



THAIPLASPAC
2015
ANNUAL REPORT
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Thai Plaspac Public Company Limited
Annual Report 2015

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PERFORMANCE HIGHLIGHTS

Performance Highlights (Figures in Mill Baht)	2015	2014
Revenue	1,596	1,686
Cost of Goods Sold	1,331	1,436
Gross Profit	264	250
EBIT	140	130
Interest	9	13
Profit Before Tax	131	117
Tax	27	24
Profit After Tax	104	93
Shareholders Funds	768	691
Net Debt	162	264
Capital Employed	930	954
ROCE	15.1%	13.6%
Gross Profit Margin	16.6%	14.8%
EBIT Margin	8.8%	7.7%
Net Profit Margin	6.5%	5.5%
Net Debt / Equity	0.2	0.3
Debt / Equity	0.2	0.4
Interest Cover (EBIT)	15.5	10.0

PERFORMANCE HIGHLIGHTS





Mr.Kevin Kumar Sharma
Chairman and Chief Executive Officer

Mr.Theerawit Busayapoka
Managing Director

Message from Chairman & CEO and Managing Director

Dearest Shareholders,

2015 has been a momentous year for Thai Plaspac. The year saw us welcome aboard our new industrially accomplished controlling shareholder, the Lohia family. As executives, we feel very fortunate to have secured a shareholder with a proven track record of creating globally competitive industrial corporates from Thailand. Additionally, our shareholder's commitment to managements long term growth aspirations provides us with a solid anchor, a key ingredient for the launch of our next chapter. I have been brought on board as your newly installed CEO. I am honoured, humbled and hungry. Our team has been also further reinforced with a Chief Technical Officer and Business Analytics head. With corporate governance high on our agenda, also joining us on this journey are 3 highly accomplished independent directors, each leaders in their respective fields who's wisdom and experience our company will benefit immensely from.

It has been a long journey to get to where we are today and I thank my predecessors for their hard work and perseverance. From a small 2 machine operation 32 years ago, we are today one of the largest custom converters in Thailand and a chosen partner of choice to the worlds leading FMCG companies. However we have to be mindful to 'what got us here, may not necessarily get us there'. Change in our world today is occurring at unprecedented speed, and those not able to keep up get left behind. Once left behind, the odds of success quickly diminish.

Our reality points to an ever increasing complexity in both the business challenges laid before us and the problem solving tools at our disposal. Charles Darwin once said, "It is not the strongest of the species that survives, nor the most intelligent... but rather the one most adaptable to change". The changes we have made have been orchestrated to accomplish one clear goal, that being to win. Winning in other words being the uncompromised delivery of value to shareholders. In serving the worlds leading FMCG companies, we must be leaders across all areas encompassing innovation, sustainability and cost effectiveness - perfect is only good enough. In the past 6 months throughout which I have been fortunate to have candid dialogue with our customers, the above message has been further reinforced.

Therefore, I am excited about our future and confident with our solid positioning today. Regional and international expansion alongside our customers awaits. We will continue to refine our decision making culture - a culture underpinned by technical rigour, overlaid by entrepreneurial instinct. We will stay alert and curious. We will not stop learning.

The tools and resources are now all in place ready for Thai Plaspacs next chapter of our growth.

As I tell my management team, 'we know where we want to be, we have the tools and resources at our disposal... Now lets get it done !'

Mr.Kevin Kumar Sharma
Chairman and Chief Executive Officer

Mr.Theerawit Busayapoka
Managing Director

General Information

Name	Thai Plaspac Public Company Limited
Symbol	TPAC and TPAC-W1 (for warrants only)
Type of Business	Customized rigid plastic packaging solution provider
Website	www.thaiplaspac.com
Company Registration Number	0107547000575
Established	August 1, 1983
Registered Share Capital	Baht 255,000,000 divided into 255,000,000 ordinary shares of par value at Baht 1 each
Issued and Paid-up Share Capital	Baht 208,766,400 divided into 208,766,400 ordinary shares of par value at Baht 1 each
Head Office	77 Soi Thian Thaley 30 Bang Khun Thian-Chay Thaley Road, Tha Kham, Bang Khun Thian Bangkok 10150, Thailand Tel. +66 (0) 28972250 +66 (0) 28972529 Fax. +66 (0) 28972531
Share Registrar	Thailand Securities Depository Company Limited 93 Ratchadaphisek Road, Dindaeng Bangkok 10400, Thailand Tel. +66 (0) 20099000 Fax. +66 (0) 20099991
Auditor	Miss. Pimjai Manitkhajonkit or Mr. Sophon Permsirivallop or Mr. Chayapol Supasetanond or Miss. Rungrapa Lertsuwankul Certified Public Accountants (Thailand) EY Office Limited (Ernst & Young) 33rd Floor, Lake Rajada Office Complex 193/136-137 Rajadapisek Road, Klongtoey, Bangkok 10110, Thailand Tel. +66 (0) 22640777 Fax. +66 (0) 22640789
Investor Relations	Mr. Alok Kothari, kothari@thaiplaspac.com Ms. Anong Sompittayanurak, anong@thaiplaspac.com
Secretarial & Compliance	Ms. Anong Sompittayanurak, anong@thaiplaspac.com Ms. Kajkaew Ngamlamyai, secretary@thaiplaspac.com



Attractive growing everyday consumable market



Trusted long-term partner for Thai, regional and global consumer brands



Robust financial position



Leading Thai supplier of consumer rigid plastic packaging across food and beverage, personal and homecare markets with 30 + years of track record



3 world class manufacturing facilities in Bangkok



Well-recognized R&D and product development platform



Long serving 30+ years, experienced and passionate management team

the preferred regional consumer plastic packaging solutions company

Values

- Customer Focused
- Operational Excellence
- Technology & Innovation
- Passionate Industry Professionals
- Corporate Governance
- Sustainability





Chairman of Board of Director
and Chief Executive Officer

Mr.Kevin Kumar Sharma

Position

- Chairman and Chief Executive Officer

Director Type

- Executive Director

Age

- 32 years

Appointment Date of Directorship

- 9 October 2015

Education

- Masters in Science - Mathematical Trading and Finance, Cass Business School, City University, London, UK
- Bachelor of Engineering (Honors) - Civil Engineering, University College London, UK

Training Program

- Director Certification Program Class No. 214/2015, Thai Institute of Directors Association, Thailand

Working Experience [over the past 5 years]

-

Other Listed Companies in SET

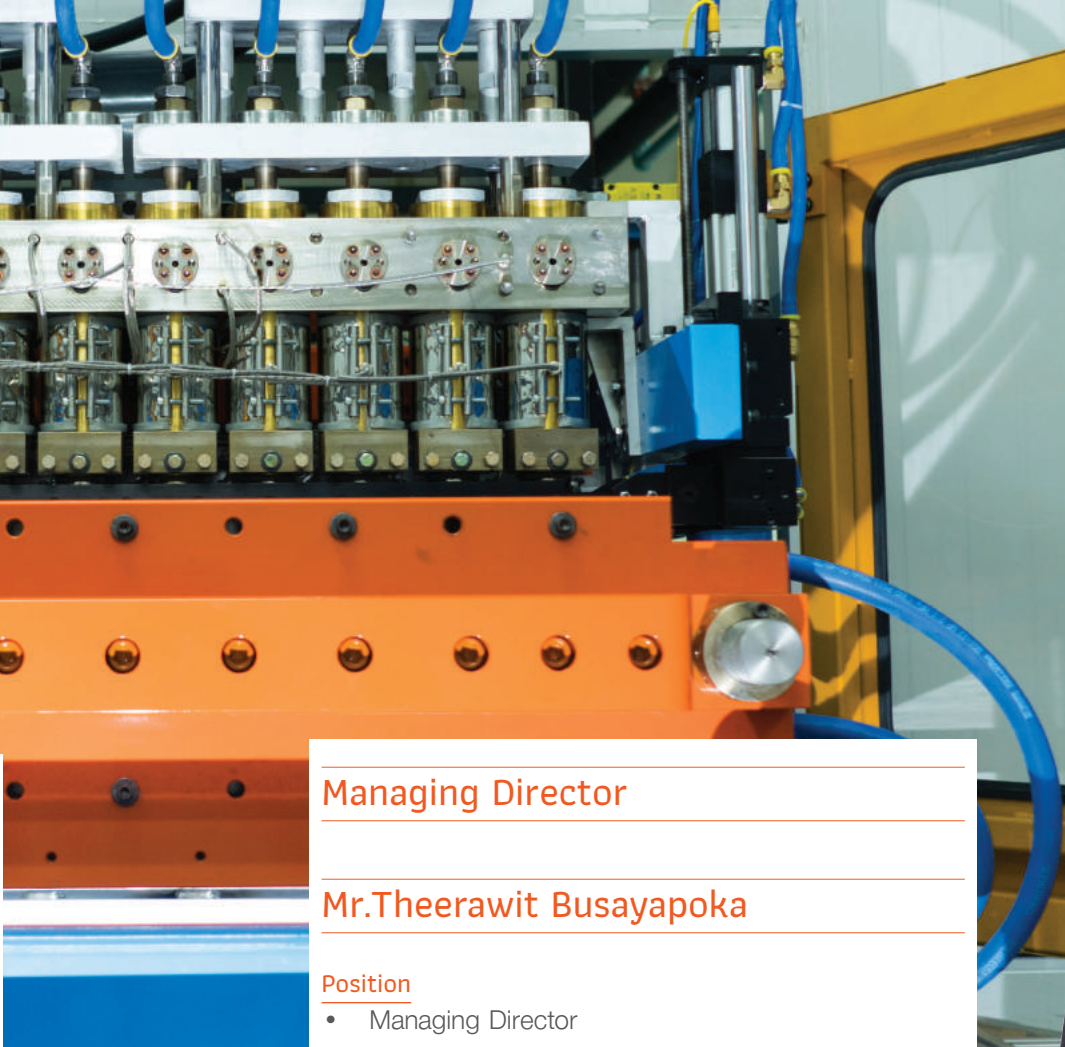
- None

Other Companies

2007 – 2010	Analyst, Fixed Income Securitisation, Credit Suisse, London UK
2010 – 2013	Associate, European Distressed Debt Acquisitions, Colony Capital,London, UK
2013 – 2014	Associate Director, European Special Situations, La Salle Investment Management, London, UK
2014 – Present	Director, Armanset Limited, London, UK

Shareholding in TPAC as of 31 December 2015

Nil



Managing Director

Mr.Theerawit Busayapoka

Position

- Managing Director

Director Type

- Executive Director

Age

- 56 years

Appointment Date of Directorship

- 12 October 2015*

Education

- Bachelor of Engineering (First Class Honors) – Mechanical Engineering, King Mongkut Institute of Technology, Bangkok, Thailand

Training Program

- Director Accreditation Program Class No. 51/2006, Thai Institute of Directors Association, Thailand

Working Experience [over the past 5 years]

- 1985-Present Managing Director, Thai Plaspac Public Company Limited, Bangkok, Thailand

Other Listed Companies in SET

- None

Other Companies

- None

Shareholding in TPAC as of 31 December 2015

- 8,560,000 shares or 4.10%

*Resigned to be a Director on 9 October 2015 and was re-appointed to be a Director on 12 October 2015 considering the change in major shareholder





Mr. Anil Kumar Kohli		
Position: Executive Director, Technical	Work Experience (over the past 5 years):	
Director Type: Executive Director	Other Listed Companies on SET	
Age: 56 years	None	
Appointment Date of Directorship: 12 October 2015	Other Companies	
Education: Post Graduate Diploma, Marketing Management, Pune University, India Bachelor in Technology (Chemicals), Harcourt Butler Technological Institute, Kanpur University, India	2013-2015	Vice President, Specialty PET Development and Marketing (Asia), IndoramaPolymers Public Company Limited, Lopburi, Thailand
	1998-2013	Head of Manufacturing, Petform Thailand Limited, Lopburi, Thailand
Training Program None	Shareholding in TPAC as of 31 December 2015 Nil	



Mrs. Aradhana Lohia Sharma		
Position: Director	Other Companies	
Director Type: Non-Executive Director	2008 – Present Vice President, Wool and Recycling business, Indorama Holdings Limited, Bangkok, Thailand	
Age: 30 years	Shareholding in TPAC as of 31 December 2015 Nil	
Appointment Date of Directorship: 9 October 2015	Education: Bachelor of Science in Business Administration, Babson College, Massachusetts, USA	
Training Program Director Certification Program Class No. 214/2015, Thai Institute of Directors Association, Thailand	Work Experience (over the past 5 years): Other Listed Companies on SET None	



Mr. Yashovardhan Lohia		
Position: Director	Other Listed Companies on SET None	
Director Type: Non-Executive Director	Other Companies	
Age: 28 years	2012 – Present	Vice President, Global Commercial, Indorama Ventures Global Services Limited, Bangkok, Thailand
Appointment Date of Directorship: 12 October 2015	2009-2012	Managing Director, Aurus Specialty Company Limited, Bangkok, Thailand
Education: Bachelor of Engineering Business Management, Warwick Business School, Warwickshire, UK	Shareholding in TPAC as of 31 December 2015 Nil	
Training Program Director Certification Program Class No. 214/2015, Thai Institute of Directors Association, Thailand	Work Experience (over the past 5 years):	



Mr. Virasak Sutanthavibul		
Position: Independent Director and Chairman of the Audit Committee	Public Company Limited, Thailand	
Director Type: Independent Director	2005-Present Independent Director and Chairman of the Corporate Governance Committee, Bangkok Insurance Public Company Limited, Thailand	
Age: 60 years	2004-Present Independent Director and Audit Committee Member,T. Krungthai Industries Public Company Limited, Thailand	
Appointment Date of Directorship: 9 October 2015	2012-Present Independent Director and Audit Committee Member, Bangpakong Terminal Company Limited, Thailand Other Companies	
Education: Bachelor in Engineering, Chulalongkorn University, Bangkok, Thailand Masters in Engineering, Texas A&M University, Texas, USA	2001-Present Director, Toyota Leasing (Thailand) Company Limited, Thailand	
Training Program: Director Accreditation Program (DAP) Class 21/2003, Thai Institute of Directors Association, Thailand The Joint State-Private Sector Class 18/2005, The National Defence College of Thailand Certificate, Capital Market Academy (CMA), Class 10/2010	2001-Present Director, Thai Indo Kordsa Company Limited, Thailand	
Work Experience (over the past 5 years): Other Listed Companies on SET 2002-Present Senior Executive Vice President, Head of Commercial Banking, Bangkok Bank	2001-Present Director, Asia Lamp Industry Company Limited	
	Shareholding in TPAC as of 31 December 2015 Nil	



Mr. Kittiphat Suthisamphat

Position: Independent Director and Member of the Audit Committee

Director Type: Independent Director

Age: 44 years

Appointment Date of Directorship: 9 October 2015

Education: MBA, Sloan School of Management, Massachusetts Institute of Technology (MIT), Boston, USA

Training Program: Director Accreditation Program Class 72/2006, Thai Institute of Directors Association, Thailand

Work Experience (over the past 5 years):

Other Listed Companies on SET

2000-Present Managing Director, A.J. Plast Public Company Limited

Other Companies

None

Shareholding in TPAC as of 31 December 2015

Nil



Mr. Gran Chayavichitslip

Position: Independent Director and Member of the Audit Committee

Director Type: Independent Director

Age: 43 years

Appointment Date of Directorship: 12 October 2015

Education: Bachelor in Business Administration, Rangsit University, Thailand

Master Degree in Public Administration, Chulalongkorn University, Thailand

Training Program

Executive Management Academy, University of California, Los Angeles, USA

Public Administration and Law for Executives, King Prajadhipok Institute, Thailand

Work Experience (over the past 5 years):

Other Listed Companies on SET

None

Other Companies

2007 – Present Director of Corporate

Communications, Dhanarak Asset Development Company Limited, State Enterprise under Ministry of Finance, Thailand

