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# OUR BUSINESS

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# FINANCIALS

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2017 was a milestone year for TPAC with the signing of our first ever international acquisition. We believe this will be transformational for TPAC.

Message from Chairman & CEO



# 275.9

Million baht

GROSS PROFITS

# 113.9

Million baht

CORE NET PROFITS

# 266.8

Million baht

CORE EBITDA

# VISION

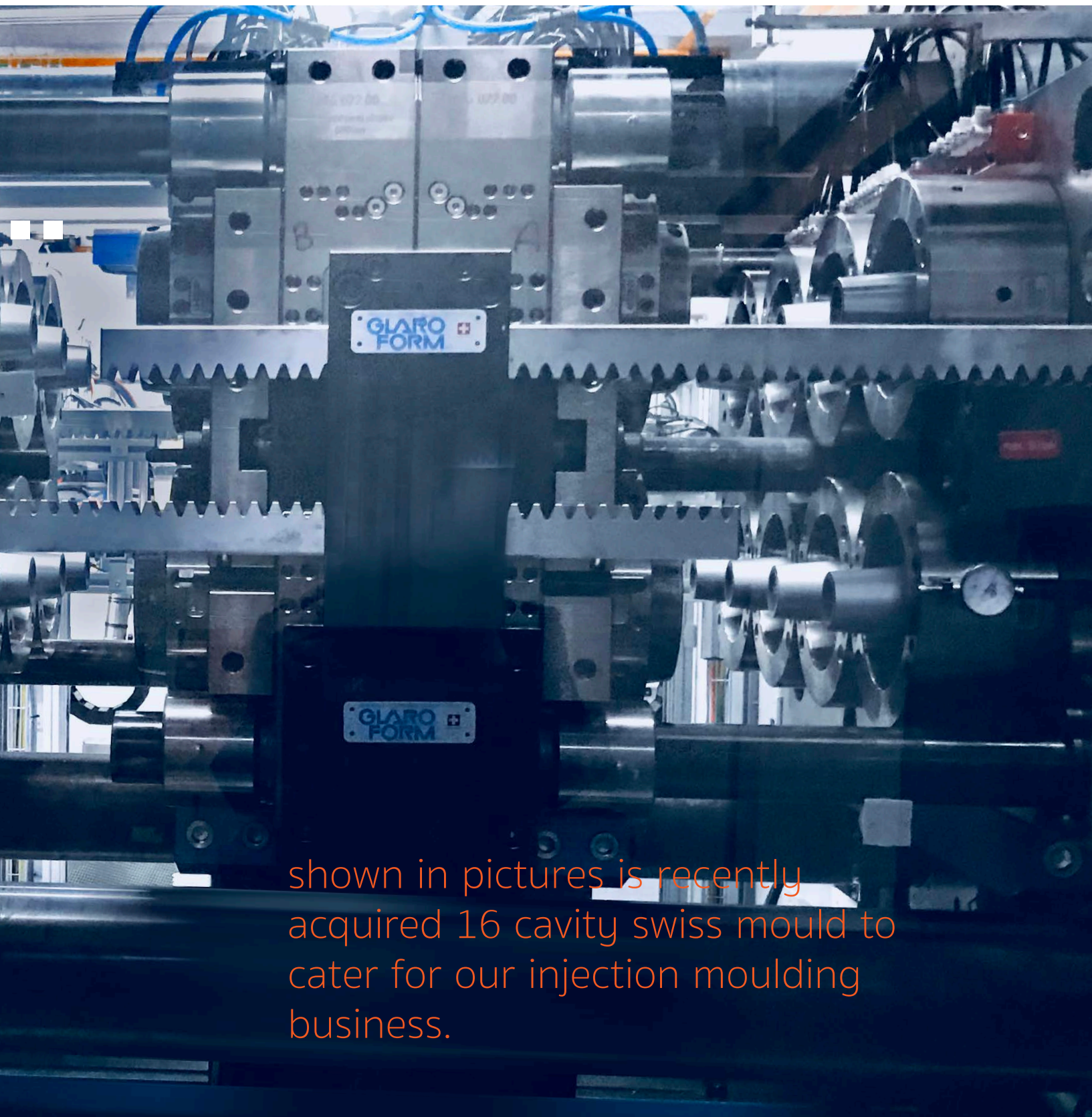
rigid plastic packaging  
solution excellence across  
high growth markets.



# Best in class technology platform uncompromised.







shown in pictures is recently acquired 16 cavity swiss mould to cater for our injection moulding business.

## 1.

## Performance Highlights

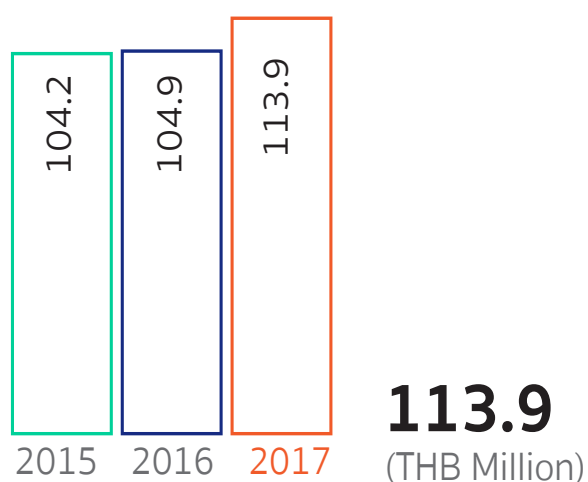
THB Million	2015	2016	2017
Sales	1,584.2	1,523.8	1,584.1
Gross Profit	252.7	257.5	275.9
Gross Profit Margin %	15.9%	16.9%	17.4%
EBITDA	269.2	257.1	258.7
Core EBITDA*	269.2	257.1	266.8
Core EBITDA Margin %*	17.0%	16.9%	16.8%
Net Profit	104.2	104.9	107.4
Core Net Profit*	104.2	104.9	113.9
Core Net Profit Margin %*	6.6%	6.9%	7.2%
Core ROCE**	15.1%	12.0%	12.6%
Shareholders Equity	767.8	1,010.4	1,064.6
Total Assets	1,158.5	1,261.6	1,273.4
Total Liabilities	390.7	251.2	208.8
Net Debt / Equity	0.2	0.1	-0.1

\* Concept of “core” introduced to exclude 1-off (non - recurring) due diligence expenses specifically related to the Q4’17 announced acquisition of Sunrise Containers in India.

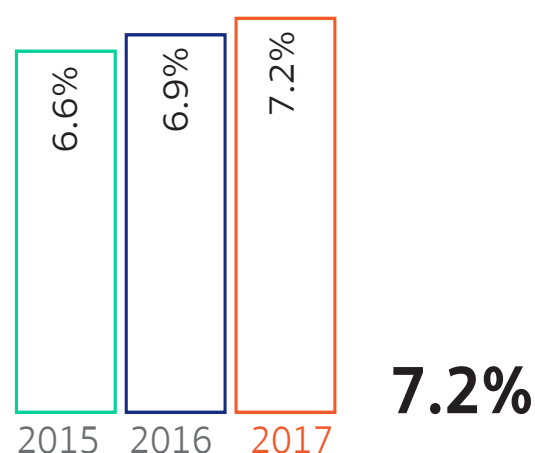
\*\* Core ROCE in 2016 was lower partially attributable due to the increased equity base as a result of warrant exercise in 2016.

## Core Net Profit

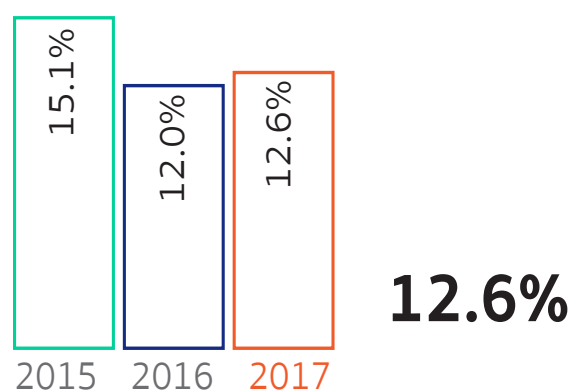
(THB Million)



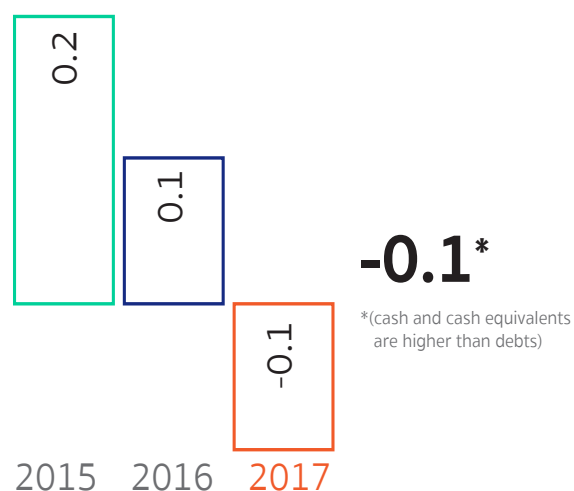
## Core Net Profit Margin %



## Core ROCE %



## Net Debt / Equity



# 2.

## Message from Chairman & CEO

Message from Chairman & CEO

Dear investors,

2017 core net earnings growth 8.5%, resulting from a core Net Profit of Baht 114m. We believe we can do better and to catalyze this we made some bold moves in 2017.

In November 2017 we announced our acquisition of Sunrise Containers in India - thank you shareholders for supporting management with your vote of approval. Closing is expected later this year and is estimated to double our revenues and EBITDA and further improve our margins. Sunrise Containers will give TPAC a top tier market positioning within the world's highest growth FMCG market of India. We had explicitly outlined back in 2015 our intent to create stakeholder value through M&A. 2 years on we are pleased to have made the first steps in that direction.

It has taken a couple of years to make these steps as we had a strict acquisition criterion, which we were determined not to compromise on. Motivated by customer delight, 4 criteria were established:

- Criteria 1: Grow our presence within Asia's high growth large economies
- Criteria 2: Target must be established within their local market with a top-tier market positioning
- Criteria 3: Rigid plastic focused
- Criteria 4: Consumer sector focused

With reference to Criteria 1, a significant portion of TPACs business caters to multinational FMCG companies.

Having listening to our customers, it was clear to us that India today is a market of significant importance to our customers' operations, and the importance of the Indian market is only expected to increase over the coming years. That is not surprising as the Indian FMCG market is expected to grow at a CAGR of 15% during 2016-2020, compared to the global average of 4%

We look forward to soon working with our customers across geographic borders and we are confident in delivering the highest standards to our customers in India, no different to our service in Thailand. Which brings me to criteria 2.

TPAC today is a top tier player within Thailand and it has been a 34 year journey of learning and evolving into a trusted best in class packaging partner for our customers. It is of the utmost importance that whatever acquisition we pursued, it would be of a target that complimented brand TPAC. To complement the TPAC brand, our target was required to also have best in class production standards and an established top-tier market position. In Sunrise Containers, we have an operation



**Mr. Kevin Kumar Sharma**

Chairman of Board of Director and  
Chief Executive Officer

that compliments the TPAC brand.

Criteria 3 and 4 refer to organizational focus. At this moment we feel it best to stay focused on our core competency, that being rigid plastic packaging solutions for the consumer sector. Our customers look to us for packaging solutions, and for that we require best in class passionate technical specialist that understand the business of rigid plastic packaging solutions, and also possess a deep commercial understanding of the industry that our customers operate in.

With the acquisition of Sunrise Containers, we will be placing under one roof over 30 years of focused rigid plastic consumer packaging expertise between our 2 companies. With this increased specialist management depth to our business, our customers can expect an even deeper and broadened level of expertise in the packaging solutions we provide them.

So looking forward, the task ahead is significant. Upon the closing of Sunrise, TPAC will evolve into a company with much larger operations, and for the first time ever, our operations will be international. With this, our management systems and processes are also required to evolve to match our newfound scale and complexity in business. This will be a test for our management team to prove that we are truly able to create value from M&A, a test we are determined to pass with flying colours!

Furthermore, as we get bigger, the importance of us acting responsibly also increases. On that note, we are proud to have

been awarded a 4-star ('Very Good') governance rating by the Thai Institute of Directors for 2017. In 2016, we achieved a rating of 3\* ('Good'), in 2015 we had a CG rating of 2\* ('Satisfactory').

Therefore 2017 marked the 2nd consecutive year of governance scoring upgrades for TPAC. We are now 1 star below the top most CG rating of 5\* ('Excellent') – no doubt we will continue to study these further potential areas for improvement. So to conclude dear shareholders, the road ahead for TPAC is sparkled with much opportunity.

Our industry is growing healthily, as it should be (given the recyclability of rigid plastics), and we are a top - tier player in Thailand and soon to be in India. We must now capitalise on our established market positioning.

Warm regards,  
Kevin Sharma

# 2.

## Message from Managing Director

Dear shareholders,

First of all, let me start by mentioning our acquisition in India before discussing our Thai operations.

Together with our team last year, I had visited and spent a good amount of time at all 5 of their manufacturing plants and came away impressed with their infrastructure setup and level of operational excellence.

From an operational excellence standpoint, I believe there will be multiple cross learnings opportunities for both our Thai and Indian business teams.

I look forward to our shop floor technicians, engineers and research and development teams exchanging best practices and ideas with our Indian counterparts. Such initiatives will only strengthen our operating DNA and therefore increase customer delight.

Reflecting on our Thai operations this year, TPAC finished the year maintaining our core EBITDA margin in line with the previous year at 17% and core earnings growth at 8.5%.

In order to maintain our margins to offset cost inflationary pressures particularly in the area of manpower the following initiatives were critical:

- Production volume growth of 1.5%. Much of this volume

**Mr. Theerawit Busayapoka**

Managing Director

growth resulted from new project wins from our injection moulding business.

- Energy efficiency, further reducing our energy per unit of resin converted. Energy efficiency measures have arisen from our production increasingly working with larger machinery and larger mould systems (higher cavitation)
- Automation systems, which help reduce packing and labour costs but very importantly ensure we maintain the highest product quality for our customers.

2017 also saw TPAC complete a majority of all compliance steps related to a food safety certification (FSSC 22000). It is important we continue to gain such accreditations as it helps us be the best that we can be and strengthens our commitment to our customers to be Thailand's best in class rigid plastic consumer packaging company. We must also continue to leverage off our strengths, and with food our largest segment today (currently ~ 50% of sales, personal, pharma and home care ~ 50% of sales) we are determined to boost our position within this attractive segment which requires stringent quality and hygiene standards, thus playing to TPACs strengths.

We look forward to the year ahead and thank you for your support,

A handwritten signature in black ink, appearing to be 'Theerawit Busayapoka'.

Warm Regards

Mr. Theerawit Busayapoka

Managing Director

# 3.

## General Information

### Headquarters

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<b>Name</b>	: Thai Plaspac Public Company Limited
<b>Symbol</b>	: TPAC
<b>Type of Business</b>	: Customized rigid plastic packaging solution provider
<b>Website</b>	: <a href="http://www.thaiplaspac.com">www.thaiplaspac.com</a>
<b>Company Registration Number</b>	: 0107547000575
<b>Established</b>	: August 1, 1983
<b>Registered Share Capital</b>	: Baht 255,000,000 divided into 255,000,000 ordinary shares of par value at Baht 1 each
<b>Issued and Paid-up Share Capital</b>	: Baht 253,817,676 divided into 253,817,676 ordinary shares of par value at Baht 1 each
<b>Fiscal year</b>	: At the end of date 31 December 2017
<b>Head Office</b>	: 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) 28974694
<b>Branch 001</b>	: 3-3/1 SoiThian Thaley 15, Bang Khun Thian-Chay Thaley Road, Sameadum, Bang Khun Thian, Bangkok 10150 Tel. 02-892-0261-4
<b>Share Registrar</b>	: Thailand Securities Depository Company Limited 93 Ratchadaphisek Road, Dindaeng Bangkok 10400, Thailand Tel. +66 (0) 20099000 Fax. +66 (0) 20099991
<b>Auditor</b>	: Miss Runnapa Lertsuwankul (CPA No. 3516 Audited 2008 – 2012, 2016-2017) or Miss. Pimjai Manitkhajonkit (CPA No. 4521 Audited 2013 – 2015) or Mr. Sophon Permsirivallop (CPA No. 3182 -- Non audited in any year) or Mr. Chayapol Supasetanond (CPA No. 3972 – Non audited in any year)



	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
<b>Legal Advisor</b>	Patsakorn Kulthamnong
	Thanakorn Noosamphan
	Pasinpoom Jitkra
	Khunpol legal and Associate
	174/137 Moo 6, Rama II Soi 60, Samaedam, Bangkhuntien, BKK, 10150.
	Tel..02-415-9689, 095-573-2247 Fax No. 02-050-2755
<b>Investor Relations</b>	Mr. Worapong Woottipruk, Worapong@thaipaspac.com
	Ms. Anong Sompittayanurak, anong@thaipaspac.com
<b>Secretarial &amp; Compliance</b>	Ms. Anong Sompittayanurak, anong@thaipaspac.com
	secretary@thaipaspac.com

### TPAC Subsidiary's

<b>Company Name</b>	: TPAC PACKAGING INDIA PRIVATE LIMITED
<b>CIN</b>	: U74999MH2017PTC301190
<b>ROC Code</b>	: RoC-Mumbai
<b>Registration Number</b>	: 301190
<b>Company Category</b>	: Company limited by Shares
<b>Company SubCategory</b>	: Non-govt company
<b>Class of Company</b>	: Private
<b>Authorised Capital(Rs)</b>	: 100,000*
<b>Paid up Capital(Rs)</b>	: 100,000*
<b>Date of Incorporation as subsidiary</b>	: 07/12/2017
<b>Registered Address</b>	: 405 ACME INDUSTRIAL PARK OFF I B PATEL ROAD, GOREGAON EAST MUMBAI Mumbai City MH 400063 INDIA
<b>Whether Listed or not</b>	: Unlisted
<b>Company Status(for efilling)</b>	: Active
<b>Legal Advisor</b>	: Chandhiok & Associates
<b>Address</b>	: Advocates and Solicitors C-524 Defence Colony New Delhi-110024 India
<b>Auditor</b>	: S R B C & Co LLP
<b>Address</b>	: 12th Floor, The Ruby, Ruby Mill, Senapati Bapat Marg, Dadar(West), Mumbai, Maharashtra 400028, India

\* After 31 Dec 2017, Authorised Capitals and Paid Up Capital increased to 300,000,000 Rs, and 110,100,000 Rs respectively

## 4.

## Calendar of Events 2017

<b>January 13, 2017</b>	Board of Directors meeting for Business Plan 2017 Nomination and Remuneration meeting 1 / 2017
<b>February 27, 2017</b>	Board of Directors meeting and Audit Committee meeting for Year end result 2016
<b>April 20, 2017</b>	Annual General Meeting (AGM) for year 2017
<b>May 11, 2017</b>	Board of Directors meeting and Audit Committee meeting for Quarter 1 / 2017
<b>May 19, 2017</b>	Dividend pay day
<b>Jun 15, 2017</b>	Corporate Governance Committee meeting 1 / 2017
	Risk Committee meeting 1 / 2017
<b>August 15, 2017</b>	Board of Directors meeting and Audit Committee meeting for Quarter 2 / 2017
	Nomination and Remuneration meeting 2 / 2017
<b>September 8, 2017</b>	Interim Dividend pay day 2017
<b>November 7, 2017</b>	Board of Directors meeting and Audit Committee meeting for Quarter 3 / 2017
<b>November 14, 2017</b>	Board of Directors meeting and Audit Committee meeting for investment in Sunrise Containers Limited and Establishment of the subsidiary of the company in India
<b>November 15, 2017</b>	Press Conference 1 / 2017 – Announce the investment of Sunrise Containers Limited in India
	TPAC meet investor and analyst 1/2017 – Announce the TPAC Strategy Day 2017
<b>December 12, 2017</b>	Board of Directors meeting for Capex Plan 2017
	Corporate Governance Committee meeting 2 / 2017
	Risk Management Committee meeting 2 / 2017

# OUR VALUE

- + Partnership Focused
- + Quality in Consistency
- + Rigid Plastic Innovation
- + Passionate Packaging Professionals
- + Governance
- + Sustainable Packaging

Our automated packing robotic arm in action



# 5.

## BOARD OF DIRECTOR









# Mr. Kevin Qumar Sharma

## Position

Chairman of Board of Director and Chief Executive Officer

## Director Type

Executive Director

## Age 34 years

First Appointment Date 09 October 2015

Last Appointment Date 29 February 2016

## 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

2015 – Present Thai Plaspac Public Company Limited Chairman and Chief Executive Officer,  
 2013 – 2014 Associate Director, European Special Situations, La Salle Investment Management, London, UK  
 2010 – 2013 Associate, European Distressed Debt Acquisitions, Colony Capital, London, UK  
 2007 - 2010 Analyst, Investment Banking Division, Credit Suisse Securities, London, UK

## Listed Company: Director Position

2015 – Present: Thai Plaspac Public Company Limited , Director

## Non-listed Company: Director Position

2014 – 2015 Director, Armanset Limited, London, UK

## Shareholding in TPAC as of 31 December 2017

Nil



# Mr. Theerawit Busayapoka

## Position

Managing Director

## Director Type

Executive Director

## Age 58 years

First Appointment Date 12 October 2015

Last Appointment Date 29 February 2016

## 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)

1986 – Present Thai Plaspac Public Company Limited, Managing Director

## Listed Company: Director Position

1986 – Present Thai Plaspac Public Company Limited, Bangkok, Thailand, Director

## Non-listed Company: Director Position

Nil

## Shareholding in TPAC as of 31 December 2017

9,560,000 shares



## Mr. Anil Kumar Kohli

### Position:

Executive Director, Technical

### Director Type:

Executive Director

### Age: 57 years

First Appointment Date 12 October 2015  
Last Appointment Date 29 February 2016

### Education:

- Post Graduate Diploma, Marketing Management, Pune University, India
- Bachelor in Technology (Chemicals), Harcourt Butler Technological University, Kanpur, India

### Training Program:

- Director Accreditation Program Class No. 135/2017, Thai Institute of Directors Association, Thailand

### Work Experience (over the past 5 years)

#### Listed Company: Director Position

2016 – Present Thai Plaspac Public Company Limited, Bangkok, Thailand Executive Committee

#### Non-listed Company: Director Position

1998 - 2013 Petform Thailand Limited, Lopburi, Thailand Vice President  
2013 - 2015 Indorama Polymers Public Co. Ltd., Thailand Vice President Marketing Specialty PET Resins.

