuations and one-time exceptional items such as Impairment reversal

Due to the significant impact of forex fluctuations on the reported profitability of the company, dividend payout is being considered and recommended by the Board on normalized profit basis, after adjusting the unrealized forex gain/ losses and/or any other one-time exceptional losses.

For the year 2019-20, the Board has proposed an annual dividend of Bt 0.65/ share or total payout of Bt 585 million out of which Bt 0.36/ share or total of Bt 324 million has been paid as Interim dividend in December, 2019 and balance of Bt 0.29/share or total of Bt 261 million is proposed to be paid as Final dividend, subject to shareholder approval in the 2020 Annual General Meeting of shareholders.

Management Structure

The Organization structure as at 31st May, 2020 is as under:



PTL has a board of directors and an audit committee. There is a provision to appoint other need-based committees as may be appointed by the shareholders or the board of directors from time to time. The board members and executive officers are qualified persons with complete qualifications as per Section 68 of the Public Limited Companies Act B.E. 2535 and as per the Notification of the Securities and Exchange Commission (SEC) No. KorJor. 12/2543 Re: Application for Permission and Permission to Sell Newly Issued Shares dated March 22, 2000. Details of the board of directors and other committees are as follows:

Board of Directors

As of May 31, 2020, PTL's Board of Directors is composed of eight members as follows:

1.	Mr. Manu Leopaiprote	Board chairman and Audit Committee Chairman
2.	Dr. Virabongsa Ramangkura	Director (and Audit Committee member)
3.	Mr. Shiraz Erach Poonevala	Director (and Audit Committee member)
4.	Mr. Sanjiv Saraf*	Director & Vice-Chairman
5.	Mr. Praphad Phodhivorakhun	Director
6.	Mr. Ranjit Singh	Director
7.	Mr. Amit Prakash#	Director
8.	Mrs. Sakhi Saraf	Director

* Position changed from Managing Director to Vice-Chairman w.e.f. 22 May, 2020

Appointed as Managing Director w.e.f. 22 May, 2020

Mrs. Supritha Pai Kasturi is the secretary to the Board of Directors

Authorized Signatories

Any one of the three authorized signatories, namely Mr. Sanjiv Saraf, Mr. Amit Prakash and Mrs. Sakhi Saraf are empowered to sign with the Company's seal affixed.

Power and Duties of the Board of Directors (the Board)

The Board of Directors has the powers, duties and responsibilities to faithfully and prudently conduct the operations of the Company in accordance with the Company's objectives and Articles of Association, applicable laws and resolutions of the shareholders' meetings, for the benefit of the Company. A summary of the substantial duties and responsibilities of members of the Board of Directors is set out below:

1. to hold the annual general meeting of shareholders within 4 months from the close of the accounting period
2. to call the meeting of the Board of Directors at least once every calendar quarter
3. to arrange for the preparation and submission of the audited Statement of Financial Position and Income and Loss statement at the end of each accounting period to the shareholders' meeting for its consideration and approval
4. to authorize any one or several directors to perform any action on behalf of the Board of Directors under the supervision of the Board of Directors, or granting the power-of-attorney to such designated director(s) to perform any action within the specified time as the Board of Directors may think fit; provided, however, that the Board of Directors has the sole discretion to revoke or modify such designated director or power-of-attorney as the Board of Directors may think fit

For this purpose, the Board of Directors may authorize the Executive Committee, if any, to conduct any activities within the specified scope of work, duties and responsibilities of the Executive Committee. No authorization will entitle the Executive Committee to consider and approve the transaction which may cause a conflict of interest between the Executive Committee or any related person or interested person as the one party and the Company or its subsidiary companies as the other party. However, an exception is granted where the transaction conforms to the approved policies and rules of the Board of Directors

5. to determine the goals, prospects, policies, business plans and budgets of the Company, and to ensure that the management work performed by the Executive Committee, if any complies with the set policies. However, the Board of Directors needs to obtain the resolution of the shareholders' meeting before entering into certain legal transactions, for instance, increase or reduction of capital, issue of bonds, sale or transfer of all or any substantial parts of the Company's businesses to any third party, purchase or acceptance of transfer of other businesses, amendment to the Memorandum of Association, and so on.

The Board of Directors is also responsible for ensuring the Company's compliance with the securities and exchange law and rules of the SET, for instance, rules concerning the entry into connected transactions and concerning purchase or sale of substantial assets, including any law governing the Company's business

6. to review the management structure and appoint the Executive Committee, General Manager and any subcommittees, as it deems appropriate
7. to ensure that the Company's performance follows the business plans and budgets at all times
8. to refrain from conducting any similar or competitive business, participating as partner in an ordinary partnership

or partner with unlimited liability in a limited partnership or director in a private company or in any other firm, company or corporation operating the business similar to or in competition with the Company, regardless of whether for his/her own benefit or for others' benefit. However, an exception is granted where the director provides notice to the shareholders' meeting in advance of his/her effective appointment as director of the Company

9. to notify the Company without delay of the event of likelihood that the director may have direct or indirect interests as a result of (i) the Company's entry into any agreement; and (ii) his/her increased or decreased holding of shares or bonds in the Company or its subsidiary companies.

Role and Responsibility of Chairman of the Board

The Chairman plays a pivotal leadership role in ensuring that the Board works effectively.

The key roles of the Chairman are:

1. Acting as Chair at the Board's and Shareholders' meetings
2. Ensuring that Board members receive accurate, timely, and sufficient information for Board meetings
3. Providing independent advice to the management and Board.
4. Ensuring the participation of the executives, non-executives and independent directors in the Board's decision processes and activities
5. Ensuring the whole Board plays a constructive part in developing and determining the Company's strategy and objectives

Audit Committee

The Company's Audit Committee comprises of:

1.	Mr. Manu Leopaiprote	Audit Committee Chairman
2.	Dr. Virabongsa Ramangkura	Audit Committee member
3.	Mr. Shiraz Erach Poonevala	Audit Committee member

Mrs. Supriha Pai Kasturi is the secretary to the Audit Committee.

Power and Duties of the Audit Committee

1. to review the sufficiency, credibility and objectivity of the financial reporting of the Company by coordinating with the external auditors and management responsible for preparing the quarterly and yearly financial reports. The Audit Committee may suggest issues or matters to be included for review or audited by the external auditors during its audit of the Company
2. to review the adequacy and effectiveness of internal control systems and internal audit functions by coordinating with the external auditors and internal auditors (if any)

3. to review compliance with the Securities and Exchange Acts, Regulations of the SET, and any other relevant laws
4. to consider and advise on the appointment of the external auditor including the audit fee, taking into account the creditability of the external auditor, the adequacy of its resources, the firm's audit engagements, and the experience of its supervisory and professional staff; as well as to have a meeting with the external auditor, as and when required, without the presence of the Executive directors or any other member of the management team
5. to review the connected transactions and ensure proper compliance with all the relevant SEC/SET regulations and also to ensure adequate disclosures or conflict-of-interest disclosures
6. to take care of any other matters assigned to it by the Board of Directors, such as reviewing the Company's financial and risk management policies, reviewing compliance with the Code of Corporate Conduct of the management, and reviewing with the company's management, all important reports which must be disclosed to the public according to the law (e.g. Management Discussion and Analysis (MD&A), etc.)
7. to report the activities of the Audit Committee in the company's annual report, which must be signed by the chairman of the Audit Committee, and to express in such annual report the Audit Committee's opinion on (i) the accuracy and completeness of the procedures for the preparation of the report and information disclosure, (ii) the sufficiency of the internal control system of the Company, (iii) opinion on the suitability of the external auditor and appointment for another term, (iv) the number of Audit committee meetings held in the previous year and the attendance of each member in such meetings, (v) opinion on the connected transactions and any transactions that may lead to conflict of interest (vi) the compliance by the Company with rules and regulations of SET, SEC and other applicable laws, and report on any information that the shareholders and investors should be aware of under the scope of power of the duty that has been assigned by the Board of Director
8. to report the performance of the Audit Committee to the Board of Directors at least once every calendar quarter
9. to express its opinion on the performance, appointment, removal and determination of remuneration of the internal auditor, if any

Management

PTL's senior management during 2019-20* consisted of eight persons as below:

1.	Mr. Sanjiv Saraf#	Managing Director
2.	Mr. Ramesh Gupta	Business Head – SARALAM division
3.	Mr. Santhosh Kumar Singh	Head – Operations
4.	Mr. Ashish Ghosh	Head – Sales & Marketing
5.	Mr. Ashutosh Kumar Agarwal*	Chief Financial Officer
6.	Mr. Akshay Sudhir Jog	Deputy Head – Supply Chain Management
7.	Mr. Chakrit Srisamutnak	Head – HR and Safety
8.	Mrs. Sakhi Saraf	Director & Head of Investor Relations & Corporate Communication

*The Chief Financial officer (CFO) has been transferred to Indonesia as the CFO of the Indonesia subsidiary, under which the Greenfield PET film project was implemented in 2019, but he continues to be the CFO for Thailand operations as well.

Mr. Sanjiv Saraf's position has been changed from Managing Director to Vice-Chairman and Mr. Amit Prakash has been appointed as the new Managing Director w.e.f. 22 May, 2020.

Power and duties of Managing Director

1. to monitor and supervise the day-to-day business operations and management of the Company
2. to undertake or perform duties in line with the policy, plan and budget approved by the board of directors and Audit Committee of the Company
3. to perform as the authorized person of the Company in administering the business in line with the objective, regulations, policy, rules, stipulations, orders and resolutions of the meeting of the Board and/or resolutions of the meeting of shareholders
4. to appoint and manage the performance of the working committees to ensure benefit and efficiency as well as transparency in management, and be authorized to appoint and/or assign any person to specifically perform on his behalf. Such delegation of power and authority shall come under the purview of such certain authorization letter and/or comply with the regulations, stipulations or orders issued by the board of directors and/or the Company
5. to determine mission, objectives, framework and policy of the Company for optimum benefit of the organization
6. to follow up and assess the Company's operational results on a regular basis to cope with both internal and external risks
7. to consider and approve expenditure spending in the normal course of business operations
8. to consider the recruitment and employment of personnel as well as transfer, rotation across functional lines/departments/divisions, or termination of employment of personnel, and determine rate of wages, remuneration, bonus and welfare package relating to personnel
9. to issue orders, regulations, announcements and memorandum to ensure the operations come out in line with the policy and for the benefit of the Company as well as to maintain discipline in the organization.
10. to perform any other duties as occasionally assigned by the Board of Directors

Power to approve any transactions (i) which may cause a conflict of interest with the Company or its subsidiary; or (ii) in which the interests of the Managing Director or other interested person may be in conflict with the Company or its subsidiary, under the applicable rules and regulations of the SET, do not fall within the scope of the powers and authorities of the Managing Director to act at his/her own discretion or to designate any person to act on his/her behalf. Typically, these transactions need the consideration and approval of the Board of Directors and/or the shareholders' meeting in accordance with the Articles of Association of the Company and subject to applicable laws.

Role of Company Secretary

The Company has appointed Mrs. Supritha Pai Kasturi as the Company Secretary. She is a qualified Chartered Accountant from the Institute of Chartered Accountants of India and has the requisite knowledge and experience to perform this function. She also performs the role of the Secretary to the Board of Directors and to the Audit Committee.

Responsibilities of Company Secretary:

- Arrange the Board of Directors' Meetings, Audit Committee Meetings and the Shareholders' Meeting in accordance with the relevant laws and regulations
- Prepare the Agenda/ supporting documents for the above meetings and ensure that the same is circulated to the concerned members, at least a week in advance of the meeting date, to allow sufficient time to review the documents
- Prepare the Minutes of all the above Meetings and monitor subsequent compliance with the resolutions of those Meetings
- Ensure that disclosures of information to regulatory agencies (SET/SEC and other relevant regulatory agencies) are made in accordance with the applicable laws and regulations
- Execute any additional duties assigned by the Board of Directors from time to time

Selection of members of the board of directors, independent directors and the audit committee

The Company has no Nomination Committee to select and nominate any persons to be appointed as directors of the Company. In this regard, the Board will undertake the selection process, taking into account the experience, expertise and competency of the prospective persons and the qualifications required as per the criteria prescribed in the Public Limited Companies Act B.E. 2535 and as announced by the SEC and relevant agencies, as also the provisions of Articles of Association of the company. Nomination will be made at the shareholders' meeting and election made under the procedures prescribed in the Company's regulations as below:

I. Selection of members of the Board of Directors

- a) The Company is required to have a board of directors consisting of at least 5 persons. The board of directors must elect one of their members to be the Chairman and may elect another member to be a Vice-Chairman and any other positions as they see fit. At least one-half of the directors must reside in Thailand. A director need not be a shareholder of the company.
- b) A meeting of shareholders must elect the directors in accordance with the following procedures and rules:
 - a. Each shareholder has one vote for each share held
 - b. Each shareholder may exercise the votes in electing one or more persons to be the directors but the votes are indivisible; and
 - c. The person who obtains the highest votes will be elected as a director in respective order according to the required number of directors, but if two or more persons obtain equal votes, the Chairman must exercise a casting vote.
- c) At every general meeting of shareholders, one-third (1/3) of the directors, or if it is not a multiple of three, then number nearest to one-third (1/3) must retire from office.
- d) There must be a drawing by lots to determine the directors retiring on the first and second years following the registration of the company. In each subsequent year, the directors who occupy the position for the longest period must retire. A retiring director is eligible for re-election.

II. Selection of members of the Audit Committee/Independent Director

The Audit Committee is composed of at least three independent directors with an office term of 2 years. The Company has a policy to select and nominate Audit Committee / Independent director in compliance with the SEC Notification no. KorJor. 12/2543 regarding application for and approval of offering of newly issued shares, with each of whom to have the following qualifications:

- a) Hold shares not exceeding 5% of the total shares with voting rights of the Company, an affiliated company, a subsidiary company, an associated company or a juristic person that may have conflict of interest
- b) Not be an employee or a staff member or an advisor who receives a regular salary or a person with controlling power of the Company, an affiliated company, a subsidiary company, an associated company or a juristic person that may have conflict of interest
- c) Not be a person having blood relation or legal relation in the manner of being any family member or spouse thereof of the executives, the major shareholders, the persons with controlling power or any persons to be nominated to the managerial positions or the persons with controlling power of the Company or a subsidiary company
- d) Have no business relation with the Company, an affiliated company, a subsidiary company, an associated company or any juristic person that may have conflict of interest in the manner that may hinder the use of individual's independent judgment, and have no other nature that will hinder the individual's provision of independent opinions relating to the Company's operations.

In addition, at least one independent director appointed as an Audit Committee member must have sufficient knowledge and experience in finance and accounting areas so that he/she can review the reliability of the financial statements. Other qualifications must also be taken into account, comprising business experience, expertise in the field related to the business and ethical qualifications, to ensure maximum benefits to the Company.

The appointment of Audit Committee members is subject to the same criteria and procedures as those in the appointment of directors of the Board. The vacating Audit Committee member upon completion of his/her office term of 2 years may be re-appointed by the Board of Directors for another term. In the event that there is a vacancy on the grounds other than the completion of office term, the Board shall select and appoint the person who possesses the required qualifications to fill the vacancy to complete the number of the Audit Committee members as prescribed by the Board. The newly appointed Committee member shall be in the office only for the remaining period of the office term of the vacating member.

Remuneration for Management

Monetary remuneration

Directors

Before the transformation into a public company, PTL had five directors. These directors did not receive any meeting allowance from the Company. Since transformation into a Public Company in 2004, the Company has 8 Directors on the board.

For the FY 2019-20, The actual remuneration paid to the Independent Directors is Baht 5,400,000 as against the amount approved in the Shareholder meeting of Baht 5,400,0000.

Details of the same are given under:

	Name of Director	Amount Approved (Baht p.a)	Actual Paid (Baht p.a)
1.	Mr. Manu Leoparote	Baht 1,800,000	Baht 1,800,000
2.	Dr. Virabongsa Ramangkura	Baht 1,200,000	Baht 1,200,000
3.	Mr. Praphad Phodhivorakhun	Baht 1,200,000	Baht 1,200,000
4.	Mr. Shiraz Erach Poonevala	Baht 1,200,000	Baht 1,200,000

In addition to the above remuneration, meeting sitting fees of Baht 10,000 per meeting attended has been paid to the Audit Committee members, which is as per the amount proposed and approved in the Shareholder meeting in July 2019.

For the FY 2019-20, it is proposed to fix a remuneration of Baht 100,000 per month, to all the independent directors as mentioned below:

1.	Mr. Manu Leoparote
2.	Dr. Virabongsa Ramangkura
3.	Mr. Praphad Phodhivorakhun
4.	Mr. Shiraz Erach Poonevala

Mr. Manu Leoparote, in his capacity as the Chairman of the Board of Directors and the Chairman of the Audit Committee would be entitled to an additional remuneration of Baht 25,000 per month, for each role.

For the Audit Committee, each member would be entitled to a sitting fee of Baht 10,000 per meeting attended.

The above remuneration package, to the Independent directors and Audit committee members, would be proposed to the Shareholder meeting to be held in July 2020 for their consideration and approval.

Senior Management

The remuneration details of the senior management, including 1 executive director of PTL is as below:

Remuneration (In '000 Baht)	2017-18	2018-19	2019-20
Number of executives	8*	8*	8*
Salaries (In '000' Baht)	20,664	16,916	14,993
Bonus and Others (In '000' Baht)	30,790	18,864	20,570
Total	51,454	35,780	35,563

* Including some persons for part of the year only

Other remuneration

Directors	None
Executives	None

Personnel

As of March 31, 2020, PTL had a total workforce of 713 persons, 706 of whom are personnel at the plant in Rayong Province and 7 at the head office in Bangkok. The Company also has 36 expatriates, 3 of whom are at the head office in Bangkok and the balance in Rayong.

Department	March 2018	March 2019	March 2020
1. Executives	8*	8*	8*
2. Production, Quality Assurance & Technical services	482	506	543
3. Commercial, IT, Personnel & Admin.	34	33	29
4. Supply Chain Management	127	135	133
Total	651	682	713

*Excluding persons who were for part of the year

Employee (non-executive) remuneration

Remuneration (In '000 Baht)	2017-18	2018-19	2019-20
No. of employees	643	674	705
Salaries & Wages	194,313	211,523	227,882
Overtime pay	31,309	32,654	36,838
Bonus	35,279	38,017	40,237
Provident fund*	4,889	6,658	7,450
Others	89,440	91,240	94,180
Total	355,230	380,092	406,587

*The Company started contributing to the provident fund since September 2004 and depending on the length of service of the Employee, company's contribution is now in the range of 4-7%.

There has been no labor dispute for the past years.

HRD Policy

The company realizes the importance of its staff as they are valuable assets and play a major role in the success and growth of the company. Therefore, it has a policy to develop the efficiency, knowledge and skills of its staff at all levels by having well organized training programs on a periodic basis. Training programs are designed to improve various aspects of work life like technical competence, quality assurance, team building, and enhancement of leadership skills, time management skills, safety awareness, basic firefighting etc thereby improving the quality of the working life of the employees. In the past year, a total of 13,764 hours of training was imparted to our employees in Thailand and at the overseas subsidiaries. Feedback of employees participating in such trainings is taken in order to help improvement of quality of seminars and trainings to be conducted in future.