Shareholding in TPAC as of 31 December 2015

Nil

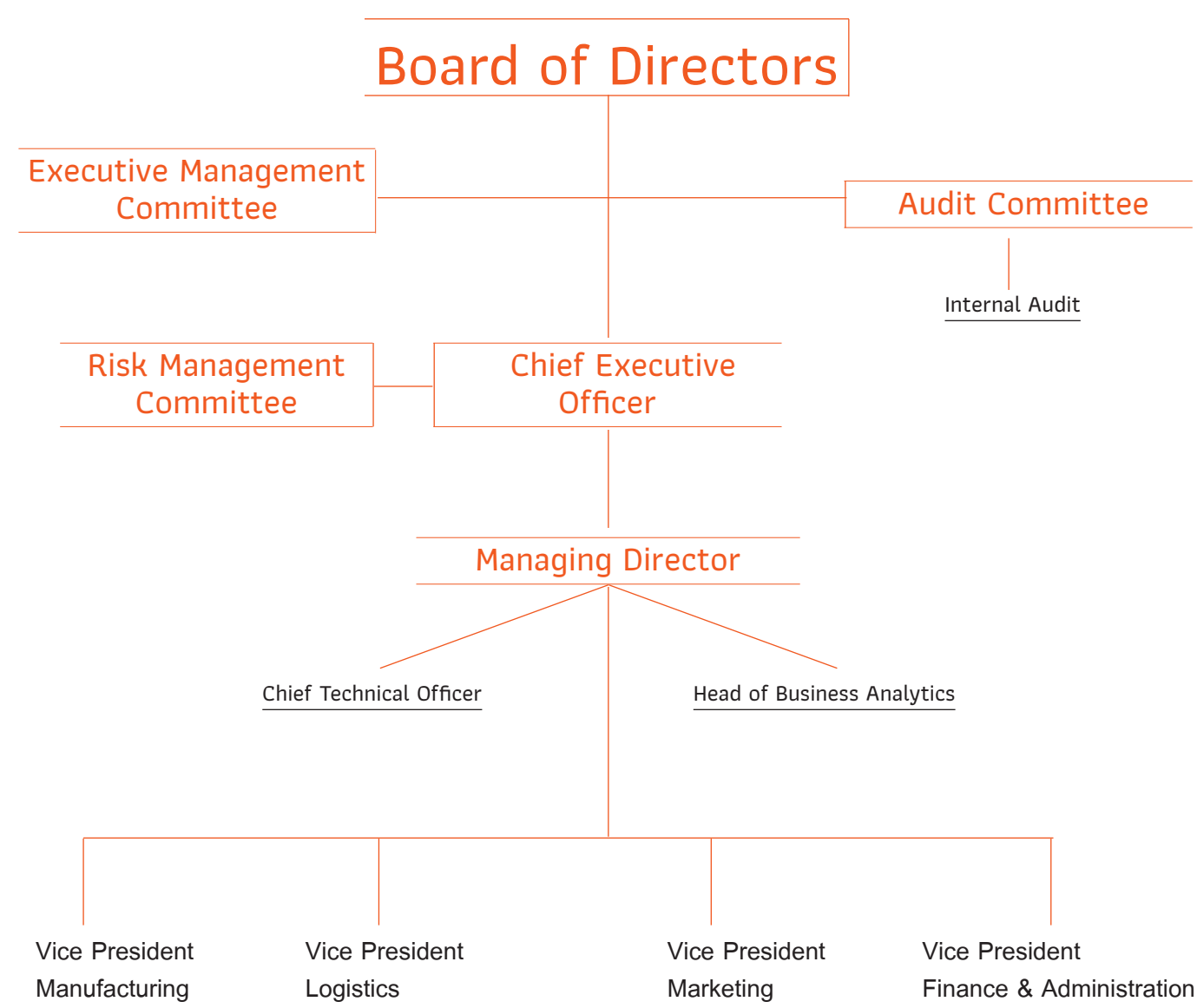




Management Structure



Management Structure



Board of Directors

The board of directors and its role and responsibility were constituted with resolution of the Extraordinary General Meeting of Shareholders No. 3/2004 dated May 21, 2004 and resolution of the Annual General Meeting of Shareholders No. 1/2005 on April 27, 2005. The current eight directors of the Board of Directors were appointed in the Board of Directors Meeting No. 5/2015 held on October 9, 2015 and the Board of Directors Meeting No. 6/2015 held on October 12, 2015.

No.	Name	Position	Date of Appointment	Meeting Attendance
1	Mr. Kevin Qumar Sharma	Chairman and CEO	October 9, 2015	3/3
2	*Mr. Theerawit Busayapoka	Managing Director	October 12, 2015	7/8
3	Mr. Anil Kumar Kohli	Executive Director	October 12, 2015	2/2
4	Mrs. Aradhana Lohia Sharma	Director	October 9, 2015	3/3
5	Mr. Yashovardhan Lohia	Director	October 12, 2015	2/2
6	Mr. Virasak Sutanthavibul	Independent Director and Chairman of Audit Committee	October 9, 2015	3/3
7	Mr. Kittiphat Suthisamphat	Independent Director and Audit Committee Member	October 9, 2015	3/3
8	Mr. Gran Chayavichitslip	Independent Director and Audit Committee Member	October 12, 2015	2/2

*Mr. Theerawit Busayapoka resigned and was re-appointed to the board of directors

Ms. Among Sompittayanurak is Company Secretary to the Board of Directors.

The board of directors was reconstituted in post the change in majority shareholder.Modernform Public Company Limited and 6 other shareholders sold a combined 60.55% equity stake in Thai Plaspac Public Company Limited to Mr. Anuj Lohia and QAMA Investments Limited, on October 9, 2015. Subsequently a tender offer was held for the remaining shares of the company.

Post resignation of the past board members, new board members were appointed at the Board of Directors Meeting No. 5/2015 which was held on October 9th, 2015 and Board of Directors Meeting No. 6/2015 held on October 12, 2015.

In the year 2015, a total of 8 board of directors meeting were held of which 5 meetings were held under the past directors and 3 meetings were held under the current directors.

The current composition of the board of directors are as follows:

- 3 Executive Directors - Mr. Kevin Qumar Sharma, Mr. Theerawit Busayapoka and Mr. Anil Kumar Kohli.
- 3 Non - Executive Independent Directors - Mr. Virasak Sutanthavibul, Mr. Kittiphat Suthisamphat and Mr. Gran Chayavichitsilp.
- 2 Non - Executive Directors - Mrs. Aradhana Lohia Sharma and Mr. Yashovardhan Lohia

Authorized Directors

The authorized directors to sign on behalf of the Company are any one from Group A which includes Mr. Kevin Kumar Sharma or Mrs. Aradhana Lohia Sharma or Mr. Yashovardhan Lohia and any one from Group B which includes Mr. Theerawit Busayapoka or Mr. Anil Kumar Kohli to jointly sign with the Company’s seal affixed.

Role and Responsibility of the Board of Directors

1. To comply with laws, Securities and Exchange Act, the objects and the articles of association of the Company, and the resolutions of the Board of Directors and the Shareholders Meetings in good faith, with due care and responsibility and to preserve the interests of the Company and of the shareholders under the principles of good corporate governance.
2. To determine the policy, direction, goal, and business plan of the Company.
3. To consistently oversee the performance of executives so that stipulated goals and policies are effectively and efficiently met in order to increase the economic value of the enterprise resulting in shareholder return.
4. To disclose information as per SET regulations and guidelines and treat information disclosure as significant and essential for decisions pertaining to investing in the companies securities.
5. To maintain a reliable and proper accounting, financial reporting and auditing systems under the generally accepted accounting principles reflective of the true and fair position of the Company.
6. To maintain adequate internal controls, as well as an appraisal system to evaluate the adequacy of the internal controls and the effectiveness of the internal audit.
7. To maintain an appropriate risk management system and to periodically evaluate the potential risks and the corresponding mitigants.
8. To appoint various committees consisting of an audit, executive, risk management and others as deemed necessary to assist in the control and supervision of the Companies operations. The Board of Directors may revoke, terminate or amend such authority any time provided that such authorization shall not extend to the authority of giving approval for any matter in which such person may have any form of conflict of interest with that of the Company or the Company’s subsidiary or affiliate. Any such authorization shall be in accordance with the resolution of the Board of Directors in a meeting which is attended by its independent directors.
9. To disclose the interest of the directors and their related persons to the Company.
10. To maintain performance evaluation guidelines for the Board of Directors whereby each director annually evaluates the companies results.

Sub-Committees

Thai Plaspac Public Company Limited has three sub-committees which are the Audit Committee, the Executive Committee and the Risk Management

Committee. The details of each sub-committee are given hereunder.

Audit Committee

The audit committee consists of three members who are all independent directors. Individually they each have the requisite experience and knowledge to appropriately review financial statements. The present Audit Committee was appointed in the Board of Directors Meeting No. 6/2015 held on October 12, 2015 for a term of three years.

The members of the audit committee was reconstituted on the change in board of directors wherein the past board members including independent directors and audit committee members resigned and the new board members including independent directors and audit committee members were appointed in the Board of Directors Meeting No. 5/2015 held on October 9, 2015 and Board of Directors Meeting No. 6/2015 held on October 12, 2015. In the year 2015, a total of 4 audit committee meetings were held of which 3 meetings were held under the past members of the audit committee and 1 meeting held under the current members of the audit committee.

No.	Name	Position	Date of Appointment	Meeting Attendance
1.	Mr. Virasak Sutanthavibul	Chairman of Audit Committee	October 12, 2015	1/1
2.	Mr. Kittiphat Suthisamphat	Audit Committee Member	October 12, 2015	1/1
3.	Mr. Gran Chayavichitslip	Audit Committee Member	October 12, 2015	1/1

Ms. Anong Sompitthayanurak is Secretary to the Audit Committee.

Role and Responsibility of the Audit Committee

1. To review and ensure that the Company’s financial report is proper and with adequate disclosure in accordance with the generally accepted accounting standards, including the assurance that quarterly and annual financial reports are accurate, complete, and justifiable before the submission to the Board of Directors for approval.
2. To review and ensure that the Company has an appropriate and efficient internal control system and to annually assess the results of the internal control.
3. To ensure that the Company has complied with the securities laws and regulations of the SEC and the SET or other laws relating to the business of the Company.
4. To select and recommend to the Board of Directors the appointment of the external auditor and suggest remuneration for approval in the annual general meeting of the shareholders’ meeting and to meet with the external auditor without participation of the management at least once a year.
5. To ensure a common understanding between the Board of Directors, the external auditor, and the internal auditor.
6. To review and disclose related party transactions or any conflict of interests as stipulated by the corresponding regulations such that the Company is not unfairly affected.
7. To prepare a report of the audit committee’s activities as may be required in line with SET regulation.
8. To review and revise the audit committee charter to properly align with the Securities and Exchange Act

- and the SET's regulations and guidelines.
- To consider, review, and approve the internal audit.
 - To ensure that the internal audit department addressed all essential business control functions, proposes solutions and opinions to the management, and monitors the execution of the proposed solutions within the provided time period.
 - To report findings of the audit committee to the Board of Directors for annual evaluation
 - To be empowered to call for opinions or attendance at the meeting or provision of any related documents, as the audit committee may deem relevant or necessary, from the management or any related staff.
 - To seek counsel from independent professionals from varying fields when deemed necessary on the expense of the Company acknowledgment at least 4 times a year.
 - To do any other functions as may be designated by the Board of Directors with consent of the audit committee.
 - To evaluate and assess the performance of the audit committee annually for possible improvement.
 - To review independence of internal audit unit reporting directly to the Chairman of the Audit Committee. Including giving consent to the appointment, revocation, transfer or termination of internal audit unit. To consider and approve budgets and manpower of the internal audit unit.

Executive Committee

The first executive committee was constituted with resolution of the Extraordinary General Meeting of Shareholders No. 3/25004 dated May 21, 2004. The members of Executive Committee as on December 31, 2015 were appointed in the Board of Directors Meeting No. 6/2015 held on October 12, 2015;

No	Name	Position	
1.	Mr. Kevin Kumar Sharma	Chairman of the Executive Committee and Chief Executive Officer	
2.	Mr. Theerawit Busayapoka	Member of the Executive Committee and Managing Director	
3.	Mr. Anil Kumar Kohli	Member of the Executive Committee	
4.	Mr. Ashok Jain	Member of the Executive Committee	

Role and Responsibility of the Executive Committee

- To manage the business in accordance with the objectives, goals, guidelines, policy, plan and budget of the Company as determined and assigned by the Board of Directors.
- To provide direction, strategy and plan to achieve Company's objectives.
- To organize and provide internal structure and operational procedures of the Company for highest efficiency.
- Periodically review operational results to achieve company goals.
- To look for new opportunity in business for submission to the Board of Directors for approval.
- To review the procurement or disposal of the Company's material property and to bind upon the Company with matters within the powers authorized by the Board of Directors.
- To approve any transaction prior to submitting same to the Board of Directors
- To appoint, remove and terminate senior executives.
- To approve distribution of bonus and the amount of money for annual salary increase of the staff within the annual budget of the Company.
- To see to it that the policy on corporate governance is appropriately implemented and followed.
- To perform any other duties as may be assigned by the Board of Directors.

Management

The members of management as on December 31, 2015;

No.	Name	Position
1.	Mr. Kevin Kumar Sharma	Chief Executive Officer
2.	Mr. Theerawit Busayapoka	Managing Director
3.	Mr. Pairoj Pongpong	Assistant Managing Director
4.	Mr. Anil Kumar Kohli	Chief Technical Officer
5.	Mr. Alok Kothari	Head of Business Analytics
6.	Ms. Anong Sompitthayanurak	Vice President Finance and Administration
7.	Mr. Chakkaphan Sukhinthawarin	Vice President Manufacturing
8.	Ms. Nipapan Ponvanid	Assistant Vice President Marketing
9.	Mr. Yuti Pukkanasut	Assistant Vice President Logistics
10	Ms. Rungthiva Klainoi	Assistant Vice President Finance and Administration

Role and Responsibility of the Managing Director

The Managing Director is appointed by the Board of Directors who will hold office as Managing Director of the Company only so that he will have sufficient time to manage the affairs and activities of the Company in accordance with the objective of the Company and for the best benefit of the shareholders. The Managing Director is under direct command of and report to the Chief of the Executive Committee and his performance will be evaluated by the Executive Committee annually, including fixing his remuneration. The duty and responsibility of the Managing Director is as follows:

- To administer, manage and control operations concerning the general management of the Company.
- To follow directors policies, plan and budgets approved by the Board of Directors and/or the Executive Committee and/or the Chief Executive Officer.
- To hire, appoint, transfer, discharge, and lay off; determine wages, bestow awards, adjust monthly salaries, remunerations, and bonuses of all employees except executives those requiring approval from the Executive Committee.
- To approve or transfer the power to approve the purchasing of assets and services that are beneficial to the Company, and financial transactions involved in business operations; all within the budget provided by the Board of Directors and/or the Executive Committee.
- To issue orders, regulations announcement and memorandum in order to ensure operations align with Company' policies and follow code of conduct for employees and others.
- To represent the Company in business activities and transactions which are beneficial to the Company.
- To appoint advisors in different fields as deemed necessary for effective operations.
- To do any other functions as may be designated by the Board of Directors and/or the Executive Committee and/or the Chief Executive Officer.

Risk Management Committee

The Board of Directors had established the Risk Management Committee in year 2008 consisting of senior management. The Risk Management Committee is designed from the members of the management representing all functions of the company for assessment, evaluation and mitigation of risk. The Risk Management Committee meets periodically and the members of risk management committee are;

No	Name	Position
1.	Mr. Kevin Kumar Sharma	Chairman, Risk Management Committee
2.	Mr. Theerawit Busayapoka	Member, Risk Management Committee
3.	Mr. Pairoj Pongpong	Member, Risk Management Committee
4.	Mr. Anil Kumar Kohli	Member, Risk Management Committee
5.	Mr. Alok Kothari	Member, Risk Management Committee
6	Ms. Anong Sompitthayanurak	Member, Risk Management Committee

Ms. Kajkaew Ngamlamyai is Secretary to the Risk Management Committee.

Role and Responsibility of the Risk Management Committee

1.

To create risk awareness throughout the organization and to oversee overall risk management to ensure compliance with applicable laws and regulations.
2.

To set up the policy and strategy for enterprise risk management framework.
3.

To improve transparency and foresight into risk management for being responsive to challenges and opportunities.
4.

To identify and evaluate the impact of significant business risks and to indentify business strategy for risk mitigation.
5.

To review the company’s risk exposure including business risk, strategic risk, regulatory risk including environment and reputational risk.
6.

To review risks associated with growth plans of the company and impact of delays in implementation of expansion.
7.

To ensure sound policies, procedures and practices are in place for management of identified material risks.
8.

To carry out any other responsibility and duty as delegated by the Board of directors and Executive Committee.

