



Creative
Innovation
Organization



Annual Report
31 March 2018

EPG Sustainable Growth strategy

The Company's success begun from being a family run SMEs business in Thailand before growing to be a Public Company that is of world class organization. The Company has implemented business expansion strategy on the world stage (EPG Global Strategy Execution) which can be summarized as follows:

1. Exporting

Global exporter covering more than 100 countries across the globe

2. Licensing

Distribute license to Sales Agents worldwide creating more Business Alliances

3. Franchising

Distribution Franchises or grant rights for manufacturing Company's products to Sales Agents which help create more sales channels and manufacturing bases worldwide with effective use of investment budget.

4. Strategic Alliance

Collaborate with Business Alliance to generate competitive advantages worldwide

5. Joint Venture

Becoming Joint Partners with some world leading companies with the aim to strengthen technologies and cash flow of the company group

6. Wholly Owned Subsidiary

Investment such as building manufacturing facilities in countries like USA, China and Australia so as to use such facilities as important distribution bases for such regions

7. M&A

Acquire other business entities and make improvements using technologies and innovation of the Company to add value to products, enabling the company to reach target companies faster





Vision

“Creative Innovation Organization”

EPG is thriving on innovation by capitalizing various technologies to further infuse creative thinking leading to the development of new qualified product that benefit society for better livelihood.



Mission

“World Class Innovative Polymer and Plastic products Manufacturer” EPG group is Technology and innovation leader of polymer and plastic products for construction industry, automotive industry and plastic and packaging for food and beverage industry. With constant investment in R&D, the company is determined to emphasize technology development with perpetual continuation.



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Message from the Honorary President

Dear Shareholders,

The year 2017 was the 39th year of Eastern Polymer Group Public Company Limited or EPG. As the Company's founder with age of 94 years, I visit EPG's factories regularly in both domestic and foreign countries. It is my great pleasure to meet and talk about the lives of employees along with giving them the homily. What I have cultivated with the executives and employees all the time is to do business honestly, to avoid greed, exploitation and selfishness, and to be a giver as well. Additionally, I have been the role model in living according to my personal principle "When drinking water from the pond, don't forget the person who digs the pond", and created the company's aspiration as "Contribution toward better society".

In addition, regarding the environment within the factory, I prioritize the green area. Therefore, I have selected many large trees to be planted since the beginning of each factory construction, including supporting employees to take part in taking care of a garden area within the factory which is used as a recreation place. I also encouraged employees, communities, and partners to participate in the project to conserve and restore the community forest, Khao Jom Hae, Rayong province with the increase of 145 rai of green area, and this project has been operated for 8 years. My intention is to cultivate them to have consciousness in conserving the environment because the trees help refreshing and also boosting the life power.

As the founder of Eastern Polymer Group Public Company Limited, I would like to thank all of you for always trusting us and being the co-owner of the Company. I am confident that our executives and employees are committed to creating the organization with virtue and The organization with virtue and manage it with quality for sustain growth. 

陳修試

Dr. Chen Xiu Shi
Honorary President

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What I have cultivated with the executives and employees all the time is to do business honestly, to avoid greed, exploitation and selfishness, and to be a giver as well. Additionally, I have been the role model in living according to my personal principle **“When drinking water from the pond, don’t forget the person who digs the pond”**, and created the company’s aspiration as **“Contribution toward better society”**.

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Message from the Company's Board

Dear Shareholders,

From 2017 to the first quarter of 2018, the world economy has been growing well because private consumption increased as the labor market recovered in many regions, and the world trade recovered from demand of major countries (USA, European Union, Japan, and China). As a result, the economy of export-oriented countries has improved. Moreover, the fiscal policy plays an important role in driving economic growth. Regarding Thailand, Thai economy has expanded by 3.9 percent in the previous year. Even though the export increased, domestic spending still slowed due to the reason of high household debt and declining agricultural income.

From the viewpoint of the Board of Directors, the overview of economy in the past was in good direction. There were several factors affecting the overall performance, such as the recovery of global economy that stimulates the demand for the Company's products from overseas markets, and the promotion of investment in infrastructure in new growth-countries in ASEAN Economic Community (AEC). As a result, the heat/coolant insulation business is explicitly benefiting. The foreign exchange rate also caused the pressure on the Company's operation, but we applied the Natural Hedge Policy to minimize the impact of the foreign exchange rate fluctuation, and the raw material price that is increased from petrochemical price hike. However, the price has been continuously fluctuating; therefore, the Company manages this risk from the fluctuation of raw material price by signing the derivatives contracts, by that some cost changes can be passed on to the customers. However, the Company's strategy is to expand the overseas market, to focus on developing the innovative products,

to develop the production technology in order to reduce cost and increase the production efficiency, and to invest in developing new products so that the business can grow well.