Good Corporate Governance & Internal Control

CORPORATE GOVERNANCE

Policy on Corporate governance

Polyplex realizes the significance of good corporate governance and makes every effort to implement the Corporate Governance principles laid down by the Stock Exchange of Thailand. The company has firm belief in transparency, accountability and ethical conduct in carrying out its operations. The Company adopts strict internal controls and audits in recognition of their importance. It also has several risk management policies, keeping in mind a good relationship and business ethic towards business partners, shareholders and all concerned parties.

Rights of shareholders

The Company recognizes the importance of equal rights of all shareholders and considers all the shareholders as owners of the Company irrespective of the percentage of shares owned.

The Company has a policy to report to shareholders regularly on progress of operations, either directly or through the Stock Exchange of Thailand or through information on its website after listing.

Shareholders will be given fourteen days advance notice of all shareholder meetings, including the meeting agenda and related information. The shareholders would be encouraged to participate in the general meetings and their views and comments would be noted and followed up.

The shareholders also have the following rights which are exercised in the Annual Shareholding meetings:

- Re-appointment of Directors retiring by rotation and approval of the Director remuneration
- Approval of Auditor appointment and remuneration
- Approval of dividend payment

Rights of Stakeholders

Polyplex has always provided equal importance to the requirements of all its stakeholders as under:

- **Personnel:** Company considers all its personnel to be valuable assets, critical to the success and growth of the organization. The Company is committed to providing a quality oriented work environment, with special emphasis on safety, along with fair and equitable remuneration. Apart from basic salary, Performance linked Bonus, Provident Fund contribution and Social Security Contribution, the Company also provides certain other benefits to its employees such as Overtime pay, Housing Allowance, Transport Allowance, Telephone allowance, Medical Insurance, Life Insurance coverage etc.
- **Business partners:** It has always been the policy of Polyplex to develop long standing and growing relationships with all its business partners based on mutual benefit and guided by good business ethics. The company values the long-standing relationship with its business partners, whether it is the banks that support the trade finance and project financing requirements of the Company, or the strong Distributors/ Agent network across various parts of the globe, which help in market development and ensure smooth

continuity of the business operations for the company.

- **Competitors:** Polyplex always abides by the framework of fair competition and would work towards market development and growth to the mutual benefit of the industry.
- **Creditors:** To abide by the loan covenants and provide all information about the progress of the Company to its creditors as may be required for smooth business dealings.
- **Customers:** Polyplex is committed to creating customer satisfaction by ensuring consistency in the quality of its products and offering value proposition through its wide network, technical support and local sales personnel at each location. Polyplex has successfully adopted the 3R (reduce, reuse and recycle) concept while coming up with new-age packaging substrate solutions to reassert its environmental commitment and continually strive to manufacture sustainable products which can gain global acceptance.
- **Shareholders:** Polyplex strives to conduct its business in a transparent and efficient manner with a view to constantly strive for improvement in operational efficiency and to enhance shareholder value. New project investments are evaluated prudently to ensure good returns and increase value to the shareholders.
- **Community/Society:** Polyplex realizes and cares for the safety of society, environment and quality of life of people. It places priority on activities relating to the community and the society and also by compliance of applicable laws and regulations relating to the same. The company periodically organizes Blood donation camps and encourages employees to donate blood. Apart from this, the Company also contributes donations (cash and kind), from time to time, to organizations engaged in various community services.

In response to the Covid-19 pandemic, the Company has made some monetary and non-monetary contributions (Face shields/ Food packets distribution) at all the countries it operates, so as to support the fight against this pandemic.



Shareholders' Meetings

The Company endeavors to organize the shareholders' meeting with equitable treatment for all participants and in strict accordance with legal procedures, from meeting invitations, proxy form for those who are unable to attend the meeting, and distribution of meeting documents to inform all concerned of the meeting agendas. It is ensured that the meeting venue and time is convenient and the meeting session allows adequate time for shareholders to ask questions on business operations or voice their opinion.

Leadership and Vision

The Board of Directors is the forum for review of plans, vision, strategies and key policies. Elaborate budgets have been formulated for all functional areas in the Company and a system of Key Result Areas (KRAs) has also been implemented for each department and individual as also at the corporate level to align interests and priorities across the organization. The Board of Directors would play a leading role in regular review of the actual operations vis-à-vis budgets.

Conflict of interest

The policy is based on the principle that any decision to be made by personnel at all levels in business operations must be in the best interest of the Company. It is the duty of all personnel to avoid any transactions and/or dealings which could result in financial losses to the Company and result in personal monetary benefit. The Audit Committee is entrusted to watch over and review the internal controls and audit function to ensure their efficiency and also ensure adequate disclosures to be made as per the SEC/SET guidelines.

Business ethics

Polyplex has a code of conduct for all personnel who emphasize observance of ethical practices, honesty and accountability. Responsibility towards all stakeholders and external agencies is encouraged in order to foster a good corporate culture and social responsibility.

Whistle Blower Policy

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company's Board has in February 2015, approved a Whistle Blower Policy which aims at encouraging its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. This policy aims to provide an avenue for employees who observe an unethical practice (whether or not a violation of law), to approach the Whistleblower Committee, which consists of 4 members, who are key functional heads of the organization and who will report to the Audit Committee about any complaints received by them.

Check and balance by non-executive directors

As at 31st May 2020, the Company has altogether eight directors as detailed below:

Status	Executive Directors	Non-Executive Directors	Audit Committee
Shareholders' representative Directors	2	2	-
Independent Directors	-	1	3

Integration or delegation of title and authority

The Chairman of the Board of Directors is an independent director and is also the Chairman of the Audit Committee. Independent directors constitute 50% of the Board of Directors and thus composition of the Board would ensure fair and effective management monitoring. The Managing Director is the CEO in charge of day-to-day operations and has specified powers with certain key decisions requiring approval by the Board of Directors.

Remuneration for directors and executives

The remuneration of the Board of Directors and the Audit Committee is proposed to the Shareholder meeting for their consideration and approval. The Managing Director's remuneration is fixed by the Board of Directors in

discharge of duties as the CEO of the Company. The remuneration of the management is open for review by the shareholders who may set the appropriate policies and guidelines on this matter.

Board Meetings

The meetings of the Board of Directors are usually convened at least once every quarter to review the operations / quarterly financial results and other matters. There were seven Board meetings conducted during the FY 2019-2020.

Attendance of directors is as follows:

Name	Position	Attendance
Mr. Manu Leopairote	Board Chairman & Audit Committee Chairman	7/7
Dr. Virabongsa Ramangkura	Director & Audit Committee member	7/7
Mr. Shiraz Erach Poonevala	Director & Audit Committee member	7/7
Mr. Sanjiv Saraf*	Managing Director	2/7 (*)
Mr. Ranjit Singh#	Director	2/5
Mr. Praphad Phodhivorakhun	Director	7/7
Mr. Ashish Kumar Ghosh#	Director	5/5
Mrs. Sakhi Saraf#	Director	5/5

* The attendance is 5/7 including 3 meeting joined over teleconferencing from an overseas location

Meeting attendance after appointment as Director w.e.f 16th May, 2019.

Supporting Committees or Sub-Committees

The Board of Directors has recommended and shareholders have approved an Audit Committee consisting of three independent directors. The Audit Committee members have the requisite qualifications under the relevant SET rules & guidelines. The powers and allocation of work have been clearly defined by the shareholders and include review of internal control systems, review of financial reports, connected transaction or transaction involving conflict of interest. The term of the Audit committee is 2 years and may be renewed by the Board of Directors every 2 years. There were 5 Audit committee meeting held in FY 2019-20 and attendance of the members is as under:

Name	Position	Attendance
Mr. Manu Leopairote	Board Chairman & Audit Committee Chairman	5/5
Dr. Virabongsa Ramangkura	Director & Audit Committee member	5/5
Mr. Shiraz Erach Poonevala	Director & Audit Committee member	5/5

Internal Control and Audit System

The Board of Directors exercises control through setting of annual budgets and operational objectives, periodical review of which is done from time to time. Meanwhile, the Audit Committee oversees the internal controls and audit in the Company and suggests measures for improvement.

Board of Directors' Report

The Board of Directors is responsible for the Company's financial statements. As a part of the annual report, the directors have commented on the financial results of the Company.

Relationship with investors

The Company places significance on the timely disclosure of accurate information to its shareholders and investors. It participates in the SET Opportunity day every quarter to disseminate information about the Company and its operations to investors and analysts. The company also organizes factory visit for the shareholders, analysts and potential investors. As regards investor relations, the Company has a well-developed IR section in the company website. The Investors/ Analysts can also register their e-mail ID's and receive an IR alert message, when any information is updated on the Company's website. Further information regarding the Company may be obtained by contacting at tel. +66 26652706-8.

Measures to Prevent Use of Internal Information for Executives' Personal Benefit

The Company is cognizant of the need for supervision of usage of internal company information by its directors and management for their own benefit. The directors and management who come to possess internal company information are not permitted to buy or sell the securities of the Company for a specified period prior to its announcement of operating results. In addition, the Company secretary announces a Trading Window Closure period to the global employees of the Polyplex group, for a specified period prior to announcement of operating results and employees are strictly prohibited from trading in the Company's share during this Window Closure period.

Corporate Social Responsibility

Ethical Business Practices

Polyplex has a code of conduct for all personnel who emphasize observance of ethical practices, honesty and accountability. Responsibility towards all stakeholders and external agencies is encouraged in order to foster a good corporate culture and social responsibility.

Anti-Corruption and Bribery

Polyplex has a code of conduct for all personnel who emphasize observance of ethical practices, honesty and accountability. Responsibility towards all stakeholders and external agencies is encouraged in order to foster a good corporate culture and social responsibility. In its meeting held on 10th February, 2015, the Board of Directors have approved an Anti-corruption and Bribery Policy, to ensure that any of its personnel do not engage in unethical business practices of any kind, for deriving personal benefits. This policy has been implemented at Thailand and all the overseas subsidiaries of the Company.

Fair Labor practices

Company considers all its personnel to be valuable assets, critical to the success and growth of the organization. The Company is committed to providing a quality oriented work environment, with special emphasis on safety, along with fair and equitable remuneration. Apart from basic salary, Performance linked Bonus, Provident Fund contribution and Social Security Contribution, the Company also provides certain other benefits to its employees such as Overtime pay, Housing Allowance, Transport Allowance, Telephone allowance, Medical Insurance, Life Insurance coverage etc.

Responsibility Towards Customers

Polyplex is committed to creating customer satisfaction by ensuring consistency in the quality of its products and offering value proposition to its global customer base.

Caring for the Environment

Polyplex realizes the importance of caring for the environment. As a sustainability initiative, it had invested in a project to recycle and provide sustainable solutions for film-based process waste and the project started commercial operations in December, 2013 in Thailand, under the Company's subsidiary - EcoBlue Limited. Over the years, the subsidiary has successfully commissioned 2 more recycling lines and a Project for a state-of-the-art post-consumer waste recycling line is underway and expected to start commercial operations in H1 of 2021-22. The company has also taken other specific steps in this regard as under:

- Investments in energy saving initiatives like Heat Recovery project, Twin Screw Extruder etc.
- Thinner gauging of the products
- Innovative products keeping recyclability in mind

- Near shoring business model reducing carbon footprint due to movement of material
- Focus on R&D initiatives to find more sustainable solutions like single substrate structure, Bio-PET etc
- Developed new films using post-consumer recycled PET content of upto 90%

Social and Community Development

Polyplex realizes and cares for the safety of society, environment and quality of life of people. It places priority on activities relating to the community and the society and also by compliance of applicable laws and regulations relating to the same. The company periodically organizes Blood donation camps and encourages employees to donate blood. Apart from this, the Company also contributes donations (cash and kind), from time to time, to organizations engaged in various community services.



Internal Controls

At the audit committee meeting of PTL held on May 22, 2020 with all the three audit committee members attending, the committee assessed PTL's internal control by means of making inquiries with its management. Based on the assessment of PTL's internal control system in five aspects, namely organization and environment, risk management, control of the executives' operation, information technology system & information communication and follow-up system, the Audit Committee viewed that PTL has adequate internal control with regard to the making of transaction with its major shareholders, directors, executives, or persons connected with the above mentioned persons.

The board considered that the Company's adequate and appropriate internal control and follow-up of the operations would be able to safeguard its assets against any illegitimate use by the executives.

Connected Transactions

A summary of the connected transactions between PTL and the connected parties during the past three years is as follows:

Party having conflict of interest	Relationship	Description of transaction	Pricing policy	Transaction Amount (Million THB)		
				2017-18	2018-19	2019-20
Polyplex Corporation Ltd. (PCL)	PCL is the Company's major shareholder, owning directly and indirectly the 51% of the Company's share capital and the two parties have common directors.	PCL made advance payments on behalf of the Company and its subsidiaries for administrative expenses, which were mainly traveling/ visa expenses of employees, employees' family, etc. The Company has given the appropriate accounting treatment to these expenses and/or collected these amounts from the employees and paid them back to PCL.	The price of the transaction between PCL and the Company was a normal price in general business practice and was the price as actually paid by PCL in advance for the Company without any extra charge by PCL.	3	7	3
Polyplex Corporation Ltd. (PCL)	PCL is the Company's major shareholder, owning directly and indirectly the 51% of the Company's share capital and the two parties have common directors.	Purchase of Raw material – Polyester Chips and Polyester Film by all the subsidiaries of PTL including PTL	As per Transfer Pricing policy of PCL (Study done by EY Office and TNMM [Transactional Net Margin] Method recommended for Transfer pricing	550	508	445
Mrs. Sakhi Saraf & Mrs. Gauri Gidwani	Daughters of Vice Chairman of the Board– Mr. Sanjiv Saraf	Salary	As per Employment contract	0.5	1.3	2.2
Mr. Pranay Jain	Managing Director and Minority Shareholder of Subsidiary - Ecoblue Limited	Dividend	As approved by the Shareholders' meeting of Ecoblue Limited	7	1.8	0.9

Necessity and Reasonableness of the Connected Transaction

The connected transaction involved the advance payments made by PCL on behalf of the Company and its subsidiaries for administrative expenses. The Company and its subsidiaries have given the appropriate accounting

treatment to these expenses and paid them back to PCL. The reimbursement of advances/expenses was to PCL was at the actual prices incurred without any extra charge by PCL.

The connected transaction also involved the advance payments made by the Company and its subsidiaries on behalf of PCL for administrative expenses, which were later reimbursed by PCL.

During the year, the connected transaction also involved some purchases of Raw materials i.e. Polyester Chips and Polyester Film from PCL, which were made considering Arm's Length Pricing as per Transfer Pricing guidelines. There is a payment of Salary to Mrs. Sakhi Saraf, who was appointed as the Head of Investor Relations and Corporate Communications in November, 2017 and was also appointed as a Director in the Company w.e.f 15th May, 2019 and Mrs. Gauri Gidwani, who was appointed as an Inside Market Specialist at Polyplex USA LLC in March 2020. The remuneration package to Mrs. Sakhi Saraf and Mrs. Gauri Gidwani, daughters of Mr. Sanjiv Saraf, the Vice-Chairman of the Board, is in their capacity as an Employee and is also on Arm' length basis as considered and approved by the Board of PTL.

Measures or Procedures for Approval of the Connected Transaction

The audit committee of PTL has examined the connected transaction described in the table above and viewed that it is in accordance with the normal business practice. For all normal business transactions in the future such as purchase and sale of material, reimbursement of expenses, the Company can undertake the transactions and inform the audit committee and the Board of Directors on a quarterly basis.

For any other future connected transactions, which are not normal business transactions, the Company will assign the concerned units to gather the relevant information and provide it to the audit committee to be used as a basis for its consideration on those transactions as to whether they are consistent with the normal business practice and the market price. The Company would ensure that it follows the applicable regulations of the SEC and SET in this regard. The audit committee has to consider and inform the board of directors for the approval. The directors who have a conflict of interest may not partake in the giving of comments on those connected transactions.

Policy for Potential Connected Transaction

For any connected transactions that may take place in the future, the Company has a policy to set appropriate conditions on the said transactions based on the reasons and necessity of the Company. The connected transactions performed over the past period were advance payments, made for expenses such as visa, travel ticket expenses etc. There were no extra charges by the parent company regarding such cost and expenses. In performing any future connected transactions, Company's board of directors will comply with the law governing securities and exchange and the regulations, notifications and orders of the Stock Exchange of Thailand, as well as the regulations regarding disclosure of information about connected transactions and acquisition or disposal of core assets of companies or subsidiary companies according to the accounting standards defined by the Institute of Certified Accountants and Auditors of Thailand.

Where the connected transaction involves any person who may have a conflict of interest, the Company will arrange for the audit committee to give opinion on the necessity and appropriateness of that transaction. In case the audit committee has no expertise in any such transaction, the Company will have an independent expert or its external auditor provide opinion on that transaction to be used as a basis of decision-making by the board of directors or the shareholders, as the case may be. The Company will disclose such connected transactions in the notes to the financial statements duly audited by its external auditor.

Financial Position and Operational Performance

FINANCIAL STATEMENTS

Auditor

Year	Name of auditor	CPA no.	Auditing firm
2019/20 (April 1, 2019-Mar 31,2020)	Mr. Chayapol Supasethnon	3972	EY Office Limited
2018/19 (April 1, 2018-Mar 31,2019)	Mr. Chayapol Supasethnon	3972	EY Office Limited
2017/18 (April 1, 2017-Mar 31,2018)	Mr. Chayapol Supasethnon	3972	EY Office Limited
2016/17 (April 1, 2016-Mar 31,2017)	Mr. Chayapol Supasethnon	3972	EY Office Limited
2015/16 (April 1, 2015-Mar 31,2016)	Mr. Chayapol Supasethnon	3972	EY Office Limited

Auditor's Report

For all the past years, the Auditors have given an unqualified opinion that the financial statements were fairly presented and prepared in accordance with generally accepted accounting principles, except for the year ended 31st March, 2020 where the Auditor has given an unqualified opinion with an emphasis of matters related to the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic issued by the Federation of Accounting Professions.

The Consolidated financial statements of last 3 years latest being the year ended on 31st March 2020, have been given for the purpose of comparison and for the appreciation of the change in revenues and profitability over the years.