Remuneration for Board of Directors

The details of total remuneration paid to each director:

No.	Name	Remuneration	Date of Appointment	Date of Resignation
1	Mr. Kevin Qumar Sharma	70,000	October 9, 2015	-
2	*Mr. Theerawit Busayapoka	220,000	October 12, 2015	October 9, 2015
3	Mr. Anil Kumar Kohli	55,000	October 12, 2015	-
4	Mrs. Aradhana Lohia Sharma	55,000	October 9, 2015	-
5	Mr. Yashovardhan Lohia	55,000	October 12, 2015	-
6	Mr. Virasak Sutanthavibul	85,000	October 9, 2015	-
7	Mr. Kittiphat Suthisamphat	85,000	October 9, 2015	-
8	Mr. Gran Chayavichitslip	85,000	October 12, 2015	-
9	Mr. Thaksa Busayapoka	210,000	-	October 9, 2015
10	Mr. Yothin Nernchamnong	165,000	-	October 9, 2015
11	Mr. Jajjai Dhammarungruang	165,000	-	October 12, 2015
12	Mr. Niwat Hongpitakpong	165,000	-	October 12, 2015
13	Mr. Surachai Sonthirathi	255,000	-	October 9, 2015
14	Pol. Col. Vichai Songborusmi	255,000	-	October 9, 2015
15	Mr. Visarl Satimahakullert	255,000	-	October 12, 2015
	TOTAL	2,180,000		

*Mr. Theerawit Busayapoka resigned and was re-appointed to the board of directors

Year 2015, the Company has paid total remuneration to Board of Directors of Baht 2,180,000 which was the approved amount in Annual General Meeting of Shareholders No. 1/2015.

Year 2014, the Company has paid total remuneration to Board of Directors of Baht 1,860,000.

Remuneration for Management

Year 2015, the Company has paid total remuneration to management of Baht 12.62 million.

Year 2014, the Company has paid total remuneration to management of Baht 10.98 million.

Major Shareholders and Dividend Policy

Major Shareholders

List of major shareholders as of register of shareholders book closing date on October 12, 2015 is as follows;

No.	Name	Number of shares	Percentage of Holding
1	Mr. Anuj Lohia	126,407,300	60.55%
2	Mr. Eakawut Nuangjamnong	21,600,000	10.35%
3	Mr. Theerawit Busayapoka	8,560,000	4.10%
4	Miss. Anuttree Nuangjamnong	5,552,100	2.66%
5	Mr. Niti Nuangjamnong	3,749,900	1.80%
6	Mr. Somsak Laosujritkul	3,466,800	1.66%
7	Miss. Kanyarat Kruewan	2,000,000	0.96%
8	Mrs. Mantana Sujitjorn	1,110,000	0.53%
9	Mrs. Pattaya Sittipongsarn	1,100,000	0.53%
Sub-Total		173,546,100	83.13%
10	Others	35,220,300	16.87%
Total		208,766,400	100.00%

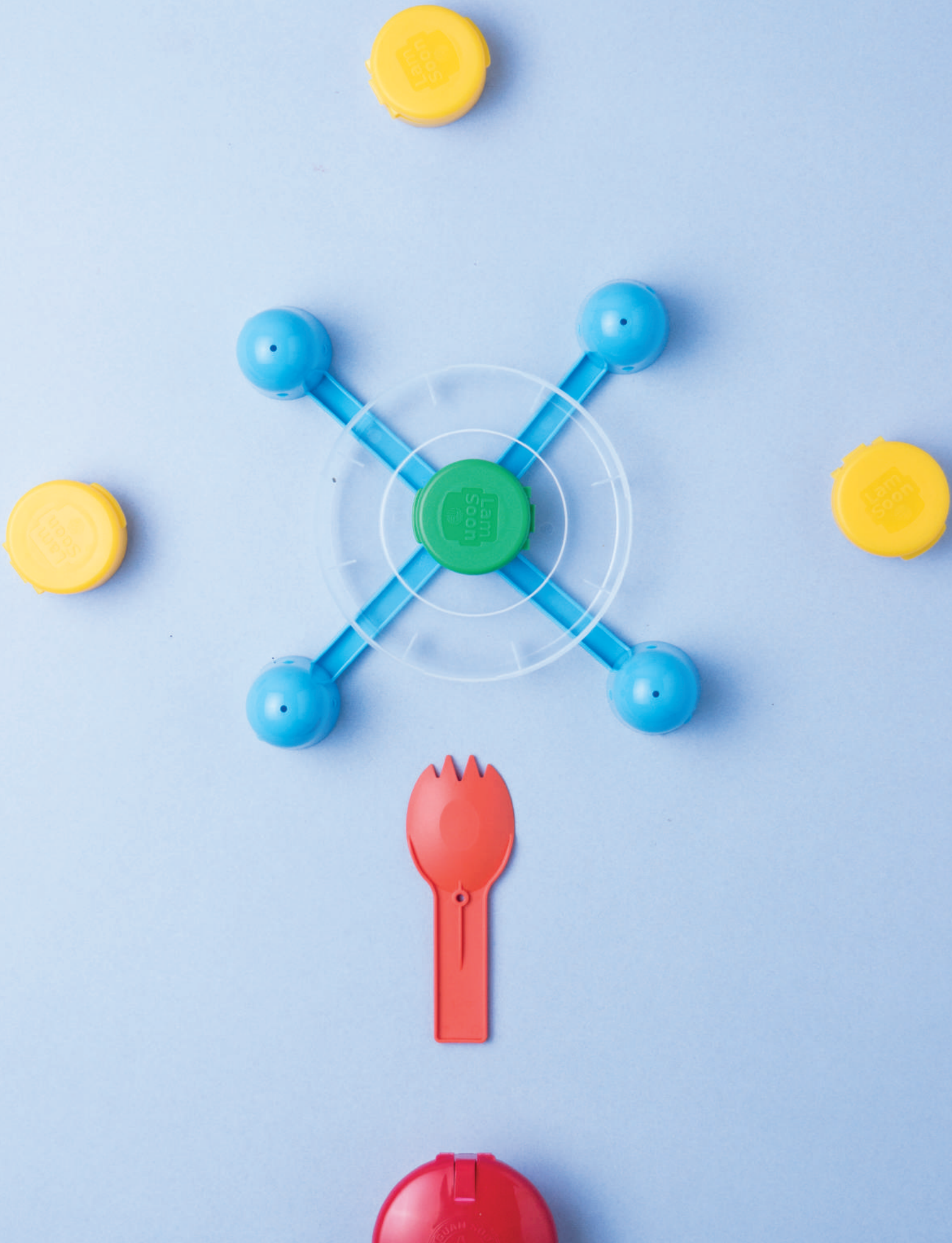
Source: Thailand Securities Depository Company Limited

Dividend Policy

Not less than 50 percent of net profits after corporate income tax and appropriation to legal reserve. The board of directors reserves the right to vary the dividend depending on the company’s liquidity position and cash flow needs based on a potential investment or other cash flow requirements.

Thai Plaspac Public Company Limited has consistently paid dividend to shareholders for following years;

Financial Year	Dividend per Share	Dividend Payment
2014	0.30	May, 2015
2013	0.32	May, 2014





Awards and recognition

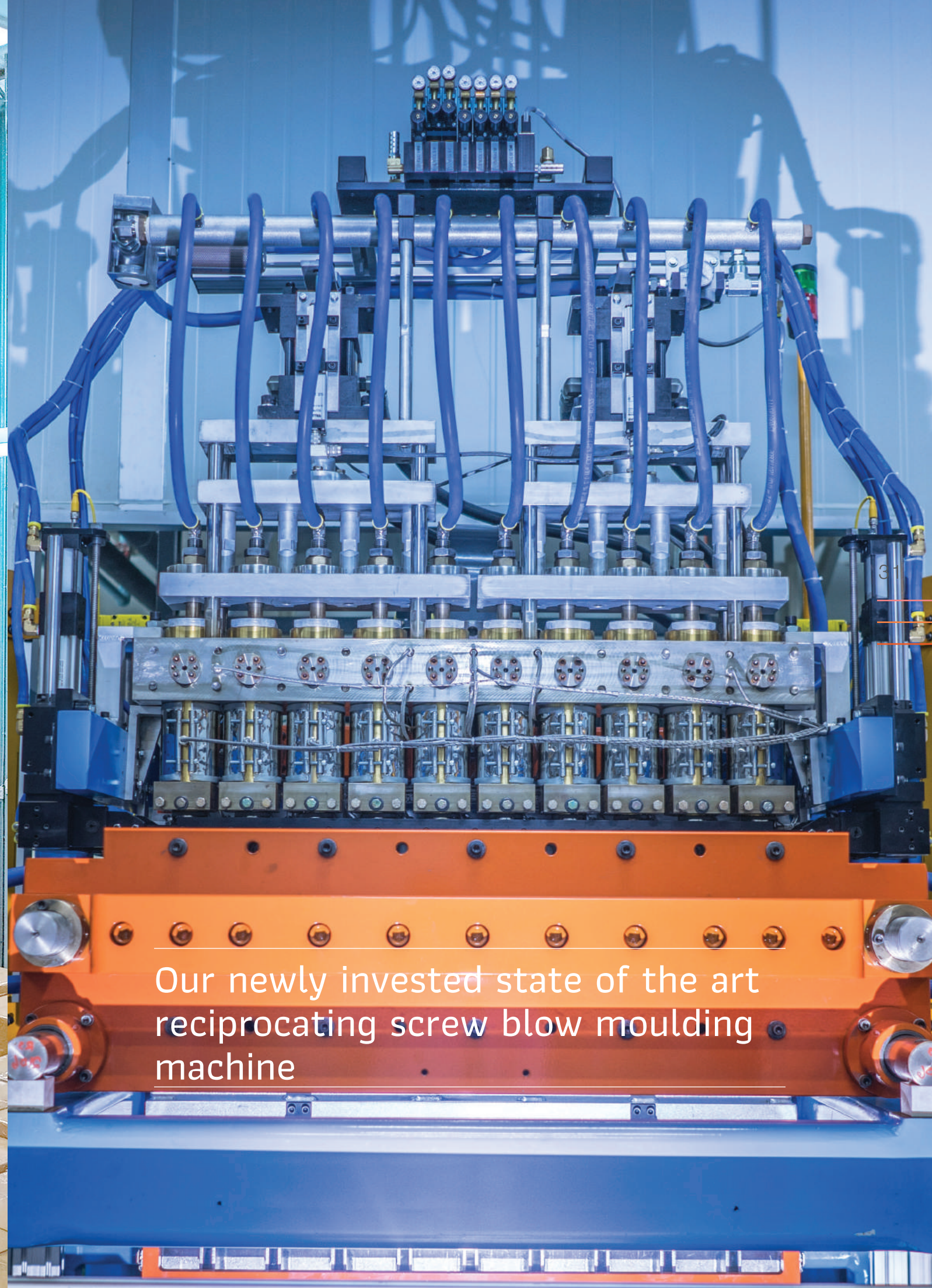




Birds eye view of the recently constructed 3700 square metre finished goods distribution warehouse



Our newly invested state of the art reciprocating screw blow moulding machine





Strategic overview

The renowned Harvard strategy professor, Michael Porter, famously said

“Sound strategy starts with having the right goal”.

Our goal is clear; we want to be the preferred regional consumer plastic packaging solutions company in partnership with world class brands, consistently offering innovative quality products in a sustainable manner, with the best industry talent and technology, adhering to the highest levels of corporate governance.

First and foremost is governance.

This means responsible transparent management of our company focused on the creation of long term value for our shareholders.

Our companies board now composes of 8 individuals with 3 of these individuals serving as independent non-executive directors.

We are honoured to have the guidance of our independent directors who are each leaders across their diverse fields of banking, government and industry.

Complimenting our esteemed board are our governance structures that we have place including an audit committee and our risk management committee.

In 2016 Deloitte has now been brought in as our internal auditor with Ernst and Young continuing as our external auditor. We are also committed to further increasing our corporate governance efforts and as such we are closely studying the Thai Institute of Directors recommendations. We firmly believe our transparent and responsible approach will result in shareholder value accretion.

Secondly, we acknowledge and accept that we have a responsibility for our planet.

As a converter of plastic products we must continue to contribute significantly to efforts of sustainability.

Light weighting is one such area, where products can be made with the same level of functionality and aesthetic but nevertheless less resin is used in the manufacturing process. In other words, a more efficient use of our planets precious resources and the subsequent passing through of these cost efficiencies towards our customers.

We are very proud of the role we have played in light weighting and are excited to continue to be active here. Utilizing our highly focused and specialised rigid plastic converting knowledge and by working closely with our customers we have delivered tangible results. For example, one of our dairy bottles which we been manufacturing for over 10 years, has seen a decrease in weight by as much as 22% during this period. We will keep learning and exposing ourselves to the latest developments in this exciting area and very importantly, we will continue to contribute.

Furthermore, we recently formed an internal team to closely study the application of biodegradable and recycled resins. It is our responsibility to arm ourselves with the latest knowledge on sustainable developments and have the ability to clearly articulate these possibilities to our customers. We will continue to deploy resources towards sustainable efforts because we must.

In terms of people, we are very proud of our TPAC family today. We are a family and a family owned company. There is a genuine affection for our company throughout all levels of our staff and perhaps this is because so many of them have spent their entire careers with us. By taking a walk around our company you are highly likely to bump into countless members of staff that have spent their entire careers with us resulting in numerous decades of service. It is our focus that this uniqueness remains.

We believe that by paying very close attention to those who we recruit and by encouraging and investing in their development as packaging professionals, we will continue to develop and retain the best and most passionate people. With a team that is truly passionate this will ensure our creative and flexible can-do attitude will continue to make us the preferred partner of choice for our customers.

To compliment our best people, we are committed to having the best machines.

We have the required experience within our human capital to correctly analyse and identify the right technologies and we have a board and shareholder supportive of managements commitment to cutting edge technologies. Therefore, we will continue to deploy growth capital towards the advancement of our technology.

As a company we love what we do and that is providing plastic solutions. We will stay focused here and further build on our expertise. Many of our customers have strong regional or global footprints. We want to grow with our customers internationally providing them with a more efficient supply chain. We will continue to listen very closely to our customer and where we sense an opportunity to further serve our customers beyond Thailand, we will seize it.

In summary, there is no doubt that as a company we have ambitious goals.

To achieve this, we will build on our culture of being obsessed with being the best in the markets that we are in.

This culture must run through all levels of our organisation and get stronger with every passing day.

It is this unique culture that makes us different.

With our differentiation, we are confident in the continued growth alongside our customers translating into value for our shareholders.

Nature of business



Thai Plaspac is Thailand’s leading rigid plastic packaging solutions company with a proud 32 years track record in partnership with the worlds leading consumer brands.

We operate across the food & beverage, pharmaceutical & personal care, home care and precision tools sectors.

Throughout our history, we have exclusively focused on the use of plastic substrates to create bespoke rigid packaging solutions, nothing else.

All our packaging solutions are bespoke, uniquely designed and manufactured. Our packaging solutions predominantly take the form of bespoke closures, cups, bottles and specialty containers.

Sustainability, functionality, aesthetics and cost effectiveness all form part of what we call the TPAC solution.

Utilizing proprietary technology as developed by our in-house industry recognized R&D platform, our team of specialist formulate optimum material composition as deemed suitable to form and function.

2D technical CAD drawings and 3D printed prototypes are developed.

Utilizing our extensive relationships with mould makers around the globe, we work closely with mold makers judged to possess the highest level of technical craftsmanship best suited for our individual projects.

Our commercial manufacturing processes include injection molding, stretch-blow molding and extrusion molding.

We also have developed in house facilities for product printing and shrink wrapping.

Our systems and processes are ISO 9001: 2008 and Good Manufacturing Practice accredited and we offer Clean Room infrastructure.

Our business falls into the category of everyday consumables with our focus being the Food & Beverage, Pharmaceutical & Personal care and Homecare sectors. A smaller part of our business is in the Precision Tools sector.

Food & Beverage:

Our Food & Beverage business can be divided into 5 sub-sectors.

i) Dairy & Coffee

The dairy business packaging solutions are mainly for milk and yoghurt products. Milk packaging includes small individual sized bottles up to large multi gallonned bottles.

Yoghurt pacakging includes thin walled cups and bottles.

Closures systems applied for dairy products include snap-on-screw-off caps, screw caps and snap-on snap-off caps.