Regarding the turnover of the year 2017/2018, the total revenue from sales was 9,607.1 Million Baht, increased by 3.5%, the total net profit was 993.2 Million Baht, decreased by 28.2%, compared to the previous year. This is because the revenue in the plastic packaging business is decreased due to the slower-than-expected domestic consumption and the increasing competition of the plastic packaging industry, including the Company's expenses on the overseas business of the auto parts business, which is an investment to support future growth. In this regard, the Board of Directors has resolved to pay an interim dividend for the first six-month period of 2017/2018 at the rate of 0.10 Baht per share, totaling 280 million Baht. The dividend was paid to shareholders on 8th December 2017, and the resolution was passed at the Annual General Meeting of Shareholders for the year 2017/2018 to approve the annual dividend payment of 0.15 Baht per share, totaling 420 Million Baht, if including the interim dividend the total dividend equal 700 Million Baht which is 71.4% of the net profit (payout ratio).

The Company's success is to be a leader in innovation, and to be a world-class manufacturer and distributor for sustainable growth.

Creative Innovation Organization

The Company well recognizes that innovation is an important key to the Company's sustainable growth and able to adapt to changes. In addition to the internal research and development, Aeroklas Co., Ltd., cooperated with King Mongkut's University of Technology Thonburi, organized Automotive



The Company's success is to be a leader in innovation, and to be a world-class manufacturer and distributor for **sustainable growth.**





Parts Innovation Contest under the topic “Aeroklas 4.0 World Pickup Truck Accessory”. This project allowed students and other general people to show their capability in creating the innovation in order to encourage the learning about working in the industry sector and to create future entrepreneurs. Furthermore, Aeroklas will bring the award-winning product to continue building the prototype as well.

Doing business in the global market

In the last year, the Company’s overseas businesses have invested in many business types to support the growth, for example, Aeroflex USA Inc. has increased the production capacity by using the high-speed machines to support the demand of market, such as office buildings, industrial buildings, and residences in the United States. Besides, Aeroklas Australia Pty.Ltd. has acquired Flexiglass Challenge Pty. Ltd. which operated the automotive accessory retail shop for both two-wheel and four-wheel pick-up truck and SUV in Australia with more than 100 distributors and dealers, including its 5 branch stores. These investments aimed to increase the distribution channels and the opportunity to expand the customer base. This is a great way to increase revenue and profitability in the future. Moreover, TJM Products Pty,Ltd., Australia, has launched its 2 own branches in Perth and Brisbane.

To create Sustainable Growth

The growth of Eastern Polymer Group Public Company Limited (EPG) relies on the Company’s vision to grow with creative innovation in developing the product quality for the benefit of society and better living, and operate under the business expansion strategy on the global stage to create continuous success for the Company.

On behalf of the Board of Directors, we would like to thank all of our employees, business partners, customers, shareholders and supporters in all areas for their support and trust in the Company, and please be confident that the Company will operate business based on the corporate governance and sustainable growth, and take into account the interests of all stakeholders. 🏠