Polyplex (Thailand) Public Company Limited

Statement of Financial Position

	2017/18		2018/19		2019/20	
	April-March		April-March		April-March	
	Amount	%	Amount	%	Amount	%
	Bt. 000s		Bt. 000s		Bt. 000s	
ASSETS						
Current Assets						
Cash and cash equivalents	1,330,114	8.79	855,993	5.40	1,204,346	6.89
Current investments	4,500	0.03	13,178	0.08	-	-
Accounts receivable	1,999,597	13.21	2,119,816	13.37	2,411,112	13.79
Inventories	2,112,064	13.95	2,338,040	14.75	2,353,854	13.46
Other current assets	205,982	1.36	389,142	2.46	396,224	2.26
Total Current Assets	5,652,257	37.34	5,716,169	36.06	6,365,536	36.40
Non-Current Assets						
Restricted bank deposits	9,070	0.06	64,414	0.41	9,743	0.05
Land, premises and equipment-net	9,062,497	59.87	9,526,866	60.10	10,706,220	61.21
Intangible assets-net	6,413	0.04	5,398	0.03	4,471	0.03
Deferred Tax asset	147,657	0.98	150,168	0.95	76,541	0.44
Advance payment for purchases of assets	247,137	1.63	370,657	2.34	311,466	1.78
Other non-current assets	11,464	0.08	17,040	0.11	16,110	0.09
Total Non-current Assets	9,484,238	62.66	10,134,543	63.94	11,124,551	63.60
Total Assets	15,136,495	100.00	15,850,712	100.00	17,490,087	100.00
LIABILITIES & SHAREHOLDERS' EQUITY						
Current Liabilities						
Trade and other Payables	1,136,827	7.51	1,146,892	7.23	1,185,815	6.78
Long-term loans-due within one year	408,930	2.70	420,638	2.65	147,295	0.84
Current portion of lease agreements	1,476	0.01	-	-	-	-
Short-term loans from financial institutions	1,675,843	11.07	1,595,521	10.07	906,628	5.19
Income tax payable	5,239	0.04	2,558	0.02	26,245	0.15
Other current liabilities	337,474	2.23	440,688	2.78	587,714	3.36
Total current liabilities	3,565,789	23.56	3,606,297	22.75	2,853,697	16.32
Non-current Liabilities						
Long-term loans-net of amount due in 1 year	1,000,945	6.61	594,230	3.75	1,506,020	8.61
Provision for long-term employee benefits	30,489	0.20	39,995	0.25	55,741	0.32
Deferred Tax Liabilities	-	-	-	-	152,910	0.87
Total Liabilities	4,597,223	30.37	4,240,522	26.75	4,568,368	26.12
SHAREHOLDERS' EQUITY						
Issued & Paid-up Share Capital						
Ordinary shares	900,000	5.95	900,000	5.68	900,000	5.14
Premium on ordinary shares	1,908,450	12.61	1,908,450	12.04	1,908,450	10.91
Other components of shareholders' equity	(700,603)	(4.63)	(1,338,186)	(8.44)	(1,207,430)	(6.90)
Legal Reserve	96,000	0.63	96,000	0.60	96,000	0.55
Retained earnings	8,310,195	54.90	10,012,304	63.17	11,190,252	63.98
Total Shareholders' Equity	10,514,042	69.46	11,578,568	73.05	12,887,272	73.68
Minority Interest	25,230	0.17	31,622	0.20	34,447	0.20
Total Liabilities and Shareholders' Equity	15,136,495	100.00	15,850,712	100.00	17,490,087	100.00

Polyplex (Thailand) Public Company Limited
Statement of Income

	2017/18 April-March		2018/19 April-March		2019/20 April-March	
	Amount	%	Amount	%	Amount	%
	Bt. 000s		Bt. 000s		Bt. 000s	
REVENUES						
Net sales	12,672,954	99.57	14,746,184	96.61	14,050,846	99.48
Exchange gains	-	-	450,287	2.95	-	-
Other income	54,502	0.43	67,576	0.44	73,851	0.52
Total Revenues	12,727,456	100.00	15,264,047	100.00	14,124,697	100.00
EXPENSES						
Cost of sales	10,019,892	78.73	11,543,091	75.62	10,769,285	76.24
Selling and distribution expenses	754,702	5.93	825,879	5.41	761,616	5.39
Administrative expenses	358,388	2.82	409,173	2.68	466,196	3.30
Exchange losses	263,958	2.07	-	-	311,097	2.20
Reversal of impairment of prop- erty, plant and equipment	-	-	-	-	(310,248)	(2.20)
Total Expenses	11,396,940	89.55	12,778,143	83.71	11,997,946	84.94
Profit (loss) before interest expenses	1,330,516	10.45	2,485,904	16.29	2,126,752	15.06
Finance costs	(122,420)	(0.96)	(112,051)	(0.73)	(66,361)	(0.47)
Tax Expense	(30,437)	-	(41,290)	-	(253,597)	-
Net profit (loss) after income tax	1,177,659	9.49	2,332,563	15.55	1,806,794	14.59
Net loss (Profit) of minority interest	(7,674)	(0.06)	(8,176)	(0.05)	(3,717)	(0.03)
Net profit (loss)	1,169,985	9.43	2,324,387	15.50	1,803,077	14.56
Add/(Less): Forex Loss/ (Gain)	263,958	2.07	(450,287)	(2.95)	311,097	2.20
Add/ (Less): Exceptional losses/ (Gains)	-	-	-	-	(310,248)	(2.20)
Normalized Profit (Loss)	1,433,943	11.50	1,874,100	12.55	1,803,926	14.56
Earnings (losses) per share (Bt.) - On reported profit basis	1.30	-	2.58	-	2.00	-
Earnings (losses) per share (Bt.) - On normalized profit basis	1.59	-	2.08	-	2.00	-

Polyplex (Thailand) Public Company Limited

Cash Flow Statement

	2017/18 April-March Bt. 000s	2018/19 April-March Bt. 000s	2019/20 April-March Bt. 000s
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax	1,208,096	2,373,853	2,060,391
Adjustments to reconcile profit of net cash provided by operating activities			
Depreciation and amortization	753,756	756,081	862,893
Doubtful debts (doubtful debts recovery)	2,759	(4,159)	(3,191)
Actuarial losses	-	-	1,634
Decrease of inventories to net realizable value (reversal)	(4,328)	19,731	15,825
Interest Expense	113,410	106,858	56,922
Unrealized losses (gains) on foreign exchange	239,530	(405,707)	378,779
Long-term employee benefit expense	10,435	4,887	11,401
Losses (gains) on sale and write off of property, plant and equipment	(1,220)	903	2,235
Impairment loss on property, plant and equipment	-	-	(310,248)
Interest Income	(15,460)	(16,883)	(20,494)
Profit (Loss) from operation before changes in operating assets and liabilities	2,306,978	2,835,564	3,056,147
<u>Operating Assets (Increase) Decrease</u>			
Accounts receivable	(201,491)	(109,642)	(217,672)
Inventories	(382,977)	(246,388)	(30,592)
Other current assets	16,028	(185,663)	(633)
Other non-current assets	(219)	(5,576)	930
<u>Operating Liabilities Increase (Decrease)</u>			
Accounts payable	(29,330)	23,436	(10,685)
Other current liabilities	22,382	92,494	97,677
Payment of long-term employee benefits	(5,243)	(4,318)	(2,048)
Income tax paid	(29,701)	(41,726)	(30,786)
Cash flow provided from (used in) operating activities	1,696,427	2,358,181	2,862,338
CASH FLOW FROM INVESTING ACTIVITIES			
Decrease (Increase) in restricted bank deposits	4,347	(55,344)	54,671
Decrease (increase) in current investments	2,316	(8,678)	13,178
Decrease/ (increase) in advance payment for purchases of assets	(212,758)	(123,520)	59,191
Increase (decrease) in accounts payable for purchases of fixed assets	7,881	(11,765)	54,610
Purchases of property, plant and equipment	(336,853)	(1,319,448)	(1,854,742)
Proceeds from sales of property, plant and equipment	2,664	9,136	2,256
Increase in intangible assets	(1,306)	(801)	(218)
Cash received from interest	14,534	18,102	20,558
Net cash used in investing activities	(519,175)	(1,492,318)	(1,650,496)
CASH FLOW FROM FINANCING ACTIVITIES			
Interest Paid	(114,291)	(108,316)	(80,225)
Increase (Decrease) in short term loans from financial institutions	961,795	(80,322)	(688,894)
Increase (decrease) in long-term loans from financial institutions	(959,973)	(400,267)	602,115
Dividend payment	(492,690)	(613,784)	(621,892)
Cash provided from financing activities	(605,159)	(1,202,689)	(788,896)
Currency Translation changes	27,327	(137,294)	(74,593)
Increase in cash and cash equivalents	599,420	(474,121)	348,353
Cash and cash equivalents at the beginning of period (April 1)	730,694	1,330,114	855,993
Cash and Cash equivalents at the end of period (March 31)	1,330,114	855,993	1,204,346

Polyplex (Thailand) Public Company Limited
Financial Ratios

		2017-18 April-March	2018-19 April-March	2019-20 April-March
Liquidity Ratios				
Current ratio	(time)	1.59	1.59	2.23
Quick ratio	(time)	0.94	0.83	1.27
Cash flow current ratio	(time)	0.54	0.66	0.89
Receivable current ratio	(time)	6.68	7.16	6.20
Avg. debt collection period	(day)	53.91	50.28	58.04
Inventory turnover period	(time)	18.80	18.46	14.30
Avg. selling period	(day)	19.15	19.50	25.17
Payable current ratio	(time)	8.70	10.11	9.23
Loan repayment period	(day)	41.36	35.61	38.99
Cash cycle	(day)	31.71	34.18	44.22
Profitability Ratios				
Gross profit margin	(%)	20.93%	21.72%	23.35%
Operating profit margin	(%)	12.15%	13.35%	14.62%
Other profit margin	(%)	0.00%	2.95%	0.00%
Cash to profit margin	(%)	106.39%	94.86%	134.53%
Net profit margin	(%)	9.19%	15.23%	12.77%
Return on equity	(%)	11.61%	21.04%	14.74%
Efficiency Ratios				
Return on assets	(%)	7.92%	15.00%	10.82%
Return on fixed assets	(%)	20.49%	33.14%	26.35%
Asset turnover	(time)	0.86	0.99	0.85
Financial Policy Ratios				
Debt to equity ratio	(time)	0.44	0.37	0.35
Interest coverage ratio	(time)	15.22	22.46	50.83
Commitment coverage ratio (cash basis)	(time)	0.95	1.01	1.53
Pay-out ratio *	(%)	35%	30%	31%

* Payout ratio is on normalized profits. For FY 2019-20, it is as proposed by Board of Directors

Management Discussion and Analysis of Operational Performance and Financial Status

Operational Performance

During the year under review, the Company was able to deliver better financial results due to enhanced margins arising mainly from improved market situation as well as declining raw material prices in its core business of BOPET films. Apart from this, the Company's strategy of continued focus on high-value added product segment helped bolster growth in overall profitability.

The key highlight for the Company in this year, was the successful start-up of the Greenfield BOPET project in Indonesia which started commercial operations in November 2019 and the PET Resin line which started in March 2020. The new line contributed to sales volume growth as well as higher revenues.

Key Financial Indicators for the FY 2019-20

Description	Unit of measure	FY 2018-19	FY 2019-20		YoY
Sales Volumes (Film sales)	MT	155,167	174,562	▲	12%
Sales Value	Million Baht	14,746	14,051	▼	-5%
Normalized* EBITDA	Million Baht	2,792	2,990	▲	7%
Normalized* EBITDA margin	%	18.93%	21.28%	▲	235 bps
Normalized* PAT	Million Baht	1,874	1,804	▼	-4%
Normalized* EPS#	Baht/ Share	2.08	2.00	▼	-4%

*Normalized for forex gain/(loss) and Impairment reversal gain

#Excluding the impact of deferred tax accounting, the EPS for FY 2019-20 is Baht 2.25/Share, an increase of 8% over FY 2018-19

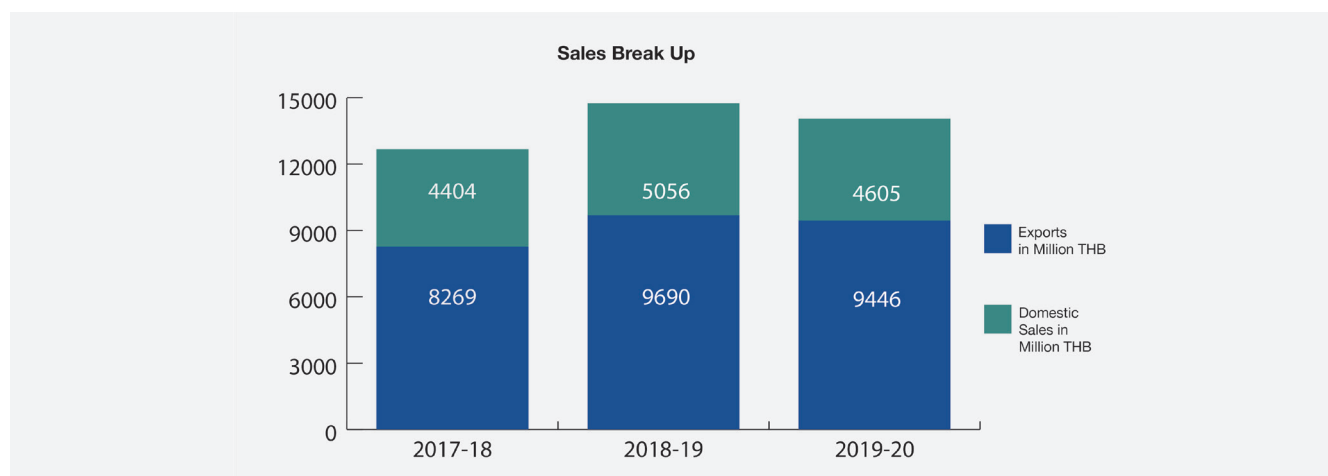
The key highlights of the year's performance are as follows:

TOTAL REVENUES

Sales Revenue:

Consolidated Sales revenue of the company has decreased from Baht 14,746.18 million to Baht 14,050.85 million, a decrease of Baht 695.34 million or 4.95%. The drop in sales value is mainly attributable to the significant appreciation of THB against Euro (about 8%) as well as THB against USD (about 4%) thereby impacting the export earnings of the Thailand entity and also the consolidation of sales of the European subsidiaries and the US subsidiary. The average sales realization is also lower this year due to the impact on selling prices arising from the sharp decline in the input raw material prices compared to the previous year. The impact of lower average selling prices and the THB appreciation is partially offset by higher volumes from existing operations as well the additional volumes from the new BOPET film line at Indonesia which started commercial operations in November 2019.

The Company's Sales revenue from Exports and Domestic sales for last 3 years is as below:



Other Income:

The other income has increased by 8.5% from Baht 67.58 million in the corresponding year to Baht 73.85 million in current year mainly due to higher other income at the US subsidiary, partly offset by decrease in Interest income at Turkey and Indonesia subsidiaries and lower insurance claims at Thailand.

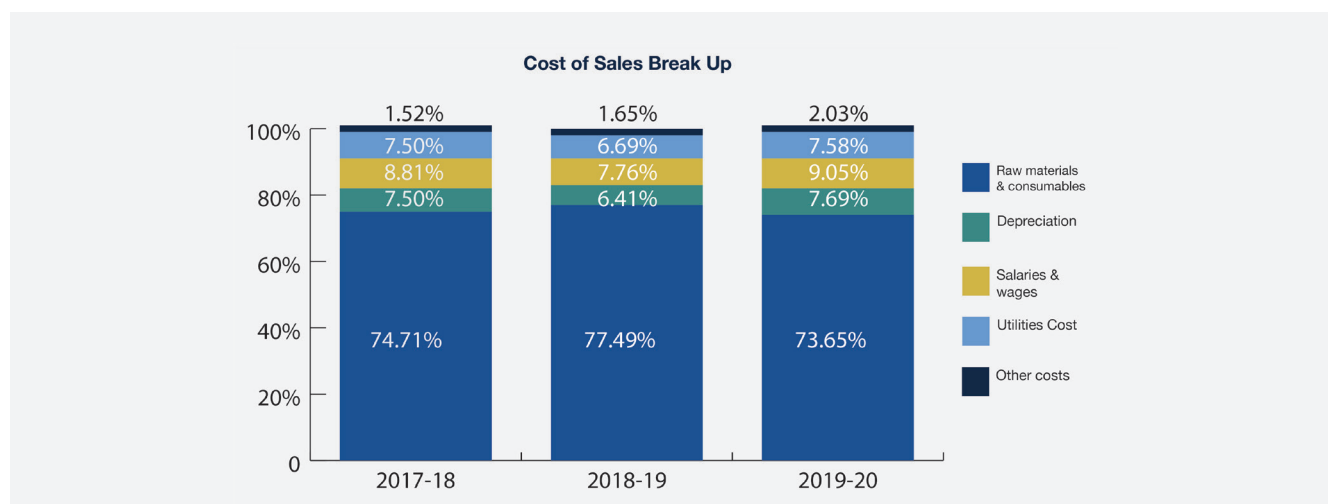
TOTAL EXPENSES

The key elements of the Company's cost structure are raw materials, packing, electricity & fuel, depreciation, staff cost, selling & administrative expenses and finance costs.

The company recorded total consolidated expenses of Baht 11,997.95 million being a decrease over corresponding year by Baht 780.20 million or 6.50%.

The cost of sales has decreased by Baht 773.81 million or 7.19% mainly due to decline in raw material prices, partly offset by higher volumes including volumes from start-up of new line in Indonesia

A broad break-up of major components of Cost of sales of last 3 years is given below:



Lower selling expenses was mainly due to lower commission expenses, lower outbound freight charges and lower foreign travel, partly offset by selling expenses from start-up of operation at the new subsidiary in Indonesia.

Higher admin expenses are mainly due to higher administrative expenses at Thailand and subsidiaries due to increase in professional consultation charges, safety expenses, depreciation charges, and warehouse handling expenses.

Exchange Losses are due to unrealized losses on restatements of forex loans in Thailand, USA and Indonesia on account of appreciation of Euro against USD, THB and IDR and appreciation of USD against THB and IDR.

Gain on Impairment reversal is at the US subsidiary as the Asset Impairment Loss booked in FY 2015-16 has been reversed based on assessment as per the relevant accounting standard

Net financial charges

The consolidated finance costs during the year were Baht 66.36 million, a decrease of Baht 45.69 million or -40.78% over corresponding year.

Lower finance costs are due to reduction in working capital/ Term debt levels at Thailand and US, due to repayment including prepayments made during the year and also due to lower interest rates (drop in LIBOR rates and also lower rates for THB working capital borrowing). This is partly offset by term loan interest at the subsidiary at Indonesia.

Corporate Income Tax

The Consolidated Corporate Income tax expense in this year is Baht 253.60 million as compared to the expense of Baht 41.29 million in the corresponding year.

Higher Tax expenses is mainly due to the Deferred Tax adjustments at Thailand (reversal of DTA) and USA (creation of DTL). This year, due to the increased profitability the Company has used significant portion of brought forward tax losses leading to reversal of brought forward DTA. The US entity has created a Deferred Tax Liability (DTL) in this financial year based on the temporary differences as required by Accounting Standard. Further details are available in Note 20 of the Audited financial statements.

Profit margins – Gross Profit, Operating Profit and Net profit ratios

On Consolidated basis, the gross margin and operating margin have improved compared to previous year due to the improvement in overall market sentiments, benefit from declining raw material prices and overall better operational performance. Due to higher Income tax expenses (mainly due to Deferred tax expenses), the net margins have only slightly improved. This is after the normalization of the forex losses this year as compared to forex gains last year. The forex losses are mainly unrealized and relates to the restatement of Forex loans.

Financial status

As at 31 March, 2020, there has been a depreciation of THB against the USD (approx. THB 0.86/USD) and Euro (approx. THB 0.25/Euro) as compared to the exchange rate on 31st, March 2019, so the translation of the Company's subsidiaries whose reporting currency is Euro or USD, has been at a higher exchange rate, thereby resulting in net translation gains of Baht 130.7 million. Due to start-up of commercial operations at the subsidiary

in Indonesia since November 2019, there is an increase in Net current assets on account of the new operations.