Additionally we are also active in the coffee market with products including screw top caps and bottles for coffee powder / beans .

ii) Food condiments

Comprise packaging solutions for ketchup, chilli, oyster and other food condiments. Products include squeezey bottles and closure systems for the ketchup and chilli sauce industry.

Specialised barrier properties to the bottles are often required in order to mitigate any negative affects of oxidization to the filled product.

Our product range also includes closure systems for Ketchup, Chilli and Oyster sauce bottles.

Closure systems can range from internal tamper evident flip top caps, external tamper evident flip top caps and closures with a broad range of orifice sizes.

iii) Edibles

Our edibles business mainly of customized containers for food products. These can include chewing gums, honey products, garlic flakes and many more.

iv) Cutlery

The focus of this business is a range of creatively designed disposable convenient cutlery.

Our products can include foldable forks and spoons which can be conveniently placed into the overall packaging system together with the food ingredients. These products are often made for our instant noodle partners.

Additionally we produce other types of cutlery such as scoops, sporks (spoons combined with forks) with additional features such as an attachment of the cutlery to the corresponding closure or lid.

v) Beverages

Here we cater to the medium volume niche beverage market. For example we recently worked with premium brands in the coconut water and green tea market.

Our customized designed beverage bottles are likely to differ in size and shape from the more commonly seen commoditized beverage bottles in the market.

Pharmaceutical & Personal care:

Packaging solutions here comprise of bottles and closure systems for mouthwash and antiseptic solutions, pharmaceutical supplements, soaps, body oils and deodorants.

Homecare:

Our packaging solutions for the homecare market cater towards cleaning detergents, pest sprays and air refreshner gels.

For cleaning detergents, the packaging typically involves bottles with plug systems inserted at the bottles mouth and further overlaid with snap or screw caps.

Our pest spray solutions comprise of spray caps. Spray caps are typically single piece items which have an orifice to release the spray upon the application of pressure to a top lying button.

Air refreshners gels are housed within customized containers. These containers can be of various shapes and sizes unique to our customers design preference and may incorporate multiple pieces that assemble together.

Precision Tools:

This is our smallest business segement and it consists of plastic components for measuring tapes and engineering levellers.

The characteristic of the plastics applied here include a high level of heat and impact resistance.

Income Structure by Region:

Income	2013		2014		2015	
	MM Baht	%	MM Baht	%	MM Baht	%
Domestic Sales	1,425	90%	1,524	90%	1,435	90%
Export Sales	147	9%	149	9%	149	9%
Total Sales	1,572	99%	1,673	99%	1,584	99%
Other Income	19	1%	13	1%	12	1%
Grand Total	1,591	100%	1,686	100%	1,596	100%

Other income includes sales of waste / moulds/ machinery and equipment.

Income by Segment:

Segment	2013		2014		2015	
	MM Baht	%	MM Baht	%	MM Baht	%
Food & Beverage	838	53%	826	49%	810	51%
Household / Home care	259	16%	307	18%	305	19%
Furniture & Tools	50	3%	52	3%	41	3%
Personal Care & Pharmaceuticals	425	27%	488	29%	428	27%
Total	1,572	99%	1,673	99%	1,584	99%
Other Income	19	1%	13	1%	12	1%
Grand Total	1,591	100%	1,686	100%	1,596	100%

Management discussion and analysis
[MD&A]

All commentary below pertains to the period 1st January ‘15 – 31st December ‘15 unless otherwise stated.

Financial Performance

	฿ million	%Δ '15 vs '14	2015	2014
Sales		-5.3%	1,584.2	1,673.2
Cost of sales		-7.3%	1,331.5	1,435.9
Gross Profit		6.5%	252.7	237.3
Gross Profit Margin %		177 basis points	15.9%	14.2%
SG&A		3.2%	124.1	120.2
Other income		-10.4%	11.7	13.0
EBIT		7.8%	140.3	130.1
EBIT Margin %		108 basis points	8.9%	7.8%
Interest expense		-26.2%	9.3	12.7
Profit Before Tax		11.5%	130.9	117.4
Income tax expense		10.9%	26.7	24.1
Net profit		11.6%	104.2	93.4
Net Profit Margin %		100 basis points	6.6%	5.6%
Depreciation and amortization		10.5%	128.9	116.7
EBITDA		9.1%	269.2	246.8
EBITDA Margin %		224 basis points	17.0%	14.7%

- 2015 Gross Profit increased by 6.5% with Gross Profit margin widening by 177 basis points.
- Increase in gross profit largely attributable to increased sales volumes and cost efficiencies.
- New customers were gained in 2015 resulting in increased volumes.
- Even though sales volumes were up, sales in absolute number terms were down in 2015, due to the decline in polyolefin prices as reflected by the pass through pricing mechanics.
- Furthermore, operational excellence cost optimization measures, which include capital expenditure program into state of the art machinery, has resulted in cost efficiencies.



- Further deleveraging of the company’s balance sheet in 2015 resulted in a 26% reduction in financing costs.
- Net profit generated at ฿104.2MM, annual increase of ฿10.8MM, 11.6 %.
- Additional highlights include the further enhancement of the company’s supply chain infrastructure, with the coming on line of the company’s newly constructed 3,700 square meter state of the art finished good warehouse. Construction started in May ‘15 and warehouse came on line in Jan ‘16.

Financial Position

฿ million	฿ million %Δ '15 vs '14	As at	As at
		31-Dec-15	31-Dec-14
Cash and cash equivalents	-93.9%	3.7	60.8
Trade and other receivables	-13.4%	357.3	412.5
Inventories	-5.4%	90.0	95.1
Other current assets	46.2%	50.3	34.4
Total current assets	-16.8%	501.3	602.8
Property, plant and equipment	-6.4%	548.0	585.2
Advance for purchase of molds	240.7%	73.3	21.5
Other assets	36.9%	35.9	26.2
Total assets	-6.3%	1,158.5	1,235.7
Short term loans	-30.8%	51.2	74.0
Trade and other payables	-22.8%	202.4	262.2
Current portion of loans	-35.5%	37.3	57.8
Other current liabilities	78.2%	11.9	6.7
Total current liabilities	-24.4%	302.9	400.7
Non-current portion of loans	-44.3%	73.8	132.5
Other liabilities	17.5%	14.0	11.9
Total liabilities	-28.3%	390.7	545.1
Registered share capital	0.0%	255.0	255.0
Issued and paid-up capital	3.7%	208.8	201.3
Retained earnings	10.8%	436.0	393.5
Other reserves	28.4%	123.0	95.8
Total shareholders' equity	11.2%	767.8	690.6
Total liabilities and shareholders' equity	-6.3%	1,158.5	1,235.7

- Total assets as at December 31, 2015 at ฿1,158.5MM.
- Current assets at ฿501.3MM, year on year a decrease by ฿101.5MM attributable to:
- ฿57.1MM in cash reserves utilized to pay down liabilities thereby further deleveraging companies balance sheet
- Decrease in trade receivables and inventories due to lower absolute sales prices as a result of the pass through pricing mechanic.
- Current ratio as of YE’15 remains robust at 1.66x.

- Net Debt to Equity at 0.21x. Total liabilities as of YE’15 at ฿390.7MM.
- Year on year reduction in liabilities by ฿154.4MM via debt pay down from cash reserves.
- Shareholders’ equity ฿767.8MM an increase by ฿77.2MM attributable to
- ฿43.4MM retained earnings accrual and changes in paid up capital (Net of dividend paid for 2014)
- ฿33.8MM cash injection via the successful exercise of a portion of the company’s warrants (TPAC-W1 and TPAC ESOP) ¹

Cash Utilization

	2015	2014
Net Profit	104.2	93.4
Depreciation and amortization	128.9	116.7
Net Working capital & others ²	-39.5	-62.8
Capex / Investing activities	-120.7	-79.4
Free Cash Flow	72.9	67.8
Repayment of loans	-102.0	7.0
Payment of dividends	-61.8	-64.3
Cash Receipt from exercise of warrants	33.8	4.6
Net increase (decrease) in cash flow	-57.1	15.1
Cash and cash equivalents – Beginning	60.8	45.7
Cash and cash equivalents - Closing	3.7	60.8

- Free Cash Flow further increased in 2015.
- ฿120.7MM capex incurred in 2015
- ฿-104.0MM towards new machinery and molds which is in line with management’s strategic commitment to technologically advanced rigid plastic converting technologies
- ฿16.7MM incurred towards supply chain enhancements (finished goods warehouse)
- ฿61.8m dividend cash outflow (declared for ‘14 Net Profit)
- ฿33.8MM cash inflow from exercise of the companies warrants(TPAC-W1 and TPAC ESOP)¹

Ratios

	As at	As at
	31-Dec-15	31-Dec-14
Current Ratio	1.66x	1.50x
Net Debt to Equity	0.21x	0.29x
Interest Coverage Ratio ³	15.1x	10.3x
DSCR ⁴	5.7	3.5

- Liquidity and Financing ratios remain robust with further improvement during 2015.

Notes

- ¹ TPAC-W1 with ฿ 5.00 strike and optional maturity dates 21st May-2016. 4,036,000 number of TPAC-W1 warrants were exercised in 2015 with total value of ฿20.18MM Baht.
TPAC ESOP with ฿ 4.00 strike and optional maturity dates of 21st May-2016. 3,403,375 number of TPAC-W1 warrants were exercised in 2015 with total value of ฿13.61MM Baht.
- ² Net Working Capital & others include changes to working capital and net gain/loss on sale of equipment.
- ³ ICR is calculated based on 2015 EBIT and 12 months backward looking interest payments.
- ⁴ DSCR is calculated based on 2015 EBITDA and 12 months backward looking interest and loan forward looking principal payments (current portion of long term loans).

EBIT is earnings before interest and tax. EBITDA is earnings before interest, tax and depreciation and amortization. We suggest to please always read MD&A together with the published financial statements to get complete details and understanding.

Forward-looking Statements

The statements included herein contain “forward-looking statements” about the [financial condition and results of operations] of Thai Plaspac Public Company Limited (the “Company”), which are based on management’s current beliefs, assumptions, expectations and projections about future economic performance and events, considering the information currently available to the management. Any statements preceded by, followed by or that include the words “targets”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “anticipates”, “would”, “plans”, “could”, “should”, “predicts”, “projects”, “estimates”, “foresees” or similar expressions or the negative thereof, identify or signal the presence of forward-looking statements as well as predictions, projections and forecasts of the economy or economic trends of the markets, which are not necessarily indicative of the future or likely performance of the Company. Such forward-looking statements, as well as those included in any other material discussed at the presentation, are not statements of historical facts but concern future circumstances and results and involve known and unknown risks, uncertainties and other important factors beyond the Company’s control that could cause the actual results, performance or achievements of the Company to be materially different from the expectations of future results, performance or achievements expressed or implied by such forward-looking statements.

Factors that could contribute to such differences include, but are not limited to: the highly competitive nature of the industries in which the Company operates; exposures to macro-economic, political, legal and regulatory risks; dependence on availability, sourcing and cost of raw materials; ability to maintain cost structure and efficient operation of manufacturing facilities; shortages or disruptions of supplies to customers; operational risks of production facilities; changes in laws and regulations relating to consumer packaging; the impact of environmental, health and safety laws and regulations.

All such factors are difficult or impossible to predict and contain uncertainties that may materially affect actual results.
The results of operations for the periods reflected herein are not necessarily indicative of results that may be achieved for future periods, and the Company’s actual results may differ materially from those discussed in the forward-looking statements as a result of various factors not foreseen at the time of giving this presentation.

This statement must not be treated as advice relating to legal, taxation, financial, accounting or investment matters. You acknowledge that you will be solely responsible for your own assessment of the market and the market position of the Company and of the risks and merits of any investment in the Shares, and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the Company’s business.

Thai Plaspac management have identified the risks which are perceived to have the highest probability and corresponding impact. To mitigate the probability and impact of these risks, an executive Risk Management Committee has been set up.
The identified risks are as follows:

1. Raw material price risk

Polyolefins (or plastic polymers) are the main raw materials for our production and form a significant part of our cost of goods sold. The cost of goods sold was 84% of our sales in 2015.

The monthly price movement of Polyolefins is correlated to the movement of oil and the relative supply demand dynamics for the specific polyolefin.
To manage this raw material volatility, we have customer arrangements which allow us to adjust our pricing to be in line with price movement of Polyolefins, however there may a quarter lag period before the pricing can be adjusted.

In terms of supply demand dynamics there may be instances where producing plants are required to shut down for a period of time resulting in a short term supply disruptions.
To minimize the risk of supply disruptions, multiple suppliers are maintained.

2. Technology risk associated with product innovation in packaging materials

The changing behavioral choices of consumers and technological developments may drive product differentiation resulting in the substitution of rigid plastics packaging with other forms of packaging such as flexible plastic, glass, paper or metal forms.

3. Competition Risk

The rigid plastics packaging business has numerous manufacturers in Thailand and market share can be gained as well as lost.
Continued Operational excellence for our customers must be delivered on in order to maintain and grow market share.

Risk factors



4. Overstocking of inventory risk

We have a large number of customers and product SKUs numbering in the thousands and increasing. Inventory control, warehousing and logistics are all important processes to facilitate the on-time delivery to customers. For inventory management, management information systems covering raw material procurement, planning & production, and logistics are in place. Supply chain infrastructure was further enhanced in 2015 with the construction of a 10,000 sq m new distribution warehouse.

5. FX risk

Approximately 10% of the company's revenues are denominated in USD arising from export sales. The company's costs are denominated in Baht. There is a timing gap between the invoicing of the sale and the actual receipt of the foreign funds. During this time period it is possible that the USD loses value against Baht thereby resulting in a potential loss of expected revenue.

The company is able to hedge this risk by entering into forward FX contracts at the time of invoicing.





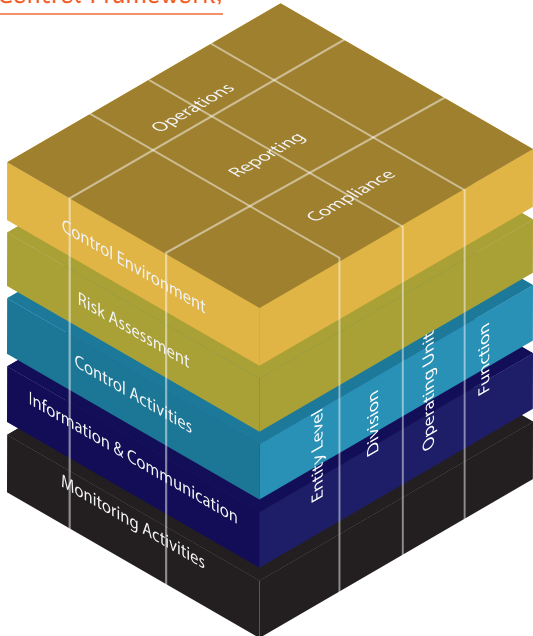
Internal Controls and Risk Management

Internal control is a continuous process and valuable for effective and efficient business operations at Thai Plaspac Public Company Limited. The Board of Directors has assigned the Audit Committee to review the assessment and adequacy of the internal control system to ensure accurate and credible reporting from the accounting system which is consistent and in compliance with the financial reporting standards and in line with the rules and regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).

The Board of Directors and the Audit Committee are of the opinion that the internal control system is adequate and suitable for its business operations. Written responsibilities, authority delegation, and management controls have been adopted to create transparency for utilization of the Company's resources, to prevent damages and to ensure smooth operations of the Company. The duties of staff, controllers and managers have been established and segregated in order to ensure that proper verification, monitoring and checks and balances are in place.

The Company has an external internal auditor to verify the internal control process. The audit committee has appointed Deloitte Touche Tohmatsu Jaiyos Advisory Company Limited as internal auditor for the year 2016. The internal auditor will assess entity level and function level control environment, risk assessment, control activities, information and communication and monitoring activities with an objective of effective operations, reporting and compliance. The internal auditor will report to the audit committee on a quarterly basis.

Internal Control Framework:



Risk Management

The Company's business operations for certain activities are exposed to both internal risks and external risks. The Company assesses and controls these risks to minimize the possible negative impacts on business operations. The Executive Management and Internal Audit are assigned to assess and monitor these risks. In risk assessment, every business department is required to identify risk factors which may have impact on the business in terms of strategic risk, financial risk, operational risk, IT risk and compliance risk. The Executive Management and Internal Audit facilitates the business department to put in place actions for risk mitigation in order to address the negative impacts of risk. Risk management and effectiveness of risk mitigation is a continuous process. The Risk Management Committee members are given in Section 5. Management Structure.