Mr. Vachara Tuntariyanond
Chairman of the Board

Dr. Pawat Vitoorapakorn
Vice Chairman of the Board and
Chief Executive Officer



Board of Directors



● **Mr. Pawat Vitoorapakorn**
Vice Chairman of the Board

● **Mr. Teerawat Vitoorapakorn**
Director

● **Mr. Chumnarn Vitoorapakorn**
Director

● **Mr. Chalio Vitoorapakorn**
Director

● **Mr. Ekawat Vitoorapakorn**
Director



● **Mr. Vachara Tuntariyanond**

Chairman of the Board and Independent Director

● **Mr. Chaiwat Atsawintarakun**

Chairman of the Audit Committee and Independent Director

● **Mr. Thanachai Santichaikul**

Audit Committee and Independent Director

● **Mr. Panchai Wattanachai**

Audit Committee and Independent Director



Executive Committee



● **Mr. Pawat Vitoorapakorn**

Chief Executive Officer
Managing Director of EIC

● **Mr. Chumnat Vitoorapakorn**

Deputy Chief Executive Officer
Managing Director of AFC

● **Mr. Chalio Vitoorapakorn**

Deputy Chief Executive Officer of Business Development
and Investment

● **Mr. Ekawat Vitoorapakorn**

Deputy Chief Executive Officer
Managing Director of AEROKLAS



● **Mr. Teerawat Vitoorapakorn**

Deputy Chief Executive Officer
Managing Director of EPP

● **Mr. Tanawat Vitoorapakorn**

Deputy Chief Executive Officer
Managing Director of APT

● **Ms. Rungravee Vitoorapakorn**

Deputy Chief Executive Officer of Financial and Accounting (Acting)

● **Ms. Maliwan Kittiwiriyakarn**

Deputy Chief Executive Officer of information Technology

● **Mr. Jarintr Warintaraporn**

Deputy Chief Executive Officer of Human Resources
(Acting)



Financial Highlight

Consolidated Financial Highlight (As of 31st March)

Statements of Comprehensive Income (Unit: Million Baht)	2017/18	2016/17	2015/16
Revenue from sales of goods	9,607.1	9,279.8	8,764.8
Cost of goods sold	6,892.5	6,307.9	5,850.6
Gross Profit from sale	2,714.6	2,971.9	2,914.2
SG&A	1,876.7	1,736.8	1,673.4
Finance Cost	-12.0	55.2	162.1
Share of profit from investments in associates	245.1	246.3	249.1
Income Tax	70.3	61.3	84.1
Net Profit	993.2	1,382.7	1,413.7

Statement of Financial Position (Unit: Million Baht)

Total Asset	13,139.1	12,785.3	12,598.0
Total Liabilities	3,016.4	2,861.0	3,386.5
Paid Up Capital	2,800.0	2,800.0	2,800.0
Total Equity	10,122.6	9,924.3	9,211.5

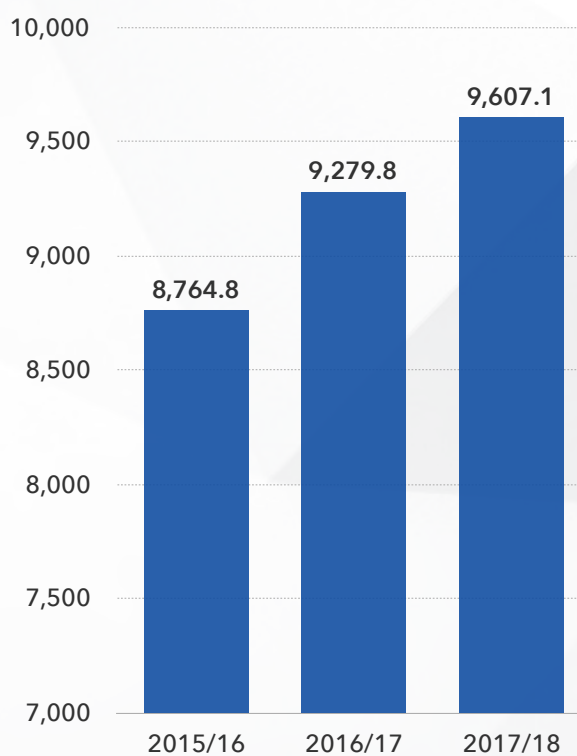
Ratios

Net Profit Margin	10.3%	14.9%	16.1%
ROE	9.9%	14.5%	16.2%
ROA	8.1%	11.8%	13.5%
D/E	0.30	0.29	0.37