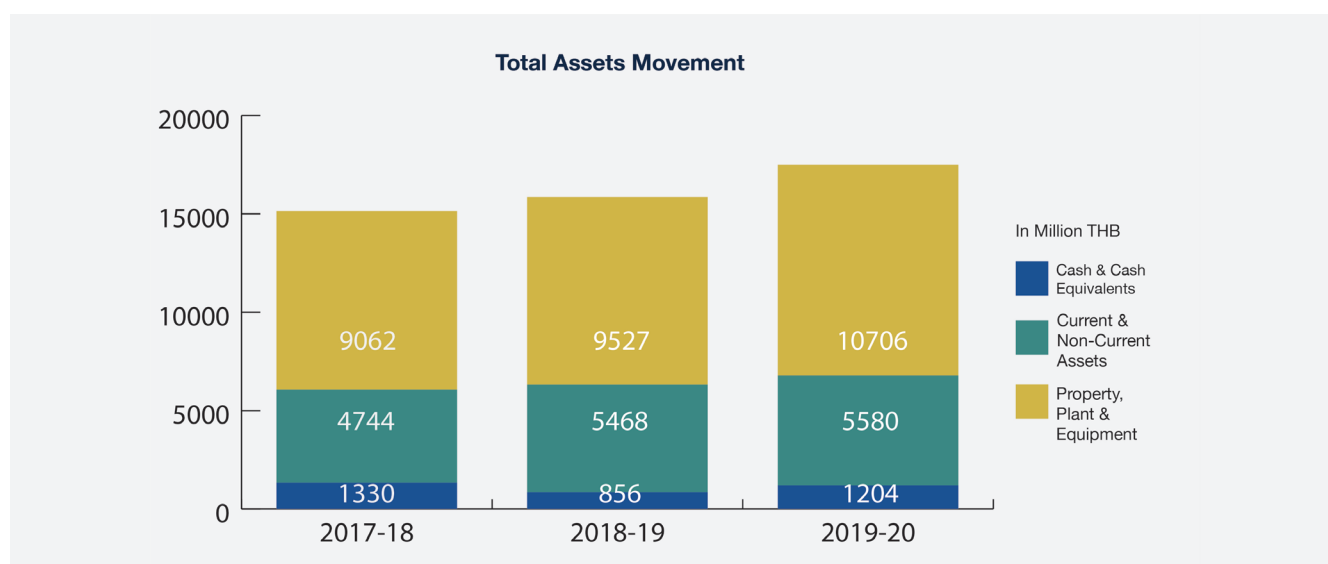
TOTAL ASSETS

As on 31st March 2020, The Company's consolidated total assets were Baht 17,490 million, higher by 10.34% as compared to Baht 15,850 million in the previous year.

The main components of Total Assets are Cash & Cash Equivalents, Current assets and non-current assets, Property, Plant & Equipment's.

A comparison of the movement in the various components of total assets over last 3 years is given below:

The major movement in assets during the year:



Current assets:

- Net current assets have gone up by Bt 91 million or 2.8% compared to March 2019.
- Increase in cash and cash equivalents is mainly due to net cash generated from operations at Thailand and the subsidiaries, during the year.
- Increase in Trade Receivables is mainly due to Indonesia start-up, partly offset by reduction in other entities mainly due to fall in raw material prices and corresponding lower sales realization.
- Increase in Inventories is mainly due to higher finished goods inventory at Thailand due to increase in volume impacted by sales cut -off adjustment and higher stores & spares inventory, partly offset by lower inventory at the other companies.
- Decrease in advance payment for purchase of goods is due to lower advances paid for raw material procurement.
- Increase in Input tax refundable mainly due to higher VAT refundable at Thailand and Indonesia
- Increase in Other current assets is mainly due to increase in receivables for raw material price adjustment and higher other current assets at Indonesia.

Non-current assets:

- The restricted bank deposit is at the Indonesia subsidiary in respect of a letter of guarantee issued by a local bank to a vendor
- Increase in Property Plant & Equipment (net block) is mainly due to the investment in the BOPET film project in Indonesia and other normal / project capex additions at Thailand and other subsidiaries partly offset by depreciation charged during the year

- Reduction in Deferred tax asset is mainly due to adjustment of tax losses against current year profits
- Decrease in Advances for purchase of fixed assets is due to adjustment of advance against delivery of the equipment during the year.

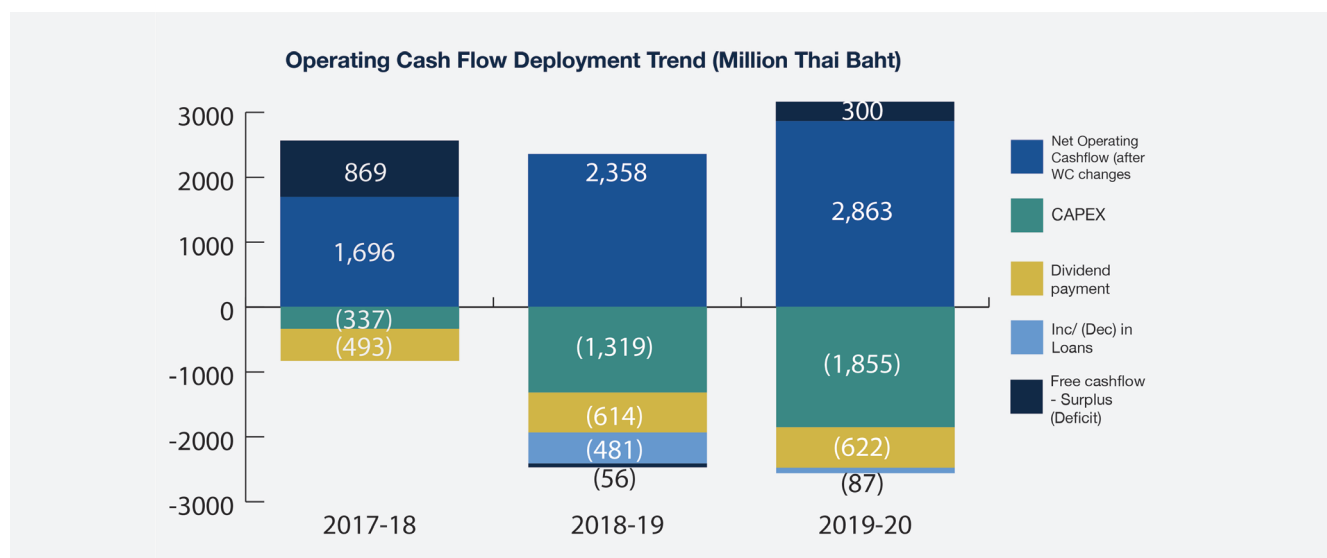
Return on Assets

The return on assets is 10.82% as compared to 15% during previous year. The decrease is partly on account of the forex losses on the forex loan restatement as compared to the forex gains last year and also due to the Deferred Tax expense this year. There is also an increase in the overall Asset base of the Company by about Bt 1.6 billion due to the increase in current assets on account of start-up of Indonesia operations and higher Property, Plant & Equipment due to the investment in project in Indonesia and other normal Capex additions in Thailand and other subsidiaries. If we normalize the impact of Forex fluctuations in both year and the Impairment reversal gain this year, then reduction in Return on assets is from 12.10% last year to 10.82% this year which is explained by the increasing asset base of the Indonesia entity which was operational only for part of the year.

Liquidity

In line with the growth in profitability over the last 3 years, the Company has been able to improve the cashflow from its operations and has judiciously deployed it in various project investments and has also optimized the borrowings and finance cost, while distributing fairly good dividends to its shareholders.

The snapshot of cashflow generations and the growth in cash & cash equivalent balances over last 3 years is given below:



During the year under review, the Company generated cash of Baht 2,862 million in operating activities as per details below:

- Cash generated from operating activities (before changes in operating assets and liabilities) was Baht 3,056 million.

The impact of changes in working capital (Outflow of Baht 194 million) is as under:

- Increase in Accounts Receivable by Baht 217 million due to higher sales revenues resulting from higher volumes mainly from Indonesia, partly offset by lower selling prices.
 - Increase in inventories by Baht 31 million.
 - Decrease in Accounts Payable by Baht 11 million due to lower trade payables arising from decline in raw material prices.
 - Payment of long-term employee benefits – Baht 2 million
 - Cash paid for income tax – Baht 31 million
 - Increase in other current liabilities by Baht 98 million due to increase in expenses payable and accrued expenses at Thailand and the subsidiaries, including the new subsidiary in Indonesia.
- Net cash used in investing activities is Baht 1,650 million as per details below:
 - Net additions to fixed assets – Baht 1,855 million.
 - Baht 55 million decrease in the restricted bank deposit
 - Net decrease in Advance and increase in Accounts payable for fixed assets by Baht 114 million
 - Decrease in current investments –Bt 13 million
 - Proceeds from sale of property, plant & equipment Bt 2 million
 - Cash received from Interest – Bt 21 million
- The net cash outflow from financing activities of Baht 789 million:
 - Net decrease in Short term loan– Baht 689 million
 - Net increase in Long term loans from banks - Baht 602 million
 - Dividend paid during the year – Baht 622 million
 - Cash paid for interest on term loans and short-term loans – Baht 80 million

The surplus thereof, along with translation adjustment loss of Baht 75 million, and opening balance of Baht 856 million has resulted in a net closing balance of Baht 1,204 million.

Liquidity ratio

During the year under review, the current ratio was 2.23 and quick ratio was 1.27. The average debt collection period was 58 days along with Account payables period of 39 days and average selling period of 25 days, resulting in a cash cycle of 44 days as against a cash cycle of 34 days of previous year.

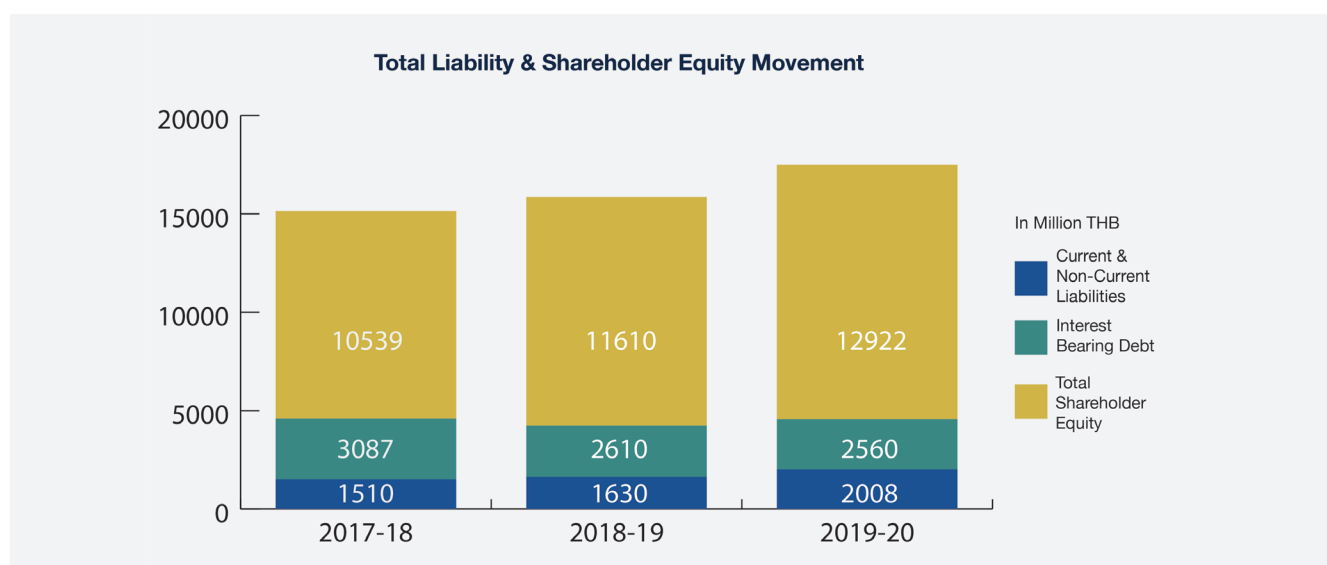
Sources of Funds

Sources of funds consist of long term and short-term loans from financial institutions and shareholders' equity.

TOTAL LIABILITIES

As on 31st March, 2020, consolidated Total liabilities stood at Baht 4,568 million, an increase of 7.73% over Bt 4,240 million of previous year. The key components of total liabilities are Current and Non-Current Liabilities, Interest bearing debt (short/ long-term) and Total Shareholder Equity.

A comparison of the movement in the various components of total liabilities and the growth in Shareholder Equity over last 3 years is depicted below:



The major movements in Liabilities during the year are as under:

Current Liabilities:

- Decrease in short term borrowings is due to repayment of loans at Thailand and the US subsidiary, using cash generated from operations.
- Decrease in trade and other payables is due to lower related and unrelated party trade payables (mainly due to raw material price drop), partly offset by higher unrelated other payables and higher payables for fixed assets.
- The increase in Long term loans (including current portion) is due to additional loans borrowed at the subsidiary in Indonesia for financing the BOPET film greenfield project and also due to the net unrealized losses on the USD and Euro loan restatement during the year. This is partly offset by repayment of loans at Thailand and US
- Deferred Tax Liabilities is due to the provision made at the US subsidiary
- Increase in other current liabilities is mainly due to increase in bonus and other expense provisions, higher MTM losses on Forward contract, increase in provisions for Employee Benefit Obligation and provisions for quality claims & sales returns as per new accounting standard.
- Major changes in Shareholder Equity:
- The retained earnings have increased due to the net profits generated during the year, partly offset by Dividend appropriation.
- The increase in other components of equity is mainly due to exchange translation net gain arising on

account of translation of the Euro and USD denominated balance sheet of the subsidiaries due to the depreciation of Baht against Euro and USD.

- The increase in Non-controlling interests of subsidiaries is due to minority share of profits generated during the year, partly offset by minority share of dividend.

Return on equity

The Return on Equity is 14.74% as compared to 21.04%, lower this year due to the forex losses partly as compared to forex gain in previous year, offset by the impairment reversal gain. If we normalize the forex fluctuations in both years and the impairment reversal gain, the Return on Equity is 15.85% compared to 16.97% of last year. The drop is mainly due to higher tax expenses due to Deferred tax adjustment this year.

The Company has a policy to pay dividend at 40% of consolidated net profits, taking into account economic conditions, growth plans, future deployment opportunities, the Company's financial position and liquidity and subject to the approval by the shareholders.

For the year 2019-20, the Board has recommended a payout of THB 0.65/share or total payout of THB 585 million, out of which THB 0.36/share of THB 324 million was paid out as Interim dividend in December 2019 and balance of THB 0.29/share or THB 261 million is being proposed as Final dividend, for approval of shareholders in the Annual General meeting in July 2020.

Leveraging & interest coverage ratio

The net debt equity ratio (debt only - short term and long term, including current portion, after netting off cash & cash equivalents and current investments) is 0.11 on a consolidated basis (as compared to 0.15 in previous year end). The improvement is due to increase in retained earnings due to higher profitability and the debt repayments over the year (including some prepayments), partly offset by the impact of additional debt borrowed at the Indonesia subsidiary.

Debt equity ratio (for total debt, including current + non-current liabilities), is 0.35 on a consolidated basis as compared to 0.37 in the previous year end.

The interest coverage ratio has improved from 22 to 51 times, mainly due to improvement in cash generated from operations and also lower interest expenses due to overall reduction in debt levels and also lower interest rates.

Main factors which may affect the Future Operational Performance and Financial Position

The company has delivered improved results in last 2-3 years due to improved market conditions, internal production efficiencies, as well as improvement in product mix.

The key challenges for the company in the coming year would be the following:

- Timely start-up of all ongoing expansion projects, with smaller projects dedicated mainly towards improvement of HVAS portfolio.
- To ensure 100% line-fill at all manufacturing locations with a profitable sales mix. There is a reduction in demand for Industrial - consumer discretionary white goods/ mobile devices/ automobiles etc due to the impact of Covid-19 on global economies. The Company's exposure to Industrial and Electrical segment is

limited and the key application for Thin PET films is Flexible packaging of consumer staples, where demand is expected to continue to grow

- Raw material price volatility and any significant upward movement in prices, which although largely get passed on to the end customers, it usually happens only with some time lag and may impact the margins in the interim. In any case, volatility in raw material prices is not good, as it dampens the overall business sentiment.
- Volatility of THB and IDR against USD and Euro as well as the movement of Euro against the USD impacts the profits of the company. The company is exposed to 2 types of exchange fluctuation risks, one on the operational profits, including the restatement of the foreign currency denominated assets/ liabilities of the company on a standalone basis and secondly, on the conversion of the subsidiaries' financial statements, which are denominated in USD, Euro, IDR and RMB, into THB currency for the purpose of consolidation. While the Company hedges most of its operational foreign currency exposures, the fluctuations on account of restatement of long-term loans cannot be completely hedged. As on 31st March, 2020, the total foreign currency denominated loans at Thailand are Euro 94 million (related party loans) and USD 1 million, at USA is USD 1 million and Euro 42.5 million (related party loan) and at Indonesia is USD 15.5 million and Euro 56 million (including related party loans)
- Several new capacities announced mostly by incumbent players in different parts of the world and are slated to start in next 2 years. These capacities are expected to be in excess of demand growth in short term and there may be some pressure on margins as and when each new line starts-up. This may be partially offset by delayed start-up of some of the planned capacities due to Covid and likely closure of old and inefficient lines which may not be economically viable when compared to the high productive assets like the one being installed by the Company in Indonesia.
- Industry is stepping into competitive era where producers with cost efficient production, attractive product basket, low leverage and sufficient cash reserves would have an edge over other players.

Remuneration for Auditor/s

1. Audit Fee

The Company paid audit fee as below:

- A total of Baht - paid to the auditor/s for the past fiscal year; and
- A total of Baht 2,820,000.00 paid to the accounting firm the auditor/s work for, or the person or business related to the auditor/s and the accounting firm for the past fiscal year.

2. Non-Audit Fee

The Company made payment for other services, i.e. examination of compliance with conditions of promotion certificates, and legal and tax advisory services, including BOI and tax audit services, as follows:

- A total of Baht - paid to the auditor/s for the past fiscal year and Baht - payable in the future for the service not yet fully done for the past fiscal year; and
- A total of Baht 185,000 paid to the accounting firm the auditor/s work for, or the person or business related to the auditor/s and the accounting firm for the past fiscal year, and Baht 660,000 payable in the future for the service not yet fully done for the past fiscal year.

Information Of Director And Management Of The Company As On 31.5.2020

	Name-Surname	Position	Age (Years)	Education	Relation among Company	% of Shareholding	Working Experiences in the 5 preceding years		
							Period	Position	Company / Type of Business
1.	Mr.Manu Leopaivate	Board Chairman & Audit Committee Chairman	77	Bachelor's degree Economics (Hons.), Thammasat University Master's degree M.Sc. (Econ.), University of Kentucky, USA Ph.D in Business Administration (Honorary), Thammasat University Certificate, Industrial Development, Nagoya, Japan The National Defense College, Class 34 Certificate, Thai Institute of Directors (IOD) Directors Certification Program (DCP), Class 30/2003	-	-	Listed Companies on SET		
							2004-Present	Board Chairman & Chairman of the Audit Committee	Polyplex (Thailand) Plc.
							2010- Present	Chairman	ARIP Public Company Limited
							2004 - Present	Chairman	Khon Kaen Sugar Industry Public Company Limited
							2011- Present	Chairman	T.M.C Industrial Public Co.Ltd
							2010 -Present	Chairman	Jubilee Enterprise Pcl.
							2010-Present	Chairman	SVOA Pcl.
							2004-Present	Chairman	Bangkok Union Insurance Plc.
2.	Mr.Sanjiv Saraf	Vice Chairman	62	Bachelor's degree Agricultural Engineering, Indian Institute of Technology, Kharagpur	-	-	Listed Companies on SET		
							July 2010- Present	Vice – Chairman	Polyplex (Thailand) Plc.
							Other organizations		
							May 2002-Present	Chairman	Polyplex Corporation Ltd.
							March 2020-Present	Director	Polyplex (Asia) Pte. Ltd.
							2004- June, 2016	Director & Chairman	Polyplex Europa Polyester Film Sanayi Ve Ticaret Anonim Sirketi, Turkey
							2011-March 2017	Director	Polyplex America Holding Inc.