### Shareholding in TPAC as of 31 December 2017

Nil



## Mrs. Aradhana Lohia Sharma

### Position

Director

### Director Type

Non-Executive Director

### Age : 32 years

First Appointment Date 9 October 2015  
Last Appointment Date 27 February 2017

### 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)

#### Listed Company: Director Position

2015 – Present: Thai Plaspac Public Company Limited Director

#### Non-listed Company: Director Position

2008 - Present Vice President, Wool and Recycling business, Indorama Holdings Limited, Bangkok, Thailand

### Shareholding in TPAC as of 31 December 2017

Nil





# Mr. Yashovardhan Lohia

## Position

Director

## Director Type

Non-Executive Director

## Age: 30 years

First Appointment Date 12 October 2015

Last Appointment Date 12 October 2015

## Education:

- Bachelor of Engineering Business Management, Warwick Business School, Warwickshire, UK

## Training Program

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

## Work Experience (over the past 5 years):

### Listed Company: Director Position

2015 – Present: Thai Plaspac Public Company Limited  
Director

### Non-listed Company: Director Position

2009 - 2012 Aurus Specialty Company Limited, Bangkok, Thailand  
Managing Director

2012 - Present Indorama Ventures Global Services Limited, Bangkok, Thailand

Vice President , Global Commercial

## Shareholding in TPAC as of 31 December 2017

Nil

# Mr. Virasak Sutanthavibul (Committee)



## Position

Independent Director and Chairman of the Audit Committee

## Director Type

Independent Director

## Age 60 years

First Appointment Date 9 October 2015

Last Appointment Date 9 October 2015

## Education

- Masters in Engineering, Texas A&M University, Texas, USA
- Bachelor in Engineering, Chulalongkorn University, Bangkok, 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
- Certificate, Thailand Energy Academy (TEA), Class 1/2012
- Certificate of Completion and Graduation Pin, Justice Administration Batch 17 National Justice Academy (2012 – 2013)
- Certificate of Completion and Graduation Pin, Institute of Business and Industrial Development (IBID), Class 2 /2015
- Certificate, Harvard University, Advanced Management Program, U.S.A.
- Certificate, Harvard University, Financial Institution for Private Enterprise Development, U.S.A.

## Working Experience (over the past 5 years)

### Listed Company: Director Position

2015 – Present	Thai Plaspac Public Company Limited Bangkok, Thailand
	Independent Director and Chairman of Audit Committee
2013 - Present	Nomination and Remuneration Committee Bangpakong Terminal Company Limited, Thailand
	Independent Director and Chairman of Audit Committee
2005 - Present	Member Bangkok Insurance Public Company Limited, Thailand
	Director of the Remuneration and Nomination Committee
2004 - Present	Independent Director and Chairman of the Corporate Governance Committee Krungthai Industries Public Company Limited, Thailand
	Independent Director and Audit Committee
2002 - Present	Member Bangkok Bank Public Company Limited, Thailand
	Senior Executive Vice President, Head of Commercial Banking.

### Non-listed Company: Director Position

2016 – Present	Director, Bualuang Ventures Co., Ltd.
2008 - Present	Director, The Grand – UB Co., Ltd.
2001 – Present	Director, Toyota Leasing (Thailand) Co., Ltd
2001 – Present	Director, Thai Indo Cordsa Co., Ltd.
2001 – Present	Director, Asia Lamp Industry Co., Ltd

## Shareholding in TPAC as of 31 December 2017

Nil

## Mr. Kittiphat Suthisamphat (Committee)



### Position

Independent Director and Member of the Audit Committee

### Director Type

Independent Director

### Age 47 years

First Appointment Date	9 October 2015
Last Appointment Date	27 February 2017

### Education

- MBA, Sloan School of Management, Massachusetts Institute of Technology (MIT), Boston, USA
- Bachelor in Industrial Engineering, Chulalongkorn University, Bangkok, Thailand

### Training Program

- Director Certification Program, Class 72/2006, Thai Institute of Directors Association, Thailand
- Business Revolution and Innovation Network (BRAIN), Class 1/2017, The Federation of Thai Industries
- Intellectual Property and International Trade and the Drive towards the Fourth World Industrial Revolution, 2017

### Work Experience (over the past 5 years)

#### Listed Company: Director Position

2016 - Present	National Power Supply Company Limited Independent Director
2015 - Present	Thai Plaspac Public Company Limited Independent Director and Audit Committee Member
Member	Nomination and Remuneration Committee
Member	
2000 - Present	A.J. Plast Public Company Limited Vice President and Managing Director

#### Non-listed Company: Director Position

Nil

#### Shareholding in TPAC as of 31 December 2017

Nil

## Mr. Gran Chayavichitsilp (Committee)



### Position

Independent Director and Member of the Audit Committee

### Director Type

Independent Director

### Age 46 years

First Appointment Date	12 October 2015
Last Appointment Date	27 February 2017

### Education

- Public Administration and Law for Executives, The College of Politics and Governance, King Prajadhipok's Institute
- The Executive Management Academy, University of California, Los Angeles
- Master Degree, Public Administration, Faculty of Political Science, Chulalongkorn University
- Bachelor in Business Administration, Rangsit University

### Training Program

- Director Certificate Program (DCP) Class 225/2016, Thai Institute of Directors Association

### Work Experience (over the past 5 years)

#### Listed Company: Director Position

2015 - Present	Thai Plaspac Public Company Limited, Bangkok, Thailand Independent Director and Audit Committee Member Chairman of Nomination and Remuneration Committee
2007 - Present	Dhanarak Asset Development Company Limited Senior Director of Corporate Communication

#### Non-listed Company: Director Position

- Nil

#### Shareholding in TPAC as of 31 December 2017

Nil

# Management Team

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**Mr. Kevin Kumar Sharma**

Chairman of the Board of Director and Chief Executive Officer



**Mr. Theerawit Busayapoka**

Managing Director



**Mr. Anil Kumar Kohli**

Chief Technical Officer



**Mr. Pairoj Pongpongi**

Assistant Managing Director



**Mr. Worapong Woottipruk**

Chief Financial Officer



**Anong Sompittayanurak**

Vice President Finance and Administration



**Mr. Pirom Popirom**

Vice President Business Development



**Mr. Chakkaphan Sukhinhawarin**

Vice President Production

# Audit Committee

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**Mr. Virasak  
Sutanthavibul**

Independent Director  
Chairman of Audit Committee



**Mr. Gran  
Chayavichitsilp**

Independent Director  
Audit Committee



**Mr. Kittiphat  
Suthisamphat**

Independent Director  
Audit Committee



## Nomination and Remuneration Committee

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**Mr. Gran  
Chayavichitsilp**

Independent Director and  
Chairman of Nomination and  
remuneration Committee



**Mr. Virasak  
Sutanthavibul**

Independent Director and  
Nomination and remuneration  
Committee



**Mr. Kittiphat  
Suthisamphat**

Independent Director and  
Nomination and remuneration  
Committee



**Mr. Kevin Kumar  
Sharma**

Nomination and remuneration  
Committee



**Mr. Theerawit  
Busayapoka**

Nomination and remuneration  
Committee

## Risk Management Committee

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**Mr. Kevin Qumar Sharma**

Chairman of the Risk  
Management Committee



**Mr. Theerawit  
Busayapoka**

Risk Management  
Committee



**Mr. Anil Kumar  
Kohli**

Risk Management  
Committee



**Anong  
Sompittayanurak**

Risk Management  
Committee

## Corporate Governance Committee

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**Mr. Kevin Qumar Sharma**

Chairman of the Corporate  
Governance Committee



**Mr. Theerawit  
Busayapoka**

Corporate Governance  
Committee

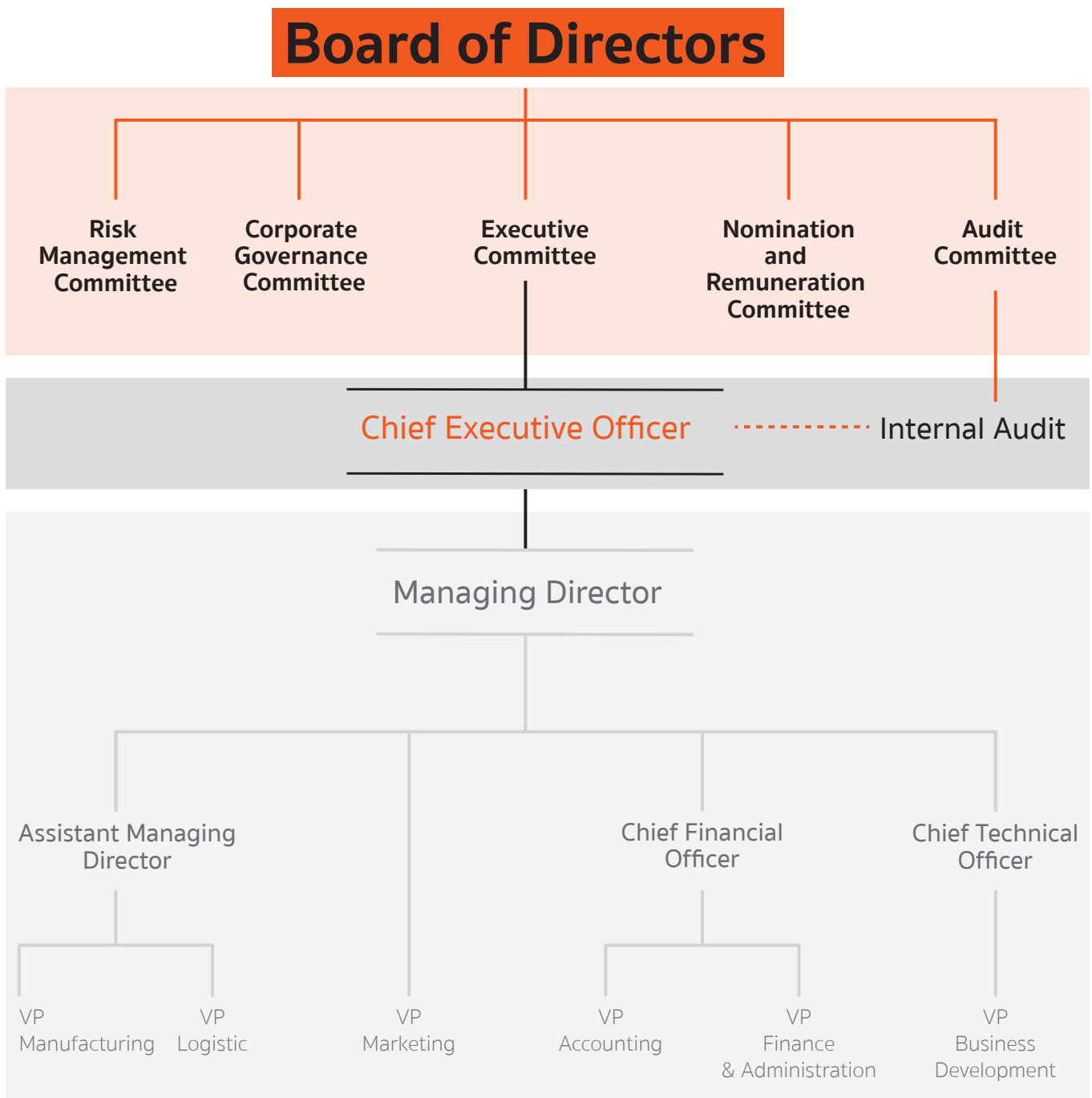


**Anong  
Sompittayanurak**

Corporate Governance  
Committee

# 6.

## Management Structure



## Board of Directors

According to 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, and the Board of Directors Meeting No. 6/2015 held on October 12, 2015 appointed The Board of Directors as following persons.

Item	Name of the Board	Position	Meeting	Meeting	Meeting	Date of	Date of Re-	Sharehold-	Shareholding	Shareholding
			Attendance	Attendance	Attendance	Appoint		ing in TPAC		
			2015	2016	2017	ment	signed	for year	in TPAC for	in TPAC for
			(Times)	(Times)	(Times)	%		2017	year 2016	year 2015
1	Kevin Kumar Sharma	Chairman and CEO	3 / 3	6 / 6	7/7	100%	21/04/2016	29/02/2016	-	-
2	Aradhana Lohia Sharma	Non-Executive Director	3 / 3	6 / 6	7/7	100%	20/04/2017	27/02/2017	-	-
3	Yashovardhan Lohia	Non-Executive Director	2 / 2	4 / 6	7/7	100%	12/10/2015		-	-
4	Anil Kumar Kohli	Executive Director	2 / 2	6 / 6	7/7	100%	21/04/2016	29/02/2016	-	-
5	Theerawit Busayapoka	Executive Director	7 / 8	6 / 6	7/7	100%	21/04/2016	29/02/2016	9,560,000	10,560,000
6	Virasak Suthanthavibul	Independent Director and Chairman of Audit Committee	3 / 3	5 / 6	7/7	100%	09/10/2015		-	-
7	Kittiphat Suthisamphat	Independent Director and Audit Committee	3 / 3	6 / 6	5/7	71%	20/04/2017	27/02/2017	-	-
8	Gran Chayavichitsilp	Independent Director and Audit Committee	2 / 2	6 / 6	6/7	86%	20/04/2017	27/02/2017	-	-

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

	Number of people	Number of shares	%
1) Strategic Shareholder			
1.1 Controlling Shareholders	1	153,978,850	60.67
1.2 Directors, executives and their related party	1	9,560,000	3.77
1.3 Share holder holding more than 5% and their related party	2	41,526,900	16.36
2) Non-Strategic Shareholder		48,751,926	19.20
<b>Total</b>		<b>253,817,676</b>	<b>100.00</b>

Remark: This information is from XO booking date at as December 29, 2017

### 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 company's 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 mitigates.
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 company's results.



11. To recruit person who has a knowledge, experience and qualifications that appropriate to be placed in director, audit committee and Chief Executive Officer position. By having a major resolution from Board of Director.

The authority for all of above operations are not included in connected transactions and acquisition and disposition of major assets of listed company. Following by the criteria of Stock Exchange of Thailand and Securities and Exchange Commission, Thailand. Company need to follow the related rules and regulation of Stock Exchange. In addition, all of above authorities are not included in the company article of association required to be approved by shareholder meeting.

## Chairman of the Board

### The authority of Chairman of the Board

The crucial role of Chairman of the Board is to driving the mission and strategic of company to meet the goal. The Chairman of the Board is a leader who has an important role to encourage the working efficacy for all directors. So, the crucial roles of Chairman of the Board are as follow:

1. Defining the configuration, size and structure of Board of Director in order to get a balance between executive committee and audit committee.
2. To have a suitable configuration and appropriate task for Board of Director
3. To have an efficiency task for Board of Director in order to relevant with the highest standard of Corporate Governance criteria.
4. To coordinate activity and decision process with executive director, non-executive director and audit committee
5. To have a strong company structure and also determine the strategies and purpose of company.
6. To have a suitable project for new director.
7. Following the crucial roles in order to control company directors and also encouraging to have a sustainability participation and self-sacrifice in organization.
8. To regularly have a working assessment and development for company directors.
9. To have a company succession plan for senior executive.
10. Being a chairman of Board of Director and Shareholder meeting including with defining meeting agendas with management division and company secretary.
11. To provide an enough and rightful information for Board of Directors meeting on time.
12. To have efficient channel between company directors, administrative and shareholder.
13. To have an independent consultant for administrative and company director.
14. Appointment the company secretary in order to support the company director's operation

## Audit Committee

Board of Director has a duty to appoint the audit committees, independent directors, to increase the efficiency for enhancing the Corporate Governance operation of organization. The company audit committee consists of three members who are all independent directors and at least one director must have knowledge of accounting and finance. The term of taking this position is three years and maximum three terms consecutive. But, if any directors are appropriate to

continuously hold a position the board of director need to report to the shareholder meeting for approval. Directors who are retired by rotation can be reappointed by the board of director within three months in order to have a full member as company's regulation. The replacement person will be in office only the remaining term of that audit committee. The audit committee need to arrange the meeting at least four times per year or every quarter.

### The Independent Director and Audit Committee

No.	Name	Position	Meeting Attendance 2016	Meeting Attendance 2017	Ratio Attendance
1	Mr. Virasak Sutanthavibul	Independent Director and Chairman of Audit Committee	4 / 4	5/5	100%
2	Mr. Kittiphat Suthisamphat	Independent Director and Audit Committee	4 / 4	5/5	100%
3	Mr. Gran Chayavichitsilp	Independent Director and Audit Committee	4 / 4	4/5	80%

Ms. Anong Sompittayanurak 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.
9. To consider, review, and approve the internal audit.
10. 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.
11. To report findings of the audit committee to the Board of Directors for annual evaluation

12. 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.
13. 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.
14. To do any other functions as may be designated by the Board of Directors with consent of the audit committee.
15. To evaluate and assess the performance of the audit committee annually for possible improvement.
16. 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

According to the Board of Director Meeting No. 6/2015 held on 12 December 2015 appointed 4 executive committees.