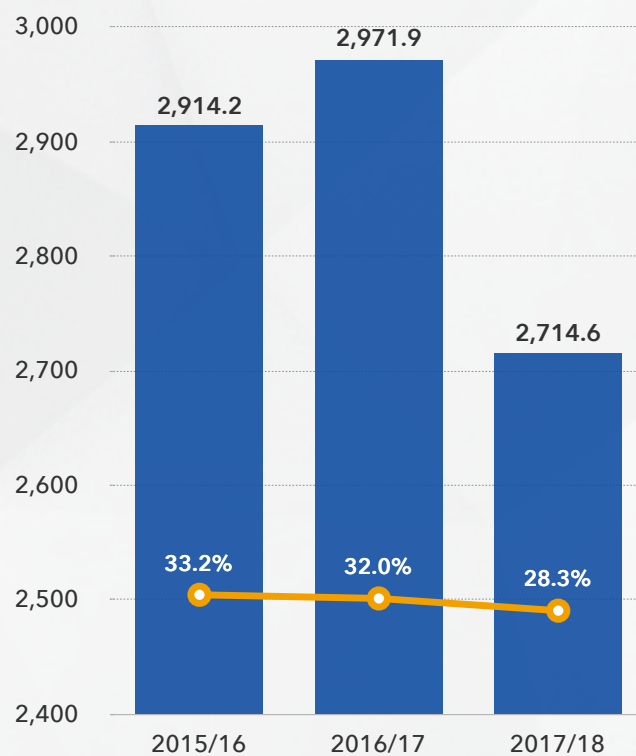
Stock Data

Number of share (Million)	2,800.0	2,800.0	2,800.0
Par value (Baht)	1.0	1.0	1.0
Book value per share (Baht)	3.61	3.54	3.29
Earnings per share (Baht)	0.35	0.49	0.51

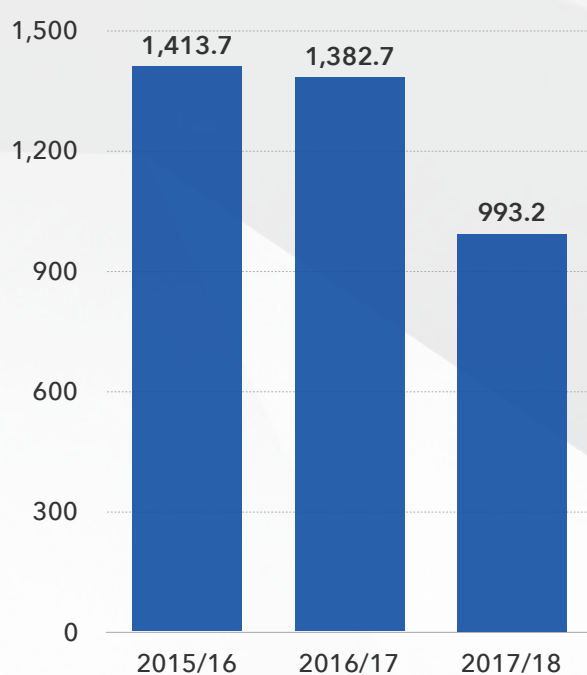
Revenue from sale



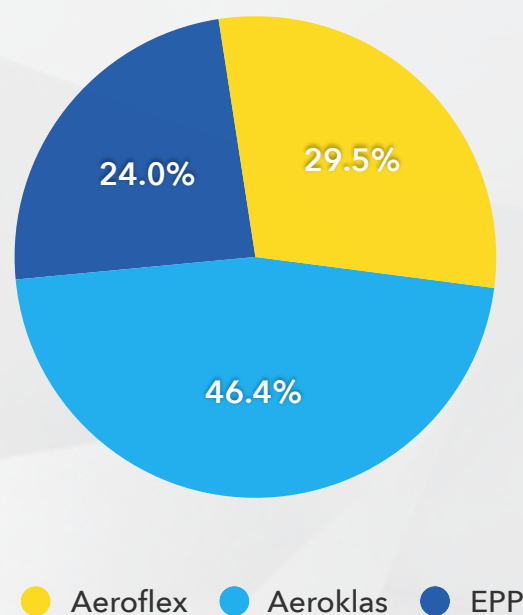
Gross Profit and Gross Profit Margin



Net Profit



Revenue portion for the year 2017/18





EPG Milestones

1978



AEROFLEX®
CLOSED CELL EPDM INSULATION FOR HVAC & R

In 1978,

The Vitoorapakorn Family founded Eastern Polymer Industry Co., Ltd. (Later transformed into Eastern Polymer Group Public Company Limited (EPG)). After succeeding in developing the technology to produce the thermal insulation by applying the formula and manufacturing technology created and occupied by the Vitoorapakorn Family. With the company's product quality that is better than other general insulations, the business is continually growing. Nowadays, the Company sells the thermal insulation and its components under the brand "Aeroflex" worldwide.

In 1995,

the Company had joint ventured with Sumitomo Riko Co., Ltd., the Japanese company, and established Tokai Eastern Rubber (Thailand), Ltd. (TER) in order to produce anti-vibration rubber product for the car. In the same year, the Company also had joint ventured with Zeon Corpora-

1995



TER



ZAP

manufacturing the rubber used in the car industry.