Name-Surname	Position	Age (Years)	Education	Relation among Company	% of Shareholding	Working Experiences in the 5 preceeding years		
						Period	Position	Company / Type of Business
3. Dr.Virabongsa Ramangkura	Director & Audit Committee member	77	Bachelor's degree First Class Honors, B.A. in Political Science, Chulalongkorn University Master's Degree Economics , University of Pennsylvania,U.S.A. Ph.D.(Economics), University of Pennsylvania, U.S.A. Doctor of Law (Honorary), Webster University, USA	-	-	Listed Companies on SET		
						2004-Present	Director & Audit Committee member	Polyplex (Thailand) Plc.
						2016-April 2020	Chairman	Bangkok Expressway & Metro Public Co., Ltd.
						1995-Present	Chairman	Double A (1991) Public Co., Ltd.
						2005-Present	Chairman	Finansa Public Co., Ltd.
						2013- Present	Independent Director	Mathichon Public Company Limited
						2004-Present	Advisory Chairman	Areeya Property Public Co., Ltd.
4. Mr.Praphad Phodhivorakhun	Director	74	Business Management, Sheffield College of Technology, Sheffield, England Master Degree Business Administration (MBA), Public Administration (MPA) Ramkhamhaeng University Honorary Doctorate Degree in Business Administration Rajabhat University of Lampang			Other Organizations		
						2006-Present	Chairman	South East Asia Energy Co., Ltd.
						Listed Companies on SET		
						2005 - Present	Chairman	Bang-Mod Hospital Co., Ltd.
						1995- Present	Director	Advance Paper Co.,Ltd.
						1995- Present	Director	Advance Agro Holding Co.,Ltd.
						1984- Present	Chairman	Thailand Development Research Institute Foundation
						2008-Present	Chairman of the Advisory Board	King Power International Co., Ltd.
						Listed Companies on SET		
						2004-Present	Director	Polyplex (Thailand) Plc.
						October 1999- Present	Chairman of Board of Directors	Kang Yong Electric Public Company Limited
						July 1994- Present	Director	Kulthorn Kirby Public Company Limited
						Aug2008-Present	Member of Nomination and remuneration committee	Kang Young Electric Public Company Limited
						Other Organizations		
						November 1995-Present	Chairman of Board of Directors	Mitsubishi Electric Kang Yong Wattana Co., Ltd.
						July 1996- Present	Chairman of Board of directors	Yokohama Rubbers (Thailand) Co., Ltd.

Name-Surname	Position	Age (Years)	Education	Relation among Company	% of Shareholding	Working Experiences in the 5 preceding years		
						Period	Position	Company / Type of Business
5. Mr. Shiraz Erach Poonevala	Director & Audit Committee Member	55	Bachelor of Commerce Sydenham College of Commerce, India Master of Commerce Sydenham College of Commerce, India Associate Chartered Accountant Institute of Chartered Accountants of India	-	-	Listed Companies on SE		
						2004-Present	Director & Audit Committee member	Polyplex (Thailand) Pcl.
						February 2013 – Present	Director	Mega Lifesciences Public Company Limited
						Other organizations		
6. Mr. Amit Prakash	Managing Director	50	Bachelor of Technology in Electronics, Harcourt Butler Technical Institute, KANPUR- INDIA Master's degree In Marketing, Warwick Business School – U.K	-	-	Listed Companies on SET		
						May 2020- Present	Managing Director	Polyplex (Thailand) Plc.
						May 2019-May 2020	Business Advisor to Managing Director	Polyplex (Thailand) Plc.
						February 2015-May 2019	Managing Director	Polyplex (Thailand) Plc.
						Other organizations		
						December 2012-Present	Director	Polyplex Europa Polyester Film Sanayi Ve Ticaret Anonim Sirketi
						September 2013-Present	Director	Polyplex Paketleme Çözümleri Sanayi ve Ticaret A.Ş
						February 2015-Present	Director	Polyplex (Singapore) Pte Ltd
						March 2015-Present	Director	EcoBlue Limited
						April 2016-Present	Director	Polyplex USA LLC
						April 2016-Present	Director	Polyplex (America) Holdings Inc.
						August 2011-Present	Director	Polyplex (Asia) Pte. Limited.
						May 2019-Present	CEO & Executive Director	PT. Polyplex Films Indonesia

Name-Surname	Position	Age (Years)	Education	Relation among Company	% of Shareholding	Working Experiences in the 5 preceding years		
						Period	Position	Company / Type of Business
7. Mrs. Sakhi Saraf	Director and Head – Investor Relations and Corporate Communications & Director w.e.f 15th May, 2019	33	B.A. International Relations, Brown University International MBA -IE Business School Thai Institute of Directors (IOD) Director Certification Program – DCP Class 284/ 2019	Daughter of Mr. Sanjiv Saraf – Vice Chairman of the Board of Directors	-	Listed Companies on SET		
						November 2017 - Present	Head – Investor Relations and Corporate Communication and Director w.e.f 15th May, 2019	Polyplex (Thailand) Plc.
						Other organizations		
						October 2014 – October 2015	Project Manager	OMGMOTHER Consulting Ltd.
						Apr 2016 – October 2017	Business Development Specialist (India)	Taboola Thailand Ltd.
8. Mr. Ranjit Singh	Director (w.e.f. 15th May, 2019)	63	B Tech, Mechanical Engineering, Birla Institute of Technology & Science –INDIA	-	-	Listed Companies on SET		
						May 2019 - Present	Director	Polyplex (Thailand) Plc
						Other organizations		
						May 2016 – Present	Independent Director	Polyplex (Corporation) Limited
						November 2012 – May, 2015	Managing Director	Kalpataru Power Transmission Limited
9. Mr. Ramesh Gupta	Business Head – SARALAM	53	-B Tech, REC Allahabad, University of Allahabad –INDIA - PGDBM – Marketing, Management development Institute, Gurgaon- INDIA	-	-	March 2017 -Present	Director	Legistify Services Private limited, India
						March 2017 -Present	Director	Aspirelabs Accelerator Private limited, India
						May 2019 -Present	Director	Shaily Engineering Plastics limited, India
						Listed Companies on SET		
						January 2013- Present	Business Head – SARALAM	Polyplex (Thailand) Plc
						Other organizations		
						January 2008- June 2010	General Manager – Renewable Energy	Luminous Power Technologies Pvt Ltd
						July 2010-December 2012	General Manager – Project Management	Bhilwara Energy Limited

	Name-Surname	Position	Age (Years)	Education	Relation among Company	% of Shareholding	Working Experiences in the 5 preceding years		
							Period	Position	Company / Type of Business
10.	Mr. Ashish Ghosh	Head – Sales & Marketing	53	Bachelor's / Master's Degree in Science – Jiwaji University, Gwalior – INDIA - Master's degree in Business Administration – BIT Ranchi, INDIA	-	-	Listed Companies on SET		
							November 2009 - Present	Head – Sales & Marketing	Polyplex (Thailand) Plc
							Other organizations		
							December 1995 - November 2009	AVP - Marketing	SRF Limited
							April 2016 - Present	Director	Polyplex (Asia) Pte. Limited.
11.	Mr. Santosh Kumar Singh	Head Operations	46	Bachelor of Science in Electrical Engineering - Dayalbagh Educational Institute (Deemed University), INDIA	-	-	Listed Companies on SET		
							July 2019 – Present	Head Operations	Polyplex (Thailand) Plc
							July 2015- June 2019	Production Manager - Metallizer	Polyplex (Thailand) Plc
							Other organizations		
							July-2006 - June-2015	Production Manager – Metallizer/ Offline Coater	Polyplex Europa Polyester Film Sanayi Ve Ticaret Anonim Sirketi
12.	Mr. Akshay Sudhir Jog	Deputy Head – Supply Chain Management	33	MBA – Marketing & Finance, XLRI School of Business and Human Resources, INDIA	-	-	Listed Companies on SET		
							July 2019- Present	Deputy Head – Supply Chain Management	Polyplex (Thailand) Plc
							Sep 2014 – June 2019	Business Analyst	Polyplex (Thailand) Plc
							Other organizations		
							Nov 2011 – Jun 2013	Manager - Products	Idea Cellular Limited, INDIA
13.	Mr. Chakrit Srisamutnak	Head – HR & Admin	60	Master Degree /HROD : National Institute of Development & Administration	-	-	Listed Companies on SET		
							May 2010 – Nov 2011	Assistant Manager - Marketing	Virgin Mobile, INDIA
							October 2007 - Present	Head – HR, Safety & Admin	Polyplex (Thailand) Plc

14.	Name-Surname	Position	Age (Years)	Education	Relation among Company	% of Shareholding	Working Experiences in the 5 preceding years		
							Period	Position	Company / Type of Business
	Mr. Ashutosh Kumar Agarwal	Chief Financial Officer	37	Chartered Accountant- Institute of Chartered Accountant of India Master Degree : Kanpur University, INDIA E-Learning – Continuing Accounting Knowledge - CFO Refresher Course January 2020- Thailand Securities Institute	-	-	Listed Companies on SET		
							July 2017- Present	Chief Financial Officer	Polyplex (Thailand) Plc
							Other organizations		
							October 2017 - Present	Finance Director	PT. Polyplex Films Indonesia
							June 2016 - 2018	Finance Director	Polyplex Europa Polyester Film Sanayi Ve Ticaret Anonim Sirketi
							June 2015- 2018	Director	Polyplex Paketleme Çözümleri Sanayi ve Ticaret A.Ş
							December 2015- 2018	Director	Polyplex Europe B.V
							June 2008- June 2015	Head Internal Audit	Polyplex Corporation Limited

Independent Auditor's Report

To the Shareholders of Polyplex (Thailand) Public Company Limited

Polyplex (Thailand) Public Company Limited and its subsidiaries
Report and consolidated financial statements
31 March 2020

Opinion

I have audited the accompanying consolidated financial statements of Polyplex (Thailand) Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 March 2020, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Polyplex (Thailand) Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Polyplex (Thailand) Public Company Limited and its subsidiaries and of Polyplex (Thailand) Public Company Limited as at 31 March 2020, their 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 Group 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.

Emphasis of Matter

I draw attention to Note 3 to the consolidated financial statements. Due to the impact of the COVID-19 outbreak, in preparing the consolidated and separate financial statements for the year ended 31 March 2020, the Group has adopted the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic issued by the Federation of Accounting Professions. My opinion is not modified in respect of this matter.

Key Audit Matter

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 this matter.

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 this matter. 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 matter and how audit procedures respond to this matter is described below.

Revenue recognition

The revenue from sales is the significant amount

in the statement of comprehensive income and is also the key indicator of business performance on which the users of financial statements focus, and the Company also has a large customer base. There are therefore risks with respect to the amount and timing of revenue recognition.

I have examined the revenue recognition of the Company by:

- Assessing and testing the Company's IT system and its internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.
- On a sampling basis, examining supporting documents for sales transactions occurring during the year and near the end of the accounting period to verify the occurrence and accuracy of revenue, whether revenue recording was consistent with conditions, and whether it was in compliance with the Company's policy.
- Reviewing credit notes that the Company issued after the period-end.
- Performing analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group 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 Group, 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group'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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's 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 Group 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.

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

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

Chayapol Supposedtanon

Certified Public Accountant (Thailand) No. 3972
EY Office Limited
Bangkok: 22 May 2020

Statement of Financial Position

Polyplex (Thailand) Public Company Limited and its subsidiaries
 As at 31 March 2020

		(Unit: Baht)			
		Consolidated Financial Statements		Separate Financial Statements	
	Note	2020	2019	2020	2019
Assets					
Current assets					
Cash and cash equivalents	7	1,204,345,885	855,993,267	63,464,224	20,716,952
Current investments		-	13,177,908	-	-
Trade and other receivables	8	2,411,111,949	2,119,815,660	1,148,608,410	1,297,324,435
Inventories	9	2,353,854,227	2,338,039,762	971,827,413	888,810,456
Advance payments for purchases of goods		64,811,812	189,162,926	14,269,620	12,113,314
Input tax refundable		205,974,546	99,760,618	58,040,214	47,648,076
Other current assets		125,437,114	100,218,692	53,535,043	30,539,163
Total current assets		6,365,535,533	5,716,168,833	2,309,744,924	2,297,152,396
Non-current assets					
Restricted bank deposits	10	9,742,869	64,414,085	-	-
Investments in subsidiaries	11	-	-	2,758,674,586	2,512,389,870
Property, plant and equipment	12	10,706,220,279	9,526,865,550	3,876,477,812	4,039,527,719
Deferred tax assets	20	76,540,885	150,167,723	73,875,274	147,657,449
Goodwill		3,164,328	3,164,328	-	-
Other intangible assets	13	1,306,740	2,234,316	-	-
Advance payments for purchases of machinery		311,466,307	370,657,356	27,210,869	26,498,439
Other non-current assets		16,110,032	17,039,699	7,806,106	7,036,829
Total non-current assets		11,124,551,440	10,134,543,057	6,744,044,647	6,733,110,306
Total assets		17,490,086,973	15,850,711,890	9,053,789,571	9,030,262,702

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

Statement of Financial Position (Continued)

Polyplex (Thailand) Public Company Limited and its subsidiaries
As at 31 March 2020

		(Unit: Baht)			
		Consolidated Financial Statements		Separate Financial Statements	
	Note	2020	2019	2020	2019
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from banks	14	906,627,750	1,595,521,500	874,000,000	1,119,000,000
Trade and other payables	15	1,185,815,051	1,146,891,727	568,269,951	617,018,276
Short-term loans from related party	6	-	-	-	3,173,526,400
Current portion of long-term loans from banks	16	147,295,114	420,638,624	29,893,054	208,699,048
Income tax payable		26,245,268	2,557,851	-	-
Other current liabilities		587,713,486	440,687,728	207,762,433	125,507,407
Total current liabilities		2,853,696,669	3,606,297,430	1,679,925,438	5,243,751,131
Non-current liabilities					
Long-term loans from related parties, net of current portion	6	-	-	3,412,735,800	-
Long-term loans from banks, net of current portion	16	1,506,019,687	594,229,761	-	22,642,392
Provision for long-term employee benefits	17	55,741,734	39,995,117	29,888,650	19,465,234
Deferred tax liabilities	20	152,910,407	-	-	-
Total non-current liabilities		1,714,671,828	634,224,878	3,442,624,450	42,107,626
Total liabilities		4,568,368,497	4,240,522,308	5,122,549,888	5,285,858,757

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

Statement of Financial Position (Continued)

Polyplex (Thailand) Public Company Limited and its subsidiaries
As at 31 March 2020

		(Unit: Baht)			
	Note	Consolidated Financial Statements		Separate Financial Statements	
		2020	2019	2020	2019
Shareholders' equity					
Share capital					
Registered					
900,000,000 ordinary shares of Baht 1 each		900,000,000	900,000,000	900,000,000	900,000,000
Issued and fully paid					
900,000,000 ordinary shares of Baht 1 each		900,000,000	900,000,000	900,000,000	900,000,000
Share premium		1,908,449,678	1,908,449,678	1,908,449,678	1,908,449,678
Retained earnings					
Appropriated - statutory reserve	18	96,000,000	96,000,000	96,000,000	96,000,000
Unappropriated		11,190,252,252	10,012,304,361	1,026,790,005	839,954,267
Other components of shareholders' equity		(1,207,430,262)	(1,338,186,235)	-	-
Equity attributable to owners of the Company		12,887,271,668	11,578,567,804	3,931,239,683	3,744,403,945
Non-controlling interests of the subsidiaries		34,446,808	31,621,778	-	-
Total shareholders' equity		12,921,718,476	11,610,189,582	3,931,239,683	3,744,403,945
Total liabilities and shareholders' equity		17,490,086,973	15,850,711,890	9,053,789,571	9,030,262,702

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

Income Statement

Polyplex (Thailand) Public Company Limited and its subsidiaries
For the year ended 31 March 2020

(Unit: Baht)					
		Consolidated		Separate	
		Financial Statements		Financial Statements	
	Note	2020	2019	2020	2019
Revenues					
Sales	21	14,050,846,059	14,746,184,402	6,103,895,077	6,621,810,383
Exchange gains		-	450,286,951	9,559,153	253,465,881
Other income		73,851,215	67,575,974	35,721,582	43,899,407
Total revenues		14,124,697,274	15,264,047,327	6,149,175,812	6,919,175,671
Expenses					
Cost of sales		10,769,284,712	11,543,091,415	5,012,933,542	5,647,102,287
Selling and distribution expenses		761,616,097	825,878,614	323,036,100	355,187,457
Administrative expenses		466,196,250	409,172,903	98,606,651	86,317,873
Reversal of impairment of investment in subsidiary	11	-	-	(246,284,716)	-
Reversal of impairment of property, plant and equipment	12	(310,247,627)	-	-	-
Exchange losses		311,096,413	-	-	-
Total expenses		11,997,945,845	12,778,142,932	5,188,291,577	6,088,607,617
Profit before finance cost and income tax expense		2,126,751,429	2,485,904,395	960,884,235	830,568,054
Finance cost		(66,360,851)	(112,051,798)	(75,439,926)	(99,153,204)
Profit before income tax expense		2,060,390,578	2,373,852,597	885,444,309	731,414,850
Tax expense	20, 21	(253,596,723)	(41,289,836)	(74,547,455)	-
Profit for the year		1,806,793,855	2,332,562,761	810,896,854	731,414,850
Profit attributable to:					
Equity holders of the Company		1,803,076,888	2,324,386,948	810,896,854	731,414,850
Non-controlling interests of the subsidiaries		3,716,967	8,175,813		
		1,806,793,855	2,332,562,761		
Earnings per share					
Basic earnings per share					
Profit attributable to equity holders of the Company		2.00	2.58	0.90	0.81
Weighted average number of ordinary shares (share)		900,000,000	900,000,000	900,000,000	900,000,000

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

Statement of Comprehensive Income

Polyplex (Thailand) Public Company Limited and its subsidiaries
For the year ended 31 March 2020

	(Unit: Baht)			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
Profit for the year	1,806,793,855	2,332,562,761	810,896,854	731,414,850
Other comprehensive income:				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of financial statements in foreign currency	130,755,973	(637,583,148)	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax	130,755,973	(637,583,148)	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>				
Actuarial losses - net of income tax	(4,128,997)	(10,278,017)	(3,061,116)	-
Other comprehensive income not to be reclassified not to be reclassified to profit or loss in subsequent periods - net of income tax	(4,128,997)	(10,278,017)	(3,061,116)	-
Other comprehensive income for the year	126,626,976	(647,861,165)	(3,061,116)	-
Total comprehensive income for the year	1,933,420,831	1,684,701,596	807,835,738	731,414,850
Total comprehensive income attributable to:				
Equity holders of the Company	1,929,703,864	1,676,525,783	807,835,738	731,414,850
Non-controlling interests of the subsidiaries	3,716,967	8,175,813		
	1,933,420,831	1,684,701,596		

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

Cash Flow Statement

Polyplex (Thailand) Public Company Limited and its subsidiaries
For the year ended 31 March 2020