Policy and Procedure

Connected Transactions

The Audit Committee emphasizes the need for careful review and consideration before granting approval for connected transactions, related transactions or transactions that may cause conflict of interest.

If a business transaction in the Company is to be carried out with connected persons who may have a conflict of interest with the Company than such transaction needs to be reported and approved by the Audit Committee and informed to the Board of Directors. All connected transactions are evaluated primarily for their benefit contribution to the Company and whether are being done on a fair price basis. The directors or employees who possess conflict of interest must not participate in approval process. In case the transactions fall under relevant rules and regulations of the Stock Exchange of Thailand, the Company observes that all rules and regulations are being adhered to strictly by the Company.

The Company internal policy requires all approved connected party transactions to be reported on a quarterly basis to the Audit Committee and the Board of Directors and disclosed in the reviewed quarterly financial statements, audited annual financial statements, annual registration statement (Form 56-1) and annual report. For the year 2015, Thai Plaspac Public Company Limited engaged in following business with common major shareholders or directors as disclosed in the notes to accounts of the audited financial statements. The connected transactions are reasonable and undertaken in the best interests of the Company. The details of connected transactions are as below;

Connected party and Relationship	Transaction	2015 (Baht million)	2014 (Baht million)
*Modernform Group Public Company Limited	Sale of plastic products on market price basis	0.8	1.0
	Purchase of furniture on market price basis	2.1	0.2
Major shareholder holding 48% of issued and paid-up capital and common directors	Consultant fees as per agreement	0.9	1.2
	Professional fees as per agreement	0.3	0.4
	Sub-lease of land for manufacturing facility as per agreement	0.7	-
Indorama Ventures Polymers (Rayong) Public Company Limited Relationship between major shareholders and directors	Purchase of goods on market price basis	0.1	-

*Modernform Group Public Company Limited has sold its entire shareholding on 9th October 2015 to Mr. Anuj Lohia and common directors from Modernform Public Company Limited have resigned on 9th October 2015 and 12th October 2015 from the board of directors of the Company. On change in shareholding and directors all transactions with Modernform Group Public Company Limited have ceased to be Connected Transactions after October, 2015

New connected transaction

Future (new) connected transactions to be entered into only after informing details of transaction and taking approval of the audit committee and informing to the board of directors. The future connected transactions will continue to be based on current practice requiring negotiated commercial terms of trade, pricing linked to market on a transparent basis and appropriate credit terms. The connected transaction to be evaluated primarily for their benefit contribution to the Company and whether are being done on a fair price basis



Corporate Governance Report

The board of directors view that good corporate governance is a key to create credibility of the company as it will enable the company to grow sustainably and increase long term value for its stakeholders. The board of directors and the management are committed to the implementation and practice of good corporate governance

principles which does reflect in our practice of transparent and fair treatment to all stakeholders. The corporate governance framework for the company was prepared in year 2007 that follows the guidelines set-out by the SET. In year 2008, it was implemented in the company through written communication to all directors, management and employees and uploaded on the company website. The audit committee under the supervision of the board of directors oversees compliance to the principles of corporate governance, evaluation of compliance and reporting on an annual basis which started from year 2013. The internal auditors assist audit committee in review of implementation and monitoring of good corporate governance. The company evaluates compliance with good corporate principles under five main categories;

1. Rights of shareholders
2. Equal treatment of shareholders
3. Role of stakeholders
4. Disclosure and transparency
5. Responsibility of the board of directors

The name of members, attendance in meetings, duties and responsibilities and remuneration of the following are provided in the section “Management Structure”;

- Board of directors
- Audit committee
- Executive committee
- Risk management committee
- Management

Our board of directors and members of the audit committee have attended training program arranged by the Institute of Directors - Director Certification Program and Director Accreditation Program (details provided in the section “Board of Directors”).

1. Rights of Shareholders

The priority of the company, board of directors and management is to protect rights of all shareholders irrespective of their shareholding and encourage shareholders to exercise their rights. The company recognizes the basic right of all shareholders to participate in the shareholders meeting, the right to appoint a proxy to participate and vote in the shareholders meeting, the right to approve the audited financial statements of the company, the right to vote for appointment or removal of individual directors and to fix the remuneration of board of directors, the right to vote for appointment or removal of auditors and to fix their remuneration,

the right to approve dividends to shareholders, the right to vote on various other business matters of the Company and the right to ask questions on the operations and financials of the company.

In year 2015, the Company had held an annual general meeting of shareholders no. 1/2015 on 26 April 2015 at 1400 hours on the 25th Floor, Modernform Tower, Bangkok. The Company through the share registrar, Thailand Securities Depository, had send notice of shareholders AGM and the annual report to all its shareholders 21 days prior to the meeting on April 3, 2015. The agenda for shareholders meeting included minutes of the last shareholders meeting, auditors report and audited financial statements, dividend policy, proposed dividend with comparison to dividend paid in past year, appointment of directors and remuneration, appointment of auditors and remuneration, articles of association relevant to shareholders meeting, proxy form with option to appoint independent directors as proxy and documents required for attending through a proxy and to vote for each agenda item of the meeting, copy of annual report and others. Further, the Company had published the notice of AGM 1/2015 on the company website (www.thaiplaspac.com) on April 3, 2015 to provide shareholders sufficient time to read all the information.

On the day of shareholders meeting the registration of shareholders was opened one hour inadvance of the meeting to allow shareholders sufficient time. All the member of the board of directors, audit committee and statutory auditors attended the AGM 1/2015. The Chairman of the board of directors presided over the shareholders meeting, informed the procedure of the meeting, appointed two individual shareholders to monitor the proceedings and counting of votes, informed the number of shareholders holding number of shares present in the meeting, informed right of one share – one vote and opportunity for all shareholders to ask questions verbally or in writing and on voting of each resolution announced the result of shareholders voting. The minutes of the shareholders meeting were uploaded on the Company Website within fourteen days of the date of annual general meeting of shareholders

2. Equal treatment of shareholders

The Company recognized the equal rights of all shareholders to obtain accurate, adequate and timely information from the Company for their decision making. All shareholders have a right to nominate a director of the Company and attend shareholders meeting in person or through an appointed proxy. The Company has policy for disclosure and approval of connected party transactions, details of policy and procedure for approval, disclosure and current outstanding transactions are provided in section “Connected Party Transactions”. Connected party transactions are transactions with connected (related) party to the major shareholders, directors, executives or other related persons as stated under good corporate governance guidelines and regulations of the Securities and Exchange Commission.

The Company has a policy on use of internal information of the Company which prohibits directors, management and employees from buying, selling, transferring or accepting the transfer of Company securities by using confidential and/or internal information that may take advantage of outsiders by using inside information. Disclosure and transparency of information is required to all the shareholders at the same time. The directors and management are required to report change in holding of securities through Form 59-2 as prescribed by the Securities and Exchange Commission. The company discloses to all shareholders reviewed quarterly financial statements for three quarters in a year and annual audited financial statements on approval by the audit committee and the board of directors on the same day or before start of trading on the following day through upload on the website of the Stock Exchange of Thailand (www.set.or.th) and the Company (www.thaiplaspac.com). If any director, management or employee is found to be using internal

information for personal gain than;
Results in damage to the Company – the Company can file a petition on the court and claim such damages.
Does not result in damage to the Company – the practice is treated as unethical, is recorded and warning is given to such director, management or employee.
During the past year, directors, management and employees have been strictly in compliance of the code of conduct and standard of ethics.

3. Role of Stakeholders

The Company gives equal importance to all of its internal and external stakeholders such as shareholders, employees, customers, suppliers, competitors, local community and the society. The executive committee of the Company has set guidelines for dealing with all stakeholders. It is the policy for all employees to conduct business and safeguard the rights of the Company and all its stakeholders by strictly complying with applicable rules and regulations and to take into consideration their interests. The Company is fully aware that support from each stakeholder will sustain and strengthen competitive advantage and profitability in the long term.

The management treats all stakeholders equally whether the shareholders, employees, customer, suppliers, business partners, competitors, local community and the society.

Shareholders

1. Conduct business in a transparent and efficient manner with a view to enhancing shareholder value and returns
2. Conduct business professionally and with care to use the commitment, expertise and knowledge of employees
3. To report information accurately, completely and timely to all the shareholders and to not use internal information for their own benefit
4. To not disclose any confidential company information to outsiders or competitors
5. To not take actions which are in conflict with interest of the Company

Employees

1. To pay fair remuneration to employees based on their knowledge, skills and experience
2. To provide opportunity to employees for learning and a career plan for them
3. To avoid any form of unfair threat to employees which may impact their work and stability at work
4. To provide a healthy work environment and ensure safety
5. To comply with labor laws and regulations in Thailand

Customers

1. To consistently provide quality product at a reasonable price
2. To disclose complete and accurate information about the product and services
3. To disclose complete information on terms of product warranty
4. To deliver customers consistently products with zero-defect
5. To provide platform to customers for submitting complaint about products and services and to ensure customer complaints are addressed timely
6. To ensure confidentiality of information provided by the customer and to not use for self interest
7. To follow terms of agreement with customers and for any expected non-compliance to inform customer in advance and to jointly reach solutions

Suppliers

1. To comply with terms of agreement with suppliers and for any expected non-compliance to inform supplier and to jointly reach solutions
2. To deal with suppliers in fairness and transparently
3. To provide complete details of all transactions whether financial or non-financial with the supplier and to ensure there are no personal benefits derived

Competitors

1. To be fair in dealing with competitors
2. To not unfairly discredit competitors or products of competitors
3. To not unfairly make public confidential information and trade secrets of the competitors or products of competitors

Society

1. To support community activities for the benefit of the society
2. To support non-profit organizations in their activities for the society
3. To not take any action which results in damage to the natural resources and the environment
4. To create awareness among all employees to be responsible citizens and to care for the society
5. To follow laws and regulations issued by authority's

Duty of employees

The employees must follow best practices for following;

1. To be honest, patient, loyal and punctual
2. To drive organization excellence for better performance
3. To not derive wrongfully personal benefits from their position
4. To maintain confidentiality of customers and suppliers relationships
5. To respect the right of other employees
6. To not communicate misinformation to employees with regard to actions of management
7. To enhance team work and maintain a cohesive work environment
8. To maintain a clean and safe work environment
9. To not promote or conceal misconduct of any employee
10. To follow the code of conduct and not take any action which may damage the image and reputation of the Company when there has been no breach of law or non-compliance.

The board of directors and management executive committee invites suggestions and recommendations to improve relationship with stakeholders. Also, through the company website invite reporting of any misconduct or wrong action taken by an employee, inaccuracy in financial reporting and internal control weakness. The board of directors and executive management committee continuously monitors reporting of any such information and takes actions to improve relationship with all stakeholders.



4. Disclosure and transparency

The Board emphasized the importance of accurate, complete and transparent disclosure of financial statements of the Company together with adequate disclosure of the notes to accounts. A statement on the Board's responsibility concerning the Company's financial report is disclosed in the Annual Report, which mentions among other things that the Company complies with generally accepted accounting principles and that accounting standards and practices used are appropriate and consistent to the nature of business. It also states that all information presented in the financial statements is accurate, complete and adequate. The Chairman and CEO and the Managing Director sign the statement. The audit committee is responsible for review of the quality of financial statements before submission to the board of directors for approval. On approval by the board of directors, the financial statements are uploaded on the website of the Stock Exchange of Thailand, www.set.or.th, and the company's website, www.thaiplaspac.com for timely information to all shareholders at the same time.

Further, the communication channels used are: the Annual Report, Form 56-1, Management Discussion & Analysis (MD&A), shareholders meeting, the website of SET, the own website of Company, analyst meeting and the SET Opportunity Day.

5. Responsibility of the board of directors

There are eight directors on the board of the Company comprising of three executive directors, two non-executive directors and three independent directors. The size of board is appropriate for the business operations. To strike a check and balance the CEO and Managing Director are two separate individuals. The Board of Directors of the Company has the vision, mission, plans, strategies, policies and budgets of the Company with a view to effectively and efficiently managing the business for maximum shareholder value. The board has set policy for good corporate governance and business ethics. The board through the Audit Committee, internal auditor and compliance department reviews potential conflict of interests. The internal guidelines of the Company on related party transactions and the relevant rules and regulations of SET/SEC provide basis for avoiding conflict of interest.

The board of directors meet at least once in each quarter wherein approve financial statements, business plan, capex and investment plan, auditors, remuneration, policy and plans. At the board meetings and informal meetings with the CEO and the Managing Director the Board gets updated on the business performance, strategy and industry trends. The audit committee and the board of directors approved the 2015 annual audited financial statements.

The Company has a policy for remuneration of the directors which is annually proposed by the board of directors and approved in the shareholders meeting. The remuneration of directors is established based on assignments and responsibilities of each director. Details of remuneration paid to each director are provided in the section of "Management".

The Board has established and maintained an effective internal control system. The Board every year evaluates the efficiency and sufficiency of the internal controls of the Company through the internal auditor and the management. Further, it evaluates the risk management to safeguard the assets and operations of the Company. The risk management evaluates the business risk, finance risk, legal risk and others. Further details on internal control are provided in the section "Internal Control" and the section "Audit Committee"

Control on the use of inside information

The Company has a written policy on the use of confidential and/or internal information so as to prevent any unlawful use. The policy which has been informed to directors, management and employees prohibits from buying, selling, transferring or accepting the transfer of shares or other securities of the Company by using confidential and/or internal information in any manner that may take advantage of outsiders by using inside information. For transparency, directors and management are restricted from purchasing and selling of shares or other securities of the Company fifteen days prior to the disclosure of financial statements to the public. The audit committee and the board of directors meeting are held on the same day to review and approve the quarterly reviewed financial statements and annual audited financial statements of the Company and on approval are immediately submitted to the Stock Exchange of Thailand on the same day or following day prior to start of trading.

The directors, management and auditors of the Company are required to report purchase or selling of shares or other securities of the Company, such persons have to report on purchase or selling to the SEC within the time prescribed by the Office of the Securities and Exchange Commission under the Securities Act of 2535,



Corporate Social Responsibility and Sustainability

The company operates its business within the regulatory framework and practices business ethics for benefit of all its stakeholders. We follow the following principles for the benefit of our stakeholders;

- Fair competition: The Company operates its business efficiently to compete with its peers in the business and to provide quality product, service and value to its customers.

- Respect the rights of stakeholders: We operate our business efficiently utilizing our physical assets and our human resources. We do not take any action or encourage infringement of intellectual property rights.

- Promote social responsibility to our business partners: We conduct and promote conduct of business with fairness to our business partners. The Company has a policy to conduct business with stakeholders are fair in their business practices, follow the regulatory environment, do not use child labor in the business and promote prevention of drugs for a better society.

The Company follows a clear policy and practice of transparency and accuracy to conduct its business.

Further, ensures compliance with laws and regulations including the securities law of the Securities and Exchange Commission Thailand (SEC). The Company has an audit committee, internal auditor and external auditor to review compliance and conduct of business with fairness. The Company has policy to;

1. Create awareness and provide training to employees for conduct of business with fairness and integrity.
2. A system of checks and balances with appropriate authority to prevent fraud and corrupt practices.
3. Directors and employees are prohibited to engage in interested party transactions or persuade others to engage in interested party transactions which maybe for their own benefits and may cause loss or damage to the Company.
4. The employees are required to conduct business with transparency and to promote a healthy working environment in the organization.

The Company's policy and practice is to respect human rights. The directors, management and employees are required to conduct business with respect for human rights;

1. Respect human dignity, to select and employ individuals through a proper channel of recruitment to work in the company. In the selection process should not have any limitation of gender and age.
2. To support and respect the protection of human rights, to conduct business with stakeholders who are not violating human rights. Violating of human rights includes using child labor and forced labor to operate their business.

- The Company monitors the policy and practice of stakeholders in relation to respect of human rights.
3. To encourage employees to use their constitutional right to vote.
 4. To inform clearly to stakeholders our policy to respect human rights.

The Company's policy and practice is to treat workers fairly. This is one of the five principles of human resource policy (5 M) of the company. The Company follows and practices the labor policy of Thailand;

1. Employment and labour relations, employment without restriction of age and gender. Employees to be employed on fair terms in contract and in compliance with Bureau of Labor Standards, Ministry of Labor, Thailand. The Company is responsible for the welfare and well-being of its employees.
2. Safety and health of employees, the Company to focus on safety and a healthy work environment for its employees. The Occupational Health and Safety Committee monitors and supervises the safety and health of all employees. The Company provides for annual physical examination of all employees.
3. Treat all employees equally, the manual for ethics approved by the Department of Labor requires all employees to be treated equally whether of any gender, race and education qualification.