In 1996,

the Company had expanded the business to manufacturing and distributing automotive parts and accessories. The Company began with designing, manufacturing, and distributing the bed liner that the Company developed and designed its installation technology with no drilling required, which the Company has patented such technology in countries around the world as well as in Thailand. This business is operated under the brand "Aeroklas". Therefore, Aeroklas Co., Ltd. was established for the purposes of manufacture and distribution of bed liner; later on Aeroklas has expanded its variety of product to canopy, deck cover and side steps.

1996



AEROKLAS

2001



EPP

In 2001,

the Company had established Eastern Polypack Co., Ltd. (EPP) by acquiring assets of Thai Modern Plastic Industry Public Company Limited, in order to operate business in manufacture and distribution of plastic packaging under the brand "EPP".

In 2010,

The EPG Innovation Center Co., Ltd. (EIC) was established in order to conduct the research and development for the subsidiaries of EPG. With the good potentiality of technology, EIC provides the services to analyze and test various products according to generally accepted international standards on rubber, plastic, metal, ceramics, packaging and automotive parts to other external companies.

In 2012 – 2014.

- In 2012, the company group was restructured to be listed on the Stock Exchange of Thailand; by which the Eastern Polymer Industry Co., Ltd. (Later transformed into Eastern Polymer Group Public Company Limited (EPG))



The development in the past recent years (April 2015– Mar 2018)

In 2015/2016

(April 2015 – March 2016)

has changed its business operation to become the holding company.

- In 2013, the Company was transformed to be public company to be listed in the Stock Exchange of Thailand, by increasing its registered capital from 2,100 million Baht to 2,800 million Baht; 700 million ordinary shares were offered for sale to the public. After this initial public offering, the Vitoorapakorn Family holds 75.0% of the shares.

- In 2013, EPG celebrated the 35th anniversary of the Company.

- In 2014, 700 million ordinary shares were offered for sale to the public at a par value of 1 Baht per share, at the offering price of 5.80 Baht per share. The total offering price was 4,060 million Baht. The Company has commenced trading on the Stock Exchange of Thailand on 24th December 2014.

- In 2014/2015 Aeroklas Australia Pty. Ltd. (Aeroklas-AU), the subsidiary of the Company, acquired TJM Products Pty Ltd (TJM), the Australian company, in order to increase the distribution channel and to expand the business in various countries.

- In May 2015, Aeroklas Co., Ltd., the subsidiary of the Company, has jointed investment to establish a subsidiary in Malaysia with LSF TECHNOLOGY SDN.BHD. for operating the manufacture and distribution of the product for many automotive companies in Malaysia. Aeroklas Co., Ltd. holds 70% of the registered capital of the new company, while LSF TECHNOLOGY SDN.BHD. holds 30% of the registered capital.

- In November 2015, Aeroflex Co., Ltd., the subsidiary of the Company, sold its registered capital of Aeroflex Europe GmbH, which Aeroflex holds 40% of the registered capital, and provided loans to Aeroflex Europe GmbH with interest due to the reason that it is the approach to reduce the risk of long-term losses. The trading price is reasonable and fair because it is the book value.

In 2016/2017

(April 2016 – March 2017)

- In November 2016, the Board

of Directors of the Company had approved the joint venture between Aeroklas Co., Ltd. and Alter Pty Ltd, which is a registered company in Australia, and established a new company in Thailand to operate business of manufacture and distribution of product for Aeroklas Co., Ltd. and other automotive companies.

In 2017/2018

(April 2017 – March 2018)

- In December 2017, Aeroklas Australia Pty. Ltd; the subsidiary of Aeroklas Co., Ltd., had signed on share sale agreement to acquires with 100% of Flexiglass Challenge Pty. Ltd. from Fleetwood Corporation Limited. Flexiglass operates pick-up truck parts and accessories distribution business in Australia where its currently has more than 100 distributors and dealers in their network. In addition, Flexiglass also owned 5 corporate stores. 



Awards

Year 2017/2018

At the Prime Minister Export Award 2017, Eastern Polymer Group Plc (EPG) and its affiliates were recognized with three awards in two Categories as follows



1. **Aeroflex Co.,Ltd.** received Best Green Innovation for environmental friendly Innovation.
2. **Aeroklas Co.,Ltd.** Received Best Exporter award for excellent export business.
3. **Eastern Polypack Co.,Ltd.** received Best Green Innovation for environmental friendly Innovation.