	(Unit: Baht)			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2020	2019	2020	2019
Cash flows from operating activities				
Profit before tax	2,060,390,578	2,373,852,597	885,444,309	731,414,850
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	862,892,944	756,081,418	430,769,432	414,432,987
Reversal of doubtful debts	(3,191,456)	(4,159,026)	(375,661)	(2,201,712)
Decrease of inventories to net realisable value	15,824,985	19,731,016	10,231,259	5,175,398
Reversal of impairment of property, plant and equipment	(310,247,627)	-	-	-
Reversal of impairment of investment in subsidiary	-	-	(246,284,716)	-
Losses (gains) on disposals and write off of equipment	2,235,571	902,744	(1,722,213)	(1,312,756)
Actuarial losses	1,633,768	-	1,633,768	-
Long-term employee benefits expenses	11,401,378	4,887,624	5,631,786	3,181,801
Unrealised losses (gains) on exchange	378,778,752	(405,707,229)	3,610,425	(225,131,862)
Interest expenses	56,922,111	106,857,638	75,413,729	98,562,124
Interest income	(20,494,123)	(16,883,128)	(334,264)	(232,362)
Dividend income	-	-	(1,770,563)	(3,541,125)
Profit from operating activities before changes in operating assets and liabilities	3,056,146,881	2,835,563,654	1,162,247,291	1,020,347,343
Operating assets (increase) decrease				
Trade and other receivables	(217,671,500)	(109,642,367)	226,815,781	(288,165,219)
Inventories	(30,592,170)	(246,388,385)	(93,248,216)	10,081,438
Other current assets	(633,178)	(185,662,972)	(28,988,752)	35,681,489
Other non-current assets	929,667	(5,575,516)	(769,279)	3,739,285
Operating liabilities increase (decrease)				
Trade and other payables	(10,685,456)	23,436,157	(106,668,651)	(26,690,975)
Other current liabilities	97,676,492	92,493,863	34,688,059	21,104,844
Payments of long-term employee benefits	(2,047,542)	(4,318,042)	(668,533)	(1,148,915)
Cash from operating activities	2,893,123,194	2,399,906,392	1,193,407,700	774,949,290
Cash paid for corporate income tax	(30,785,585)	(41,725,502)	(155,816)	(115,115)
Net cash from operating activities	2,862,337,609	2,358,180,890	1,193,251,884	774,834,175

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

Cash Flow Statement (continued)

Polyplex (Thailand) Public Company Limited and its subsidiaries
For the year ended 31 March 2020

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2020	2019	2020	2019
Cash flows from investing activities				
Cash received from interest	20,557,967	18,102,493	334,264	232,362
Decrease (increase) in restricted bank deposits	54,671,216	(55,344,382)	-	-
Decrease (increase) in current investments	13,177,908	(8,677,908)	-	-
Cash paid for share subscription in a subsidiary	-	-	-	(307,405,800)
Cash received from dividend	-	-	1,770,563	3,541,125
Decrease (increase) in advance payments for purchases of machinery	59,191,049	(123,520,453)	(712,430)	(1,003,189)
Increase (decrease) in accounts payable for purchases of equipment	54,610,292	(11,765,130)	56,233,410	(11,692,855)
Proceeds from sales of equipment	2,256,191	9,135,831	2,209,742	1,345,192
Purchases of equipment	(1,854,741,860)	(1,319,447,735)	(268,207,054)	(285,142,857)
Purchases of other intangible assets	(218,313)	(801,031)	-	-
Net cash used in investing activities	(1,650,495,550)	(1,492,318,315)	(208,371,505)	(600,126,022)
Cash flows from financing activities				
Decrease in short-term loans from banks	(688,893,750)	(80,321,875)	(245,000,000)	(11,000,000)
Increase in loan from related party	-	-	202,260,000	928,986,140
Increase (decrease) in long-term loans from banks	602,114,909	(400,266,626)	(202,191,558)	(404,847,480)
Cash paid for interest expenses	(80,225,461)	(108,316,401)	(76,201,549)	(99,578,469)
Dividends paid	(621,891,938)	(613,783,875)	(621,000,000)	(612,000,000)
Net cash use in financing activities	(788,896,240)	(1,202,688,777)	(942,133,107)	(198,439,809)
Decrease in translation adjustments	(74,593,201)	(137,294,335)	-	-
Net increase (decrease) in cash and cash equivalents	348,352,618	(474,120,537)	42,747,272	(23,731,656)
Cash and cash equivalents at beginning of year	855,993,267	1,330,113,804	20,716,952	44,448,608
Cash and cash equivalents at end of year	1,204,345,885	855,993,267	63,464,224	20,716,952
	-	-	-	-
Supplemental cash flows information:				
Non-cash transaction				
Payable for purchase of equipments	64,847,111	9,889,150	64,412,388	7,844,440

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

Statement of Changes in Shareholders' Equity

Polyplex (Thailand) Public Company Limited and its subsidiaries
For the year ended 31 March 2020

Consolidated Financial Statements												(Unit: Baht)
Equity Attributable to the Owners of the Company												
	Other Components of Shareholders' Equity						Total Equity Attributable to Owners of the Company	Equity Attributable to Non-Controlling Interests of the Subsidiaries	Total Shareholders' Equity			
	Retained Earnings		Other Comprehensive Income		Excess of cost of investment in subsidiary over the amount of the interest acquired	Total Other Components of Shareholders' Equity						
Issued and fully paid share capital	Share premium	Appropriated Statutory Reserve	Unappropriated	Exchange differences on translation of financial statements in foreign currency			Discount from change in shareholding in subsidiary					
Balance as at 1 April 2018	900,000,000	1,908,449,678	96,000,000	8,310,195,430	(703,431,179)	(1,622,600)	4,450,692	(700,603,087)	10,514,042,021	25,229,840	10,539,271,861	
Profit for the year	-	-	-	2,324,386,948	-	-	-	-	2,324,386,948	8,175,813	2,332,562,761	
Other comprehensive income for the year	-	-	-	(10,278,017)	(637,583,148)	-	-	(637,583,148)	(647,861,165)	-	(647,861,165)	
Total comprehensive income for the year	-	-	-	2,314,108,931	(637,583,148)	-	-	(637,583,148)	1,676,525,783	8,175,813	1,684,701,596	
Dividends paid (Note 22)	-	-	-	(612,000,000)	-	-	-	-	(612,000,000)	(1,783,875)	(613,783,875)	
Balance as at 31 March 2019	900,000,000	1,908,449,678	96,000,000	10,012,304,361	(1,341,014,327)	(1,622,600)	4,450,692	(1,338,186,235)	11,578,567,804	31,621,778	11,610,189,582	
Balance as at 1 April 2019	900,000,000	1,908,449,678	96,000,000	10,012,304,361	(1,341,014,327)	(1,622,600)	4,450,692	(1,338,186,235)	11,578,567,804	31,621,778	11,610,189,582	
Profit for the year	-	-	-	1,803,076,888	-	-	-	-	1,803,076,888	3,716,967	1,806,793,855	
Other comprehensive income for the year	-	-	-	(4,128,997)	130,755,973	-	-	130,755,973	126,626,976	-	126,626,976	
Total comprehensive income for the year	-	-	-	1,798,947,891	130,755,973	-	-	130,755,973	1,929,703,864	3,716,967	1,933,420,831	
Dividends paid (Note 22)	-	-	-	(621,000,000)	-	-	-	-	(621,000,000)	(891,937)	(621,891,937)	
Balance as at 31 March 2020	900,000,000	1,908,449,678	96,000,000	11,190,252,252	(1,210,258,354)	(1,622,600)	4,450,692	(1,207,430,262)	12,887,271,668	34,446,808	12,921,718,476	

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

Statement of Changes in Shareholders' Equity

Polyplex (Thailand) Public Company Limited and its subsidiaries
For the year ended 31 March 2020

(Unit: Baht)					
	Separate Financial Statements				
	Issued and Fully Paid Share Capital	Share Premium	Retained Earnings		Total
			Appropriated Statutory Reserve	Unappropriated	
Balance as at 1 April 2018	900,000,000	1,908,449,678	96,000,000	720,539,417	3,624,989,095
Profit for the year	-	-	-	731,414,850	731,414,850
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	731,414,850	731,414,850
Dividends paid (Note 22)	-	-	-	(612,000,000)	(612,000,000)
Balance as at 31 March 2019	900,000,000	1,908,449,678	96,000,000	839,954,267	3,744,403,945
Balance as at 1 April 2019	900,000,000	1,908,449,678	96,000,000	839,954,267	3,744,403,945
Profit for the year	-	-	-	810,896,854	810,896,854
Other comprehensive income for the year	-	-	-	(3,061,116)	(3,061,116)
Total comprehensive income for the year	-	-	-	807,835,738	807,835,738
Dividends paid (Note 22)	-	-	-	(621,000,000)	(621,000,000)
Balance as at 31 March 2020	900,000,000	1,908,449,678	96,000,000	1,026,790,005	3,931,239,683

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

Notes to Consolidated Financial Statements

For the year ended 31 March 2020

Polyplex (Thailand) Public Company Limited and its subsidiaries

1. General information

1.1 General Information Of The Company

Polyplex (Thailand) Public Company Limited (“The Company”) is a public company incorporated and domiciled in Thailand. Its parent company is Polyplex Corporation Limited, which was incorporated in Republic of India. The Company is principally engaged in the manufacture and distribution of polyester films, metallised films, extrusion coated films, cast polypropylene films, silicone coated films, blown films, and PET resins. The registered addresses of the Company’s head office and factories are as follows:

Head office: 75/26 Ocean Tower II, 18th Floor, Soi Sukhumvit 19, Sukhumvit Road,
Kwaeng North Klongtoey, Khet Wattana, Bangkok.

Factory 1: Siam Eastern Industrial Park, 60/24 Moo 3, Tambol Mabyangporn,
Amphur Pluakdaeng, Rayong.

Factory 2: Siam Eastern Industrial Park, 60/91 Moo 3, Tambol Mabyangporn,
Amphur Pluakdaeng, Rayong.

Factory 3: Siam Eastern Industrial Park, 60/109 Moo 3, Tambol Mabyangporn,
Amphur Pluakdaeng, Rayong.

1.2 Coronavirus Disease 2019 Pandemic

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

2. Basis of preparation

2.1 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.

2.2 Basis Of Consolidation

- a. The consolidated financial statements include the financial statements of Polyplex (Thailand) Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Subsidiaries' Name	Nature of Business	Country of incorporation	Percentage of Shareholding	
			% in 2019	% in 2020
EcoBlue Ltd.	Manufacture and distribution of recycled plastic products	Thailand	66.50	66.50
Polyplex (Singapore) Pte. Ltd.	Investment holding company	Republic of Singapore	100.00	100.00
Polyplex America Holdings Inc.	Investment holding company	United States of America	100.00	100.00
Polyplex Europe B.V.	Distribution of plastic film	Netherlands	100.00	100.00
PT. Polyplex Films Indonesia	Manufacture and distribution of polyester film and chips	Republic of Indonesia	99.99	99.99
Polyplex Europa Polyester Film Sanayi Ve Ticaret Anonim Sirketi (100% owned by Polyplex (Singapore) Pte. Ltd.)	Manufacture and distribution of polyester film and chips	Republic of Turkey	100.00	100.00
Polyplex Trading (Shenzhen) Co., Ltd. (100% owned by Polyplex (Singapore) Pte. Ltd.)	Distribution of plastic film	The People's Republic of China	100.00	100.00
Polyplex USA LLC (100% owned by Polyplex America Holdings Inc.)	Manufacture and distribution of polyester film and chips	United States of America	100.00	100.00
Polyplex Paketleme Cozumleri Sanayi Ve Ticaret Anonim Sirketi (99.99% owned by Polyplex Europa Polyester Film Sanayi Ve Ticaret Anonim Sirketi)	Distribution of plastic film	Republic of Turkey	100.00	100.00

The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.

Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue

to be consolidated until the date when such control ceases.

The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statement of changes in shareholders’ equity.

Material balances and transactions between the Group have been eliminated from the consolidated financial statements.

Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

- 2.3** The separate financial statements present investments in subsidiaries under the cost method.

3. New Financial Reporting Standards

3.1 Financial Reporting Standards That Became Effective In The Current Year

During the year, the Group has 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 Group’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 recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and

circumstances when applying each step of the model.

This standard does not have any significant impact on the Group's financial statements.

3.2 Financial reporting standards that became 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 Group is currently evaluating the impact of these standards on the financial statements in the year when they are adopted.

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 management of the Group is currently evaluating the impact of these standards on the financial statements in the year when they are adopted.

Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

The Group has elected to apply the following temporary relief measures on accounting alternatives:

- Not to use information relating to the COVID-19 situation in determining whether sufficient taxable profits will be available in future periods against which deferred tax assets can be utilised.
- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, Impairment of Assets.
- Not to use information relating to the COVID-19 situation that may affect the cash flow forecasts used in testing goodwill for impairment.

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 upon 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.

When a contract provided a customer with a right to return the goods within a specified period, the Group recognises the amount ultimately expected they will have to return to customers as a refund liability and recognise the right to recover the goods expected to be returned by customers as a right of return asset in the statement of financial position. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods.

Interest Income

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

Dividends

Dividends are recognised when the right to receive the dividends is established.

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 Receivables

Trade accounts receivables 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 experiences and analysis of debt aging.

4.4 Inventories

Finished goods and work in process are valued at the lower of cost (under the weighted average method) and net realisable value. Cost includes all production costs and attributable factory overheads.

Raw materials, spare parts and factory supplies are valued at the lower of average cost and net realisable value and are charged to production costs whenever consumed.

4.5 Investments

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.
- b) Investments in subsidiaries are accounted for in the separate financial statements using the cost method net of allowance for impairment of investments (if any).

The weighted average method is used for computation of the cost of investments.

In the event the Company reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The differences between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as other components of shareholders' equity, depending on the type of investment that is reclassified.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

4.6 Property, Plant And Equipment/Depreciation

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

Depreciation of buildings and building improvements, machinery and equipment is calculated by reference to their costs on the straight-line basis. Depreciation of other equipment which acquired before 1 April 2015 was calculated on the sum of the year digits basis for the equipment acquired. The estimated useful lives of plant and equipment are as follows:

Buildings and building improvements	3, 20 and 50 years
Machinery and equipment	3 - 20 years
Furniture, fixtures and office equipment	3 - 10 years
Motor vehicles	5 - 8 years

Depreciation is included in determining income.

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

4.7 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.8 Intangible Assets

Intangible assets acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

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

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

Computer software	3 - 15 years
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4.9 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

4.10 Related Party Transactions

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

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

4.11 Foreign Currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

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.

4.12 Impairment of Assets

At the end of each reporting period, the Group 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. The Group also carries out annual impairment reviews in respect of goodwill. 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. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

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

Defined Benefit Plans And Other Long-Term Employee Benefits

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

The obligation under the defined benefit plan and other long-term employee benefit plans is 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 benefits are recognised immediately in profit and loss.

Past service cost 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.

4.14 Provisions

Provisions are recognised when the Group 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.

4.15 Long-Term Leases

Leases of building and equipment 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.

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

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

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

4.17 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 Group applies 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 Group 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:

Allowance For Doubtful Accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and

estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Fair Value Of Financial Instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk (bank and counterparty, both) liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

Impairment Of Investments

The Company treats investments in subsidiaries as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgement of the management.

Property, Plant And Equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the 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 obligation under the defined benefit plan and other long-term employee benefit plans is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

6. Related party transactions

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

(Unit: Million Baht)					
	Consolidated Financial Statements		Seperate Financial Statements		Pricing Policy
	2019	2020	2019	2020	
Transactions with subsidiaries (eliminated from the consolidated financial statements)					
Sales of goods	-	-	1,628	1,753	Cost plus margin
Purchases of raw materials	-	-	23	15	Cost plus margin
Rental and service income	-	-	13	12	As stipulated in agreements
Dividend income	-	-	2	4	As approved by shareholders and Board of directors' meeting
Interest expense	-	-	51	54	6-month Euribor + 1.50% per annum
Other Expense	-	-	1	-	At cost
Transactions with related companies					
Sales of goods	0.1	-	-	-	Cost plus margin
Sale of machinery & equipment	-	6	-	-	At net book value
Purchases of raw materials	445	508	25	12	Transaction net margin method
Dividends paid	317	312	317	312	As approved by shareholders and Board of Directors' meeting
Other expenses	3	7	-	1	At cost
Transactions with related person					
Dividend paid	1	2	-	-	As approved by shareholders and Board of directors' meeting
Salary expense	0.2	1.3	0.2	1.3	Employment contract

The balances of the accounts as at 31 March 2020 and 2019 between the Company, subsidiaries and those related parties are as follows:

	Consolidated Financial Statements		(Unit: Thousand Baht) Seperate Financial Statements	
	2020	2019	2020	2019
Trade and other receivables - related parties (Note 8)				
Subsidiaries	-	-	507,584	633,183
Trade payables - related parties (Note 15)				
Parent company	128,799	151,829	8,711	957
Subsidiaries	-	-	9,511	776
Total	128,799	151,829	18,222	1,733
Advance payments for purchases of goods				
Parent company	0	10,413	-	-

Loans From Related Parties

As at 31 March 2020 and 2019, the balances of loans between the Company and related parties, and the movements of these loans were as follows:

		(Unit: Thousand Baht) Seperate financial statements				
		Balance as at 31 March 2019	Increase During the Period	Decrease During the Period	Unrealized loss on exchange	Balance as at 31 March 2020
Loans from a related party						
Related By						
Short-Term Loan						
Polyplex Europa Polyester Film Sanayi Ve Ticaret A.S.	Subsidiary	3,173,526	-	(3,173,526)	-	-
Total		3,173,526	-	(3,173,526)	-	-
Long-Term Loan						
Polyplex Europa Polyester Film Sanayi Ve Ticaret A.S.	Subsidiary	-	3,375,786	-	36,950	3,412,736
Total		-	3,375,786	-	36,950	3,412,736

As at 31 March 2019, short-term loans from Polyplex Europa Polyester Film Sanayi Ve Ticaret A.S. of EUR 88 million carried interest at 6-month Euribor + 2.00% per annum. During the year, the Company entered to the amendment of loan agreement to extend the maturity date of loan to be repayable within 31 March 2024. Thus as at 31 March 2020, this short-term loans was presented as long-term loans and carried interest at 6-month Euribor + 1.50% per annum. However, if, on the maturity date, the Company is unable to repay the loans in full, the loans shall be rolled over based on mutual agreement.

In addition, during the year, the Company obtained loan of EUR 6 million from Polyplex Europa Polyester Film Sanayi Ve Ticaret A.S. which carried interest at 6-month Euribor + 1.50% per annum. The loan is repayable within 31 March 2024, but the repayment could be extended as mutually agree between the parties.

Directors and Management's Remuneration

During the years ended 31 March 2020 and 2019, the Group had employee benefit expenses payable to their directors and management as below.

	(Unit: Million Baht)			
	Consolidated Financial Statements		Seperate Financial Statements	
	2020	2019	2020	2019
Short-term employee benefits	103	86	41	41

Guarantee Obligations with Related Parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 25.4 to the financial statements.

7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated Financial Statements		Seperate Financial Statements	
	2020	2019	2020	2019
Cash	2,152	1,856	1,292	874
Bank Deposits	1,202,194	854,137	62,172	19,843
Total Cash & Cash Equivalents	1,204,346	855,993	63,464	20,717

As at 31 March 2020, bank deposits in saving accounts and fixed deposits carried interests between 0.05% and 7.25% per annum (2019: between 0.10% and 7.25% per annum).

8. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated Financial Statements		Seperate Financial Statements	
	2019	2020	2019	2020
Trade Receivables - Unrelated Parties (Aged on the basis of due dates)				
Not yet due	2,062,153	1,921,064	540,881	602,522
Past due				
Up to 3 Months	328,238	190,852	92,475	55,735
3 - 6 months	16,134	2,330	3,245	2,103
6 - 12 months	3,896	896	3,724	563
Over 12 months	1,185	8,432	1,185	4,079
Total Trade Receivables (Unrelated Parties)	2,411,606	2,123,574	641,510	665,002
Less: Allowance for doubtful debts	(494)	(3,758)	(486)	(861)
Total Trade Receivables (Unrelated Parties) Net	2,411,112	2,119,816	641,024	664,141
Trade Receivables - Related Parties (Aged on the basis of due dates)				
Not yet due	-	-	506,058	631,952
Total Trade Receivables (Related Parties)	-	-	506,058	631,952
Total Trade Receivables Net	2,411,112	2,119,816	1,147,082	1,296,093
Other Receivables				
Other receivables - related party	-	-	1,526	1,231
Total other receivables	-	-	1,526	1,231
Total trade and other receivables - net	2,411,112	2,119,816	1,148,608	1,297,324

9. Inventories

(Unit: Thousand Baht)						
Consolidated Financial Statements						
	Cost		Reduce Cost to Net Realisable Value		Inventories - Net	
	2020	2019	2020	2019	2020	2019
Finished goods	819,691	684,759	(57,789)	(40,013)	761,902	644,746
Work in process	322,137	309,621	(22,051)	(22,955)	300,086	286,666
Raw materials	635,456	637,185	-	-	635,456	637,185
Spare parts and factory supplies	479,382	402,782	-	-	479,382	402,782
Goods in Transit	177,028	366,661	-	-	177,028	366,661
Total	2,433,694	2,401,008	(79,840)	(62,968)	2,353,854	2,338,040

(Unit: Thousand Baht)						
Separate financial statements						
	Cost		Reduce cost to Net Realisable Value		Inventories - Net	
	2020	2019	2020	2019	2020	2019
Finished goods	311,425	178,546	(16,473)	(5,338)	294,952	173,208
Work in process	163,859	165,379	(22,051)	(22,955)	141,808	142,424
Raw materials	303,896	335,137	-	-	303,896	335,137
Spare parts and factory supplies	191,627	167,564	-	-	191,627	167,564
Goods in transit	39,544	70,477	-	-	39,544	70,477
Total	1,010,351	917,103	(38,524)	(28,293)	971,827	888,810

Movements in the allowance for reducing cost of inventories to net realisable value for the year 2020 were summarised below.

(Unit: Thousand Baht)				
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
Balance - beginning of year	62,968	43,918	28,293	23,118
Add: Allowance made during the year	37,461	46,953	31,867	30,886
Less: Allowance reversed during the year	(21,636)	(27,222)	(21,636)	(25,711)
Less: Translation adjustment	1,047	(681)	-	-
Balance - end of year	79,840	62,968	38,524	28,293

10. Restricted bank deposits

As at 31 March 2020, restricted bank deposits represent fixed deposits amounting to USD 0.3 million (31 March 2019: USD 1.8 million and IDR 3.2 billion) carried interest at 1.44% per annum (31 March 2019: 2.42% per annum and 8.25% per annum), pledged with the bank to secure letter of guarantee issued by a bank in respect of contractual performance of PT. Polyplex Films Indonesia.

11. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements were as follows:

(Unit: Thousand Baht)								
Subsidiaries' name	Paid-up capital	Share-holding percentage	Cost		Allowance for Impairment of investments		Investment - net	
		Percent	2020	2019	2020	2019	2020	2019
Ordinary shares								
Polyplex (Singapore) Pte. Ltd.	EUR 0.8 million	100.00	41,440	41,440	-	-	41,440	41,440
Polyplex Europe B.V.	EUR 0.2 million	100.00	8,157	8,157	-	-	8,157	8,157
Polyplex America Holdings Inc.	USD 46.6 million	100.00	1,474,489	1,474,489	-	(246,285)	1,474,489	1,228,204
PT. Polyplex Films Indonesia	IDR 202.49 billion	99.99	799,775	799,775	-	-	799,775	799,775
EcoBlue Limited	Baht 26.5 million	66.50	20,233	20,233	-	-	20,233	20,233
Preference shares								
Polyplex (Singapore) Pte. Ltd.	EUR 8.4 million	100.00	414,581	414,581	-	-	414,581	414,581
Total			2,758,675	2,758,675	-	(246,285)	2,758,675	2,512,390

PT. Polyplex Films Indonesia has the registered share capital of IDR 540 billion (54,000 shares with par value of IDR 10 million each). The Company holds 99.99% of its shares.

As at 31 March 2020 and 2019, the Company paid totaling IDR 338 billion or Baht 800 million or 62.5% of the registered share capital.

As at 22 May 2020, the Company has commitment to pay uncalled portion of investment in the subsidiary.

On 30 July 2019, the Annual General Meeting of the shareholders of EcoBlue Limited passed a resolution to approve the payment of a dividend of Baht 2.5 per share from the net operating profit for the year ended 31 March 2019, for which the Company received Baht 1.8 million on 7 August 2019. Such dividend has been included in other income in separate income statement for 2020.

During the year 2015, the subsidiary, Polyplex Europa Polyester Film Sanayi Ve Ticaret Anonim Sirketi (Polyplex Europa) entered into a share purchase agreement with an overseas company to dispose the investment in a subsidiary to that company. According to the agreement, there was deferred sale consideration payable in future of EUR 6 million, subject to fulfillment of certain conditions stipulated in the share purchase agreement which will be valid until 31 December 2019.

As at 31 March 2020, the Company has received audited financial information and correspondence letter from the purchaser of this overseas company, which indicated that the conditions of deferred sale consideration as stipulated in the share purchase agreement have not been triggered. Hence, it is concluded between the parties that there will be no deferred sale consideration payable from the purchaser.

During the year, an allowance for impairment of investment of Baht 246 million in Polyplex USA LLC, a subsidiary of Polyplex America Holdings Inc has been reversed because the management considered that USA LLC is able to generate gross profit margin and has profit on operations continuously and no deficit remained in its accounts. The reversal has been recorded in the separate financial statements for 2020.

12. Property, plant and equipment

Consolidated financial statements							(Unit: Thousand Baht)
Cost	Land	Buildings and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and construction	Total
1 April 2018	460,393	2,969,916	11,559,438	215,994	49,899	28,194	15,283,834
Purchases	85,338	2,288	105,400	41,018	21,066	1,064,337	1,319,447
Disposals/ Write off	-	-	(37,458)	(806)	(13,743)	(5)	(52,012)
Transfer in/(Transfer out)	-	39,967	222,906	(511)	-	(262,362)	-
Capitalised interest	-	-	-	-	-	1,264	1,264
Translation adjustment	(5,798)	(18,509)	(164,473)	(3,336)	(991)	(16,311)	(209,418)
31 March 2019	539,933	2,993,662	11,685,813	252,359	56,231	815,117	16,343,115
Purchases	78,621	3,302	54,891	52,276	18,050	1,647,609	1,854,749
Disposals/ Write off	-	-	(11,281)	(12,218)	(8,155)	-	(31,654)
Transfer in/(Transfer out)	-	716,348	1,632,972	34,578	-	(2,383,898)	-
Capitalised interest	-	-	-	-	-	24,583	24,583
Translation adjustment	(13,443)	(31,021)	(46,632)	(1,771)	(952)	(6,720)	(100,539)
31 March 2020	605,111	3,682,291	13,315,763	325,224	65,174	96,691	18,090,254

Consolidated financial statements (continued)							(Unit: Thousand Baht)
	Land	Buildings and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and construction	Total
Accumulated depreciation							
1 April 2018	-	719,852	4,978,343	163,180	47,433	-	5,908,808
Depreciation for the year	-	110,560	621,977	18,801	3,119	-	754,457
Disposals/ Write off	-	-	(29,041)	(746)	(12,186)	-	(41,973)
Translation adjustment	-	(7,025)	(113,195)	(2,769)	(436)	-	(123,425)
31 March 2019	-	823,387	5,458,084	178,466	37,930	-	6,497,867
Depreciation for the year	-	134,121	693,014	28,786	5,850	-	861,771
Disposals/ Write off	-	-	(6,967)	(12,065)	(8,121)	-	(27,153)
Translation adjustment	-	7,766	43,144	508	131	-	51,549
31 March 2020	-	965,274	6,187,275	195,695	35,790	-	7,384,034
Allowance for impairment of assets							
31 March 2018	-	93,183	219,346	-	-	-	312,529
Translation adjustment	-	1,724	4,129	-	-	-	5,853
31 March 2019	-	94,907	223,475	-	-	-	318,382
Reversal of allowance	-	(92,511)	(217,737)	-	-	-	(310,248)
Translation adjustment	-	(2,396)	(5,738)	-	-	-	(8,134)
31 March 2020	-	-	-	-	-	-	-
Net book value							
31 March 2019	539,933	2,075,368	6,004,254	73,893	18,301	815,117	9,526,866
31 March 2020	605,111	2,717,017	7,128,488	129,529	29,384	96,691	10,706,220
Depreciation for the year							
2019 (Baht 730.0 million included in manufacturing cost, and the balance in selling and administrative expenses)							
2020 (Baht 786.8 million included in manufacturing cost, and the balance in selling and administrative expenses)							

As at 31 March 2020, PT. Polyplex Films Indonesia in Indonesia capitalised borrowing cost amounted to Baht 24.5 million as cost of plant construction (31 March 2019: Baht 1.2 million). The rate used to determined the amount of borrowing costs eligible for capitalisation was 1.07% per annum (2019: 0.80% per annum).

As at 31 March 2020, certain items of equipment and motor vehicles were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 148 million (2019: Baht 142 million) (The Company only: Baht 92 million (2019: Baht 92 million)).

The Group have pledged their property, plant and equipment amounted to approximately Baht 5,340 million (2019: Baht 5,864 million) as collateral to secure credit facilities obtained from financial institutions (The Company only: Baht 113 million, 2019: Baht 1,993 million).

During the year, Polyplex USA LLC, reversed an allowance for impairment of building, machinery and equipment previously recorded of Baht 310 million (USD 10 million) because the expected value in use of such assets exceed their carrying value. Anyhow, the management of the subsidiary considered that there has no impairment indicator for manufacturing assets at the present. The reversal has been recognised in the 2020 consolidated financial statements.

13. Other intangible assets

The net book value of other intangible assets as at 31 March 2020 and 2019 was presented below.

		(Unit: Thousand Baht)
		Consolidated Financial Statements
		Computer software
As at 31 March 2020		
Cost		21,002
Less: Accumulated amortisation		(19,672)
Add: Translation adjustment		(23)
Net book value		1,307
As at 31 March 2019		
Cost		21,743
Less: Accumulated amortisation		(19,318)
Add: Translation adjustment		(191)
Net book value		2,234

A reconciliation of the net book value of other intangible assets for the years 2020 and 2019 was presented below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2020	2019
Net book value at beginning of year	2,234	3,249
Acquisition of computer software	218	801
Amortisation	(1,122)	(1,625)
Translation adjustment	(23)	(191)
Net book value at end of year	1,307	2,234

14. Short-term loans from banks

	(Unit: Thousand Baht)					
	Interest rates		Consolidated Financial statements		Separate Financial Statements	
	2020	2019	2020	2019	2020	2019
	(% per annum)	(% per annum)				
Short-term loans from banks	LIBOR + 2.00	LIBOR + 2.00	32,628	476,522	-	-
Promissory notes	1.85 - 2.00	2.35 - 2.50	874,000	1,119,000	874,000	1,119,000
Total short-term loans from banks			906,628	1,595,522	874,000	1,119,000

As at 31 March 2020, short-term loans from banks represented loans of USD 1 million (2019: USD 15 million).

This subsidiary's loans were guaranteed by the Company as described in Note 25.4 to the financial statements. The Company's promissory notes have not been guaranteed.

15. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
Trade payables - related parties	128,799	151,829	18,222	1,733
Trade payables - unrelated parties	970,288	982,734	484,328	606,799
Other payables - unrelated parties	21,881	2,440	1,308	642
Other payables for purchases of assets	64,847	9,889	64,412	7,844
Total trade and other payables	1,185,815	1,146,892	568,270	617,018

16. Long-term loans from banks

Interest rates (% per annum)	Repayment schedule	(Unit: Thousand Baht)			
		Consolidated Financial Statements		Separate Financial Statements	
		2020	2019	2020	2019
Euribor + 2.50	November 2014 to December 2027	1,095,067	456,910	-	69,496
Libor + (2.25 - 3.375)	November 2014 to December 2027	558,248	557,959	29,893	161,845
Total		1,653,315	1,014,869	29,893	231,341
Less: Current portion		(147,295)	(420,639)	(29,893)	(208,699)
Long-term loans - net of current portion		1,506,020	594,230	-	22,642

Movements in the long-term loans account for the year ended 31 March 2020 were summarised below.

	(Unit: Thousand Baht)	
	Consolidated Financial Statements	Separate Financial Statements
Balance as at 31 March 2019	1,014,869	231,341
Add: Additional borrowings	1,165,313	-
Less: Repayments	(563,198)	(202,191)
Less: Unrealised loss on exchange	223,947	743
Less: Translation adjustment	(187,616)	-
Balance as at 31 March 2020	1,653,315	29,893

In 2019, PT. Polyplex Films Indonesia, subsidiary of the Company entered into a loan agreement with a financial institution to obtain a facility of USD 55 million. And in 2020, such subsidiary entered into a loan agreement with this financial institution to obtain another facility of USD 25 million.

In 2020, it obtained loans of Euro 30.7 million and USD 16.3 million (2019: Euro 10.9 million and USD 0.8 million).

The Company's loan facilities are secured by the mortgage of land, premises and machinery of the Company. The subsidiary's loan facilities were secured by the mortgage of its land and premises and the pledge of its machinery and bank deposits, and were guaranteed by the Company as described in Note 25.4 to the financial statements.

The loan agreements contained several covenants which, among other things, required the Company and its subsidiaries to maintain debt-to-equity ratio and debt service coverage ratio at the rate prescribed in the agreements.

As at 31 March 2020, the long-term credit facilities of the Group which have not yet been drawn down amounted to USD 29 million (2019: USD 42 million).

17. Provision for long-term employee benefits

Provision for long-term employee benefits, which represented compensation payable to employees after they retire, was as follows:

	(Unit: Thousand Baht)					
	Consolidated Financial Statements					
	Employee Retirement Pension		Other Employee Benefits		Total	
	2020	2019	2020	2019	2020	2019
Provision for long-term employee benefits at beginning of the year	34,941	25,288	5,054	5,201	39,995	30,489
Included in profit or loss:						
Current service costs	6,264	2,842	863	875	7,127	3,717
Interest cost	1,531	1,044	138	127	1,669	1,171
Past service costs	2,606	-	-	-	2,606	-
Actuarial losses	-	-	1,634	-	1,634	-
Included in other comprehensive income:						
Actuarial losses (gains) arising from						
Demographic assumptions changes	147	-	-	-	147	-
Financial assumptions changes	5,072	10,278	-	-	5,072	10,278
Experience adjustments	(325)	-	-	-	(325)	-
Benefits paid during the year	(1,379)	(3,169)	(669)	(1,149)	(2,048)	(4,318)
Translation adjustment	(135)	(1,342)	-	-	(135)	(1,342)
Provision for long-term employee benefits	48,722	34,941	7,020	5,054	55,742	39,995

(Unit: Thousand Baht)						
	Separate Financial Statements					
	Employee Retirement Pension		Other Employee Benefits		Total	
	2020	2019	2020	2019	2020	2019
Provision for long-term employee benefits at beginning of the year	14,410	12,231	5,055	5,201	19,465	17,432
Included in profit or loss:						
Current service costs	1,668	1,790	863	875	2,531	2,665
Interest cost	358	389	138	127	496	516
Past service costs	2,606	-	-	-	2,606	-
Actuarial losses	-	-	1,634	-	1,634	-
Included in other comprehensive income:						
Demographic assumptions changes	147	-	-	-	147	-
Financial assumptions changes	4,004	-	-	-	4,004	-
Experience adjustments	(325)	-	-	-	(325)	-
Benefits paid during the year	-	-	(669)	(1,148)	(669)	(1,148)
Provision for long-term employee benefits	22,868	14,410	7,021	5,055	29,889	19,465

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 Group has additional long-term employee benefit liabilities of Baht 2.6 million (The Company only: Baht 2.6 million) as a result. The Group reflects the effect of the change by recognising past service costs as expenses in the income statement of the current year.

The Group expect to pay Baht 26.7 million of long-term employee benefits during next year (the Company only: Baht 5.1 million) (2019: Baht 22.2 million (the Company only: Baht 0.7 million)).

As at 31 March 2020, the weighted average duration of the liabilities for long-term employee benefits was 15 - 22 years (the Company only: 15 years) (2019: 14 - 18 years (the Company only: 14 years)).

Significant actuarial assumptions were summarised below:

	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
Discount rates	0.9% - 7.8% per annum	1.1% - 3.2% per annum	0.9% - 2.2% per annum	3.2% per annum
Salary increase rates	2.0% - 6.0% per annum	2.4%-8.0% per annum	4.0% - 6.0% per annum	3.0% - 8.0% per annum
Turnover rates	3.8% - 20% per annum	3.8% - 20% per annum	10% - 20% per annum	10% - 20% per annum
Gold price	Baht 23,700 per Baht weight	Baht 20,800 per Baht weight	Baht 23,700 per Baht weight	Baht 20,800 per Baht weight

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefits obligation as at 31 March 2020 and 2019 were summarised below:

(Unit: Thousand Baht)								
	Consolidated Financial Statements							
	Employee retirement provision				Other employee benefit			
	Increase 1% - 10%		Decrease 1% - 10%		Increase 1%		Decrease 1%	
	2020	2019	2020	2019	2020	2019	2020	2019
Discount rate	(5,099)	(3,310)	5,308	3,789	(394)	(268)	432	299
Salary rate	5,784	6,102	(6,867)	(5,830)	-	-	-	-

	Increase 10%-20%		Decrease 10%-20%		Increase 20%		Decrease 20%	
	2020	2019	2020	2019	2020	2019	2020	2019
Turnover rate	(2,829)	(1,820)	3,765	2,505	(964)	(887)	1,221	1,144
Gold price rate	-	-	-	-	1,404	1,002	(1,404)	(1,002)

(Unit: Thousand Baht)								
	Separate Financial Statements							
	Employee retirement provision				Other employee benefit			
	Increase 1%		Decrease 1%		Increase 1%		Decrease 1%	
	2020	2019	2020	2019	2020	2019	2020	2019
Discount rate	(2,534)	(1,333)	3,017	1,582	(394)	(268)	432	299
Salary rate	2,913	1,792	(2,499)	(1,520)	-	-	-	-

	Increase 20%		Decrease 20%		Increase 20%		Decrease 20%	
	2020	2019	2020	2019	2020	2019	2020	2019
Turnover rate	(2,829)	(1,820)	3,765	2,505	(964)	(887)	1,221	1,144
Gold price rate	-	-	-	-	1,404	1,002	(1,404)	(1,002)

18. 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.