Stakeholder responsibility, the company has adopted the five principles of good corporate governance;

1. Right of shareholders
2. Treat shareholders equally
3. Role of stakeholders
4. Disclosure and transparency
5. Responsibilities of the Board

Caring for the environment, the company is well aware of the preservation of environment and utilization of resources efficiently and cost-effectively. The Company makes all efforts to conserve energy, conserve water, reduce pollutants and reduce wastage. The conservation and reduction efforts also results in cost optimization. We follow the best practices for environment conservation and protection and adherence with requirements of Pollution Control Department, Thailand and the Ministry of Industry, Thailand.

In year 2015, the company joined the CSR Charity and Anti-Corruption with SNP Shipping Group, one of the business partners of the company. We participated for the second consecutive year. The objective of the event is to create awareness and encourage children and young people to fight against all types of corruption. The charity event provides funds and equipment necessary to Ban Khlong Song, located in Nong Rai District, Rayong, Rayong Province, Thailand. The charity event was held on Saturday, August 15, 2015 and the Company received co-operation from 23 business partners and 16 employees attended the event.



Report of Audit Committee



Virasak Sutanthavibul
Chairman of the Audit Committee

To the Shareholders

The Audit Committee is made up of knowledgeable independent directors with experience in accounts, finance, economics, law, tax and packaging business. These members are qualified to review the reliability, true and fair view, of financial statements, to ensure good corporate governance and compliance with the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). The term of holding office of the Chairman of Audit Committee and Audit Committee members is for 3 years. The present audit committee members are;

S. No.	Name	Position
1.	Virasak Sutanthavibul	Independent Director and Chairman of Audit Committee
2.	Kittiphat Suthisamphat	Independent Director and Member of Audit Committee
3.	Gran Chayavichitslip	Independent Director and Member of Audit Committee

Note: The present audit committee members were appointed in the board of directors meeting no. 6/2015 held on 12th October 2015. They have replaced past independent directors and audit committee members Surachai Sothirathi – Chairman of Audit Committee, Pol.Maj.Gen. Vichai Songborusmi, Member of Audit Committee and Visarl Santimahakullert, Member of Audit Committee, from the board of directors on October 9, 2015 and October 12, 2015.

Scope of Duties and Responsibilities

The audit committee undertook its assigned duties and responsibilities by the board of directors and in the year 2015 had 4 audit committee meetings including consultations held with the management, the internal auditor and the external auditor. The audit committee met once in the year with external auditor and internal auditor in the absence of management. The scope of duties and responsibilities of the audit committee is as follows;

- To review the Company’s financial reporting process to ensure that it is accurate to the accounting standard and principles with adequacy to approve and report the interim reviewed financial statements and annual audited financial statements

- To review the Company’s internal control system and internal audit system to ensure that they are suitable and efficient and to determine independence of internal audit
- To review the Company’s compliance with the regulations of the stock exchange and laws relating to the Company’s business
- To consider, select and nominate an independent person to be the Company’s external auditor, and to propose the annual audit fee, as well as to attend a non-management meeting with an auditor at least once a year
- To review and disclose the connected transactions, or the transactions that may lead to conflict of interest, to ensure that they are in compliance with the laws and regulations of the stock exchange and are reasonable and the highest benefit of the Company
- To prepare and disclose an audit committee report in the Company’s annual report which must be signed by the Chairman of the Audit Committee
- To assign and coordinate discussions between the board of directors, external auditor and internal auditor
- To perform any other activities as assigned by the Company’s Board of Directors, with the consent of the Audit Committee

The audit committee is assisted by a Secretary to the Audit Committee, Ms. Anong Sompitthayanurak, for coordination and to discharge its duties.

The Audit Committee has selected and recommended to the Board of Directors to seek approval from the annual general meeting of shareholders for appointment of EY Office Limited (Ernst & Young) as external auditor for the year 2016 represented by Miss. Pimjai Manithajonkit, CPA registration no. 4521 ,or Mr. Sophon Permsirivallop, CPA registration no. 3182, or Mr. Chayapol Supasetanond CPA registration no. 3972 or Miss. Runnapa Lertsuwankul, CPA registration no. 3516 . The proposed audit fees is Baht 0.90 million for the year 2016. The audit committee has nominated the external auditor team based on independence, skills, competence, experience in packaging business and audit fees.

The Audit Committee has selected and recommended to the Board of Directors for appointment of Deloitte Touche Tohmatsu Jaiyos Advisory Company Limited as internal auditor for the year 2016. The audit committee has nominated the internal auditor team based on independence, skills, competence, experience in packaging business, quality reporting and audit fees. The objective of review are to perform internal audit services that complies with the Professional Practice of Internal Audit, the applicable laws and regulations and to provide recommendations that will add value to the Company.

The Audit Committee performed its tasks in accordance with the scope of its responsibilities as assigned by the Board of Directors, as per the Audit Committee Charter and required by applicable regulations of the Stock Exchange. In year 2015, the board of directors and management of Thai Plaspac Public Company Limited have operated the business professionally, with due care of good corporate governance practices and effective internal controls.

On behalf of the Audit Committee

Virasak Sutanthavibul

Chairman of the Audit Committee

Report of the Board of Directors Responsibilities for the Financial Statements

The Board of Directors of Thai Plaspac Public Company Limited is responsible for the financial statements of the Company, which have been prepared in accordance with financial reporting standards under the Accounting Act B.E. 2543 (year 2000) and the financial reporting requirement of the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535 (year 1992). The Board of Directors consider the accounting policies pursued to be appropriate and that they have been applied consistently with adequate disclosure of key information in the notes to the financial statements. The Company's external auditor has reviewed and audited the financial statements and expressed an unqualified opinion in the Auditor's report.

The Board of Directors oversee and review corporate governance as well as establish and maintain a proactive internal control system to ensure that accounting records are accurate, complete and timely. Further, ensures the Company's assets are properly safeguarded against fraud and other irregularities. The Board of Directors has appointed an Audit Committee consisting of independent directors to provide effective and efficient oversight of the financial statements, internal control system and internal audit.

The Board of Directors is satisfied that the internal control system and the internal audit are reliable and the audited financial statements of Thai Plaspac Public Company Limited provide a true and fair view of the financial position, results of operations and cash flows for the year ended December 31, 2015.

Kevin Kumar Sharma

Chairman & CEO

Theerawit Busayapoka

Managing Director

Independent Auditor's Report

To the Shareholders of Thai Plaspac Public Company Limited

I have audited the accompanying financial statements of Thai Plaspac Public Company Limited, which comprise the statement of financial position as at 31 December 2015, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Thai Plaspac Public Company Limited as at 31 December 2015, and its financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Pimjai Manitkajohnkit
Certified Public Accountant (Thailand) No. 4521
EY Office Limited
Bangkok: 29 February 2016



Thai Plaspac Public Company Limited Statement of financial position As at 31 December 2015			
(Unit: Baht)			
	Note	2015	2014
Assets			
Current assets			
Cash and cash equivalents	7	3,693,352฿	60,806,192 ฿
Trade and other receivables	6, 8	357,332,888 ฿	412,486,410 ฿
Inventories	9	90,011,573 ฿	95,141,576 ฿
Other current assets		50,291,589 ฿	34,430,537 ฿
Total current assets		501,329,402 ฿	602,864,715 ฿
Non-current assets			
Advance payment for purchase of molds		73,258,796 ฿	21,515,958 ฿
Property, plant and equipment	10	548,003,378 ฿	585,204,921 ฿
Intangible assets	11	1,442,394 ฿	1,546,978 ฿
Deferred tax assets	22	2,683,792 ฿	2,504,810 ฿
Other non-current assets		31,741,416 ฿	22,069,485 ฿
Total non-current assets		657,129,776 ฿	632,842,152 ฿
Total assets		1,158,459,178 ฿	1,235,706,867 ฿

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

Thai Plaspac Public Company Limited Statement of financial position (Continued) As at 31 December 2015			
(Unit: Baht)			
	Note	2015	2014
Liabilities and shareholders' equity			
Current liabilities			
Short-term loans from banks	12	51,185,297 ฿	74,051,776 ฿
Trade and other payables	6, 13	202,429,418 ฿	262,162,609 ฿
Current portion of finance lease payable	14	309,846 ฿	510,775 ฿
Current portion of long-term loans	15	36,989,509 ฿	57,279,441 ฿
Other current liabilities	16	11,940,556 ฿	6,689,225 ฿
Total current liabilities		302,854,626 ฿	400,693,826 ฿
Non-current liabilities			
Finance lease payable - net of current portion	14	46,477 ฿	356,323 ฿
Long-term loans from banks - net of current portion	15	73,799,140 ฿	132,179,984 ฿
Provision for long-term employee benefits	17	13,981,371 ฿	11,871,287 ฿
Total non-current liabilities		87,826,988 ฿	144,407,594 ฿
Total liabilities		390,681,614 ฿	545,101,420 ฿

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



Thai Plaspac Public Company Limited Statement of financial position (Continued) As at 31 December 2015			
(Unit: Baht)			
	Note	2015	2014
Shareholders' equity			
Share capital	18		
Registered			
255,000,000 ordinary shares of Baht 1 each		255,000,000 ฿	255,000,000 ฿
Issued and paid-up			
208,766,400 ordinary shares of Baht 1 each			
(2014: 201,327,025 ordinary shares of Baht 1 each)		208,766,400 ฿	201,327,025 ฿
Premium on ordinary shares	18	122,649,100 ฿	92,210,925 ฿
Capital reserve for share - based payment transactions	19	400,200 ฿	3,533,030 ฿
Retained earnings			
Appropriated - statutory reserve	20	25,500,000 ฿	20,900,000 ฿
Unappropriated		410,461,864 ฿	372,634,467 ฿
Total shareholders' equity		767,777,564 ฿	690,605,447 ฿
Total liabilities and shareholders' equity		1,158,459,178 ฿	1,235,706,867 ฿

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

Thai Plaspac Public Company Limited Statement of comprehensive income For the year ended 31 December 2015 ฿			
(Unit: Baht)			
	Note	2015 ฿	2014 ฿
Profit or loss:			
Revenues			
Sales	6	1,584,159,514 ฿	1,673,177,580 ฿
Other income		11,666,841 ฿	13,019,293 ฿
Total revenues		1,595,826,355 ฿	1,686,196,873 ฿
Expenses			
Cost of sales	6	1,331,489,205 ฿	1,435,905,778 ฿
Selling expenses		52,575,532 ฿	50,883,139 ฿
Administrative expenses	6	71,501,442 ฿	69,293,665 ฿
Total expenses		1,455,566,179 ฿	1,556,082,582 ฿
Profit before finance cost and income tax expenses			
Finance cost		(9,346,635)	(12,669,168)
Profit before income tax expenses		130,913,541 ฿	117,445,123 ฿
Income tax expenses	22	(26,676,634)	(24,053,131)
Profit for the year		104,236,907 ฿	93,391,992 ฿
Other comprehensive income:			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Actuarial gain for post - ฿ employment benefits plan		- ฿	4,323,809 ฿
Less: Income tax effect		- ฿	(864,762)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - ฿ net of income tax			
		- ฿	3,459,047 ฿
Other comprehensive income for the year		- ฿	3,459,047 ฿
Total comprehensive income for the year		104,236,907 ฿	96,851,039 ฿
Earnings per share			
Basic earnings per share	23	0.51 ฿	0.46 ฿
Diluted earnings per share		0.47 ฿	0.45 ฿

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

Thai Plaspac Public Company Limited Statement of changes in shareholders' equity For the year ended 31 December 2015 (Unit: Baht)

	Issued and paid-up share capital	Premium on ordinary shares	Capital reverse for share - based payment transactions		Retained earnings	
			Appropriated - Statutory reserve		Unappropriated	
	Note					Total
Balance as at 1 January 2014		200,185,525 ฿	87,424,125 ฿	16,200,000 ฿	344,777,596 ฿	651,347,695 ฿
Profit for the year		- ฿	- ฿	- ฿	93,391,992 ฿	93,391,992 ฿
Other comprehensive income for the year		- ฿	- ฿	- ฿	3,459,047 ฿	3,459,047 ฿
Total comprehensive income for the year		- ฿	- ฿	- ฿	96,851,039 ฿	96,851,039 ฿
Issuance of ordinary shares during the year from						
the exercise of warrants	18	1,141,500 ฿	4,786,800 ฿	- ฿	- ฿	4,603,500 ฿
Capital reserve for share - based payment transactions	19	- ฿	2,097,381 ฿	- ฿	- ฿	2,097,381 ฿
Dividend paid	26	- ฿	- ฿	- ฿	(64,294,168) ฿	(64,294,168) ฿
Unappropriated retained earnings transferred						
to statutory reserve	20	- ฿	- ฿	4,700,000 ฿	(4,700,000) ฿	- ฿
Balance as at 31 December 2014		201,327,025 ฿	92,210,925 ฿	20,900,000 ฿	372,634,467 ฿	690,605,447 ฿
Balance as at 1 January 2015		201,327,025 ฿	92,210,925 ฿	20,900,000 ฿	372,634,467 ฿	690,605,447 ฿
Profit for the year		- ฿	- ฿	- ฿	104,236,907 ฿	104,236,907 ฿
Other comprehensive income for the year		- ฿	- ฿	- ฿	- ฿	- ฿
Total comprehensive income for the year		- ฿	- ฿	- ฿	104,236,907 ฿	104,236,907 ฿
Issuance of ordinary shares during the year from						
the exercise of warrants	18	7,439,375 ฿	30,438,175 ฿	- ฿	- ฿	33,793,500 ฿
Capital reserve for share - based payment transactions	19	- ฿	- ฿	- ฿	- ฿	951,220 ฿
Dividend paid	26	- ฿	- ฿	- ฿	(61,809,510) ฿	(61,809,510) ฿
Unappropriated retained earnings transferred						
to statutory reserve	20	- ฿	- ฿	4,600,000 ฿	(4,600,000) ฿	- ฿
Balance as at 31 December 2015		208,766,400 ฿	122,649,100 ฿	25,500,000 ฿	410,461,864 ฿	767,777,564 ฿



Thai Plaspac Public Company Limited			
Cash flow statement			
For the year ended 31 December 2015			
(Unit: Baht)			
		2015	2014
Cash flows from operating activities			
Profit before tax		130,913,541 ฿	117,445,123 ฿
Adjustments to reconcile profit before tax to			
net cash provided by (paid from) operating activities:			
Depreciation and amortisation		128,894,185 ฿	116,666,229 ฿
Gain on sales/ write-off of equipment		(561,777) ฿	(831,140) ฿
Reduction (reversal) of inventory to net realisable value		(306,744) ฿	216,589 ฿
Provision for long-term employee benefits		3,243,864 ฿	3,947,024 ฿
Capital reserve for share-based payment transactions		951,220 ฿	2,097,381 ฿
Interest income		(250,441) ฿	(411,370) ฿
Interest expenses		9,346,635 ฿	12,669,168 ฿
Profit from operating activities before			
changes in operating assets and liabilities		272,230,483 ฿	251,799,004 ฿
Operating assets (increase) decrease			
Trade and other receivables		55,153,522 ฿	(54,094,250) ฿
Inventories		5,436,747 ฿	(5,346,010) ฿
Other current assets		2,046,573 ฿	(1,526,080) ฿
Other non-current assets		(85,567,955) ฿	2,736,908 ฿
Operating liabilities increase (decrease)			
Trade and other payables		(59,659,314) ฿	36,881,099 ฿
Other current liabilities		6,374,331 ฿	(396,563) ฿
Provision for long-term employee benefits		(1,133,780) ฿	(982,220) ฿
Cash flows from operating activities		194,880,607 ฿	229,071,888 ฿
Cash refunded on income tax		- ฿	5,621,627 ฿
Cash paid for corporate income tax		(44,763,241) ฿	(44,943,060) ฿
Net cash flows from operating activities		150,117,366 ฿	189,750,455 ฿

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



Thai Plaspac Public Company Limited			
Cash flow statement (continued)			
For the year ended 31 December 2015			
(Unit: Baht)			
		2015	2014
Cash flows from investing activities			
Acquisition of property, plant and equipment			
and intangible assets		(68,391,640) ฿	(109,958,898) ฿
Interest income		250,441 ฿	411,370 ฿
Proceeds from sales of equipment		1,444,668 ฿	1,143,503 ฿
Net cash flows used in investing activities		(66,696,531) ฿	(108,404,025) ฿
Cash flows from financing activities			
Increase (decrease) in short-term loans from banks		(22,866,479) ฿	4,051,776 ฿
Cash receipt from long-term loans		15,800,000 ฿	51,242,500 ฿
Repayment of long-term loans		(94,470,776) ฿	(47,664,840) ฿
Repayment of finance lease payable		(510,775) ฿	(645,051) ฿
Interest paid		(10,469,635) ฿	(13,568,670) ฿
Dividend paid		(61,809,510) ฿	(64,294,168) ฿
Cash receipt from exercise of warrants		33,793,500 ฿	4,603,500 ฿
Net cash flows used in financing activities		(140,533,675) ฿	(66,274,953) ฿
Net increase [decrease] in cash and cash equivalents		(57,112,840) ฿	15,071,477 ฿
Cash and cash equivalents at beginning of year		60,806,192 ฿	45,734,715 ฿
Cash and cash equivalents at end of year [Note 7]		3,693,352 ฿	60,806,192 ฿
		- ฿	- ฿
Supplemental cash flows information			
Non-cash items:			
Decrease in acquisition of fixed assets for which payment has not to be made		5,380,825 ฿	(6,213,032) ฿
Acquisition of fixed assets for which payment was paid in prior year		73,877 ฿	17,939,650 ฿
Actuarial gain for post - employment benefits plan		- ฿	4,323,809 ฿

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



Thai Plaspac Public Company Limited

Notes to financial statements

For the year ended 31 December 2015

1. General information

Thai Plaspac Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its major shareholder is Mr. Anuj Lohia. The Company is principally engaged in the manufacture and distribution of plastic packaging. The registered office of the Company is at 77 Soi Thian Thalee 30, Bang Khun Thian-Chay Thalee Road, Thakham, Bang Khun Thian, Bangkok.