Mr. Ashok Jain resigned in 2016. So, there are 3 remain members of Executive Committees as follow:

Name	Position
Mr. Kevin Kumar Sharma	Chairman of the Executive Committee
Mr. Anil Kumar Kohli	Executive Committee
Mr. Theerawit Busayapoka	Executive Committee

### Role and Responsibility of the Executive Committee

1. 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.
2. To provide direction, strategy and plan to achieve Company's objectives.
3. To organize and provide internal structure and operational procedures of the Company for highest efficiency.
4. Periodically review operational results to achieve company goals.
5. To look for new opportunity in business for submission to the Board of Directors for approval.

6. 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.
7. To approve any transaction prior to submitting same to the Board of Directors
8. To appoint, remove and terminate senior executives.
9. To approve distribution of bonus and the amount of money for annual salary increase of the staff within the annual budget of the Company.
10. To see to it that the policy on corporate governance is appropriately implemented and followed.
11. To perform any other duties as may be assigned by the Board of Directors.

The authority for all of above Executive Committee operations are not included any approvals for a person who has a conflict of interest with company or any associations.

## Management

No.	Name	Position
1	Mr. Kevin Kumar Sharma	Chairman of the Board and 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	Mr. Kritsada Sirivorapat*	Chief Financial Officer
7	Mr. Worapong Woottipruk**	Chief Financial Officer
8	Ms. Anong Sompittyanurak	Vice President Finance and Administration
9	Mr. Pirom Popirom**	Vice President Business Development
10	Mr. Chakkaphan Sukhinhawarin	Vice President Production

As the date before publishing the annual report

\*No.5 Resigned at 31 July 2017 and No.6 Starting working and Resigned at 31 July 2017

\*\*No 7 starting working on 19 Dec, 2017

\*\*No. 9 starting working on 1 Feb, 2017

## 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:

1. To administer, manage and control operations concerning the general management of the Company.
2. To follow directors policies, plan and budgets approved by the Board of Directors and/or the Executive Committee and/or the Chief Executive Officer.
3. 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.

4. 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.
5. 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.
6. To represent the Company in business activities and transactions which are beneficial to the Company.
7. To appoint advisors in different fields as deemed necessary for effective operations.
8. 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.

The authority for all of above operations are not included any approvals of Managing Director for a person who has a conflict of interest with company or any associations.

### **Nomination for the directors and executives**

The Board of Director meeting on 10 August 2016 had a resolution to appoint the nomination and remuneration committees in the first time. During year 2017 Mr.Alok Kumar Kothari a member of nomination and remuneration committee had resign from the company. As at the end of year 2017, there are 5 committee members carry on the Nomination and Remuneration Committee. There are 3 members are the Independent Board of Director and 2 members are the Board of Director.

The selection process of the candidates selected and appointed to be a director and top executive will be depended on the consideration process of nomination and remuneration committees. For the nomination of directors who are retired by rotation the nomination and remuneration committees will select the nominees equal to the number of retired directors.

The nomination and remuneration committees must consider from the nature of business and future plan in order to limit the appropriate qualification. By righting of director and shareholder to propose nominees to be elected as directors in advance or any source that can be referred. Including with the committees, form major holder, having various experiences and talents which is benefit to the company and also dedicate the time in order to strengthen the company to have a strong directors team. So, all of committees are limited to take a position in listed company not more than 5 companies and need to report to shareholder meeting for approval and the resolutions must be more than one-third of the shares present at the meeting.

By determination one share one vote per one shareholder and each shareholder must use entirety votes to select at least one person to be a committee. The person receiving the highest score will be selected to take a committee position and in each Annual General Meeting directors need to retire and rotate one third of the rate and for the number of non-independent committee is limited by the ratio of company share and depending on the ability of person who is considered.

In the case of the position is vacant due to the other reason, retirement by rotation. The Board of Director need to select, by having a resolution not less than three fourth, replacement committee in order to attend for the next meeting. the executive committee have a duty to nominate and select the appropriate executive who is suitable for each position by giving an authority to managing director.

Remark: The charter of nomination and remuneration committees approved by Board of Director Meeting No.7/2017 held on 12 December 2017 and disclosed on company website, [www.thaiplaspac.com](http://www.thaiplaspac.com)



## Risk Management Committee

The Board of Directors 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	Meeting Attendance	Ratio Attendance
1.	Mr. Kevin Qumar Sharma	Chairman of subcommittee	2 / 2	100%
2.	Mr. Theerawit Busayapoka	subcommittee	2 / 2	100%
3.	Mr. Alok Kothari	subcommittee	1 / 1*	100%
4.	Mr. Anil Kumar Kohli	subcommittee	2 / 2	100%
5.	Ms. Anong Sompittyanurak	subcommittee	2 / 2	100%

No. 3 Mr. Alok Kothari, Resigned at 31 July 2017. Hence, there are four members carry on the Risk Management Committee.

Ms. Pranvarin Pinsathaporn is Secretary to the Risk Management Committee.

## Role and Responsibility of the Risk Management Committee

1. To set up the risk management policy and framework in order to relate with the company's sustainability target and strategy between top executive and director.
2. To follow up the significant risk of organization and improve the risk management frame work including with the risk identification and evaluation process.
3. To evaluated and approve the appropriate risk management plan for practicing throughout the organization.
4. To follow up the strategy and major practicing risk management. According with the analysis and estimation the situation expecting to be a cause of risk and effect to the company's operation and also report to the director.
5. To give an advice for risk management operation.
6. To create the risk awareness throughout the organization by encouraging and motivation the risk management to be a culture of organization
7. To manipulate the risk management handbook consisting of up-to-date evaluation and management standard of risk management.
8. To communicate with audit committee for the significant risk in order to connect with internal control.
9. Reporting about the company's risk and risk management to the Board of Director at least two times per year.
10. All subcommittee have a duty to make a self-assessment in both individual and as a whole for evaluation and report to Board of Director in order to disclose in annual report.
11. Chairman of subcommittee has a duty to make a self-asseswsment report in order to present to the Board of Director and disclose in annual report.
12. Making a sub-committee's performance report, following by the regulation of Stock Exchange of Thailand, for disclosing in annual report.
13. Regularly review the charter of sub-committee in order to appropriate and relate with the Securities and Exchange and

also the regulation of Stock Exchange of Thailand.

14. Reporting the performance report of sub-committee to the Board of Director at least 2 times per year.

15. Annually evaluate the performance report of sub-committee for the purpose of improvement process.

### Corporate Governance Committee

This sub-committee was appointed by the Board of Directors on 10 August 2016.

No.	Name	Position	Meeting Attendance	Ratio Attendance
1.	Mr. Kevin Kumar Sharma	Chairman of subcommittee	2 / 2	100%
2.	Mr. Theerawit Busayapoka	subcommittee	2 / 2	100%
3.	Mr. Alok Kothari	subcommittee	1 / 1*	100%
4.	Ms. Anong Sompittyanurak	subcommittee	2 / 2	100%

No.3 Mr. Alok Kothari, Resigned at 31 July 2017. Hence, there are three members carry on the Corporate Governance Committee.

Ms. Pranvarin Pinsathaporn is Secretary to the Corporate Governance Committee

### Role and Responsibility of the Corporate Governance Committee

1. To set up the Corporate Governance Committee policy for Board of Director to approve and put into practice. Including following the policy behavior and also continuously and appropriately review the policy.
2. Assigning to have an annually performance evaluation for Chairman of board of director, committee in both individual and as a whole and also subcommittee.
3. Building a reliability of Corporate Governance process by having a rightful financial statement, following the law and ethic as well as having a good relationship with customers, supplier and stakeholders.
4. Building a reliability of Corporate Governance process by having a suitable protection and reducing conflicts of interest process in order to get the most beneficial for company and shareholder.
5. Building a reliability of Corporate Governance process by having a suitable efficacy to encourage the main good governance, risk management, internal control and lawfulness.
6. All subcommittee have a duty to make a self-assessment in both individual and as a whole for evaluation and report to Board of Director in order to disclose in annual report.
7. Chairman of subcommittee has a duty to make a self-assessment report in order to present to the Board of Director and disclose in annual report.
8. Making a sub-committee's performance report, following by the regulation of Stock Exchange of Thailand, for disclosing in annual report.
9. Regularly review the charter of sub-committee in order to appropriate and relate with the Securities and Exchange and also the regulation of Stock Exchange of Thailand.
10. Reporting the performance report of sub-committee to the Board of Director at least 2 times per year.
11. Annually evaluate the performance report of sub-committee for the purpose of improvement process.

## Nomination and Remuneration Committee

This sub-committee was appointed by the Board of Directors on 10 August 2016.

No.	Name	Position	Meeting Attendance	Ratio Attendance
1.	Mr. Gran Chayavichitsilp	Chairman of subcommittee and Independent Board	2 / 2	100%
2.	Mr. Virasak Sutanthavibul	Subcommittee and Independent Board	2 / 2	100%
3.	Mr. Kittiphat Suthisamphat	Subcommittee and Independent Board	1 / 2	50%
4.	Mr. Kevin Qumar Sharma	Subcommittee	2 / 2	100%
5.	Mr. Theerawit Busayapoka	subcommittee	2 / 2	100%
6.	Mr. Alok Kothari	subcommittee	1 / 1*	100%

\*No.6 Mr. Alok Kothari, he resigns during year 2017. Hence, there are five members carry on the Nomination and Remuneration Committee and also there are 3 of 5 members were Independent Board.

Ms. Anong Sompittayanurak is acting Secretary to the Nomination and Remuneration Committee

## Role and Responsibility of the Nomination and Remuneration Committee

- To consider the succession plan for executive and top executive.
- To recruit person who is suitability to be nominated for Chief Executive Officer, Managing Director and top executive by following the relevant law.
  - To define the criterions for recruitment person who is suitability to be nominated for Chief Executive Officer, Managing Director and top executive
  - The criterions need to accord with the relevant law and requirements. And also the person need to have a qualification that relevant to the law and the requirements of Stock Exchange of Thailand.
- The Nomination and Remuneration Committee has a duty for consideration the remuneration as follow:
  - To present the remuneration of committee and subcommittee to the Board of Director for approval and present to the shareholder meeting for approval.
  - To present the remuneration of top executive to the Board of Director for acknowledgement.
- To consider the remuneration of executive, apart from no.3, to the Board of Director for approval and pass to the managing director for operation.
- All subcommittee have a duty to make a self-assessment in both individual and as a whole for evaluation and report to Board of Director in order to disclose in annual report.
- Chairman of subcommittee has a duty to make a self-assessment report in order to present to the Board of Director and disclose in annual report.
- Making a sub-committee's performance report, following by the regulation of Stock Exchange of Thailand, for disclosing in annual report.
- Regularly review the charter of sub-committee in order to appropriate and relate with the Securities and Exchange and also the regulation of Stock Exchange of Thailand.
- Reporting the performance report of sub-committee to the Board of Director at least 2 times per year.
- Annually evaluate the performance report of sub-committee for the purpose of improvement process.



Name	Position						Remuneration for each quater	Remuneration						
	Company Committee	Audit Committee	Nomination and Remuneration			Corporate Governance	Risk Management	Administrative Position	Board of Directors	Audit Committee	Nomination and Remuneration Committee (per time)x2 (per year)	Corporate Governance Committee	Risk Management Committee	Total Remuneration for year
Audit Committee														
6	Mr. Virasak Sutanthavibul	M	S	M	-	-		55,000	30,000	33,000	-	-		406,000
7	Mr. Gran Chayavichitslip	M	M	S	-	-		55,000	30,000	33,000	-	-		406,000
8	Mr. Kittiphat Suthisamphat	M	M	M	-	-		55,000	30,000	33,000	-	-		406,000
Executive (Non - Committee)														
	Mr. Alok Kumar Kothari	-	-	M	M	M	Chief Finance Officer Company Group	-	-	Nil	Nil	Nil		-
	Ms. Anong Sompittayanurak	-	-	-	M	M	Vice President of Finance and	-	-	-	Nil	Nil		-
							Total	455,000	90,000	99,000	-	-		2,378,000

Remark : s = Chairman of committee M = Committee

### The remuneration for other subcommittee

- For 2016 and 2017 Company doesn't have pay remuneration for Risk Management Committee and Corporate Governance Committee due on all committee member were the company's executive.
- In 2016, the Company appointed the Nomination and Remuneration Committee and had not paid remuneration for this committee in the first year.
- In 2017, Company has paid remuneration for all committees as follow:
  - The same amount as 2016 for remuneration of the Board of Director (Pay in each quarter)
  - The same amount as 2016 for remuneration of the Audit Committee (Pay in each quarter)
  - Company has paid remuneration amount totaling bht.198,000.- a year for the Nomination and Remuneration Committee (twice a year after finished on meeting date)

### Personnel

At as 31 December 2017 company has 975 employees in total

Field of work	Total Employees	
YEAR	2016	2017
Production Department	749	800
Administrative and Finance Department	159	163
Marketing Department	12	12
total	920	975



cash remuneration for employees

Detail	2016	2017
Salary / Bonus / Other	260.80 million Baht	270.16 million Baht

TPAC Group Structure



TPAC Subsidiary's Organization Chart



Board of Directors	Executive person
1. Mr. KEVIN QUMAR SHARMA	1 .Mr. KEVIN QUMAR SHARMA
2. Ms. POOJA MAHAJAN	2. Mrs. ARADHANA LOHIA SHARMA
3. Mr. ANIL KUMAR KOHLI	3. Mr. ANIL KUMAR KOHLI
4. Mrs. ARADHANA LOHIA SHARMA	

## 7.

## Major Shareholders

List of major shareholders as of register of shareholders' book closing date on December 31, 2017 is as follows;

No.	Name	Number of shares	Percentage of Holding
1	Mr. Anuj Lohia	153,978,850	60.67
2	Mr. Eakawut Nuengchamnong	22,416,300	8.83
3	Thai NVDR Co.,Ltd.	19,110,600	7.53
4	Mr. Theerawit Busayapoka	9,560,000	3.77
5	Miss. Anuttree Nuengchamnong	6,130,000	2.42
6	Mr. Niti Nuengchamnong	3,599,900	1.42
7	Mr. Pornchai Rattananontachaisook	2,699,900	1.06
8	Miss. Yothin Nuengchamnong	2,100,000	0.83
9	Mr. Wuttichai Piriyotaisakul	1,819,500	0.72
10	Mrs. Nushara Wayakornwijit	1,352,500	0.53
	Sub-Total	222,767,550	87.77
	Others	31,050,126	12.23
	Total	253,817,676	100.00

Source: Thailand Securities Depository Company Limited

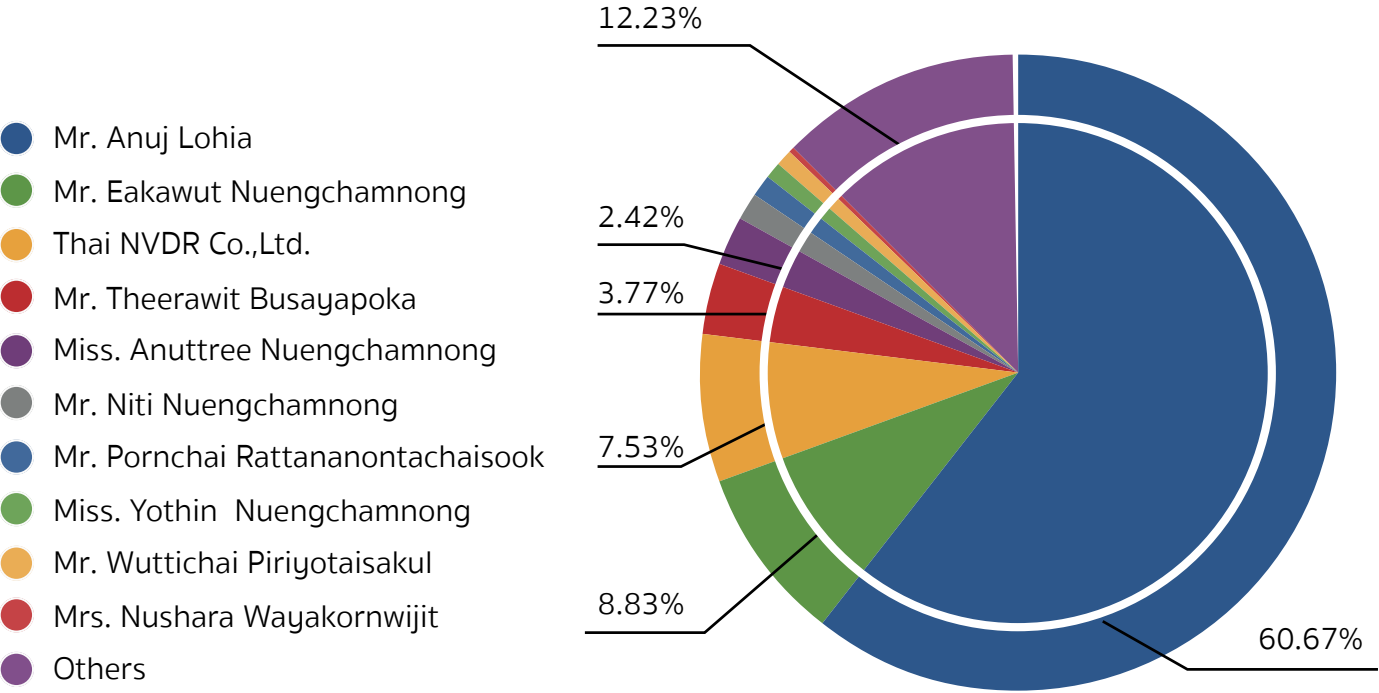
### Dividend Policy

Not less than 50 percent of net profit after corporate income tax and appropriation to legal reserve. However, the board of directors may consider to adjust the dividend payment depending on liquidity requirement, cash flow requirement for expansion and investment and other requirement in the future.

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

For Year	Dividend / Share / Year
2017*	0.10
2016	0.21
2015	0.25

\*The company had paid interim dividend from profit during 6 month Jan 2017 – Jun 2017 (During the past 3 years, we haven't paid ordinary share as a stock dividend)



# 8.

## Awards and recognition



Win Chance Foods

Ministry of Industry

**Star Quality  
Diamond Award**

**Green  
Industry**

## 9.

## Strategy and Overview business operation

### Strategy

To reiterate the words of Michael Porter (Harvard strategy professor),

## “Sound strategy starts with having the right goal”.

Below are 4 key goals we are currently working towards:

1. Broaden our manufacturing footprint (Thailand & ASEAN a primary focus)
2. Demographics are positive and we believe in our growth story.
3. Packaging company fragmentation is high, exciting opportunities to consolidate inorganically exist. We are committed towards value accretive M&A.
4. Further develop our brand as the leader in rigid plastic packaging

For the markets that we are present in we want to be the leader.

We will stay focused on rigid plastics, avoiding other forms of packaging.

Our specialised R&D platform will be invested towards ensuring best in class lead times and packaging solutions.

Further diversify our customer base

TPAC today is uniquely set up to work across a multitude of corporate types.

Be it a multinational corporation or a domestic small enterprise, we have for decades provided packaging solutions across all.

We aim to build on this unique experience and further diversify our customer and revenue base.

Develop our Investor Relations platform

We are pleased to announce that 2017 saw TPAC make progress in the areas of governance.

The progress we made in 2017 is just the start of our investor relations activities. In the coming years we expect to bring on board fully dedicated passionate IR professionals to help us interact more effectively with our stakeholders.

# 10.

## Nature of Business

Thai Plaspac is Thailand's leading rigid plastic packaging solutions company with a proud 34 years track record in partnership with the world's 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 specialists 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.

#### 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-gallons bottles.

Yoghurt packaging 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.

#### Food condiments

Comprise packaging solutions for ketchup, chilli, oyster and other food condiments.

Products include squeeze 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 effects of oxidation 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.

### Edibles

Our edibles business mainly of customized containers for food products.

These can include chewing gums, honey products, garlic flakes and many more.