Aeroflex Co.,Ltd received the certified of anti-corruption from Private Sector Collective Action Coalition Against Corruption Council : CAC



Eastern Polypack Co.Ltd. received best Case Study award on the topic of Energy Efficiency from the Department of Alternative Energy Department and Efficiency, Ministry of Energy

Aeroklas Co.,Ltd received Auto Alliance Thailand Top Supplier Award 2017 as the company is recognized for its high delivery performance / excellent in customer service and excellent cost saving program saving program from Auto Alliance (Thailand) Co., Ltd.



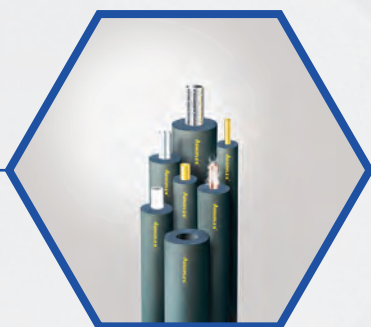
Aeroflex Co.,Ltd and Eastern Polypack Co.Ltd. received the CSR-DIW continuous award 2017 from ministry of Industry for the excellent in the area of social responsibility.



EPG Business Structure



100%



Manufacturing & Distribution
of Rubber insulation



AEROFLEX CO., LTD. (AFC)



100% Aeroflex USA Inc. (AUS)



60% APS Co., Ltd. (APS)



40% ALP Aeroflex
India Private Ltd. (AAI)



40% Aerocel Construction
Materials (Jiansu) Co., Ltd.
(ACM)

100%



Manufacturing & Distribution
of Auto parts & Decorations



AEROKLAS CO., LTD. (AEROKLAS)



100% Aeroklas USA Inc. (Aeroklas-USA)



100% Aeroklas Australia Pty. Ltd.
(Aeroklas-AU)



100% Flexiglass Challenge Pty. Ltd.
(AU)



100% Aeroklas Shanghai Co., Ltd.
(Aeroklas-SH)



74.9% Aeroklas Europe GmbH
(Aeroklas-EU)



70% Aeroklas Malaysia
Sdn. Bhd. (Aeroklas-Malaysia)

100%



Manufacturing & Distribution
of Plastic Packaging



EASTERN POLYPACK CO., LTD. (EPP)



100% TJM Products Pty.Ltd.
(TJM-AU)



100% TJM Off-road
Products Inc. (TJM-USA)



100% TJM Products
MEA DMCC
(TJM-UAE)

EASTERN POLYMER GROUP PUBLIC COMPANY LIMITED



EPG Business Structure and Overview

EPG Business Overview and Industries

The Eastern Polymer Group Plc (EPG) is a holding company that invests in its affiliates. EPG emphasize on the investment in world class innovative polymer and plastic product manufacturer business which are

1. Thermal Insulation Business
2. Automotive and Accessories Business
3. Plastic and Packaging Business
4. Other supporting Business
5. Research and Development Business
6. Joint Venture

Remark:

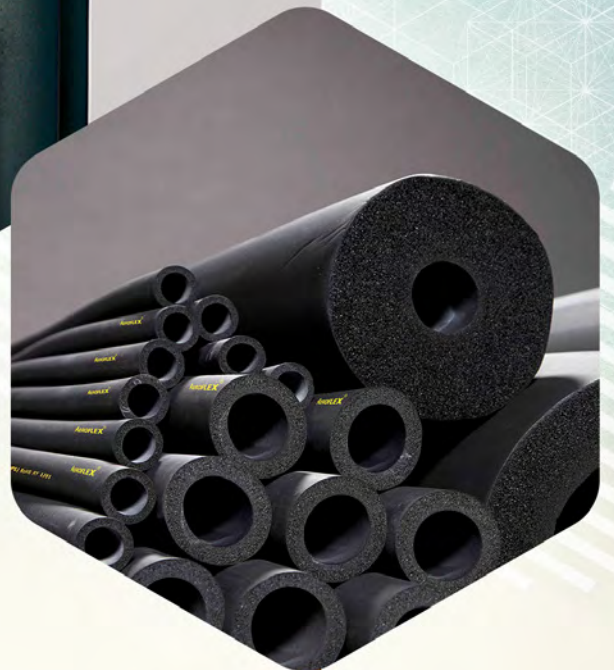
EPG holds common shares of Tokai Eastern Rubber (Thailand) Company Limited (TER) for 30% (not including preferred stock), but entitled to voting rights and received 20% of profit sharing. However, The company is entitled to co-management in TER, by which the company has veto right against important agenda of TER as stipulated under TER's articles which require every important agenda receive approval votes from shareholder's meeting at least 81.0%