2. Basis of preparation

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

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

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

3. New financial reporting standards

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

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

The Company has adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company’s financial statements. However, some of these standards involve changes to key principles, which are summarised below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognise actuarial gains and losses immediately in other comprehensive income while the former standard allowed the entity to recognise such gains and losses immediately in either profit or loss or other comprehensive income, or to recognise them gradually in profit or loss.

This revised standard does not have any impact on the financial statements as the Company already recognise actuarial gains and losses immediately in other comprehensive income.

TFRS 12 Disclosure of Interests in Other Entities

This standard stipulates disclosures relating to an entity’s interests in subsidiaries, joint arrangements and

associates, including structured entities. This standard therefore has no financial impact on the financial statements of the Company and its subsidiaries.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurement. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effects of the adoption of this standard are to be recognised prospectively.

This standard does not have any significant impact on the Company’s financial statements.

(b) Financial reporting standard that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of the revised (revised 2015) and new financial reporting standards and accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The Company’s management believes that the revised and new financial reporting standards and accounting treatment guidance will not have any significant impact on the financial statements when it is initially applied.

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

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

Interest income

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

4.2 Cash and cash equivalents

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

4.3 Trade and other receivables

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

4.4 Inventories

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

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

4.5 Cost of molds

The Company records costs of molds as assets. Costs of molds with an expected remaining useful life of not more than 1 year are recorded as current assets, while costs of molds with an expected remaining useful life of more than 1 year are recorded as other assets. Costs of molds are amortised to cost of goods sold as goods are delivered to its customers.

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

Building and building improvement	20	years
Furniture and office equipment	5	years
Machinery and equipment	5	years and 10 years
Motor vehicles	5	years

Depreciation is included in determining income.

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

4.7 Borrowing costs

Borrowing costs directly attributable to the acquisition 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 and Amortisation

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

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible assets 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.

Intangible assets with finite useful lives of the Company are computer software which has useful lives

of 5 years and 10 years.

4.9 Related party transactions

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

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

4.10 Long-term leases

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

Leases of 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.

4.11 Foreign currencies

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

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

Gains and losses on exchange are included in determining income.

4.12 Impairment of assets

At the end of each reporting period, the Company performs impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. 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 Company 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 Company 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 Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund’s assets are held in a separate trust fund and the Company’s contributions are recognised as expenses when incurred.

Defined benefit plans and other long-term employee benefits

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

The 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 post-employment benefits are recognised immediately in other comprehensive income.

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

4.14 Provisions

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

4.15 Income tax

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

Current tax

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

Deferred tax

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

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

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

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

4.16 Equity-settled share-based payment transactions

The Company recognises share-based payment transactions when services from employees are rendered, based on the fair value of the share options on the grant date. The expenses are recorded over the vesting period, in accordance with the conditions regarding length of service rendered by employees stipulated in the share-based payment plan, together with a corresponding increase in “Capital reserve for share-based payment transactions” in shareholders’ equity.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Leases

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

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgment and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Allowance for diminution in value of inventories

The determination of allowance for diminution in the value of inventories requires management to exercise judgement in estimating losses on outstanding inventories, based on the selling price expected in the ordinary course of business; minus selling expenses and provision for obsolete, slow-moving and deteriorated inventories, and taking into account based upon the condition of inventories and the duration such goods have remained in stock.

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.

Equity-settled share-based payment transactions

Estimating fair value for share-based payment transactions requires the management to exercise judgement, using general accepted valuation techniques and model, and to apply appropriate assumptions as to the expected life of the share options, share price volatility and dividend yield.

6. Related party transactions

Details of relationships of the Company to related party are as follows.

Name of entities	Nature of relationships
Modernform Group Public Company Limited ⁽¹⁾	Major shareholder
Mr. Anuj Lohia	Major shareholder
Indorama Ventures Public Company Limited	Shareholder and director is related to the Company's management
Related person	Director, executive officer and related person with director and executive office

(1) Modernform Group Public Company Limited was the Company's related party until October 2015 (due to change in shareholding and management structure).

On 9 October 2015, the meetings of the Company's Board of Directors passed the resolution to acknowledge the entry into the Securities Sales and Purchase Agreement among the 7 major securities holders, as the securities sellers and Mr. Anuj Lohia and QAMA Investments Limited as the securities purchasers, in order to sell and purchase the securities of the Company which comprised of (i) 126,407,000 ordinary shares equivalent to 60.55% of the issued and paid-up capital on that day by including the ordinary shares resulting from the exercise of warrants on 30 September 2015 at the purchase price of Baht 7.80 per share (ii) 26,601,850 warrants equivalent to 57.96% of outstanding warrants representing right to purchase ordinary shares of the Company Number 1 for existing shareholders (TPAC-W1), at the purchase price of Baht 2.80 per unit.

On 12 October 2015, the meeting of the Company's Board of Directors approved the resolution of the entry into the aforementioned Securities Sales and Purchase Agreement and approved new appointment of directors and board of directors of the Company, in order to be aligned with new securities holding structure of the Company.

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

terms and bases agreed upon between the Company and that related party.

(Unit: Million Baht)

	2015	2014	Transfer pricing policy
Sales of goods	0.8 ฿	1.0 ฿	Close to market price
Purchases of goods	2.1 ฿	0.2 ฿	Close to market price
Consultant fee	0.9 ฿	1.2 ฿	Baht 1.2 million per year
Professional fee	0.3 ฿	0.4 ฿	As stipulated in the agreement
Rental expense	0.7 ฿	- ฿	As stipulated in the agreement
Dividend paid	30.0 ฿	30.7 ฿	Baht 0.30 per share (2014: Baht 0.32 per share)

As at 31 December 2015 and 2014, the balances of the accounts between the Company and those related companies are as follows:

(Unit: Thousand Baht)

	2015	2014
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Trade accounts receivable - related company [Note 8]

Major shareholder	-	168
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Trade accounts payable - related company [Note 13]

Major shareholder	73	28
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Directors and management's benefits

During the years ended 31 December 2015 and 2014, the Company had employee benefit expenses payable to its directors and management as below.

(Unit: Thousand Baht)

	2015	2014
Short-term employee benefits	12,356 ฿	10,746 ฿
Post-employment benefits	254 ฿	228 ฿
Other long-term benefits	8 ฿	10 ฿
Share-based payment (Note 19)	321 ฿	672 ฿
Total	12,939 ฿	11,656 ฿



7. Cash and cash equivalent

(Unit: Thousand Baht)

	2015	2014
Cash	57	81
Cash at banks	3,636	60,725
Total	3,693	60,806

As at 31 December 2015, bank deposits in saving accounts carried interests between 0.38% and 0.75% per annum (2014: between 0.13% and 0.85% per annum).

8. Trade and other receivables

(Unit: Thousand Baht)

	2015	2014
Trade accounts receivables - a related party		
Aged on the basis of due dates		
Not yet due	-	119
Past due		
Up to 3 months	-	49
Total trade accounts receivables - a related party	-	168
Trade accounts receivables - unrelated parties		
Aged on the basis of due dates		
Not yet due	271,543	310,372
Past due		
Up to 3 months	85,584	101,442
3 - 6 months	57	11
Over 6 months	-	46
Total trade accounts receivables - unrelated parties	357,184	411,871
Trade accounts receivables	357,184	412,039
Other receivables	149	447
Total trade and other receivables	357,333	412,486



9. Inventories

(Unit: Thousand Baht)

	Cost		Reduce cost to net realisable value		Inventories - net	
	2015	2014	2015	2014	2015	2014
Finished goods	50,730 ฿	51,091 ฿	- ฿	(273) ฿	50,730 ฿	50,818 ฿
Raw materials	29,660 ฿	35,135 ฿	(283) ฿	(316) ฿	29,377 ฿	34,819 ฿
Packing materials	6,230 ฿	5,412 ฿	- ฿	- ฿	6,230 ฿	5,412 ฿
Factory supplies	3,675 ฿	4,093 ฿	- ฿	- ฿	3,675 ฿	4,093 ฿
Total	90,295 ฿	95,731 ฿	(283) ฿	(589) ฿	90,012 ฿	95,142 ฿

During the year 2015, the Company reversed the write-down of cost of inventories by Baht 0.3 ฿million, and reduced the amount of inventories recognised as expenses during the year. In addition, during the year 2014, The Company reduced cost of inventories by Baht 0.2 ฿million to reflect the net realisable value. This was included in cost of sales.

10. Property, plant and equipment

(Unit: Thousand Baht)

	Land and land improvement	Building and building improvement	Furniture and office equipment	Machinery and equipment	Motor vehicles	Assets under construction	Total
Cost:							
1 January 2014							1,219,396
	53,331 ฿	174,667 ฿	10,150 ฿	968,955 ฿	11,014 ฿	1,279 ฿	฿
Additions	67 ฿	1,313 ฿	574 ฿	117,276 ฿	- ฿	2,067 ฿	121,297 ฿
Transfer in (out)	877 ฿	2,469 ฿	- ฿	(3,964) ฿	- ฿	(3,346) ฿	(3,964) ฿
Disposals/written-off	- ฿	- ฿	(2,722) ฿	(23,672) ฿	- ฿	- ฿	(26,394) ฿
31 December 2014	54,275 ฿	178,449 ฿	8,002 ฿	1,058,595 ฿	11,014 ฿	- ฿	฿
Additions	- ฿	1,175 ฿	718 ฿	52,448 ฿	2,445 ฿	16,665 ฿	73,451 ฿
Disposals/written-off	- ฿	- ฿	(187) ฿	(15,102) ฿	- ฿	- ฿	(15,289) ฿
31 December 2015	54,275 ฿	179,624 ฿	8,533 ฿	1,095,941 ฿	13,459 ฿	16,665 ฿	1,368,497 ฿
Accumulated depreciation:							
1 January 2014	- ฿	84,941 ฿	7,967 ฿	551,391 ฿	7,236 ฿	- ฿	651,535 ฿
Depreciation for the year	- ฿	8,482 ฿	781 ฿	91,118 ฿	1,145 ฿	- ฿	101,526 ฿



	Land and land improvement	Building and building improvement	Furniture and office equipment	Machinery and equipment	Motor vehicles	Assets under construction	Total
Depreciation on disposals/ written-off	- ฿	- ฿	(2,688)	(23,394)	- ฿	- ฿	(26,082)
Transfer in (out)	- ฿	- ฿	- ฿	(1,966)	- ฿	- ฿	(1,966)
31 December 2014	- ฿	93,423 ฿	6,060 ฿	617,149 ฿	8,381 ฿	- ฿	725,013 ฿
Depreciation for the year	- ฿	8,595 ฿	786 ฿	99,039 ฿	1,350 ฿	- ฿	109,770 ฿
Depreciation on disposals/ written-off	- ฿	- ฿	(187) ฿	(14,219) ฿	- ฿	- ฿	(14,406) ฿
31 December 2015	- ฿	102,018 ฿	6,659 ฿	701,969 ฿	9,731 ฿	- ฿	820,377 ฿
Allowance for impairment loss:							
1 January 2014	- ฿	- ฿	- ฿	117 ฿	- ฿	- ฿	117 ฿
31 December 2014	- ฿	- ฿	- ฿	117 ฿	- ฿	- ฿	117 ฿
31 December 2015	- ฿	- ฿	- ฿	117 ฿	- ฿	- ฿	117 ฿
Net book value:							
31 December 2014	54,275 ฿	85,026 ฿	1,942 ฿	441,329 ฿	2,633 ฿	- ฿	585,205 ฿
31 December 2015	54,275 ฿	77,606 ฿	1,874 ฿	393,855 ฿	3,728 ฿	16,665 ฿	548,003 ฿
Depreciation for the year							
2014 (Baht 94 ฿million included in manufacturing cost, and the balance in selling and administrative expenses)							101,526 ฿
2015 (Baht 99 ฿million included in manufacturing cost, and the balance in selling and administrative expenses)							109,770 ฿

As at 31 December 2015, the Company had vehicles with net book values of Baht 0.6 million (2014: Baht 1.0 ฿million) which were acquired under finance lease agreements.

As at 31 December 2015, certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 331 ฿million (2014: Baht 310 ฿million).

The Company has pledged its land and construction thereon and part of its machinery amounting to approximately Baht 155 ฿million (2014: Baht 183 ฿million) as collateral against bank overdrafts, short-term loans, long-term loans and credit facilities received from banks.



11. Intangible assets

The net book value of intangible assets which are computer software as at 31 December 2015 and 2014 is presented below.

(Unit: Thousand Baht)

	2015	2014
Cost	3,681 ฿	3,434 ฿
Less: Accumulated amortisation	(2,239) ฿	(1,887) ฿
Net book value	1,442 ฿	1,547 ฿

A reconciliation of the net book value of intangible assets which are computer software for the years 2015 and 2014 is presented below.

(Unit: Thousand Baht)

	2015	2014
Net book value at beginning of year	1,547 ฿	1,473 ฿
Additions	247 ฿	388 ฿
Amortisation	(352) ฿	(314) ฿
Net book value at end of year	1,442 ฿	1,547 ฿

12. Short-term loans from banks

(Unit: Thousand Baht)

	Interest rate (% per annum)	2015	2014
Short-term loans from banks	2.15 - 3.06 ฿	42,000 ฿	50,000 ฿
Trust receipt	0.88 - 3.52 ฿	9,185 ฿	24,052 ฿
Total		51,185 ฿	74,052 ฿

Bank overdrafts are secured by the mortgage of the Company's land and construction thereon, and short-term loans from banks are secured by the mortgage of the Company's land and construction thereon as well as the pledge of part of its machinery.



13. Trade and other payables

(Unit: Thousand Baht)

	2015	2014
Trade accounts payables - a related party	73 ฿	28 ฿
Trade accounts payables - unrelated parties	143,481 ฿	210,519 ฿
Accounts payable for purchase of machineries	9,048 ฿	9,122 ฿
Accrued expenses	34,227 ฿	40,761 ฿
Other payables	15,600 ฿	1,733 ฿
Total trade and other payables	202,429 ฿	262,163 ฿

14. Liabilities under finance lease agreements

(Unit: Thousand Baht)

	2015	2014
Liabilities under finance lease agreements	393 ฿	976 ฿
Less : Deferred interest expenses	(37) ฿	(109) ฿
Total	356 ฿	867 ฿
Less : Portion due within one year	(310) ฿	(511) ฿
Liabilities under finance lease agreements - net of current portion	46 ฿	356 ฿

The Company has entered into the finance lease agreements with leasing companies for rental of motor vehicles for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally between 4 and 5 years.