### 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 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.

### 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 segment 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:**

<b>Income</b>	<b>2016 Million Baht</b>	<b>%</b>	<b>2017 Million Baht</b>	<b>%</b>
Local Income	1,382	90%	1,418	89%
Export Income	142	9%	166	10%
Total Income	1,524	99%	1,584	99%
Other Income	10	1%	13	1%
Grand Total	1,534	100%	1,597	100%

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

**Income by Segment:**

<b>Segment</b>	<b>2016 Million Baht</b>	<b>%</b>	<b>2017 Million Baht</b>	<b>%</b>
Food & Beverage	787	51%	795	50%
Pharmaceutical & Personal care	448	29%	451	28%
Homecare	256	17%	309	19%
Precision Tools	33	2%	29	2%
Total	1,524	99%	1,584	99%
Other Income	10	1%	13	1%
Grand Total	1,534	100%	1,597	100%

# 11.

## Management Discussion and Analysis for Q4/2017 and Year Ending 31 December 2017

### Profit and Loss

THB Million	Q4'17	Q4'16	%Δ from Q4'16	2017	2016	% Δ
Sales	379.7	385.8	-1.6%	1,584.1	1,523.8	4.0%
Cost of sales	313.2	312.4	0.2%	1,308.2	1,266.3	3.3%
Gross Profit	66.5	73.4	-9.3%	275.9	257.5	7.2%
Gross Profit Margin %	17.5%	19.0%	-1.5%	17.4%	16.9%	0.5%
SG&A	47.2	37.4	26.0%	163.0	139.5	16.8%
Other income	4.1	2.9	42.4%	13.2	10.4	27.3%
EBITDA	56.8	71.2	-20.2%	258.7	257.1	0.6%
Core EBITDA	64.9	71.2	-8.8%	266.8	257.1	3.8%
Core EBITDA Margin %	17.1%	18.5%	-1.4%	16.8%	16.9%	-0.0%
Depreciation and amortization	33.3	32.4	2.9%	132.5	128.8	2.9%
EBIT	23.5	38.8	-39.5%	126.2	128.3	-1.7%
Core EBIT	31.6	38.8	-18.7%	134.3	128.3	4.6%
Core EBIT Margin %	8.3%	10.1%	-1.7%	8.5%	8.4%	0.1%
Interest expense	0.0	0.1	-98.2%	0.2	2.0	-88.5%
Profit Before Tax	23.5	38.8	-39.4%	125.9	126.3	-0.3%
Income tax expense	2.6	4.2	-37.4%	18.5	21.4	-13.4%
Net Profit	20.9	34.5	-39.6%	107.4	104.9	2.4%
Core Net Profit	27.3	34.5	-20.8%	113.9	104.9	8.5%
Core Net Profit Margin %	7.2%	9.0%	-1.8%	7.2%	6.9%	0.3%

Note: SG&A is selling, general and administrative expense. EBIT is earnings before interest and tax. EBITDA is earning before interest, tax, depreciation and amortization.

- TPAC FY 2017 Core Net Profit achieved Baht 114m, an increase of 9% compared to FY 2016.
- Core Net Profit Margin also improved widening by a further 0.3% to achieve a margin of 7.2% in 2017.
- Concept of 'core' introduced to exclude 1-off (non-recurring) expenses specifically related to the Q4'17 announced acquisition of Sunrise Containers in India (acquisition of Sunrise Containers India expected to close ~June 2018).

Non-Recurring Expenses (THB Million)	Q4'17	2017	2016
Sunrise Containers M&A Related Expenses	8.1	8.1	0.0
Total	8.1	8.1	0.0

- In Q4'17, due diligence and transaction fee expenses totalling Baht 8.1m relating to the acquisition of Sunrise Containers were booked.
- In terms of Q4'17 financial performance, this quarter was a slower quarter compared to Q4'16 and Q3'17 primarily attributable to following factor:
- Decreased raw material spread (selling price – raw material) due to a sharp increase across all our major underlying raw materials (PP, HDPE, PET) experienced during Q4'17. Polyolefin prices generally follow the same trend as crude oil and therefore the rise in crude oil as experienced in Q4'17 resulted in an increase in our underlying raw materials. As is typical in our industry, raw material price variations are passed through to our customers but this typically takes 1 quarter time period before such fluctuations can be passed through. Therefore, the increase in raw material prices resulted in a much reduced spread in Q4'17 compared to both Q3'17 and Q4'16.
- Overall for the year 2017, TPAC retained our Core EBITDA margin of 17%.
- Supporting this were operational excellence measures in the areas of energy efficiency which brought reward as we achieved another consecutive year in reducing our energy (kwh) per kilogram of resin converted, to ease inflationary cost pressures. Energy efficiency measures have arisen from our production increasingly working with larger machinery and larger mould systems (higher cavitation) and of course making the right decisions when choosing technological platforms.
- Furthermore, the growing introduction of customized automation systems on our shop floor has also helped ease manpower inflationary pressures but also very importantly, these automation systems have ensured our product quality and consistency are of the highest world class standards as required by our best in class consumer customer base.
- This has helped TPAC make further inroads into serving the food and personal care segments in 2017.
- 2017 also saw TPAC complete a majority of all compliance measures related to a food safety certification (FSSC 22000) which further strengthened our commitment to our customers to be Thailand's best in class rigid plastic consumer packaging company.

## Balance Sheet

- TPAC ends the 2017 year debt free and with a strong positive cash balance of Baht 106m.

THB Million	As at 31 Dec'17	As at 31 Dec'16	% Δ
Cash and cash equivalents	105.6	6.0	1668.7%
Trade and other receivables	411.1	392.9	4.6%
Inventories	114.4	113.1	1.1%
Other current assets	29.3	33.4	-12.1%
Total current assets	660.4	545.4	21.1%
Property, plant and equipment	547.1	569.8	-4.0%

THB Million	As at 31 Dec'17	As at 31 Dec'16	% Δ
Advance for purchase of molds	7.2	80.4	-91.1%
Other assets	58.7	66.1	-11.2%
Total assets	1,273.4	1,261.6	0.9%
Short term loans	0.0	55.0	-100%
Trade and other payables	180.1	166.9	8.0%
Other current liabilities	7.5	10.7	-29.7%
Total current liabilities	187.6	232.6	-19.3%
Non-current portion of loans	0.0	0.0	0.0%
Other liabilities	21.2	18.6	13.9%
Total liabilities	208.8	251.2	-16.9%
Issued and paid-up capital	253.8	253.8	0.0%
Retained earnings	482.3	428.2	12.6%
Other reserves	328.4	328.4	-0.0%
<b>Total shareholders' equity</b>	<b>1,064.5</b>	<b>1,010.4</b>	<b>5.4%</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,273.4</b>	<b>1,261.6</b>	<b>0.9%</b>

## Cash Flow

### THB Million

Cash and Cash Equivalents - Beginning period Balance	6.0
Profit Before Tax	125.9
Adjustment : Depreciation and Amortisation	132.5
Adjustment : Other adjustments	4.1
Profit from operating activities before changes to working capital	262.5
Net changes to working capital	-11.0
Cash flows from Operating Activities	251.5
Cash received from corporate income tax	48.0
Cash paid for corporate income tax	-42.9
Net Cash Flows from Operating Activities	256.6
Acquisition of Fixed Assets	-56.6
Proceeds from equipments sales	7.9
Interest Received	0.3
Net Cash Flow used in Investing Activities	-48.4
Dividend Paid Out	-53.3
Decrease in short-term bank loans	-55.0

**THB Million**

Interest Expense	-0.2
Net Cash Flow from Financing Activities	-108.6
Decrease in exchange differences on translation of financial statements in foreign currency	-0.0

<b>Change in Cash and Cash Equivalents</b>	<b>99.6</b>
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<b>Cash and Cash equivalents - Closing Period Balance</b>	<b>105.6</b>
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- TPAC received a withholding tax refund of Baht 48m in 2017.
- Capex cash outflows equalled Baht 57m primarily for acquisition of new injection moulding machinery and moulds.
- In May 2017, TPAC paid out a final dividend of 11 satang per share for the period relating to the second half of 2016.
- In September 2017, TPAC paid out an interim dividend of 10 satang per share for the period relating to the first half of 2017.

**Financial Ratios**

<b>Liquidity Ratio</b>	<b>31 Dec'17</b>	<b>31 Dec'16</b>
Current Ratio	3.5	2.3
<b>Leverage Ratio</b>	<b>31 Dec'17</b>	<b>31 Dec'16</b>
Net Debt / Equity	-0.1*	0.0
<b>Financial Efficiency Ratios</b>	<b>31 Dec'17</b>	<b>31 Dec'16</b>
Core Return on Capital Employed	12.6%	12.0%

\* (cash and cash equivalents are higher than debts)

**In summary 2017 highlights as follows:**

- TPAC announced our first ever M&A activity (Sunrise Containers, India) that upon closing later in 2018 is expected to double our EBITDA.
- For the first time ever we achieved a 4 stars Corporate Governance rating 2017, our second consecutive year on year upgrade. In 2016 we had achieved a 3 stars CG rating also for the first time.
- TPAC ended the year a debt free company with a strong liquidity position. Core EBITDA margin maintained at ~17%, ROCE slightly improved at 12.6%, organic core Net Profit growth 8.5%.



Kevin Kumar Sharma  
Chairman



# 12.

## Risk Factor & Internal control

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 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 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, Competition & Marketing Risk

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. 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. Our research and development team are actively innovating and our sales and marketing team are always listening closely to our customers to ensure our packaging solutions are environmentally, aesthetically and functionally robust.

### 3. Business Operation Risk

Operational risk is the prospect of loss resulting from inadequate or failed procedures, systems or policies. This includes Employee errors and System failures.

TPAC is in operation for 34 years and is also ISO 9000 Certified. It has built adequate procedures and systems in place and continuously improving procedures and systems through regular customer Audits and also Internal audits to minimize employee errors and system failures.

### 4. Security of property risk

Property risk refers to risk events that specifically impact an organization's facilities and other physical infrastructure. Risk events such as fires, adverse weather conditions, fall into the category of property risk. In addition to damaging and destroying physical property, property risk events also have the potential to create stoppages in business operations and material financial losses.

TPAC has taken adequate insurance under all risk insurance cover to protect the property and business interruption (for 12 Months) resulting from damage to property. In addition to this we have taken adequate coverage for Goods in Transit & Vehicle policy.

## 5. Overstocking of inventory risk

TPAC has a large number of customers and product SKUs numbering in the thousands and increasing. Inventory control, warehousing and logistics (supply chain management) are 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 6,000 square meter new distribution warehouse.

## 6. Foreign exchange financial 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 utilize FX forward contract as a hedging tool to manage this risk

## 7. Investment Projects (Organic) risk

Management may invest in machinery and ancillary equipment expecting certain utilization rates but in actuality the project runs at significantly lower utilization rates due to off take from our customer.

Investment Projects and capex proposals at TPAC are critically evaluated for the payback and ROI (return on investment) with a corresponding SWOT analysis.

Furthermore, management will endeavor to enter into minimum off take contractual arrangements with our customers in cases where TPAC is making machinery investments specifically to cater for customers' project.

## 8. Corruption risk

All organizations are exposed to corruption risks. These risks can exist at all levels of an organization, in relation to all functions and activities, and can potentially involve any internal or external stakeholder.

If corruption does occur, the short and long-term consequences for the organization include:

- loss of reputation
- loss of public confidence
- direct financial loss
- Adverse effects on other staff and the morale of the organization in general.
- TPAC has a proactive risk management approach to corruption prevention as under:
- Creating an open channel in TPAC website –Stake holder can directly contract to Head of Compliance (whistle Blowing Policy)
- Policy to protect person who notices and gives data & information on corruption.
- Provide in house training on the Anti-Corruption training course and updating for the knowledge.

## 9. Internal Control

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 2017. 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.

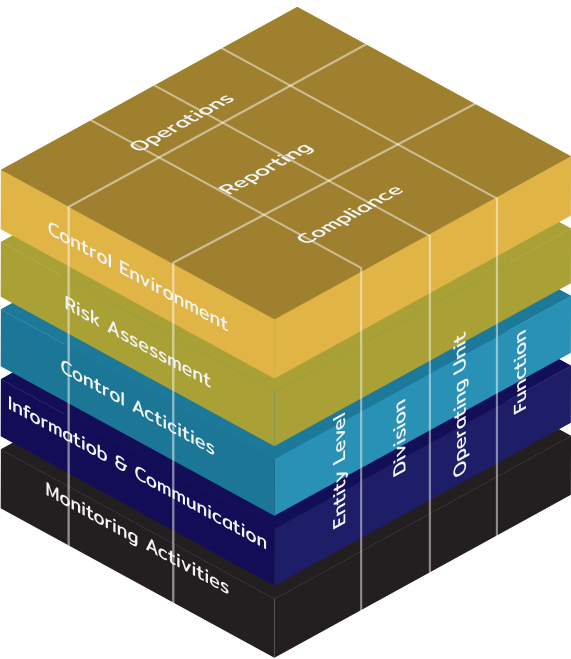
**10. Merger & Acquisition (Inorganic growth) risk**

Thai Plaspac growth strategy involves pursuing mergers & acquisitions (M&A).

The process of M&A has inherent risks as the acquirer may not be fully aware or misjudge the risks attached to a targets business. Furthermore, as such acquisitions are likely to involve debt to fund the purchase, an unexpected decrease in the operational cash flows may result in financing covenants being breached.

In order to mitigate the risks attached to M&A, management spends significant time and resources (both internal and via the engagement of professional third parties such as environmental, legal & financial consultants) to carry out comprehensive due diligence on potential acquisition targets typically for a period of many months prior to finalizing transaction terms.

Furthermore, acquisition target are typically businesses that are similar in nature to Thai Plaspac’s currently existing business i.e. plastic packaging solutions. Essentially, we look to acquire businesses where we already have decades of experience in understanding the supporting technology and industry dynamics of the business.



Internal Control Framework

# 13.

## Connected Transactions

### Policy and Procedure

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.

**Details of relationship of the Company to related party are as follow**

Name	Nature of relationship
Modernform Group Pcl.	Shareholder and directors related to company's management
	Major shareholder
Mr.Anuj Lohia	
Indorama Polymer PCL.,	Shareholder and directors related to company's management
Indorama Venture Polymer (Rayong) PCL.	
Related person	Directors, executives and related person to directors and executives

For the year 2017, 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;

**Indorama Polymer PCL.**

Major shareholder and director was related to the Company's management after 12 Oct,2015

		2015	2016	2017	Purchasing Order done by	Normal business
1	Raw material PET				normal practice process,	practice. reasonable
	- Purchase product	0.1	33.6	100.8	traditional condition at	price and normal
	- Account Payable	0.0	20.2	19.3	market price	process purchasing,
	Total Sales amount	1,596	1,534	1,597		consistent report to
	% purchase to sales	0.00%	2.19%	6.31%		Audit Committee
						quarterly

**Indorama Venture Polymer (Rayong) PCL.**

Major shareholder and director was related to the Company's management after 12 Oct,2015

No.	Description	Connected Transaction Amount (Million Bht.)			Reason / Remark	Audit committee comment
		2015	2016	2017	Purchasing Order done by	Normal of business
1	Raw material PET				normal practice process,	practice, reasonable
	- Purchase product	0.1	29.5	0.0	traditional condition at	price and normal
	- Account Payable	0.1	0.0	0.0	market price	process purchasing,
	Total Sales amount	1,596	1,534	1,597		consistent report to
	% purchase to sales	0.00%	1.92%	0.00%		Audit Committee
						quarterly

**Modernform Group**

Major shareholder and director was related to the Company's management before 12 Oct,2015

No.	Description	Connected Transaction Amount (Million Bht.)			Reason / Remark	Audit committee comment
		2015	2016	2017		
1	Goods and Service				Purchasing Order done	Normal business
	- Sales Product	0.8	0.6	1.1	by normal practice	practice. reasonable
	- Purchase Product	2	0.3	0.2	process, traditional	price and normal
	- Consultant Fee	0.9	0	0	condition at market	process purchasing,
	- Service	0.3	0	0	price and as Contract	consistent report to
					rate	Audit Committee
						quarterly
	- Rental	0.7	1	1	As Contract Rate	
	- Account Payable	0	0	0		
	Total Sales Amount	1,596	1,534	1,597		
	% Purchase to Sales	0.12%	0.02%	0.01%		

### Connected transaction

Future 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.



# 14.

## Corporate Governance

### Sustainability management

Company's sustainability means growing of company together with stakeholders which consists of customers, suppliers, shareholders, employees, social and environment. We need to emphasize not only to the customers but also employees, who are the key for driving the organization. Also focusing on the supply chain from receiving the raw material until the safe delivery and quality products to customers. All of these will lead to the sustained growth of the organization.

### 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 second edition was approved from the board of directors meeting 6/2016 as of December 15, 2016.

TPAC also recognizes the importance of good corporate governance and cultivate the awareness in the organization. Previously TPAC had only one subcommittee, audit committee.

In this year 2016, TPAC appointed 3 more subcommittees; risk management committee, nomination and remuneration committee and corporate governance committee. All subcommittees need to review the relevant charter of subcommittees. The Corporate Governance committee observes the functioning of subcommittee. In order to regularly review and report to board of director.

Moreover, company also assigns to all committees and subcommittees to have self-assessment evaluation both individual basis and as a whole in every year and report to the board of director in order to disclose in annual report and following to the corporate governance policy

The performance of the committee and sub-committee are under the framework of charter and ethics of subcommittee disclosed on [www.thaiplaspac.com](http://www.thaiplaspac.com) (about us > Corporate Governance). The company has set a policy that covers all five categories as follow:

1. Rights of shareholders
2. Equal treatment of shareholders
3. Role of stakeholders
4. Disclosure and transparency
5. Responsibility of the 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 2017, the Company had held an annual general meeting of shareholders no. 1/2017 on 20 April 2017 at 15:00 – 17:00 hrs. at The Boardroom 3, Queen Sirikit National Convention Center, 60 New Rachadapisek Road, Klongtoey, Bangkok 10110. The Company through the share registrar, Thailand Securities Depository, had send notice of shareholder's AGM and the annual report to all its shareholders 15 days prior to the meeting on April 5, 2017. 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 1/2017 on the company website ([www.thaiplaspac.com](http://www.thaiplaspac.com)) on March 20, 2017 to provide shareholders sufficient time to read all the information.

On the day of shareholders meeting the registration of shareholders was opened one hour in advance 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](http://www.set.or.th)) and the Company ([www.thaiplaspac.com](http://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

1. The Company can file a petition on the court and claim such damages. Does not result in damage to the Company
2. 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](http://www.set.or.th), and the company's website, [www.thaiplaspac.com](http://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 2017 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 2017 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 efficiency of internal control included five section in each year and also the Audit Committee have to completely evaluate efficiency of 2017 internal control result and disclose on the section of "Internal Control"

#### **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

### Whistle Blowing Policy

All stakeholders can inform the illegal action to the head of compliance via company website ([www.thaiplaspac.com](http://www.thaiplaspac.com)) or company address by post. The Company will keep the information confidential to protect the rights of stakeholders.