19. Expenses by nature

Significant expenses classified by nature were as follows:

	Consolidated Financial Statements		(Unit: Thousand Baht)	
			Separate Financial Statements	
	2020	2019	2020	2019
Salaries, wages and other employee benefits	1,236,317	1,111,215	442,150	415,873
Depreciation and amortisation	862,893	756,082	430,769	414,433
Loss on diminutions in value of inventories (reversal)	15,825	19,731	10,231	5,175
Raw materials and consumables used	9,976,444	11,200,073	3,690,011	4,199,018
Changes in inventories of finished goods and work in process	(147,448)	(26,841)	(131,359)	37,350
Loss (gain) on exchange	311,096	(450,287)	(9,559)	(253,466)
Rental expenses from operating lease agreement	2,757	4,202	1,896	1,783

20. Income Tax / Deferred Tax Assets (Liabilities)

Tax expense for the years ended 31 March 2020 and 2019 were made up as follows:

	Consolidated Financial Statements		(Unit: Thousand Baht)	
			Separate Financial Statements	
	2020	2019	2020	2019
Current income tax:				
Current income tax charge	34,302	43,802	-	-
Adjustment in respect of current income tax of previous year	-	52	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	218,558	(2,564)	74,547	-
Effects of the change in tax rate	737	-	-	-
Tax expense reported in profit or loss	253,597	41,290	74,547	-

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 March 2020 and 2019 were as follows:

	(Unit: Thousand Baht)			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
Deferred tax relating to loss on actuarial calculation	(765)	-	(765)	-
	(765)	-	(765)	-

The Board of Investment (BOI) has granted the Company investment promotion privileges under several promotion certificates, including exemption from corporate income tax for periods of 8 years from the date the promoted operations began generating revenue. In addition, subsidiary companies in Republic of Turkey are also exempted from income tax on earnings from the sale of manufactured goods until this country becomes a full member of the European Union.

The reconciliation between accounting profit and income tax expense was shown below.

	(Unit: Thousand Baht)			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
Accounting profit before tax	2,060,391	2,373,853	885,444	731,415
Applicable tax rates	17% to 25%	17% to 25%	0% - 20%	0% - 20%
Accounting profit before tax multiplied by applicable tax rates	465,606	524,250	177,089	146,283
Adjustment in respect of current income tax of previous year	-	52	-	-
Effects of:				
Promotional privileges	(247,454)	(324,837)	(77,291)	(87,659)
Change in applicable tax rate	737	-	-	-
Tax exemption income/non-deductible expenses/right to deduct more expenses/others	126,926	55,896	29,994	(6,246)
Unused tax loss	105,965	-	-	-
Tax losses brought forward	(198,183)	(102,279)	(55,245)	(52,378)
Total	(212,009)	(483,012)	(102,542)	(146,283)
Income tax expense reported in profit or loss	253,597	41,290	74,547	-

The components of deferred tax assets were as follows:

	(Unit: Thousand Baht)			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
Deferred tax assets (liabilities)				
Allowance for diminution in value of inventories	2,026	-	2,026	-
Reserve for other expenses	5,235	3,251	5,235	3,251
Provision for long-term employee benefits	6,801	3,893	5,978	3,893
Unrealised loss on forward contract	1,499	202	1,499	202
Unused tax losses	61,960	143,399	59,711	140,889
Export incentive receivables	(574)	(578)	(574)	(578)
Depreciation and amortisation	(785)	-	-	-
Others	379	-	-	-
Total deferred tax assets, net	76,541	150,167	73,875	147,657
Deferred tax assets (liabilities)				
Allowance for diminution in value of inventories	8,731	-	-	-
Reserve for other expenses	3,890	-	-	-
Provision for long-term employee benefits	15,158	-	-	-
Unused tax losses	381,273	-	-	-
Depreciation and amortisation	(521,146)	-	-	-
Unrealised gain on forward contract	(50,599)	-	-	-
Others	9,783	-	-	-
Total deferred tax liabilities, net	(152,910)	-	-	-

As at 31 March 2019, the Group have deductible temporary differences of Baht 25 million (2020: Nil) and as at 31 March 2020, the Group have unused tax losses of Baht 96 million (2019: Baht 686 million) (The Company only: Nil, (2019: Baht 121 million)), on which deferred tax assets have not been recognised as the Group believe future taxable profit may not be sufficient to allow utilisation of the temporary difference and unused tax losses. The unused tax losses expire in 2024 to 2027.

As at 31 March 2020, total amount of temporary difference associated with undistributed profit of subsidiaries for which deferred tax liabilities have not been recognised was Baht 1,849 million (2019: Baht 1,622 million).

21. Promotional privileges

The Company has received promotional privileges from the Board of Investment for the manufacture of polyester films, metallised films, extrusion coated films, cast polypropylene films, silicone coated films, blown film, and PET resins. Subject to certain imposed conditions, the privileges include a 100% exemption from corporate income tax for a period of first 6 - 8 years, and a 50% reduction of corporate income tax for a period of 5 years thereafter.

The Company's sales for the years ended 31 March 2020 and 2019 divided according to tax exempt and non-tax exempt operations were set out below.

(Unit: Million Baht)						
	Separate Financial Statements					
	Tax exempt operations		Non-tax exempt operations		Total	
	2020	2019	2020	2019	2020	2019
Sales						
Domestic sales	170	184	669	772	839	956
Export sales	2,452	3,000	2,813	2,666	5,265	5,666
Total sales	2,622	3,184	3,482	3,438	6,104	6,622

22. Dividends paid

Dividend	Approved by	Total dividends	Dividend per share
		(Million Baht)	(Baht)
Dividend on 2019 operating results	Annual General Meeting of the Company's shareholders on 26 July 2019	297	0.33
Dividend on 2020 interim operating results	The Board of Directors' Meeting on 11 November 2019	324	0.36
Total for 2020		621	0.69
Dividend on 2018 operating results	Annual General Meeting of the Company's shareholders on 27 July 2018	333	0.37
Dividend on 2019 interim operating results	The Board of Directors' Meeting on 13 November 2018	279	0.31
Total for 2019		612	0.68

23. 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 decision about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as managing director. The basis that used to measure operating profit or loss of segment is same as the basis that used to measure operating profit or loss in the financial statements.

For management purposes, the Group have a single industry segment, the manufacture and distribution of polyester films, metallised films, extrusion coated films, cast polypropylene films, silicone coated films and PET resins, and are carried on in two geographic areas in Thailand and overseas countries, as operated by subsidiaries.

The revenue and profit information by geographical segment in the consolidated financial statements for the years ended 31 March 2020 and 2019 were as follows:

	(Unit: Million Baht)							
	Thailand		Overseas countries		Elimination of inter-segment revenues		Consolidation	
	2020	2019	2020	2019	2020	2019	2020	2019
Sales to external customers	4,605	5,056	9,446	9,690	-	-	14,051	14,746
Inter-segment sales	1,641	1,753	846	832	(2,487)	(2,585)	-	-
Total sales	6,246	6,809	10,292	10,522	(2,487)	(2,585)	14,051	14,746
Reversal of impairment of property, plant and equipment	-	-	310	-	-	-	310	-
Segment operating profit	974	861	1,148	1,830	(305)	(205)	1,817	2,486
Unallocated expenses:								
Finance cost							(66)	(112)
Tax expense							(254)	(41)
Profit for the year							1,807	2,333
Segment total assets								
Property, plant and equipment	3,937	4,093	6,801	5,452	(32)	(18)	10,706	9,527
Other intangible assets	-	-	1	2	-	-	1	2
Unallocated assets							6,783	6,322
Total assets							17,490	15,851

Transfer prices between segments were as set out in Note 6 to the financial statements.

Major customers

For the year 2020, the Group had revenue from one major customer in amount of Baht 1,885 million, arising from overseas countries segments (2019: Baht 1,991 million derived from one major customer, arising from overseas countries segments).

24. Provident fund

The Group and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Group and their employees contributed to the fund monthly at the rates of 4% - 7% (2019: 4% - 7%) of basic salary. The fund, which is managed by Kasikorn Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year the Group contributed Baht 8.4 million (2019: Baht 7.7 million) to the fund (the Company only: Baht 8.2 million (2019: Baht 7.4 million)).

25. Commitments and contingent liabilities

25.1 Capital commitments

As at 31 March 2020, the Group had capital commitments of approximately Baht 1,137 million (2019: Baht 1,012 million) (The Company only: Baht 191 million (2019: Baht 142 million)), relating to the acquisitions of machinery and equipment.

25.2 Operating lease commitments

The Group had entered into several lease agreements in respect of office building space and equipment. The term of the agreements are generally between 1 and 3 years.

Future minimum rentals payable under these leases are as follows:

	(Unit: Million Baht)			
	Consolidated Financial Statements		Separate Financial Statements	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Payable:				
In up to 1 year	1.7	4.0	0.5	1.5
In over 1 and up to 3 years	0.7	0.9	0.2	0.6

25.3 Service agreements

As at 31 March 2020, the Group had commitments totaling Baht 9.2 million (2019: Baht 8.8 million) under various service agreements (The Company only: Baht 8.7 million (2019: Baht 8.6 million)). These agreements expire between April 2020 and March 2023.

25.4 Guarantees

a) As at 31 March 2020, the Company has provided guarantee worth USD 20.0 million (2019: USD 20.0 million) for working capital facilities obtained by a subsidiary, Polyplex USA LLC.

b) As at 31 March 2019, the Company has provided guarantee of USD 84.0 million for the long-term loans obtained by its subsidiary, Polyplex USA LLC. As at 31 March 2019, the outstanding balance of Polyplex USA LLC's loan was USD 11.5 million.

c) As at 31 March 2020, the Company has provided guarantee of USD 55.0 million for the long-term loans in USD and EUR obtained by its subsidiary, PT. Polyplex Film Indonesia (31 March 2019: USD 55.0 million). As at 31 March 2020, the outstanding balance of PT. Polyplex Film Indonesia's loan were USD 16.3 million and EUR 30.7 million (31 March 2019: USD 0.8 million and EUR 10.9 million).

d) As at 31 March 2020, Polyplex Europa Polyester Film Sanayi Ve Ticaret Anonim Sirketi has provided guarantee for credit facilities obtained by Polyplex Paketleme Cozumleri Sanayi Ve Ticaret Anonim Sirketi to the extent of EUR 5.7 million (31 March 2019: EUR 5.7 million).

e) As at 31 March 2019, the Company has provided corporate guarantee for securing the payables towards the raw material suppliers of Polyplex USA LLC. The outstanding amount of payables in respect of such guarantees is USD 2.7 million.

f) As at 31 March 2020 and 2019, there were outstanding bank guarantees as follows:

Letters of guarantee for	Currency	(Unit: Million)			
		Consolidated Financial Statements		Separate Financial Statements	
		2020	2019	2020	2019
Performance bonds	Baht	-	3.9	-	3.9
Customs duty	Euro	0.3	0.5	-	-

25.5 Letter of credit

As at 31 March 2020, available credit facilities amount to USD 12.8 million and EUR 19.3 million (31 March 2019: USD 3.8 million) (The Company only: USD 4.1 million and EUR 1.4 million (31 March 2019: USD 2.6 million)).

26. Fair Value Hierarchy

As at 31 March 2020 and 2019, the Group had the assets that were measured at fair value using different levels of inputs as follows:

	(Unit: Million Baht)			
	Consolidated financial statements			
	As at 31 March 2020			
	Level 1	Level 2	Level 3	Total
Financial asset measured at fair value				
Derivative				
Foreign currency forward contracts	-	16	-	16
Financial liability measured at fair value				
Derivative				
Foreign currency forward contracts	-	63	-	63

	(Unit: Million Baht)			
	Consolidated financial statements			
	As at 31 March 2019			
	Level 1	Level 2	Level 3	Total
Financial asset measured at fair value				
Derivative				
Foreign currency forward contracts	-	10	-	10
Financial liability measured at fair value				
Derivative				
Foreign currency forward contracts	-	10	-	10

(Unit: Million Baht)				
	Separate financial statements			
	As at 31 March 2020			
	Level 1	Level 2	Level 3	Total
Financial asset measured at fair value				
Derivative				
Foreign currency forward contracts	-	16	-	16
Financial liability measured at fair value				
Derivative				
Foreign currency forward contracts	-	58	-	58

(Unit: Million Baht)				
	Separate financial statements			
	As at 31 March 2019			
	Level 1	Level 2	Level 3	Total
Financial asset measured at fair value				
Derivative				
Foreign currency forward contracts	-	9	-	9
Financial liability measured at fair value				
Derivative				
Foreign currency forward contracts	-	9	-	9

27. Financial instruments

27.1 Financial risk management

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

Credit risk

The Group are exposed to credit risk primarily with respect to trade and other receivables. The Group manage the risk by adopting appropriate credit control policies and procedures and considering credit insurance contracts from time to time, and therefore do not expect to incur material financial losses. In addition, the Group do not have high concentration of credit risk since they have a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivables and other receivables as stated in the statements of financial position.

Interest rate risk

The Group' exposure to interest rate risk relates primarily to its cash at banks, bank overdrafts, debentures and long-term borrowings. Most of the Group' financial assets and liabilities bear floating interest rates or

fixed interest rates which are close to the market rate. In addition, the Company considers interest rate swap agreements from time to time so as to reduce exposure to the interest rate risk.

As at 31 March 2020 and 2019, significant financial assets and liabilities classified by type of interest rates 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.

Separate Financial Statements												
As at 31 March 2020							As at 31 March 2019					
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Interest rate	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Interest rate
	Within 1 year	1-5 years					Within 1 year	1-5 years				
(Million Baht)												
(% p.a.)												
(Million Baht)												
Financial assets												(% p.a.)
Cash and cash equivalents	-	-	60.6	2.9	63.5	See Note 7	-	-	18.6	2.1	20.7	See Note 7
Trade and other receivables	-	-	-	1,148.6	1,148.6	-	-	-	-	1,297.3	1,297.3	-
Financial liabilities												
Short-term loans from banks	874.0	-	-	-	874.0	See Note 14	1,119.0	-	-	-	1,119.0	See Note 14
Trade and other payables	-	-	-	568.3	568.3	-	-	-	-	617.0	617.0	-
Short-term loans from related party	-	-	-	-	-	-	-	-	3,173.5	-	3,173.5	See Note 6
Long-term loans from related party	-	-	3,412.7	-	3,412.7	See Note 6	-	-	-	-	-	See Note 6
Long-term loans from banks	-	-	29.9	-	29.9	See Note 16	-	-	231.3	-	231.3	See Note 16

Consolidated Financial Statements															
As at 31 March 2020						As at 31 March 2019									
Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Interest rate	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Interest rate				
Within 1 year	1-5 years					Within 1 year	1-5 years								
(Million Baht)						(% p.a.)						(Million Baht)		(% p.a.)	
Financial assets															
	193.8	-	978.0	32.5	1,204.3	See Note 7	0.1	-	825.4	30.5	856.0	See Note 7			
	-	-	-	-	-	-	-	-	-	13.2	13.2	-			
	-	-	-	2,411.1	2,411.1	-	-	-	-	2,119.8	2,119.8	-			
Restricted bank deposits	9.7	-	-	-	9.7	See Note 10	64.4	-	-	-	64.4	See Note 10			
Financial liabilities															
Short-term loans from banks	874.0	-	32.6	-	906.6	See Note 14	1,119.0	-	476.5	-	1,595.5	See Note 14			
Trade and other payables	-	-	-	1,185.8	1,185.8	-	-	-	-	1,146.9	1,146.9	-			
Long-term loans from banks	-	-	1,653.3	-	1,653.3	See Note 16	-	-	1,014.9	-	1,014.9	See Note 16			

Foreign Currency Risk

The Group's exposure to foreign currency risk arise mainly from trading transactions and borrowings that are denominated in foreign currencies. The Group seek 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 March 2020 and 2019, the Group's balances of financial assets and liabilities denominated in foreign currencies were summarised below.

Foreign currency	Consolidated financial statements					
	Financial Assets		Financial Liabilities		Average Exchange Rate	
	2020	2019	2020	2019	2020	2019
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	20.65	22.46	26.73	15.19	32.6278	31.7681
Euro	5.32	11.01	32.83	13.26	35.9064	35.6601
Japanese yen	7.11	51.80	15.71	0.41	0.3006	0.2867
Pound Sterling	0.15	0.36	-	-	40.2137	41.5382
Ringgit	-	-	-	0.09	7.5618	7.7785
Rupee	-	1.40	1.40	1.05	0.4228	0.4491
South Korean Won	18.28	12.67	-	-	0.0267	0.0281
Polish Zloty	0.04	0.02	-	-	7.9513	8.3105
Turkish Lira	0.41	2.68	2.29	2.17	4.9500	5.7800
Baht	-	-	0.05	-	1.0000	1.0000

The Company's balances of financial assets and liabilities denominated in foreign currencies were summarised below.

Foreign currency	Separated financial statements					
	Financial Assets		Financial Liabilities		Average Exchange Rate	
	2020	2019	2020	2019	2020	2019
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	28.10	31.53	3.74	9.52	32.6278	31.7681
Euro	1.80	2.85	96.14	90.34	35.9064	35.6601
Japanese yen	7.11	26.21	0.56	0.41	0.3006	0.2867
Pound Sterling	0.03	0.23	-	-	40.2137	41.5382
Rupee	-	-	-	1.05	0.4228	0.4491
South Korean Won	18.28	12.67	-	-	0.0267	0.0281

As at 31 March 2020 and 2019, The Company's foreign exchange contracts outstanding were summarised below.

Foreign currency	As at 31 March 2020			
	Bought amount	Sold amount	Contractual exchange rate	
			Bought	Sold
	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	2.85	37.80	30.2254 – 32.5666	30.0050 – 32.5420
Euro	3.90	1.44	33.9451 – 36.2731	33.6900 – 34.3500
Japanese yen	-	9.07	-	0.2979 – 0.3015

Foreign currency	As at 31 March 2019			
	Bought amount	Sold amount	Contractual exchange rate	
			Bought	Sold
	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	4.77	43.20	31.0347 - 32.6000	30.9800 - 32.9800
Euro	0.98	2.76	36.0780	35.5100 - 37.4400
Japanese yen	-	36.55	-	0.2848 - 0.2875

As at 31 March 2020 and 2019, subsidiaries had forward foreign exchange contracts as follows:

Foreign currency	As at 31 March 2020			
	Bought amount	Sold amount	Contractual exchange rate	
			Bought	Sold
	(Million)	(Million)		
YTL	0.6	-	YTL 6.6702 per EUR 1	-
USD	1.8	-	USD 1.1024 - 1.1320 per EUR 1	-
USD	-	0.1	-	Baht 30.8550 per USD 1
EUR	-	7.3	-	Baht 33.7600 - 34.7000 per EUR 1 and USD 1.1205 per EUR 1

Foreign currency	As at 31 March 2019			
	Bought amount	Sold amount	Contractual exchange rate	
			Bought	Sold
	(Million)	(Million)		
YTL	8.7	-	YTL 6.1464 - 6.4739 per EUR 1	-
USD	2.5	-	USD 1.1385 - 1.1565 per EUR 1	-
EUR	-	1.9	-	Baht 35.4500 - 36.6900 per EUR 1 and IDR 16,120 per EUR 1

27.2 Fair values of financial instruments

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

28. Capital management

The primary objective of the Group'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 March 2020, the Group's debt-to-equity ratio was 0.35:1 (2019: 0.37:1) and the Company's debt-to-equity was 1.30:1 (2019: 1.41:1).

29. Event after the reporting period

On 22 May 2020, the Company's Board of Directors meeting passed a resolution approving to pay an additional dividend for 2020 of Baht 261 million (900 million ordinary shares at Baht 0.29 each) to its shareholders. This will be proposed to the Annual General Meeting of Shareholders on 31 July 2020 for consideration and approval. Payments of dividend will be made on 27 August 2020.

30. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 22 May 2020.



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