AEROFLEX[®]

CLOSED CELL EPDM INSULATION FOR HVAC & R

Aeroflex Company Limited



Insulation Redefined

**World's
Number
1**
manufacturer
in EPDM
insulation

1



Manufacture and distribution of thermal insulation By Aeroflex Co., Ltd., Subsidiaries and Joint ventures

BUSINESS OVERVIEW

Aeroflex Co., Ltd. is the solely world major manufacturer of thermal insulation using Ethylene Propylene Diene Monomer (EPDM) which the company invents and continually conducts research and development; this invention is guaranteed with many patents, and expanded its sales to more than 100 countries across the world.

Aeroflex's thermal insulation outclasses its competitors with capability to operate in wider range of temperature between -200°C to 125°C. It is resistant to weather with high humidity and is also friendly with environment. Aeroflex's products are broadly used in order to save energy by maintaining temperature constant in air conditioning system as insulation in the air ducting system and indoor chilled water / hot water piping, and piping insulation to prevent condensation.

With qualification and good quality, Aeroflex's insulation has been certified by the international standard, such as ASTM / JIS / CE / UL / FM / BS / GB / Lloyd's Register and RoHS. Therefore, many important places around the world consider using Aeroflex's insulation, for example, Suvarnabhumi Airport / Swiss International Airport / Fukushima Nuclear Power Plan (Japan) / Tower Disneyland

Shanghai / Dubai International Airport / Pfizer Pharmaceutical Puerto Rico / Toyosu Fish Market Japan / Unilever (USA) / Walmart (USA) / Atlantis Palm Jumeirah (Dubai) / Burj Khalifa (Dubai) / Marina Bay Sands Resort (Singapore) / Guangzhou International Exhibition Center / Intel Coporation Hillsboro Oregon / Ferrari Dubai World / National Nuclear Securitie Agency Kansas City / MM Mars Topeka Kansas / Pfizer Pharmaceutical Guayama Puerto Rico / Swiss Prime Site / Royal City Hanoi / Watch Tower USA and World Financial Center New York

Aeroflex's insulations are distributed worldwide under 3 brand names (Trademarks): "AEROFLEX" "AEROCEL" and "CELFLUX"

AEROFLEX®

AEROCEL®

Cellflex®

PRODUCTS

Thermal insulation for chilled water piping

Aeroflex's insulation can be used to maintain constant temperature, to prevent the external heat and the high temperature beneath the insulation, for example, using the insulation to sheathe the chilled water piping in order to keep the internal temperature stable. Without this insulation, cold water or air releasing from pipe edge may cause coolness loss, which leads to energy loss and condensation, and may damage other surrounding equipments.

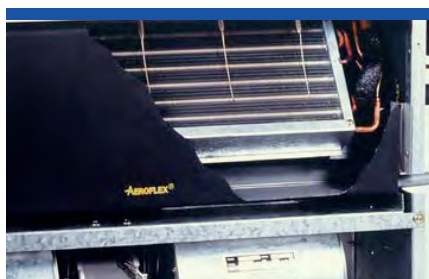


General usability in building

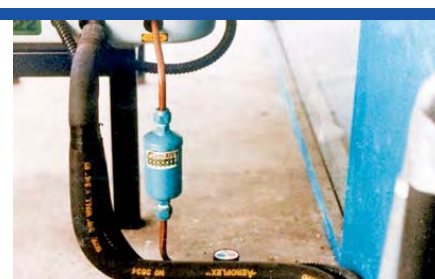


Chilled water piping

Air-condition equipment



Air-condition



Duct outside the building

Thermal insulation for hot water piping

Aeroflex's insulation can be used to maintain temperature constancy in order to prevent the external coolness and to keep the internal temperature not to be decreased, for example, using the insulation to sheathe the hot water piping and oil pipeline for maintaining the heat of water or oil in the pipe, not to transform to be solid.