## Self-Assessment Report for 2017

Evaluation Criteria

Committee	Self-Assessment	
	As a whole	Individual basis
Board Of Director	94.16%	99.43%
Audit Committee	96.76%	99.24%
Risk Management Committee	97.22%	100.00%
Corporate Governance Committee	94.00%	98.48%
Nomination and remuneration committee	94.47%	99.54%

More Than 85% Excellent   More Than 75% Very Good   More Than 65% Good   More Than 50% Fail   Less Than 50% unsatisfied

## 2017 CEO Evaluation

Evaluation Score	
<b>Section 1: Status of Achievements</b>	
List the firm's key goals and the extent to which each have been achieved.	
1. Grow by expanding business organically	Good
2. Grow by expanding business inorganically	Excellent
<b>Section 2: Performance Measures (10 Topics)</b>	94.18%

More Than 85% Excellent   More Than 75% Very Good   More Than 65% Good   More Than 50% Fail   Less Than 50% unsatisfied

# 15.

## Social Responsibility and Sustainability

**Social Responsibility** 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.

### Sustainability Project (Sustainability CSR – for employees and society for Year 2017)

Project's Name	Project's Detail	Budget (Baht)	Actual (Baht)
<b>Welfare project for employees</b>			
	<b>Project Detail</b>	228,000	238,000
1. The scholarships for company employees' descendant. To support the educations for employees' descendant.	Primary School 3,000 Baht Secondary School 3,000 Baht High School or equivalent 5,000 Baht Undergraduate Degree 10,000 Baht		
<b>The criteria for selection</b>			
<ul style="list-style-type: none"> <li>• More than 5 years employment in company.</li> <li>• Have a good 3 years history for working performance.</li> <li>• Do not have any misconduct in both career and person.</li> <li>• Scholarship for each family.</li> </ul>			
2. Healthy and safety festival	<b>Activity</b>	50,000	49,985
<ul style="list-style-type: none"> <li>• The purpose is to promote characteristic workable :- safety, hygiene, creativity, environmental care, product quality.</li> </ul>	Exhibitions present about safety knowledge, quality systems, promote creativity.		

Project's Name	Project's Detail	Budget (Baht)	Actual (Baht)
3. Run for health project <ul style="list-style-type: none"> <li>To support the harmony and teamwork of employees.</li> <li>To support the health of employees in both body and mind.</li> </ul>	Depending on occasion and the company also support charter bus / drinking water.	-	
<b>The project for society</b>			
1. To support the school children day activity To emphasize for children and young adults	<b>Project Detail</b> Offering the scholarship to school.	19,000	19,000
	Offering the scholarship to young adult and societies.	24,000	21,000
2. CSR Charity And Anti-Corruption Project To assist for the disadvantaged young adults. To provide knowledge about the risk of corruption.	Ban Jun Day school Kranchanaburi province	100,000	95,700
Total ( For year 2017)		421,000	423,684

### The society and community development

Every year our company always arranges volunteers team to join CSR activity with SNP Shipping. TPAC arranged this

project in order to be a part of social assistance. The project focuses on assisting in developing community and providing opportunity for disadvantaged children and also prevent the future social corruption

During year 2017 TPAC has continuously done various sustainability CSR projects. TPAC strongly recognizes about the emphasis of society and community and provided 2 projects. Our company arranges our team to join CSR activity with SNP Shipping. In this year we provided 2 project, Charity and Anti-Corruption project. TPAC arranged this project in order to be a part of social assistance. The project focuses on assisting in developing community. In order to provide an opportunity for disadvantaged children and also prevent the future social corruption.

On 27 May 2017, TPAC and SNP Shipping went to Tako-Pidtong Border Patrol Police Schools, Suan Phueng District, Ratchaburi . The budget of this project was 130,000 Baht as following activates:

We provided 10 scholarships, each one is 3,000 Baht and total was 30,000 Baht, for students who have a good behavior, diligent and social responsibility.

### Summary of the Scholarships and Donation expense for year 2017

10 students get Scholarships	30,000 Baht
Launch meal	6,000 Baht
100 chickens breed	15,000 Baht

Sport Equipment ( 3 Volleyballs and 3 Footballs)	2,544 Baht
4 sacks of rice	2,880 Baht
220 sets of stationary	10,022 Baht
AJ Amplifier	9,362 Baht
School Backpack	1,9891 Baht
Total amount	95,699 Baht

Our teams made a story and action show about reflect of the benefits and penalties of corruption. The show express that the conclusion of the fact will be appear at the end. Social have to know who is good or pour people.

Moreover, TPAC also provides the occupational health and safety care service by starting from organization and all levels of staff in order to encourage the skill for both annual internal training and external training. The company also focuses on employees by reaching to the Thai labor standard system and ISO system, and also customer security system, from production process until supply chain system, following by the GMP system. Even establish the reducing the loss of production process to be developing the working ability and creative idea for working process of employees through KAIZEN project.

These projects have been formed as a form of committees that conduct activities in a formal manner. These are small start-ups within the organization, which TPAC represents as a part of the sustainability of Thai listed companies. And these can be benefit to stakeholders. The value added of these little things. It can be shared directly with the community, shareholders, and stakeholders.

These are the company's strategies that make the company sustainability. We can create new innovations based on the capabilities of the involved people. Therefore, Company's has set up every process thru the corporate strategy to be creating commercial value at the end. Definitely, the value will be direct toward the benefit of stakeholders in a business long run.

## Environment Protection Project

### Purpose :

1. To reduce global warming.
2. To reduce waste.
3. To reduce material & energy consumption.

## Project 1) Packaging Recycle Usage

Description	Qty. Usage (Carton.)/Month	Price / Ctn.	Amount (Bht.)
Packaging Recycle – Paper Boxes	400,000	25.-	10,000,000.

**Reduce material resource consumption for the amount 10,000,000.- Bht.**

Description	Qty. Usage (Carton.)/Month	Weight(Gram)/ Ctn.	Qty.(Tons)
Packaging Recycle – Paper Boxes	400,000.	800	320

**Total reducing wastes 320 Tons/Month**

## Project 2) Energy conservation plan for electrical

Safety Energy Plan 2017

No.	Measurement	Objective	Period		Investment (Bht.)
			Beginning	Ending	
			Month/Yr.	Month/ Yr	
1	Remove of 3 set of the old machine from hydrolic to be full electric machine	reducing machine working hr.	Nov.16	Jan.17	8,700,803
2	Hold of the 3 set insulations on Barrel of Injection machine	Reducing heater working hr.	Nov.16	Jan.17	40,500
3	Remove 1 set of the Air Cool system of Chiller to be water cool	reducing cooling machine hr.	Oct.16	Jan.17	1,934,546
4	Remove light from T8-36 W to be LED 20 W (Plant TPAC2) 253 set.	reducing electricity hr.	Mar.17	Apr.17	74,635

## Comparison between before and after

Analysis report of the practical standard for Safe Energy Project 2017											
Practical standard of Electricity											
Operation period		Status	Investment plan		Safety result of electricity						
					Target			Actual			
Plan	Actual		Plan (Bht.)	Actual (Bht.)	Electricity			Electricity			
					KW.	Kw.(hrs) / Yr.	Bht./Yr	KW.	Kw.(hrs) / Yr.	Bht./Yr	
1 Change injection machine from hydrolic system to be auto electric											
Nov. 16 - Jan. 17	Nov. 16 - Jan. 17	Done	8,500,000	8,344,905	45.00	359,629	1,258,702	43.74	349,560	1,223,460	
2 Hold of the 3 set insulations on Barrel of Injection machine											
Nov. 16 - Jan. 17	Nov. 16 - Jan. 17	done	45,000	40,500	1.80	11,664	40,824	1.53	9,915	34,703	
3 Remove 1 set of the Air Cool system of Chiller to be water cool											
Oct. 16 - Jan. 17	Oct. 16 - Jan. 17	done	2,000,000	2,191,017	20.00	172,800	597,888	17.80	154,061	533,050	
4 Remove light from T8-36 W to be LED 20 W (Plant TPAC2) 253 set.											
Jan.17 - Jun.17	Mar.17 - Apr.17	done	80,000	74,635	6.50	15,600	54,600	6.60	15,787	55,255	
	Total		10,625,000	10,651,057		559,693	1,952,014		529,323	1,846,468	

## Innovation

Machine innovation – we are using Robot on process to replace labor.

### 1) Robotic Arm with Photo Camera Detector.

Usage: 1. Used at the injection molding process for Yoghurt Cup products.

2. Robot will remove a piece of product from the mold after injection molding, all product will be run through the camera detector and arranged in a stack to the staff to put into the box.

Benefits: 1. Reduce the use of labors -- as the same quantity of the product produced, we can reduce labor cost from 5 workers/shift to 2 workers / shift.

2. Reduce customer complaints -- we can ensure that 100% quality inspection can be done by “Photo Camera Detector” process

## 2) Automatically Flip-Top Cap Closing Robot for chewy gum container product.

### Usage:

1. Use plastic injection molding for chewy gum container
2. The robot will remove a piece of product from the mold after injection molding process is completed. And also they will close and confirm lid closing automatically. Then put products on the conveyor for the staff to put into the boxes.

### Benefits:

1. Reduce the use of labors -- at the same quantity of the product produced, we can reduce labor cost from 10 workers/ shift to 5 workers / shift.
2. Reduce customer complaints -- we can ensure that 100% quality inspection for Cap closure can done by “Automatically Flip-Top Cap Closing Robot” process

While in the same time, we can solve a lack of labor worker’s problems and also increasing productivities and efficiencies.

## The statistics in of accident in 2017

	TPAC1	TPAC2	TPAC3
Target (Hrs)	969,600	1,543,200	600,000
Target (Date)	1200 Days	300 วัน	500 Days
Best Historical (Hrs.)	866,984	1,157,400	517,968
Current Statistic (Hrs.)	22,624	214,512	596,752
Recording date (Days)	29 Days	43 Days	445 Days

### The Budget for safety, health and working environment plan for year 2017 (Thai Plaspac Public Company Limited)

No	Result	Result	Times	Budget	actual	Responsible Person
1	Security senior officer	P	2 / year	30,000	97,425	SC
2	First Aid	P	1 / year	15,000	11,332	SC
3	Working safety (Spin Machine)	P	1 / year	50,000	46,974	SO. P
4	Working safety (Forklift Car)	P	2 / year	15,000	2,495	SO. P
5	Fire drill training	P	1 / year	16,000	16,000	SO. P
6	Fire alarm examination	P	1 / year	50,000	50,000	SO. P
7	Fire pump examination	P	1 / year	35,000	20,000	SO. P
8	Fire pump maintenance	P	1 / year	28,000	13,500	SO. P
9	Working environment examination (Light sound heat)	P	1 / year	25,000	33,000	SO. P
10	Quality of drinking water	P	1 / year	28,000	12,450	SO. P
11	Structure of TPAC 2 building	P	1 / year	40,000	35,500	SO. P
12	Annually examine for electricity system	P	1 / year	20,000	7,500	SO. P
13	Annually examine for lightning rod	P	1 / year	25,000	22,000	SO. P
14	examination 4 petroleum gas used forklift cars	P	1 / year	8,000	6,000	SO. P
15	Spin Machine examination	P	4 / year	92,000	129,460	SO. P
16	The meeting of security committee and reporting the minutes of meeting.	P	At least 1 / year	7,800	7,500	SO. P
17	Fireman external training		2 / year	50,000	93,500	SO. P
18	Purchase more fire equipment	P	1 / year	100,000	44,350	SO. P
19	Project and safety policy label	P	1 times / month	12,000	95,023	SO. P
20	Safety week	P	1 times / yr.	10,000	49,985	SO. P
P = done / SOP = Safety Officer at Professional Level / SC = Safety Committee				656,800	793,994	

## Employee training statistics

Course Name	Quarter 1		Quarter 2		Quarter 3		Quarter 4		Year 2017	
	Day	Hour	Day	Hour	Day	Hour	Day	Hour	Day	Hour
Training Safety										
5S - Kaizen System	2	9	-	-	-	-	-	-		
Energy Management System	0.5	4	2	12	-	-	2	12		
Zero Defect System	1	6	-	-	-	-	-	-		
Safety System	1	6	5	50	16	96	9	58	45	293
Food Safety System	-	-	5	30	1	6	-	-		
Thai Labor-Standard System	0.5	4	-	-	-	-	-	-		
Total	5	29	12	92	17	102	11	70		
Enchance Skills										
Executives	6	36	-	-	3	22	3.5	22		
Manager / Supervisor	2.5	16	5.5	34	3.5	26	4	26	45	292
Staff	2	12	6	38	5.5	36	3.5	24		
Total	10.5	64	11.5	72	12	84	11	72		
Others training										
Compulsory	1	6	1	6	-	-	3	18	5	30
Total	1	6	1	6	-	-	3	18		
Sub total	16.5	99	24.5	170	29	186	25	160	95	615



## Employee's Training Course 2017

Code	Program	Institution	In-house	Public	Level	Times	Hours	Done
<b>01 5S-Kaizen System</b>								
0101	External Seminar Project “Quality System 5S-Kaizen” and Walk Rally	Chulachomklao Royal Military Academy at Nakhornnayok	P		1-5	56	9	P
<b>04 Energy Management System</b>								
0401	Business Development Project and Stimulate the Energy Conservation Market by Energy Management Agency (ESCO)	The Institute of Industrial Energy, the Federation of Thai Insudtries		P	5	1	4	P
0402	Techniques to Reduce Electricity Consumption in Industry with the use of Statistical Data	The Institute of Industrial Energy, the Federation of Thai Insudtries		P	4-5	3	6	P
0403	Project of Development and Promote the Transportation Management Program to Save Energy	The Federation of Thai Insudtries		P	5-Executive	2	6	P
0404	Techniques to reduce the power of the compressed air system	The Energy Conservation Center of Thailand		P	5	2	6	P
0405	Management loading of compressed air	The Energy Conservation Center of Thailand		P	5	2	6	P
<b>05 Zero Defect System</b>								
0501	2017 ZD Development Program Kick Off(25 Feb 2017)	Zero Defect Committee	P		2-5	36	6	P
<b>06 Safety System</b>								
0601	Driving a Forklift of Electric pallet truck “ Generation1/2017 (28 Feb 2017)	Mr.Samak Krasaethep	P		1-3	11	6	P
0602	First Aid and Basic Life Support: Generation 1	Ms.Natnicha Thonguam	P		1-4	20	6	P

Code Program	Program	Institution	In-house	Public	Level	Times	Hours	Done
0603	Commander of Overhead Cranes and Crane Type with Other Types , Signal Man to the Crane Operator, Crane Rigger , Crane Supervisor	Safety and Health at Work Promotion Association (Thailand)	P		3-5	8	18	P
0604	Advanced Fire Fighting	Volunteer Relief Association of Thailand		P	1-2	5	26	P
0605	Overhead Crane, High Crane and Crane Type with Other Types.	Mr.Samak Krasaethep	P		1-3	8	12	P
0606	Meeting of Explain the Driving Administration and Management for Safety, Occupational Health and Working Environment in the Workplace.	Office of Labour Protection and Welfare Area 2		P	Executive	1	6	P
0607	Overhead Crane, High Crane and Crane Type with Other Safety Types.	Mr.Samak Krasaethep	P		1-4	18	12	P
0608	Overhead Crane, High Crane and Crane Type with Other Safety Types.	Mr.Samak Krasaethep	P		1-4	15	12	P
0609	Overhead Crane, High Crane and Crane Type with Other Safety Types.	Mr.Samak Krasaethep	P		1-4	17	12	P
0610	Safety Officer Management level	Mr.Arundej Marat	P		5- Executive	25	12	P
0611	Safety Officer, Supervisorory Level 1	Mr.Arundej Marat	P		2- Executive	30	12	P
0612	Safety Officer, Supervisorory Level 2	Mr.Sirimongkol Kraisuk	P		2- Executive	28	12	P
0613	Driving Forklift with Properly and Safely	Mr.Samak Krasaethep	P		1-5	9	6	P
0614	Overhead Crane, High Crane and Crane Type with Other Safety Types.	Mr.Samak Krasaethep	P		1-4	5	12	P
0615	Overhead Crane, High Crane and Crane Type with Other Safety Types.	Mr.Samak Krasaethep	P		1-4	8	12	P

Code Program	Program	Institution	In-house	Public	Level	Times	Hours	Done
0616	Advanced Fire Fighting (606)	Volunteer Relief Association of Thailand		P	1-3	5	26	P
0617	Fire Fighting and Evacuation Fire Drill Project of Year 2017 (2 Rounds / 4 Hours)	Security Guard	P		1-Executive	788	8	P

#### 07 Thai Labor-Standard System

0701	Discussion Forum of How to get staff's satisfaction in Welfare Management	Human Resource Management Club of Bangkhunthien		P	3-4	2	4	P
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#### 08 Training Needs

0801	Technique to prevent mistake by Poka Yoke generation 1	Asia Training Center Co.,Ltd.	P		1-4	32	6	P
0802	Technique to prevent mistake by Poka Yoke generation 2	Asia Training Center Co.,Ltd.	P		1-5	44	6	P

#### 09 External Training

0901	PLANT DIRECTOR generation 2 (17 Feb - 24 Mar 2017)	Technology Promotion Association (Thailand- Japan)		P	Executive	1	36	P
0902	Make a list and documents according to standard financial report and tax rules in order to calculate the net income in the correct format as P.N.D. 50 of Year 2016 which should be submit tax return in May 2017. (13 Mar 2017)	Revenue Department		P	5-Executive	2	6	P
0903	Update recently Financial Statement Format and problem in accounting 1/2 Days , Not submit (7 July 2017)	The Dharmniti PCL.		P	3-Executive	3	4	P
0904	Update Auditing standards Year 2017-2018 and Newly Lessons from the report of the auditor (24 July 2017)	Department of Business Development		P	Executive	1	6	P

Code Program	Program	Institution	In-house	Public	Level	Times	Hours	Done
0905	MD&A Best Practice -Learn From The Pros	The Securities Exchange of Thailand		P	Executive	2	4	P
0906	Cross-Border Mergers and Acquisitions	TMB Bank Public Company Limited		P	Executive	2	4	P
0907	Turn up the business, Conquest of the mission 4.0	IRPC		P	4-5	2	4	P
0908	Technical analysis of investment projects and Risk Management Strategy for create sustainable value to the business	The Securities Exchange of Thailand		P	Executive	1	12	P
0909	SCP Straight Through	The Securities Exchange of Thailand		P	5	1	4	P
0910	Learn and manage tax report for get more benefits than the actual pay	Revenue Department		P	3-5	3	6	P
0911	Digital Tax : What the accountant must be prepared ?	The Dharmniti PCL.		P	3-5	2	4	P
0912	Strategic Financial Management	National Institute of Development Administration		P	5	2	4	P
0913	IR Workshop 4/2017 Understanding the expectations of institution investors	The Securities Exchange of Thailand		P	5	1	4	P

## 10 Compulsory Training

1001	Orientation and OJT	Monphassorn	P					P
1002	Basic knowledge of quality system within the company: Generation 1/17	Quality System Agent	P		1-4	46	6	P
1003	Basic knowledge of quality system within the company: Generation 2/17	Quality System Agent	P		1-5	41	6	P
1004	Basic knowledge of quality system within the company: Generation 3/17	Quality System Agent	P		1-4	100	6	P
1005	Basic knowledge of quality system within the company: Generation 4/17	Quality System Agent	P		1-4	74	6	P

Code	Program	Institution	In-house	Public	Level	Times	Hours	Done
1006	Basic knowledge of quality system within the company: Generation 5/17	Quality System Agent	P		<sup>1-4</sup>	78	6	P

## 11 Add Skills and Technique in work

1101	New strategies in the management of procurement and Supplier management as a professional.	Alpha Management Consultant Co.,Ltd.		P	<sup>3</sup>	1	6	P
1102	Prepare to be working on purchasing goods from overseas.	Alpha Management Consultant Co.,Ltd.		P	<sup>5</sup>	1	6	P
1103	Competency Based Management	Human Resource Management Club of Bangkhunthien		P	<sup>4-6</sup>	2	6	P
1104	Plastic Packaging Regulations Seminar	HMC Polymers		P	<sup>4</sup>	2	4	P
1105	Company Snapshot Program Training	Mai		P	<sup>4</sup>	1	4	P
1106	To increase the efficiency of business for whole supply chain through Lean Six Sigma for the executives and the owner in level White Belt (18-20 May 2017)	Thai President Foods PLC.		P	Executive	1	18	P
1107	Mindpower Discover how michael used NLP (20 May 2017) Not Submit	Speed Chang Co.,Ltd.		P	<sup>5</sup>	1	6	P
1108	Toward a Sustainable Future	HMC Polymers		P	<sup>5</sup>	1	4	P
1109	The elimination of waste from the procurement process (Lean Procurement)	One Step Traing Center Co.,Ltd.		P	<sup>4</sup>	1	6	P
1110	The techniques used for blow molding machines "SINCO"	Sinco Technology Co.,Ltd.		P	<sup>4-5</sup>	3	6	P
1111	"Fear of Foreign Workers - Listen this Way"	The Federation of Thai Insudtries		P	<sup>3-Executive</sup>	2	4	P
1112	The technique using a plastic bottle blowing machines for short term.	Sinco Technology Co.,Ltd.		P	<sup>3-4</sup>	4	18	P

Code	Program	Institution	In-house	Public	Level	Times	Hours	Done
1113	Compliance with the law on the protection of workers and draft the Labour Protection Act (No. __B.E. __) / - New update of Labor Law of Year 2017 that you will know the truth and legalize.	Human Resource Management Club of Bangkhunthien		P	3-Executive	2	6	P
1114	A workshop project to clarify the legal guidelines on hiring people with disabilities in the workplace.	Department of Promotion and Development of Quality of Life of People with Disabilities		P	Executive	1	6	P
1115	The meeting of listening to the opinions of social insurance pension system reform.	Social Security Office Area 7		P	3-Executive	2	6	P

## 12 Add Skills in management

1201	SCG Chemicals Digest	SCG Plastics Co., Ltd.		P	Executive	2	4	P
1202	The preparation of listed companies with new CG Code.	The Securities Exchange of Thailand		P	Executive	2	4	P
1203	Define properties of CFO and the accountant. Improvement of define the Record Date	The Securities Exchange of Thailand		P	Executive	1	4	P
1204	SCG Chemicals Digest, No.2 of year 2017	SCG Plastics Co., Ltd.		P	Executive	2	6	P

## 15 Food Safety System

1501	HACCP risk assessment & analysis course (11-12 May 2017)	BSI Group	P		4-Executive	33	12	P
1502	Requirements and application of ISO/TS 22002-4 (15 May 2017)	BSI Group	P		4-Executive	33	6	P
1503	Food Safety Management Systems (ISO 22000:2005)	BSI Group	P		4-Executive	33	12	P
1504	Internal Audit (IQA FSSC Training)	BSI Group	P		4-Executive	36	6	P



# 16.

## Report of Audit Committee and other Subcommittee

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;

### Mr. Virasak Sutanthavibu

**Position :** Independent Board and Chairman of the Audit Committee

**Times Attendance :** 5/5

### Mr. Kittiphat Suthisamphat

**Position :** Independent Board and Audit Committee

**Times Attendance :** 5/5

### Mr. Gran Chayavichitsilp

**Position :** Independent Board and Audit Committee

**Times Attendance :** 4/5

Note: The present audit committee members were appointed in the board of directors meeting no. 6/2015

Ms. Anong Sompittayanurak, Secretary of the Audit Committee who is coordinator and to discharge its duties and represented in honor of the audit committee to coordinate with

management teams.