Future minimum lease payments required under the finance lease agreements were as follows:

(Unit: Thousand Baht)

	As at 31 December 2015		
	Less than 1 year	1-5 years	Total
Future minimum lease payments	343 ฿	50 ฿	393 ฿
Deferred interest expenses	(33) ฿	(4) ฿	(37) ฿
Present value of future minimum lease payments	310 ฿	46 ฿	356 ฿



(Unit: Thousand Baht)

	As at 31 December 2014		
	Less than 1 year	1-5 years	Total
Future minimum lease payments	583	393	976
Deferred interest expenses	(72)	(37)	(109)
Present value of future minimum lease payments	511	356	867

15. Long-term loans from banks

(Unit: Thousand Baht)

Loan	Interest rate (% per annum)	Repayment schedule	2015	2014
1	MLR - 2 to MLR - 1	Monthly installment as from January 2011 to November 2020	54,357	124,324
2	Prime rate - 1.25	Monthly installment as from December 2012 to December 2019	56,432	65,135
Total			110,789	189,459
Less: Current portion			(36,990)	(57,279)
Long-term loans - net of current portion			73,799	132,180

The loans are secured by land and construction thereon and certain machinery of the Company.

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

As at 31 December 2015, the long-term credit facilities of the Company which have not yet been drawn down amounted to Baht 296.3 million (2014: Baht 26.3 million).



16. Other current liabilities

(Unit: Thousand Baht)

	2015	2014
Advance received for molds	11,119 ฿	6,029 ฿
Others	822 ฿	660 ฿
Total other current liabilities	11,941 ฿	6,689 ฿

17. Provision for long-term employee benefits

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

(Unit: Thousand Baht)

	2015	2014
Defined benefit obligation at beginning of year	11,871 ฿	13,230 ฿
Included in profit or loss:		
Current service cost	2,761 ฿	2,366 ฿
Interest cost	483 ฿	411 ฿
Included in other comprehensive income:		
Past service costs and gains or losses on settlement	- ฿	1,369 ฿
Actuarial gain arising from		
Demographic assumptions changes	- ฿	(91) ฿
Financial assumptions changes	- ฿	(1,579) ฿
Experience adjustments	- ฿	(2,853) ฿
Benefits paid during the year	(1,134) ฿	(982) ฿
Provisions for long-term employee benefits at end of year	13,981 ฿	11,871 ฿

Long-term employee benefit expenses included in the profit or loss consist of the following:

(Unit: Thousand Baht)

	2015	2014
Current service cost	2,761 ฿	2,366 ฿
Interest cost	483 ฿	411 ฿
Past service costs and gains or losses on settlement	- ฿	1,369 ฿
Actuarial gain arising from other long-term employee benefits recognised during the year	- ฿	(199) ฿
Total expense recognized in profit or loss	3,244 ฿	3,947 ฿

Line items in profit or loss under which such expenses are included

Cost of sales	2,431 ฿	3,261 ฿
Selling and administrative expenses	813 ฿	686 ฿

As at 31 December 2014, cumulative actuarial gains, which were recognised in other comprehensive income of the Company, amounted to Baht 4.3 ฿million (2015: Nil).

The Company expect to pay Baht 1.7 ฿million of long-term employee benefits during the next year (2014: Baht 1.1 ฿million).

As at 31 December 2015, the weighted average duration of the liabilities for long-term employee benefit is 28 years (2014: 29 years).

Key actuarial assumptions used for the valuation date are as follows:

	2015 (% per annum)	2014 (% per annum)
Discount rate	4 ฿	4 ฿
Future salary increase rate	2 - 3 ฿	2 - 3 ฿
Employee turnover rate (depending on age)	0 - 24 ฿	0 - 24 ฿

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2015 are summarised below:

	(Unit: Million Baht)	
	Increase 1%	Decrease 1%
Discount rate	(1.1) ฿	1.2 ฿
Salary increase rate	1.0 ฿	(0.9) ฿
Turnover rate	(1.2) ฿	0.6 ฿

18. Share capital

Movements in the number of ordinary shares and issued and the paid-up share capital and premium on ordinary shares are as follows:

		Number of ordinary shares	Paid-up capital	Premium on ordinary shares
		(Thousand Shares)	(Thousand Baht)	(Thousand Baht)
Issued and paid-up share capital				
1 January 2014		200,186 ₪	200,186 ₪	87,424 ₪
Increase in capital from exercising				
of the rights of the warrants:				
TPAC-W1 (Note 19)		37 ₪	37 ₪	150 ₪
Increase in capital from exercising				
of the rights of the warrants:				
TPAC- ESOP (Note 19)		1,104 ₪	1,104 ₪	4,637 ₪
31 December 2014		201,327 ₪	201,327 ₪	92,211 ₪
Increase in capital from exercising				
of the rights of the warrants:				
TPAC-W1 (Note 19)		4,036 ₪	4,036 ₪	16,144 ₪
Increase in capital from exercising				
of the rights of the warrants:				
TPAC- ESOP (Note 19)		3,403 ₪	3,403 ₪	14,294 ₪
31 December 2015		208,766 ₪	208,766 ₪	122,649 ₪

On 8 April 2015 and 12 October 2015, the Company registered its paid-up share capital of Baht 4.7 ₪million and Baht 2.7 ₪million , respectively with the Ministry of Commerce according to the exercise of such warrants.



19. Warrants/Capital reserve for share-based payment transaction

Details of the warrants, which were issued by the Company, are as follows:

19.1 TPAC-W1

On 22 May 2013, the Company allotted warrants (TPAC-W1) to the Company’s ordinary shares in an amount of 50 ₪million units. The details are as follows:

No. of the warrants:	50,000,000 units
No. of warrants subscribed:	49,999,981 units
Offering price:	Baht 0.00 per unit
Allocation of the warrants:	The warrants shall be allotted to the Company’s existing shareholders in proportion to their holding at the offering ratio of 2 existing ordinary shares to 1 unit of warrant
Term:	3 years from the issuance date of warrants
Expiry date:	21 May 2016
Exercise price:	Baht 5.00 per share
Exercise ratio:	1 ordinary share per 1 warrant (The exercise ratio may be changed in accordance with the specified adjustment condition)
Period of exercise:	Twice a year, on 31 March and 30 September of each year until the expiry date.
Movements in the number of warrants, TPAC- W1 during the current year are as follows:	

Number of warrants at the beginning of the year	49,936,081 Unit
Exercise during the year	(4,036,000) Unit
Outstanding number of warrants	45,900,081 Unit

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19.2 TPAC-ESOP

On 22 May 2013, the Company allotted warrants under Employee Stock Option Plan (TPAC-ESOP) to directors and employees of the Company in an amount of 5 ₪million units. The details are as follows:

No. of the warrants:	5 ₪million units
Offering price:	Baht 0.00 per unit
Term:	3 years from the issuance date of warrants
Expiry date:	21 May 2016
Exercise price:	Baht 4.00 per share
Exercise ratio:	1 ordinary share per 1 warrant (The exercise ratio may be changed in accordance with the specified adjustment condition)
Period of exercise:	Twice a year, on 31 March and 30 September of each year until the expiry date.
Restriction of exercise:	Warrants shall be exercised within 12 months from the date of issuance and offering and not more than 25% of the total warrants allotted.
	Warrants shall be exercised after 12 months from the date of issuance and offering and entitled to an addition of not more than 25% of the number of warrants allotted.
	Warrants shall be exercised after 24 months from the date of issuance and offering and entitled to the rest of the warrants allocated.
	In case the holders of the warrants do not exercise warrants during the period of exercise or do not exercise all warrants to which they are eligible, the right to exercise warrants can be carried forward to the next period of exercise until the maturity date.

The estimated fair value of each share option granted is Baht 1.2. This was calculated using the Black-Scholes-Merton Model. The model inputs were the share price at price determination date of Baht 5.1027, exercise price of Baht 4.00, expected volatility of 31.69 %, expected dividend yield of 5.06 %, life of share options of 3 years, average life of share options of 1.61 years, and a risk-free interest rate of 2.63 %.

During the year ended 31 December 2015, the Company recorded expenses of the TPAC- ESOP amounting to Baht 1.0 ₪million (2014: Baht 2.1 ₪million) as personnel expenses.

As at 31 December 2015, the Company has capital reserve for share-based payment transactions was Baht 0.4 ₪million (2014: Baht 3.5 ₪million)

Movements in the number of warrants, TPAC- ESOP during the current year are as follows:

Number of warrants at the beginning of the year	3,736,875 ₪
Exercise during the year	(3,403,375) ₪
Outstanding number of warrants	333,500 ₪

20. 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% of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

21. Expenses by nature

Significant expenses classified by nature are as follow:

	(Unit: Thousand Baht)	
	2015	2014
Salaries, wages and other employee benefits	275,107 ₪	214,983 ₪
Depreciation and amortisation	128,894 ₪	116,666 ₪
Raw materials and consumables used	862,662 ₪	982,462 ₪
Changes in inventories of finished goods	(361) ₪	(10,553) ₪



22. Income tax expenses

Income tax expenses for the years ended 31 December 2015 and 2014 are made up as follows:
(Unit: Thousand Baht)

	2015	2014
Current income tax:		
Current income tax charge	26,856 ฿	23,814 ฿
Deferred tax:		
Relating to origination and reversal of temporary differences	(179) ฿	239 ฿
Income tax expense reported in the statement of comprehensive income	26,677 ฿	24,053 ฿

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

(Unit: Thousand Baht)

	2015	2014
Accounting profit before tax	130,914 ฿	117,445 ฿
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by income tax rate	26,183 ฿	23,489 ฿
Effects of:		
Non-deductible expenses	698 ฿	553 ฿
Additional expense deductions allowed	(391) ฿	- ฿
Others	187 ฿	11 ฿
Total	494 ฿	564 ฿
Income tax expenses reported in the statement of comprehensive income	26,677 ฿	24,053 ฿

The components of deferred tax assets and deferred tax liabilities as at 31 December 2015 and 2014 are as follows:

(Unit: Thousand Baht)

	2015	2014
Deferred tax assets		
Allowance for diminution in value of inventories	57	118
Allowance for asset impairment	23	23
Provision for long-term employee benefits	2,604	2,364
Total	2,684	2,505

23. Earnings per share

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

Diluted earnings per share is calculated by dividing profit for the year of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

The following table sets forth the computation of basic and diluted earnings per share:

	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2015	2014	2015	2014	2015	2014
	Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
Basic earnings per share						
Profit for the year	104,237 ฿	93,392 ฿	205,634 ฿	200,864 ฿	0.51 ฿	0.46 ฿
Effect of dilutive potential ordinary shares						
TPAC- ESOP	- ฿	- ฿	1,195 ฿	927 ฿		
TPAC-W1	- ฿	- ฿	16,560 ฿	6,317 ฿		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	104,237 ฿	93,392 ฿	223,389 ฿	208,108 ฿	0.47 ฿	0.45 ฿



24. Segment information

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

The Company is principally engaged in the manufacturing and distribution of plastic packaging. Its operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

Major customers

For the year 2015, the Company has revenue from one major customer in amount of Baht 209 ₪million (2014: Baht 264 ₪million derived from one major customer).

25. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act. B.E. 2530. Both employees and the Company contributed to the fund monthly at the rate of 5% of basic salary. The fund, which is managed by Bank of Ayudhaya Public Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2015, the Company contributed Baht 5 ₪million (2014: Baht 5 ₪million) to the fund.

26. Dividends

		Total	Dividend
Dividends	Approved by	dividends	per share
		(Thousand Baht)	(Baht)
Final dividends for 2014	Annual General Meeting of the shareholders on 27 April 2015	61,809	0.30
Total dividends paid in 2015		61,809	0.30
Final dividends for 2013	Annual General Meeting of the shareholders on 18 April 2014	64,294	0.32
Total dividends paid in 2014		64,294	0.32

27. Commitments and contingent liabilities

27.1 Capital commitments

As at 31 December 2015, the Company had capital commitments totaling approximately Baht 8.3 million and USD 0.3 million (2014: Baht 2 million, USD 0.2 million and JPY 7 million), relating to building construction, acquisition of molds and machinery.

27.2 Service commitment

As at 31 December 2015, the Company had the consultant agreement and professional service of Baht 4 million (2014: Baht 3 million).

27.3 Guarantees

As at 31 December 2015 and 2014, there were outstanding bank guarantees to guarantee electricity use of Baht 13 million issued by banks on behalf of the Company.

27.4 Letter of credit

As at 31 December 2015 and 2014, the Company had unused letters of credit facility amounting to Baht 80 million.

28. Financial instruments

28.1 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 and other receivables, short-term loans from financial institutions, trade and other payables, financial lease payable and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

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

Interest rate risk

The Company’s exposure to interest rate risk relates primarily to its cash at banks, short-term loans and long-term loans from financial institutions. Most of the Company’s financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

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



(Unit: Million Baht)

	As at 31 December 2015							
	Fixed interest rates							
	Within	1-5	Over	Floating	Non-interest			Effective
	1 year	years	5 years	interest rate	bearing	Total		interest rate
								(% per annum)

Financial assets

Cash and cash equivalents	- ฿	- ฿	- ฿	- ฿	4 ฿	4 ฿	0.38 - 0.75
Trade and other receivables	- ฿	- ฿	- ฿	357 ฿	- ฿	357 ฿	-
	- ฿	- ฿	- ฿	357 ฿	4 ฿	361 ฿	

Financial liabilities

Short-term loans from banks	51 ฿	- ฿	- ฿	- ฿	- ฿	51 ฿	0.88 - 3.52
Trade and other payables	- ฿	- ฿	- ฿	- ฿	202 ฿	202 ฿	-
Financial lease payable	1 ฿	- ฿	- ฿	- ฿	- ฿	1 ฿	2.55 - 2.65
Long-term loans from banks	- ฿	- ฿	- ฿	111 ฿	- ฿	111 ฿	4.75 - 5.75
	52 ฿	- ฿	- ฿	111 ฿	202 ฿	365 ฿	

(Unit: Million Baht)

	As at 31 December 2014							
	Fixed interest rates							
	Within	1-5	Over	Floating	Non- interest			Effective
	1 year	years	5 years	interest rate	bearing	Total		interest rate
								(% per annum)

Financial assets

Cash and cash equivalents	- ฿	- ฿	- ฿	45 ฿	16 ฿	61 ฿	0.13 - 0.85
Trade and other receivables	- ฿	- ฿	- ฿	- ฿	412 ฿	412 ฿	-
	- ฿	- ฿	- ฿	45 ฿	428 ฿	473 ฿	

Financial liabilities

Short-term loans from banks	74 ฿	- ฿	- ฿	- ฿	- ฿	74 ฿	2.02 - 3.52
Trade and other payables	- ฿	- ฿	- ฿	- ฿	262 ฿	262 ฿	-
Financial lease payable	1 ฿	- ฿	- ฿	- ฿	- ฿	1 ฿	4.10 - 6.67
Long-term loans from banks	- ฿	- ฿	- ฿	189 ฿	- ฿	189 ฿	4.75 - 5.75
	75 ฿	- ฿	- ฿	189 ฿	262 ฿	526 ฿	



Foreign currency risk

The Company's exposure to foreign currency risk arises mainly from trading of goods and equipment transactions that are denominated in foreign currencies.

The balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	as at 31 December		as at 31 December		as at 31 December	
	2015 (Thousand)	2014 (Thousand)	2015 (Thousand)	2014 (Thousand)	2015 2014	(Baht per 1 foreign currency unit)
US dollar	675 ฿	823 ฿	102 ฿	- ฿	36.0886 ฿	32.9630 ฿
Singapore dollar	1 ฿	20 ฿	6 ฿	- ฿	25.5195 ฿	24.8959 ฿
Japanese yen	- ฿	- ฿	18,360 ฿	35,528 ฿	0.2996 ฿	0.2738 ฿

28.2 Fair values of financial instruments

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

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instruments or by using an appropriate valuation technique, depending on the nature of the instrument.

29. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2015, the Company's debt-to-equity ratio was 0.5:1 (2014: 0.79:1).

30. Events after the reporting period

On 29 February 2016, the meeting of the Company's Board of Directors passed a resolution to propose to the annual general meeting of the Company's shareholders to adopt a resolution to pay a dividend from operating results of the year 2015 of Baht 0.25 per share, totaling approximately Baht 52 million, in respect of the 2015 earnings. The dividend will be paid and recorded after it is approved by the annual general meeting of the Company's shareholders.

31. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 29 February 2016.