### Annual Scope of Duties and Responsibilities

The Audit Committee, working under the jurisdiction of responsibilities as assigned by the Board of Directors of the company as defined. Where a Director has seen the likes of responsibilities based on the resolutions of the Board of Directors down December 12 2017. For annual report duties of the audit committee in 2017, During this year there are 5 times meeting to discussed about internal audit result with internal auditors and considering and review about financial result with accounting auditors which consists of consulting with executives. The Audit Committee met for internal and external auditors 5 times without executives attended the meeting as the number 5 times.

### The scope of duties and responsibilities of the audit committee is as follows;

1. 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 Report of Audit Committee
2. 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
3. To review the Company's compliance with the regulations of the stock exchange and laws relating to the Company's business
4. 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
5. 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
6. 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
7. To assign and coordinate discussions between the board of directors, external auditor and internal auditor
8. To perform any other activities as assigned by the Company's Board of Directors, with the consent of the Audit Committee



9. 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 Manitkhajonkit, CPA registration no. 4521 ,or Mr. Sophon Permsirivallop, CPA registration no. 3182, or Mr. Chayapol Supasetanond CPA registration no. 3972 or Miss. Rungrapa Lertsuwankul, CPA registration no. 3516 . The proposed audit fees is Baht 1,590,000.- 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 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 2017, 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.



10. 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 was 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.

On behalf of the Audit Committee  
Virasak Sutanthavibul  
Chairman of the Audit Committee



# The Performance Report of Nomination and Remuneration Committee 2017

Mr. Gran Chayavichitsilp

The Chairman of Nomination and Remuneration Committee

Dear Board of Director

Nomination and Remuneration Committee consists of six persons having experience for recruit the person who will be taken a position of top executive and committee of company. They also have an experience for determination the suitable remuneration of committee. All committees are appropriate to be a Nomination and remuneration committee of company. According to the regulation of the Securities and Exchange Commission (SEC) and The Stock Exchange of Thailand (SET) the Corporate Governance Committees have 2 years for holding a position as follow:

## 1. Mr. Gran Chayavichitsilp

Chairman of Nomination and Remuneration Committee

## 2. Mr. Kevin Qumar Sharma

Committee

## 3. Mr. Theerawit Busayapoka

Committee

## 4. Mr. Alok Kumar Kothar

Committee (Resigned at 31 July 2017)

## 5. Mr. Virasak Sutanthavibul

Committee

## 6. Mr. Kittiphat Suthisamphat

Committee

Note: This Nomination and Remuneration Committee has been appointed on the Board Meeting No. 5/2016. As Ms. Anong Sompittayanurak is acting secretary of Nomination and Remuneration Committee.

### The Role of Nomination and Remuneration Committee

1. To consider the properties of the overall Board of Directors and the individual that is appropriate to the size, type and complexity of the company business in terms of education, experience, knowledge, expertise, skills, talents associated with the company's business and the independence criteria defined by the company. Including the preparation and review of the succession plan for the executive and top executive for preparing a plan to have a successor to the company's administration can be carried out continuously.
2. Selection and recruitment the person who is appropriate for offering to take a position of chief Executive Officer, managing director and top executive President. And senior management under applicable law, the under related law as follow:
  - Determine the criteria for recruitment the person who is appropriate for offering to take a position of chief Executive Officer, managing director and company top executive.
  - The criteria for consideration is related to the law and regulation of the Stock Exchange of Thailand. (SET)
3. The Nomination Committee has the duty to consider the remuneration as follows:
  - The remuneration of the Board of Directors and Subcommittee for offering to the Board of Directors approve and to offer to the shareholders for approval.
  - The remuneration of the top executive in order to offer to the Board of Directors acknowledge.
4. To consider the frame of remuneration for executive, except from No.3, which is approve from board of director and assign the implement to Managing Director.
5. All subcommittees have a duty to complete self-assessment form both Self-Assessment of committee as a whole and Self-Assessment of the board of directors and of committee members on an individual basis in order to report to the board of director and disclose in annual report.
6. Chairman of subcommittee has a duty to do a subcommittee performance report in order to report to the board of director and disclose in annual report.
7. Doing a subcommittee performance report must have information at least following to the requirement of Stock Exchange of Thailand and disclose in annual report.

8. Always update the charter of subcommittee in order to suit and accord with the regulation of the Securities and Exchange Commission (SEC) and The Stock Exchange of Thailand (SET).
9. Reporting the subcommittee performance report at least two times per year. Annually evaluate the subcommittee performance for future improvement.
10. Evaluate the performance of the subcommittee on an annual basis to consider an amendment to proceed.

\*\*\*Remark: Top Executive means Chief Executive Officer and Managing Director.

### Scope of the Nomination and Remuneration Committee held 2 meetings for year 2017 as

following participant:

#### 1. Mr. Gran Chayavichitsilp

**Position :** Chairman of Nomination and Remuneration Committee

**Times Attendance :** 2/2 : 100 %

#### 2. Mr. Kevin Qumar Sharma

**Position :** Committee

**Times Attendance :** 2/2 : 100 %

#### 3. Mr. Theerawit Busayapoka

**Position :** Committee

**Times Attendance :** 2/2 : 100 %

#### 4. Mr. Alok Kumar Kothari

**Position :** Committee

**Times Attendance :** 1/1 (Resigned at 31 July 2017)  
100 %

#### 5. Mr. Virasak Sutanthavibul

**Position :** Committee

**Times Attendance :** 2/2 100 %

#### 6. Mr. Kittiphat Suthisamphat

**Position :** Committee

**Times Attendance :** 1/2 : 50 %

As following agendas

1. To consider the succession plan of top executive of company for year 2017.
2. To consider the criteria of nomination for top executive of company for year 2017.
3. To consider the criteria of remuneration for CEO, executive, committee and subcommittee for year 2017.
4. To consider the charter of Nomination and Remuneration Committee for year 2017.
5. To consider a study and provide for the advisory services of personnel management for year 2017.
6. To consider the replacement of executives and top executives, acknowledge the new structure for year 2017.
7. To consider the qualifications of CFO and accountant for year 2017.
8. To consider the role and responsibilities of directors, the committees and the company secretary according to the new CG Policy Code for year 2017.

Nomination and Remuneration Committee is responsible to follow the scope defining by executive and regulation of Stock Exchange of Thailand. In 2017, Thai Plaspac Public Limited Company have done a good performance for corporate governance, and evaluate CEO annual performance by each member of board of directors. The evaluation results was presented to the board of directors and be recorded in annual report.

Moreover, Nomination and Remuneration Committee review charter of the Nomination and Remuneration Committee and purposed to the board of director approval and disclosed in the website of Thaipasac PCL. in the item of corporate good governance (second edition approved by board of director meeting 7/2017 on 12 Dec 2017.



(Mr. Gran Chayavichitsilp)

The Chairman of Nomination and Remuneration Committee



# The Performance Report of Corporate Governance Committee 2017

**Mr. Kevin Kumar Sharma**

**The Chairman of Corporate Governance Committee**

Dear Board of Director

Corporate Governance Committee consists of three persons having experience for Corporate Governance and privilege of shareholder which are appropriate to be a Corporate Governance Committee of company. According to the regulation of the Securities and Exchange Commission (SEC) and The Stock Exchange of Thailand (SET) the Corporate Governance Committees have 2 years for holding a position as follow:

## 1. Mr. Kevin Kumar Shama

Chairman of Corporate Governance Committee

## 2. Mr. Theerawit Busayapoka

Committee

## 3. Mr. Alok Kumar Kothari

Committee (Resigned at 31 July 2017)

## 4. Ms. Anong Sompittayanurak

Committee

Note: This Corporate Governance Committee has been appointed on the Board Meeting No. 5/2016 as Ms. Pranvarin Pinsirisataporn is secretary of Corporate Governance Committee.

## The Role of Corporate Governance Committee

1. Exception from the duty as mentioned above. This subcommittee has additional duty as follow:

1.1 Define the policy of Corporate Governance in order to present to the Board Of Director for consideration and put into practice additional with

suitably and continuously following up

1.2 Coordinate to have an annual self-assessment for chairman , director, Board of Director including with other subcommittee

2. Providing a confidence that the Corporate Governance of company have a good standard, accuracy of financial statement, following by law and ethic. As well as have a good relations with customers and stakeholders.

3. Providing a confidence for the process of Corporate Governance having an appropriate protection and reducing the conflict interest for the benefit of company and shareholder.

4. Providing a confidence for the process of Corporate Governance which are appropriate to the efficacy of good governance, risk management, internal control and lawfulness

5. All subcommittees have a duty to complete self-assessment form both Self-Assessment of committee as a whole and Self-Assessment of the board of directors and of committee members on an individual basis in order to report to the board of director and disclose in annual report.

6. Chairman of subcommittee has a duty to do a subcommittee performance report in order to report to the board of director and disclose in annual report.

7. Doing a subcommittee performance report must have information at least following to the requirement of Stock Exchange of Thailand and disclose in annual report.

8. Always update the charter of subcommittee in order to suit and accord with the regulation of the Securities and Exchange Commission (SEC) and The Stock Exchange of Thailand (SET).

9. Reporting the subcommittee performance report at least two times per year.

10. Annually evaluate the subcommittee performance for future improvement.

**Scope of the Corporate Governance Committee held 2 meetings for year 2017 as following participant:**

## 1. Mr. Kevin Kumar Sharma

**Position :** Chairman of Corporate Governance Committee

**Times Attendance :** 2/2 : 100 %

## 2. Mr. Theerawit Busayapoka

**Position :** Committee

**Times Attendance :** 2/2 : 100 %

## 3. Mr. Alok Kumar Kothari

**Position :** Committee

**Times Attendance :** 1/1 100%

(Resigned at 31 July 2017)

## 4. Ms. Anong Sompittayanurak

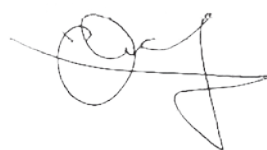
**Position :** Committee

**Times Attendance :** 2/2 100 %

**As following agendas:**

1. Review the CG Policy for year 2017.
2. Review the Code of Ethic for directors and employees for year 2017.
3. Review the policy and charter of 4 subcommittees for year 2017.
4. Review the CSR Project and Sustainability Project 2017.
5. To consider the report of self-assessment performance report of the committees and sub committees in each grouping member and individual for year 2017.
6. To consider the platform of the self-assessment of CEO for year 2017.
7. Review the operation result of Investor Relationship for year 2017.
8. To consider to improvement the CG Score Card topic (CG Check List) for year 2017.
9. To consider to improvement the AGM Score Card topic (AGM Check List) for preparing next AGM meeting.

Corporate Governance Committee is responsible to follow the scope defining by executive and regulation of Stock Exchange of Thailand. In 2017, Thai Plaspac Public Limited Company have done a good performance for corporate governance.



(Mr. Kevin Kumar Sharma)

The Chairman of Corporate Governance Committee



# The Performance Report of Risk Management Committee 2017

Mr. Kevin Qumar Sharma

The Chairman of Risk Management Committee

Dear Board of Director

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 as follow:

## 1. Mr. Kevin Qumar Sharma

Chairman of Risk Management Committee

## 2. Mr. Theerawit Busayapoka

Committee

## 3. Mr. Anil Kumar Kohli

Committee

## 4. Mr. Alok Kothari

Committee (Resigned at 31 July 2017)

As Ms. Pranvarin Pinsirisataporn is a secretary of Risk Management Committee

### The Role of Risk Management Committee

1. To set up the goals and strategies for sustainability; to link, align goals and the company's sustainability strategy between top executive and the board of directors.

### 2. Risk Management:

- Analysis and evaluate the situations that are expected risk and may affect the missions of the company and report the risk that have a significant impact to the Board. Moreover, defined the risk management strategy in accordance with the risk management policy appropriately and effectively.
  - Review the adequacy of risk management system, as well as provide feedback on how to improve and progress report to the Board as appropriate.
  - Guideline for risk management and business operations of the company appropriately and effectively coherent strategic direction, business plan and circumstances change.
  - Governance, support and development of risk management at all levels throughout the organization.
  - Set policies, regulatory advice and support program for business continuity management plan: BCM to present to the Board of Directors for consider and approve as the information following below:
    - Risk Management
    - Business Impact Analysis
    - Recovery Plan
    - Training, Exercising and auditory
    - Communication
3. Subcommittee on every board has the duty of doing self-assessment of both individual and as a whole basis annually to be processed and presented to the board of directors and disclosed in the annual report.
  4. Chairman of subcommittee has a duty to do a subcommittee performance report in order to report to the board of director and disclose in annual report.
  5. Doing a subcommittee performance report must have information at least following to the requirement of Stock Exchange of Thailand and disclose in annual report.
  6. Always update the charter of subcommittee in order to suit and accord with the regulation of the Securities and Exchange Commission (SEC) and The Stock Exchange of Thailand (SET).
  7. Reporting the subcommittee performance report at least two times per year.
  8. Evaluate the performance of the subcommittee on an annual basis to consider an amendment to proceed.

9. On duty of risk management committee may request an opinion from an independent consultant. To considers whether it is necessary and appropriate by the company are responsible for the costs.

Scope of the Risk Management Committee held 2 meetings for year 2017 as following participant:

#### **1. Mr. Kevin Qumar Sharma**

**Position :** Chairman of Risk Management Committee

**Times Attendance :** 2/2 : 100%

#### **2. Mr. Theerawit Busayapoka**

**Position :** Committee

**Times Attendance :** 2/2 : 100%

#### **3. Mr. Anil Kumar Kohli**

**Position :** Committee

**Times Attendance :** 2/2 100%

#### **4. Mr. Alok Kumar Kothari**

**Position :** Committee

**Times Attendance :** 1/1 100%

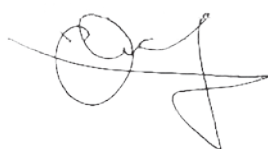
(Resigned at 31 July 2017)

#### **As following agendas**

1. To consider the financial risk / Strategic Risk/ Technological Risk/ Operational Risk/ Compliance Risk for year 2017.
2. To review the company strategy for both short term and long term for year 2017.

3. To review the investment in new projects for year 2017.
4. To review the investment plan and investment budget for year 2017.
5. To review the self-assessment of the BOD as a whole for year 2017.
6. To review the operate result of Risk Management Committee for year 2017.

Risk Management Committees have a responsibility for following the regulative framework by Board of Director and charter approving from Board of Director. In year 2017, Thai Plaspac Public Company conducted by following the Corporate Governance and reviewed the policy of risk management. Additional with continuously review every department to be within the risk management framework.



(Mr. Kevin Qumar Sharma)

The Chairman of Risk Management Committee





**Mr. Kevin Qumar Sharma**  
Chairman of Board of Director and  
Chief Executive Officer



**Mr. Theerawit Busayapoka**  
Managing Director


# 17.

## 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, 2017.



Kevin Qumar Sharma

Chairman & CEO



Theerawit Busayapoka

Managing Director

# 18.

## Independent Auditors Report and Audited Financial Statements

### Independent Auditor's Report

To the Shareholders of Thai Plaspac Public Company Limited

### Opinion

I have audited the accompanying consolidated financial statements of Thai Plaspac Public Company Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at 31 December 2017, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Thai Plaspac Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Thai Plaspac Public Company Limited as at 31 December 2017, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### Basis for Opinion

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

## Key Audit Matters

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

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

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

### Revenue recognition

The Company has entered into a number of agreements and there are a variety of conditions in these agreements. Revenues are the key performance indicator to which users of financial statements pay attention. I have therefore considered the revenue recognition as key audit matter and focused on the audit of occurrence and timing of revenue recognition.

I have examined the revenue recognition of the Company by

- Assessing and testing the Company's internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.
- Applying a sampling method to select sales documents to assess whether revenue recognition was consistent with the conditions of the relevant agreement, and whether it was in compliance with the Company's policy.
- On a sampling basis, examining supporting documents for actual sales transactions occurring during the year and near the end of the accounting period.
- Reviewing credit notes that the Company issued after the period-end.
- Performing analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period.

### **Allowance for diminution in value of inventory**

Estimating the net realisable value of inventory, as disclosed in Note 9 to the financial statements, is an area of significant management judgment, particularly with regard to the estimation of allowance for diminution in the value of slow-moving and obsolete inventory. This requires detailed analysis of the product life cycle and the competitive environment. There is a risk that the provision set aside for diminution in the value of inventory will be inadequate, causing the Company to overstate the value of inventory.

I assessed and tested the internal controls of the Company relevant to the determination of allowance for diminution in the value of inventory by making enquiry of responsible executives, and gaining an understanding of the designed controls. In addition, I also assessed the method and the assumptions applied by the management in determining such allowance. The procedures that I performed included:

- Gaining an understanding of the basis applied in determining the allowance for diminution in value of inventory and reviewing the consistency of the application of that basis.
- Comparing the inventory holding periods and inventory movements to identify product lines with indicators of lower than normal inventory turnover.
- Comparing the net income from sales occurring after the date of the financial statements to the cost of inventory by product line.

### **Other Information**

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

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

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

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

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

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

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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



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

Rungnapa Lertsuwankul

Certified Public Accountant (Thailand) No. 3516

EY Office Limited

Bangkok: 21 February 2018

## Thai Plaspac Public Company Limited and its subsidiary

## Statement of financial position

As at 31 December 2017

(Unit: Baht)

	Note	Consolidated	Separate financial statements	
		financial statements	31 December 2017	31 December 2016
		31 December 2017	31 December 2017	31 December 2016
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	7	105,592,437	105,542,122	5,970,074
Trade accounts receivable	8	411,127,165	411,127,165	392,911,912
Inventories	9	114,366,875	114,366,875	113,122,560
Other current assets	10	29,323,522	29,323,522	33,370,390
<b>Total current assets</b>		<b>660,409,999</b>	<b>660,359,684</b>	<b>545,374,936</b>
<b>Non-current assets</b>				
Investment in subsidiary	11	-	51,500	-
Property, plant and equipment	12	547,143,475	547,143,475	569,752,428
Intangible assets	13	3,915,239	3,915,239	4,564,027
Deferred tax assets	23	4,458,545	4,458,545	3,802,512
Withholding tax deducted at source	14	42,850,102	42,850,102	36,959,368
Advance payment for purchasing of molds		7,152,233	7,152,233	80,390,285
Other non-current assets		7,450,318	7,450,318	20,770,927
<b>Total non-current assets</b>		<b>612,969,912</b>	<b>613,021,412</b>	<b>716,239,547</b>
<b>Total assets</b>		<b>1,273,379,911</b>	<b>1,273,381,096</b>	<b>1,261,614,483</b>

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

## Thai Plaspac Public Company Limited and its subsidiary

## Statement of financial position (continued)

As at 31 December 2017

(Unit: Baht)

	Note	Consolidated	Separate financial statements	
		financial statements	31 December 2017	31 December 2016
		31 December 2017	31 December 2017	31 December 2016
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Short-term loans from banks	15	-	-	55,034,908
Trade and other payables	6, 16	180,146,468	180,146,468	166,875,876
Other current liabilities	17	7,500,697	7,500,697	10,666,731
<b>Total current liabilities</b>		<u>187,647,165</u>	<u>187,647,165</u>	<u>232,577,515</u>
<b>Non-current liabilities</b>				
Provision for long-term employee benefits	18	21,186,821	21,186,821	18,598,910
<b>Total non-current liabilities</b>		<u>21,186,821</u>	<u>21,186,821</u>	<u>18,598,910</u>
<b>Total liabilities</b>		<u>208,833,986</u>	<u>208,833,986</u>	<u>251,176,425</u>
<b>Shareholders' equity</b>				
Share capital	19			
Registered				
255,000,000 ordinary shares of Baht 1 each		<u>255,000,000</u>	<u>255,000,000</u>	<u>255,000,000</u>
Issued and paid-up				
253,817,676 ordinary shares of Baht 1 each		253,817,676	253,817,676	253,817,676
Premium on ordinary shares	19	302,920,904	302,920,904	302,920,904
Retained earnings				
Appropriated - statutory reserve	21	25,500,000	25,500,000	25,500,000
Unappropriated		482,308,530	482,308,530	428,199,478
Other components of shareholders' equity		(1,185)	-	-
<b>Total shareholders' equity</b>		<u>1,064,545,925</u>	<u>1,064,547,110</u>	<u>1,010,438,058</u>
<b>Total liabilities and shareholders' equity</b>		<u>1,273,379,911</u>	<u>1,273,381,096</u>	<u>1,261,614,483</u>
		-	-	-

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

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Directors

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**Thai Plaspac Public Company Limited and its subsidiary**  
**Statement of comprehensive income**  
**For the year ended 31 December 2017**

(Unit: Baht)

	Note	Consolidated financial statements	Separate financial statements	
		2017	2017	2016
<b>Profit or loss:</b>				
<b>Revenues</b>				
Sales		1,584,142,676	1,584,142,676	1,523,803,867
Other income		13,182,508	13,182,508	9,736,953
Gain on exchange		-	-	619,030
<b>Total revenues</b>		<u>1,597,325,184</u>	<u>1,597,325,184</u>	<u>1,534,159,850</u>
<b>Expenses</b>				
Cost of sales	6	1,308,197,774	1,308,197,774	1,266,340,514
Selling expenses		47,516,085	47,516,085	57,908,324
Administrative expenses		113,087,278	113,087,278	81,597,641
Loss on exchange		2,349,920	2,349,920	-
<b>Total expenses</b>		<u>1,471,151,057</u>	<u>1,471,151,057</u>	<u>1,405,846,479</u>
<b>Profit before finance cost and income tax expenses</b>		<u>126,174,127</u>	<u>126,174,127</u>	<u>128,313,371</u>
Finance cost		(226,613)	(226,613)	(1,975,515)
<b>Profit before income tax expenses</b>		<u>125,947,514</u>	<u>125,947,514</u>	<u>126,337,856</u>
Income tax expenses	23	(18,536,750)	(18,536,750)	(21,404,613)
<b>Profit for the year</b>		<u>107,410,764</u>	<u>107,410,764</u>	<u>104,933,243</u>
<b>Other comprehensive income:</b>				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>				
Exchange differences on translation of financial statements in foreign currency		(1,185)	-	-
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>		(1,185)	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>				
Actuarial loss		-	-	(2,995,515)
Less: Income tax effect		-	-	599,103
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax</i>		-	-	(2,396,412)
<b>Other comprehensive income for the year</b>		<u>(1,185)</u>	<u>-</u>	<u>(2,396,412)</u>
<b>Total comprehensive income for the year</b>		<u>107,409,579</u>	<u>107,410,764</u>	<u>102,536,831</u>
<b>Earnings per share</b>	25			
Basic earnings per share		<u>0.42</u>	<u>0.42</u>	<u>0.44</u>
Diluted earnings per share		<u>0.42</u>	<u>0.42</u>	<u>0.43</u>

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

## Thai Plaspac Public Company Limited and its subsidiary

## Statement of cash flows

For the year ended 31 December 2017

(Unit: Baht)

	Consolidated	Separate financial statements	
	financial statements	2017	2016
	2017	2017	2016
<b>Cash flows from operating activities</b>			
Profit before tax	125,947,514	125,947,514	126,337,856
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:			
Depreciation and amortisation	132,486,104	132,486,104	128,783,792
Reduction of inventories to net realisable value	158,580	158,580	148,584
Gain on sales of machinery and equipment	(2,324,957)	(2,324,957)	(539,417)
Allowance for impairment loss on assets	1,380,426	1,380,426	-
Long-term employee benefits expenses	4,779,313	4,779,313	4,286,912
Actuarial gain from provision for other long-term employee benefits plan	-	-	(679,322)
Unrealised loss (gain) on exchange rate	146,363	146,363	(55,564)
Interest income	(310,560)	(310,560)	(64,400)
Interest expenses	226,613	226,613	1,975,515
Profit from operating activities before changes in operating assets and liabilities	262,489,396	262,489,396	260,193,956
Operating assets (increase) decrease			
Trade accounts receivable	(18,406,769)	(18,406,769)	(35,410,719)
Inventories	(1,402,895)	(1,402,895)	(23,259,571)
Other current assets	(1,553,637)	(1,553,637)	(965,974)
Other non-current assets	393,883	393,883	(11,927,339)
Operating liabilities increase (decrease)			
Trade and other payables	15,362,413	15,362,413	(37,119,808)
Other current liabilities	(3,166,034)	(3,166,034)	(1,161,945)
Provision for long-term employee benefits	(2,191,402)	(2,191,402)	(1,985,566)
Cash flows from operating activities	251,524,955	251,524,955	148,363,034
Cash receipt from refund of withholding tax deducted at source	47,998,252	47,998,252	-
Cash paid for corporate income tax	(42,904,787)	(42,904,787)	(40,783,486)
<b>Net cash flows from operating activities</b>	<b>256,618,420</b>	<b>256,618,420</b>	<b>107,579,548</b>

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

## Thai Plaspac Public Company Limited and its subsidiary

## Statement of cash flows (continued)

For the year ended 31 December 2017

(Unit: Baht)

	Consolidated	Separate financial statements	
	financial statements	2017	2016
	2017		
<b>Cash flows from investing activities</b>			
Proceeds from sales of machinery and equipment	7,854,699	7,854,699	549,119
Acquisition of machinery and equipment, and acquisition of intangible assets	(56,596,898)	(56,596,898)	(136,551,508)
Cash paid for investment in subsidiary	-	(51,500)	-
Interest income	310,560	310,560	64,400
<b>Net cash flows used in investing activities</b>	<b>(48,431,639)</b>	<b>(48,483,139)</b>	<b>(135,937,989)</b>
<b>Cash flows from financing activities</b>			
Increase (decrease) in short-term loans from banks	(55,034,908)	(55,034,908)	3,743,866
Repayment of long-term loans	-	-	(110,788,649)
Repayment of finance lease payable	-	-	(356,323)
Interest expenses	(226,613)	(226,613)	(2,087,394)
Share subscription received in advance from exercise of warrants	-	-	224,922,880
Dividends paid	(53,301,712)	(53,301,712)	(84,799,217)
<b>Net cash flows from (used in) financing activities</b>	<b>(108,563,233)</b>	<b>(108,563,233)</b>	<b>30,635,163</b>
Decrease in exchange differences on translation of financial statements in foreign currency	(1,185)	-	-
<b>Net increase in cash and cash equivalents</b>	<b>99,622,363</b>	<b>99,572,048</b>	<b>2,276,722</b>
Cash and cash equivalents at beginning of year	5,970,074	5,970,074	3,693,352
<b>Cash and cash equivalents at end of year (Note 7)</b>	<b>105,592,437</b>	<b>105,542,122</b>	<b>5,970,074</b>
	-	-	-
<b>Supplemental cash flows information</b>			
Non-cash items consist of:			
Increase (decrease) in accounts payable for purchasing of fixed assets	(2,046,668)	(2,046,668)	1,559,270
Acquisition of fixed assets for which payments were paid in prior year	46,937,603	46,937,603	22,104,649
Actuarial loss for long-term employee benefits plan	-	-	(2,995,515)

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

Thai Plaspac Public Company Limited and its subsidiary  
Statement of changes in shareholders' equity  
For the year ended 31 December 2017

(Unit: Baht)

		Consolidated financial statements				
Note	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Other components of shareholders' equity	Total
			Appropriated - Statutory reserve	Unappropriated	Other comprehensive income	
					Exchange differences on translation of financial statements in foreign currency	
<b>Balance as at 1 January 2017</b>	253,817,676	302,920,904	25,500,000	428,199,478	-	1,010,438,058
Profit for the year	-	-	-	107,410,764	-	107,410,764
Other comprehensive income for the year	-	-	-	-	(1,185)	(1,185)
Total comprehensive income for the year	-	-	-	107,410,764	(1,185)	107,409,579
Dividends paid	-	-	-	(53,301,712)	-	(53,301,712)
<b>Balance as at 31 December 2017</b>	<b>253,817,676</b>	<b>302,920,904</b>	<b>25,500,000</b>	<b>482,308,530</b>	<b>(1,185)</b>	<b>1,064,545,925</b>
	-	-	-	-	-	-

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

**Thai Plaspac Public Company Limited and its subsidiary**  
**Statement of changes in shareholders' equity (continued)**  
**For the year ended 31 December 2017**

Separate financial statements							(Unit: Baht)
	Issued and paid-up share capital	Premium on ordinary shares	Capital reserve for share - based payment transactions	Retained earnings			
Note				Appropriated - Statutory reserve	Unappropriated	Total	
	208,766,400	122,649,100	400,200	25,500,000	410,461,864	767,777,564	
	-	-	-	-	104,933,243	104,933,243	
	-	-	-	-	(2,396,412)	(2,396,412)	
	-	-	-	-	102,536,831	102,536,831	
19	45,051,276	180,271,804	(400,200)	-	-	224,922,880	
28	-	-	-	-	(84,799,217)	(84,799,217)	
	253,817,676	302,920,904	-	25,500,000	428,199,478	1,010,438,058	
	253,817,676	302,920,904	-	25,500,000	428,199,478	1,010,438,058	
	-	-	-	-	107,410,764	107,410,764	
	-	-	-	-	-	-	
	-	-	-	-	107,410,764	107,410,764	
28	-	-	-	-	(53,301,712)	(53,301,712)	
	253,817,676	302,920,904	-	25,500,000	482,308,530	1,064,547,110	
	-	-	-	-	-	-	
	-	-	-	-	-	-	

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



**Thai Plaspac Public Company Limited and its subsidiary**  
**Notes to consolidated financial statements**  
**For the year ended 31 December 2017**

**1. General information**

Thai Plaspac Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its major shareholder is an individual. 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**

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

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

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

**2.2 Basis of consolidation**

On 7 December 2017, the Company registered and established TPAC Packaging India Private Limited in India and invested 100% of its shares with an initial registered share capital of INR 0.1 million. The Company prepared consolidated financial statements in accordance as follows:

- a) The consolidated financial statements included the financial statements of Thai Plaspac Public Company Limited (“the Company”) and the financial statements of TPAC Packaging India Private Limited (“the subsidiary”).

- b) The Company is deemed to have control over an investee or subsidiary if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiary are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiary are prepared using the same significant accounting policies as the Company.
- e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.
- f) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.

2.3 The separate financial statements present investments in subsidiary under the cost method.

### **3. New financial reporting standards**

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

During the year, the Company have adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2017. 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.

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

During the current year, the Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements.

The management of the Company believe that the revised financial reporting standards will not have any significant impact on the financial statements when they are 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 accounts receivable**

Trade accounts receivable 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 Investment in subsidiary**

Investment in subsidiary is accounted for in the separate financial statements using the cost method.

#### **4.6 Cost of molds for amortisation**

The Company records cost of molds which are used to manufacture goods for customers as assets. Cost of molds are amortised to cost of sales are delivered to its customers. The Company records cost of molds for amortisation as current assets if goods are expected to manufactured and delivered to customers within 1 year, and as non-current assets if goods are expected to manufactured and delivered to customers more than 1 year.

#### **4.7 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	3 years, 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.

#### **4.8 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 Foreign currencies**

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

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

Gains and losses on exchange are included in determining income.

#### **4.11 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.

#### **4.12 Employee benefits**

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

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

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

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

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

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

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

The 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 employees benefits are recognised immediately in profit and loss.

#### **4.13 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.

#### **4.14 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.

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

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

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

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

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

### **5. Significant accounting judgements and estimates**

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

#### **Allowance for doubtful accounts**

In determining an allowance for doubtful accounts, the management needs to make 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 to the extent that it is probable that taxable profit will be available against which the temporary differences. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

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

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

## 6. Related party transactions

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

Name of entities	Nature of relationships
TPAC Packaging India Private Limited	Subsidiary
Mr. Anuj Lohia	Major shareholder
Indorama Ventures Public Company Limited	Shareholder and director is related to the Company's shareholder and management
Indorama Ventures Polymers (Rayong) Public Company Limited	Shareholder and director is related to the Company's shareholder and management
Indorama Polymers Public Company Limited	Shareholder and director is related to the Company's shareholder and management
Related persons	Director, executive officer and related persons with director and executive officer

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

(Unit: Million Baht)

	Consolidated and separate financial statements	Separate financial statements	
	2017	2016	Transfer pricing policy
<u>Transaction with related companies</u>			
Purchase of goods	101	63	Close to market price
<u>Transactions with related persons</u>			
Dividend paid	32	54	Baht 0.21 per share (2016: Baht 0.35 per share)

As at 31 December 2017 and 2016, the balances of the accounts between the Company and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements	Separate financial statements
	2017	2016
<b><u>Trade payables - related parties</u></b> <b>(Note 16)</b>		
Indorama Polymers Public Company Limited	19,299	20,244
Total	19,299	20,244

#### Directors and management's benefits

During the years ended 31 December 2017 and 2016, the Company and its subsidiary had employee benefit expenses payable to its directors and management as below.

(Unit: Thousand Baht)

	Consolidated and separate financial statements	Separate financial statements
	2017	2016
Short-term benefits	31,940	26,745
Post-employment benefits	26,248	21,726
Other long-term benefits	176	162
Total	58,364	48,633

## 7. Cash and cash equivalent

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements	
	2017	2017	2016
Cash	50	50	51
Cash at banks	105,542	105,492	5,919
Total	105,592	105,542	5,970

As at 31 December 2017, cash at banks carried interests between 0.38 and 1.40 percent per annum (2016: between 0.38 and 0.75 percent per annum).

## 8. Trade accounts receivable

(Unit: Thousand Baht)

	Consolidated and separate financial statements	Separate financial statements
	2017	2016
<u>Trade accounts receivable - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	292,109	294,275
Past due		
Up to 1 month	98,948	82,714
1 - 2 months	13,252	11,677
2 - 3 months	3,711	3,975
Over 3 months	3,107	271
Total trade accounts receivable - unrelated parties	411,127	392,912
Total trade accounts receivable	411,127	392,912

## 9. Inventories

(Unit: Thousand Baht)

	Consolidated and separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2017	2016	2017	2016	2017	2016
Finished goods	49,943	60,400	(75)	(12)	49,868	60,388
Work in process	12,537	-	-	-	12,537	-
Raw materials	38,728	42,170	(299)	(420)	38,429	41,750
Packing materials	10,352	7,744	(162)	-	10,190	7,744
Factory supplies	3,397	3,240	(54)	-	3,343	3,240
Total	114,957	113,554	(590)	(432)	114,367	113,122

During the current year, the Company reduced cost of inventories by Baht 0.4 million (2016: Baht 0.3 million) to reflect the net realisable value. This was included in cost of sales. In addition, the Company reversed the write-down of cost of inventories by Baht 0.3 million (2016: Baht 0.2 million), and reduced the amount of inventories recognised as expenses during the year.

## 10. Other current assets

(Unit: Thousand Baht)

	Consolidated and separate financial statements	Separate financial statements
	2017	2016
Withholding tax deducted at source	-	30,195
Prepaid expenses	2,945	2,601
Cost of molds for amortisation	24,705	-
Others	1,674	574
Total other current assets	29,324	33,370

## 11. Investment in subsidiary

Details of investment in subsidiary as presented in separate financial statements are as follows:

Company's name	Paid-up capital		Shareholding percentage		(Unit: Thousand Baht) Cost	
	2017	2016	2017	2016	2017	2016
			(%)	(%)		
TPAC Packaging India Private Limited	52	-	100	-	52	-
Total					52	-

On 7 December 2017, the Company registered and established TPAC Packaging India Private Limited in India and invested at 100% of its shares with an initial registered share capital of INR 0.1 million. The purpose of the company is to invest at 80% of shares in Sunrise Containers Limited, an Indian non-listed public limited company engaging in the PET (Polyethylene Terephthalate) and PP (Polypropylene) preforms and containers, manufacturing business in India.

An investment in Sunrise Containers Limited has methods as follows:

1. TPAC Packaging India Private Limited will acquire all assets and liabilities of Sunrise Containers Limited through amalgamation of TPAC Packaging India Private Limited and Sunrise Containers Limited under the Indian laws, whereby TPAC Packaging India Private Limited will be the operating entity, and will pay to the prior shareholders at 80% of shares, and will issue 20% new shares to former shareholders.
2. In case the amalgamation is not approved by the Competent Authority of India by 23 June 2018, TPAC Packaging India Private Limited will direct acquire 80% of shares in Sunrise Containers Limited from former shareholders. After that, there will be amalgamation between TPAC Packaging India Private Limited and Sunrise Containers Limited, whereby TPAC Packaging India Private Limited will be the operating entity.

The total consideration and expenses for the transaction will not exceed INR 4,692 million, or THB 2,383 million which was approved by the Extraordinary General Meeting of Shareholders No.1/2018 on 15 January 2018.

## 12. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated and separate financial statements							
	Land and land improvement	Building and building improvement	Furniture and office equipment	Machinery and equipment	Motor vehicles	Assets under construction	Total
<b>Cost:</b>							
1 January 2016	54,275	179,624	8,533	1,095,941	13,459	16,665	1,368,497
Additions	-	3,941	3,197	118,522	1,824	7,099	134,583
Transfer in (out)	-	21,073	-	2,560	-	(23,633)	-
Disposals	-	-	(76)	(20,699)	-	-	(20,775)
31 December 2016	54,275	204,638	11,654	1,196,324	15,283	131	1,482,305
Additions	-	338	552	73,947	-	26,581	101,418
Transfer in (out)	-	2,580	-	11,548	-	(14,128)	-
Disposals	-	-	(157)	(15,836)	(1,186)	-	(17,179)
31 December 2017	54,275	207,556	12,049	1,265,983	14,097	12,584	1,566,544
<b>Accumulated depreciation:</b>							
1 January 2016	-	102,018	6,659	701,969	9,731	-	820,377
Depreciation for the year	-	9,510	773	101,151	1,390	-	112,824
Depreciation on disposals	-	-	(66)	(20,699)	-	-	(20,765)
31 December 2016	-	111,528	7,366	782,421	11,121	-	912,436
Depreciation for the year	-	7,994	1,280	107,779	1,444	-	118,497
Depreciation on disposals	-	-	(157)	(10,306)	(1,186)	-	(11,649)
31 December 2017	-	119,522	8,489	879,894	11,379	-	1,019,284
<b>Allowance for impairment loss:</b>							
31 December 2016	-	-	-	117	-	-	117
31 December 2017	-	-	-	117	-	-	117

(Unit: Thousand Baht)

Consolidated and separate financial statements						
	Land and land improvement	Building and building improvement	Furniture and office equipment	Machinery and equipment	Motor vehicles	Assets under construction
						Total
<b>Net book value:</b>						
31 December 2016	54,275	93,110	4,288	413,786	4,162	569,752
31 December 2017	54,275	88,034	3,560	385,972	2,718	547,143
<b>Depreciation for the year</b>						
2016 (Baht 110 million included in manufacturing cost, and the balance in selling and administrative expenses)						112,824
2017 (Baht 115 million included in manufacturing cost, and the balance in selling and administrative expenses)						118,497

As at 31 December 2017, 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 518 million (2016: Baht 417 million).

The Company has pledged its land and construction thereon and part of its machinery amounting to approximately Baht 66 million (2016: Baht 107 million) as collateral against bank overdrafts, short-term loans and credit facilities received from banks.

### 13. Intangible assets

The net book value of intangible assets which are computer software as at 31 December 2017 and 2016 is presented below.

(Unit: Thousand Baht)

	Consolidated and separate financial statements	Separate financial statements
	2017	2016
Cost	7,279	7,209
Less: Accumulated amortisation	(3,364)	(2,645)
Net book value	3,915	4,564

A reconciliation of the net book value of intangible assets for the years 2017 and 2016 is presented below.

(Unit: Thousand Baht)

	Consolidated and separate financial statements	Separate financial statements
	2017	2016
Net book value at beginning of year	4,564	1,442
Additions	70	3,528
Amortisation	(719)	(406)
Net book value at end of year	3,915	4,564

#### 14. Withholding tax deducted at source

Withholding tax deducted at source in each year are summarised below.

(Unit: Thousand Baht)

	Consolidated and separate financial statements	Separate financial statements
Year	2017	2016
2015	-	17,908
2016	20,006	19,051
2017	22,844	-
	42,850	36,959

The Company regards withholding tax deducted at source as an asset since it has claimed for refund of it. However, the net realisable value of the tax is subject to the examination of the Company's accounts by the Revenue officials.

In January and August 2017, the Company already received the refund of withholding tax deducted at source for the years 2013, 2014 and 2015 totaling by Baht 48 million from the Revenue Department.



**15. Short-term loans from banks**

(Unit: Thousand Baht)

	Interest rate (% per annum)		Consolidated and separate financial statements	Separate financial statements
	2017	2016	2017	2016
Short-term loans from banks	-	2.15	-	30,000
Trust receipts	-	0.81	-	25,035
Total			-	55,035

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 and pledge of certain machinery of the Company as stated in the note to financial statements no. 12.

**16. Trade and other payables**

(Unit: Thousand Baht)

	Consolidated and separate financial statements	Separate financial statements
	2017	2016
Trade accounts payable - related party	19,299	20,244
Trade accounts payable - unrelated parties	96,591	84,857
Accounts payable for purchasing of fixed assets	8,561	10,607
Accrued expenses	44,568	40,119
Other payables	11,127	11,049
Total trade and other payables	180,146	166,876

**17. Other current liabilities**

(Unit: Thousand Baht)

	Consolidated and separate financial statements	Separate financial statements
	2017	2016
Advance received for molds	5,204	9,769
Others	2,297	898
Total other current liabilities	7,501	10,667

**18. Provision for long-term employee benefits**

Provision for long-term employee benefits as at 31 December 2017 and 2016 were as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements	Separate financial statements
	2017	2016
Provision for compensation on employees' retirement	16,868	14,603
Provision for long service awards	4,319	3,996
Total	21,187	18,599

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

(Unit: Thousand Baht)

	Consolidated and separate financial statements	Separate financial statements
	2017	2016
<b>Provision for long-term employee benefits</b>		
<b>at beginning of year</b>	18,599	13,981
<b>Included in profit or loss:</b>		
Current service cost	4,278	3,867
Interest cost	501	420
Past service cost	-	(679)
<b>Included in other comprehensive income:</b>		
Actuarial loss arising from		
Demographic assumptions changes	-	192
Financial assumptions changes	-	1,829
Experience adjustments	-	975
Benefits paid during the year	(2,191)	(1,986)
<b>Provisions for long-term employee benefits</b>		
<b>at end of year</b>	<u>21,187</u>	<u>18,599</u>

Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements	Separate financial statements
	2017	2016
Cost of sales	2,897	2,628
Selling and administrative expenses	1,882	1,659
Total expenses recognised in profit or loss	<u>4,779</u>	<u>4,287</u>

The Company expects to pay Baht 1.1 million of long-term employee benefits during the next year (2016: Baht 2.5 million).

As at 31 December 2017, the weighted average duration of the liabilities for long-term employee benefit is 10 years (2016: 10 years).

Significant actuarial assumptions are summarised below:

	(Unit: Percent per annum)	
	Consolidated and separate financial statements	Separate financial statements
	2017	2016
Discount rate	2.58	2.58
Salary increase rate	0 - 5	0 - 5
Turnover rate	0 - 30	0 - 30

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2017 and 2016 are summarised below:

	(Unit: Million Baht)	
	As at 31 December 2017	
	Consolidated and separate financial statements	
	Increase 1%	Decrease 1%
Discount rate	(1.7)	1.9
Salary increase rate	1.8	(1.5)
Turnover rate	(1.8)	0.8

	(Unit: Million Baht)	
	As at 31 December 2016	
	Separate financial statements	
	Increase 1%	Decrease 1%
Discount rate	(1.3)	1.6
Salary increase rate	1.4	(1.2)
Turnover rate	(1.4)	0.5

## 19. 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)
<u>Issued and paid-up share capital</u>			
1 January 2016	208,766	208,766	122,649
Increase in capital from exercising of the rights of the warrants:			
TPAC-W1 (Note 20)	44,718	44,718	178,871
Increase in capital from exercising of the rights of the warrants:			
TPAC- ESOP (Note 20)	334	334	1,401
31 December 2016	253,818	253,818	302,921
31 December 2017	253,818	253,818	302,921

On 4 April 2016 and 26 May 2016, the Company registered its paid-up share capital of Baht 28.9 million and Baht 16.1 million, respectively, with the Ministry of Commerce according to the exercise of such warrants.

## 20. Warrants/Capital reserve for share-based payment transaction

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

### 20.1 TPAC-W1

On 22 May 2013, the Company allotted warrants (TPAC-W1) to the Company's shareholders in an amount of 50 million units for free. 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 and the last exercise date on 19 May 2016.

Movements in the number of warrants, TPAC- W1 during the year 2016 are as follows:

Number of warrants at the beginning of the year	45,900,081	Unit
Exercise during the year	(44,717,776)	Unit
Number of expired warrant	(1,182,305)	Unit
Outstanding number of warrants	-	Unit

## 20.2 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 and the last exercise date on 19 May 2016.

**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%.

Movements in the number of warrants, TPAC- ESOP during the year 2016 are as follows:

Number of warrants at the beginning of the year	333,500	Unit
Exercise during the year	(333,500)	Unit
Outstanding number of warrants	-	Unit

## 21. 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.

## 22. Expenses by nature

Significant expenses classified by nature are as follow:

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	Separate financial statements
	2017	2016
Salaries, wages and other employee benefits	242,370	217,814
Depreciation and amortisation	132,486	113,230
Raw materials and consumables used	850,677	811,706
Changes in inventories of finished goods and work in process	(2,080)	(9,658)

## 23. Income tax expenses

Income tax expenses for the years ended 31 December 2017 and 2016 are made up as follows:

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	Separate financial statements
	2017	2016
<b>Current income tax:</b>		
Corporate income tax for the year	20,093	21,732
Adjustment in respect of income tax of previous year	(954)	-
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	(602)	(327)
<b>Income tax expense reported in the statement of comprehensive income</b>	<b>18,537</b>	<b>21,405</b>



The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2017 and 2016 are as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements	Separate financial statements
	2017	2016
Deferred tax relating to actuarial loss	-	599

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

(Unit: Thousand Baht)

	Consolidated and separate financial statements	Separate financial statements
	2017	2016
Accounting profit before tax	125,948	126,338
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by income tax rate	25,190	25,268
Effects of:		
Non-deductible expenses	770	127
Additional expense deductions allowed	(5,942)	(4,176)
Adjustment in respect of income tax of previous year	(954)	-
Other	(527)	186
Total	(6,653)	(3,863)
Income tax expenses reported in the statement of comprehensive income	18,537	21,405

The components of deferred tax assets and deferred tax liability as at 31 December 2017 and 2016 are as follows:

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	Separate financial statements
	2017	2016
<b>Deferred tax assets</b>		
Allowance for diminution in value of inventories	118	86
Allowance for impairment of assets	23	23
Accumulated depreciation - equipment	80	-
Provision for long-term employee benefits	4,237	3,720
Total	4,458	3,829
<b>Deferred tax liability</b>		
Accumulated depreciation - equipment	-	27
Total	-	27

## 24. Promotional privileges

The Company has received promotional privileges from the Board of Investment for the manufacture of plastic consumer packaging, pursuant to the investment promotion certificate No. 59-1321-1-03-1-0 issued on 17 October 2016 and No. 59-1322-1-03-1-0 issued on 17 October 2016. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax for a period of 8 years from the date the promoted operations begin generating revenues.

During the years 2016 and 2017, the Company had not yet generated revenues from operations in respect of these two certificates.

## 25. Earnings per share

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

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

	Consolidated and separate financial statements		
		Weighted average number of	
	Profit for the year	ordinary shares	Earnings per share
	2017	2017	2017
	(Thousand Baht)	(Thousand shares)	(Baht)
<b>Basic earnings per share/Diluted earnings per share</b>			
Profit for the year	107,411	253,818	0.42

## 26. 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 chief operating decision maker has been identified as Directors.

For management purposes, the Company and its subsidiary are principally engaged in the manufacturing and distribution of plastic packaging. Their operations are carried on in two geographic areas in Thailand and India, as operated by a subsidiary.

The chief operating decision maker measured performance based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the consolidated 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 2017, the Company has revenue from four major customers in amount of Baht 278 million, Baht 208 million, Baht 195 million and Baht 176 million, respectively (2016: Baht 313 million, Baht 226 million and Baht 200 million, derived from three major customers respectively).

### 27. 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 2017, the Company contributed by Baht 6 million (2016: Baht 5 million) to the fund.

### 28. Dividends

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
Final dividends for 2016	Annual General Meeting of the shareholders on 20 April 2017	27,920	0.11
Interim dividends for 2017	Board of Directors' Meeting on 15 August 2017	25,381	0.10
Total dividends for 2017		53,301	0.21
Final dividends for 2015	Annual General Meeting of the shareholders on 21 April 2016	59,418	0.25
Interim dividends for 2016	Board of Directors' Meeting on 10 August 2016	25,381	0.10
Total dividends for 2016		84,799	0.35

## 29. Commitments and contingent liabilities

### 29.1 Capital commitments

As at 31 December 2017, the Company had capital commitments totaling approximately Baht 3.6 million and USD 0.1 million relating to acquisition of molds and machinery (2016: Baht 1.0 million, USD 0.3 million, JPY 26 million and CHF 0.3 million relating to construction of plant, acquisition of molds and machinery).

### 29.2 Service commitment

As at 31 December 2017, the Company had the consultant and professional service agreement of Baht 3 million (2016: Nil).

### 29.3 Operating lease and other service commitments

The Company has entered into several agreements in respect of leases of land and other services. The term of the agreements are generally between 1 year and 5 years.

Future minimum rentals and serviced charge payables under these agreements are as follows:

	(Unit: Million Baht)	
	31 December 2017	31 December 2016
Payable:		
In up to 1 year	3	3
In over 1 and up to 5 years	1	1

### 29.4 Guarantees

As at 31 December 2017, there were outstanding bank guarantees to guarantee electricity use of Baht 13 million (2016: Baht 13 million) issued by banks on behalf of the Company.

### 29.5 Letters of credit facility

As at 31 December 2017, the Company had unused letters of credit facility amounting to Baht 340 million (2016: Baht 106 million).

### 29.6 Commitments from Implementation Agreement and Shareholders Agreement between the Company, Sunrise Containers Limited and former shareholders

On 15 November 2017, the Company entered into Implementation Agreement and Shareholders Agreement between the Company, Sunrise Containers Limited and former shareholders with the key terms and conditions in respect of the acquisition of Sunrise Containers Limited as follows:

1. TPAC Packaging India Private Limited will invest at 80% of shares in Sunrise Containers Limited.
2. If the amalgamation is not sanctioned by the Competent Authority of India by 23 June 2018, TPAC Packaging India Private Limited will direct acquire 80% of shares in Sunrise Containers Limited within 30 June 2018.
3. TPAC Packaging India Private Limited will deposit USD 3 million to secure its obligation to pay the consideration to the Seller. Such deposit shall be treated as part of the consideration payable to the Seller. However, it may be forfeited by the Seller as a break fee in case of failure to complete. The Deposit shall be returned to TPAC Packaging India Private Limited in case of the Seller's default.
4. Consideration will be calculated based on terms and conditions in the agreements.
5. Former shareholders may request TPAC Packaging India Private Limited to buy all remaining 20% of shares in Sunrise Containers Limited in 2021 based on terms and conditions in the agreements, or in the year 2024 and 2025 at the fair market value.

### 30. Fair value hierarchy

As at 31 December 2017 and 2016, the Company had the liabilities that were disclosed at fair value using different levels of inputs as follows:

(Unit: Million Baht)				
Consolidated and separate financial statements				
As at 31 December 2017				
	Level 1	Level 2	Level 3	Total
<b>Financial liabilities measured at fair value</b>				
Derivatives				
Foreign currency forward contracts	-	0.1	-	0.1

(Unit: Thousand Baht)				
Separate financial statements				
As at 31 December 2016				
	Level 1	Level 2	Level 3	Total
<b>Financial liabilities measured at fair value</b>				
Derivatives				
Foreign currency forward contracts	-	0.6	-	0.6

## 31. Financial instruments

### 31.1 Financial risk management

The Company's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade accounts receivable, short-term loans from banks and trade and other payables. 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 accounts receivable. 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 accounts receivable 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 bank and short-term loans from banks. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2017 and 2016, 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)

	Consolidated and separate financial statements						
	As at 31 December 2017						
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
<b>Financial assets</b>							
Cash and cash equivalents	60	-	-	2	44	106	0.38 - 1.40
Trade accounts receivable	-	-	-	-	411	411	-
	60	-	-	2	455	517	
<b>Financial liabilities</b>							
Trade and other payables	-	-	-	-	180	180	-
	-	-	-	-	180	180	

(Unit: Million Baht)

	Separate financial statements						
	As at 31 December 2016						
	Fixed interest rates						
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate
							(% per annum)
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	3	3	6	0.38 - 0.75
Trade accounts receivable	-	-	-	-	393	393	-
	-	-	-	3	396	399	
<b>Financial liabilities</b>							
Short-term loans from banks	55	-	-	-	-	55	0.81 - 2.15
Trade and other payables	-	-	-	-	167	167	-
	55	-	-	-	167	222	

**Foreign currency risk**

The Company's exposure to foreign currency risk arises mainly from trading transactions and equipment transactions that are denominated in foreign currencies. The Company seek to reduce this risk by entering into forward exchange contracts when it considers appropriate. Generally, the forward contracts mature within one year.

As at 31 December 2017 and 2016, 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	
	2017	2016	2017	2016	2017	2016
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 currency unit)	
US Dollar	1,007	648	67	9	32.6809	35.8037
Singapore Dollar	-	1	2	22	24.4503	24.8010
Japanese Yen	-	-	-	27,900	-	0.3080
Swiss Franc	-	-	1	461	33.4067	35.1571

As at 31 December 2017, the Company had foreign exchange contracts outstanding are summarised below.

Foreign currency	Bought amount	Sold amount	Contractual exchange rate		Contractual maturity date
			Bought amount	Sold amount	
	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)		
US Dollar	30	310	33.99	32.46 - 32.60	12 January 2018 - 21 June 2018



As at 31 December 2016, the Company had foreign exchange contracts outstanding are summarised below.

Foreign currency	Bought amount	Sold amount	Contractual exchange rate		Contractual maturity date
			Bought amount	Sold amount	
	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)		
US Dollar	88	198	34.79 - 35.13	34.89 - 35.13	3 February 2017 - 17 April 2017
Japanese Yen	37,225	-	0.32 - 0.33	-	24 May 2017 - 14 June 2017
Swiss Franc	561	-	35.48 - 36.00	-	22 May 2017 - 14 June 2017

### 31.2 Fair values of financial instruments

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

The estimated fair value of the derivatives is as follows:

	(Unit: Million Baht)	
	As at 31 December 2017	As at 31 December 2016
	Fair value	Fair value
	Loss	Loss
<b>Derivatives</b>		
Forward exchange contracts	(0.1)	(0.6)

The methods and assumptions used by the Company in estimating the fair value of financial instruments are as follows:

- For derivatives, their fair value has been determined by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, yield curves of the respective currencies, interest rate yield curves and commodity price yield curves. The Company had considered to counterparty credit risk when determining the fair value of derivatives

During the current year, there were no transfers within the fair value hierarchy.

## 32. 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 2017, the Group's and the Company's debt-to-equity ratio was 0.20:1 (2016: the Company's debt-to-equity ratio was 0.25:1).

## 33. Events after the reporting period

- 33.1 On 15 February 2018, the Extraordinary General Meeting of Shareholders No. 1/2018 approved to invest in Sunrise Containers Limited. The total consideration and expense for the transaction will not exceed INR 4,692 million, or THB 2,383 million.
- 33.2 On 3 January 2018, TPAC Packaging India Private Limited registered an increase in share capital from INR 0.1 million to INR 300 million, and already called for share capital amount INR 110 million and share premium amount INR 110 million. The Company already paid such investment in subsidiary in total of INR 220 million on 30 January 2018.
- 33.3 On 6 February 2018, TPAC Packaging India Private Limited deposited USD 3 million to secure its obligation to pay the consideration to former shareholders.
- 33.4 On 21 February 2018, 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 2017 of Baht 0.13 per share, totaling Baht 33 million. The dividend will be paid and recorded after it is approved by the annual general meeting of the Company's shareholders.

## 34. Approval of consolidated financial statements

These consolidated financial statements were authorised for issue by the Company's Board of Directors on 21 February 2018.