General usability in building



Hot water piping inside the building



Insulation for solar hot water piping

Thermal insulation for roof (AERO-ROOF)

AERO-ROOF is an additional product from AEROFLEX that is manufactured base on closed cell EPDM insulation. The product is designed to use as roof insulation that effectively reflect heat from the building. AERO-ROOF is light / reinforced with aluminum foil and easy to install. In addition to that, the product is manufactured base on thermosetting material prevent the insulation from melting and catching fire when heated or exposed to flames. Also AERO-ROOF is odorless, high endurance and will not harm the health of the residences in relative to other products.



In addition to the EPDM insulation, for the reason to increase the competitiveness and choice for consumers in some highly competitive market, Aeroflex has co-invented with Aerocel Construction Material (Jiangsu) Co., Ltd. (Jiangsu, China), and ALP Aeroflex India Pvt. Ltd. (India) to manufacture the thermal insulation by using Nitrile Butadiene Rubber (NBR) which is the basic material in the insulation manufacture used by worldwide manufacturers for distributing to general market or to the consumer who is highly

concerned about price. In order to satisfy the need of one-stop service of insulation installation, Aeroflex has distributed other types of products, such as tape, rubber compression molding, rigid foam, flexible duct, insulating paints, and rubber glue.

INDUSTRY TREND AND COMPETITION

Nowadays, in the industry of Elastomeric Thermal Insulation, there are three important entrepreneurs: 1) Armacell, 2) K-Flex, and 3) Aeroflex. Aeroflex is the sole major manufacturer of EPDM, who is able to manufacture and distribute these products with the capability to compete in the world market. However, the market share of Aeroflex is relatively small at 11% in comparison to major competitors that mainly produce NBR such as Armacell and K-Flex as they are previously wellknown and pervasive throughout Europe and America. Furthermore, the expansion of the light wieghted insulation product often incur high logistic cost, hence, the expansion of manufacturing base is necessary for market expansion. Aeroflex introduced the prefoam tube and sheet technology to help mitigate such obstacle, still the market expansion require intensive marketing and expanding production base to enhane the market share. Thus Aeroflex is determined to invest in Reasearch and Development on both Product and Process in order to achieve its target.

SALE CHANNELS

Aeroflex's domestic sale channels are through refrigeration machines dealers, large



construction contractors or system installation contractors. With regard to international market, Aeroflex has designated sale agents 34 or local retailers whereas in some particular countries such as Russia and Switzerland, sale agents are required to purchase license from Aeroflex.

MANUFACTURING BASE

At present, Aeroflex's total manufacturing capacity of EPDM insulation is 20,000 tons/year and NBR insulation is 20,000 tons/per year from 5 manufacturing bases, locating in different countries across the globe which are Thailand, USA, India and China (2 bases)*. Additionally, Aeroflex conducts license business in 2 manufacturing bases in Switzerland and Russia which provides manufacturing capacity of 200 and 100 tons/year respectively. Accordingly, Aeroflex is assured of its performance to meet wide scope of requirements so as to ensure customers satisfaction.

PROCUREMENT OF PRODUCTS AND SERVICES

The manufacturing process of our rubber




insulation consists of various chemicals; the main substance is EPDM artificial rubber or Ethylene Propylene Diene Monomer. Aeroflex's products are processed from a mixture of artificial rubber, additives, and flame retardants including other chemical supplies. Aeroflex orders these components from different suppliers, such as Mitsui Chemical and Albemarle.

In regards to procurement of other products which are used for insulation installation, Aeroflex orders the purchase from reputable manufacturers to ensure the good quality of all products for customers.

IMPACTS ON ENVIRONMENT

Aeroflex places great consideration to impact on environment and health of local community and its personnel at all levels. Therefore, Aeroflex undertakes analysis on all chemical substances involved to prove that the chemicals used in the manufacturing process must be safe to human as well as surrounding ecosystem. Moreover, Aeroflex's main manufacturing bases are established and managed in accordance with international standard: ISO 9001, ISO 14001, ISO 50001, OHSAS 18001, and TIS 18001.

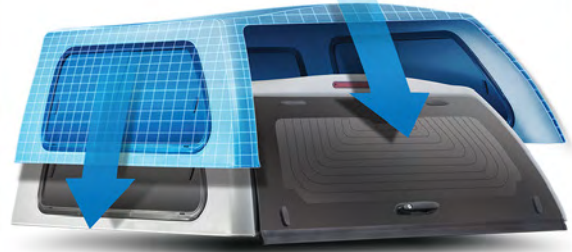
Aeroflex's rubber insulation is extensively used in conditioning systems engineering to reduce the coolness loss, to prevent condensation, and to effectively save energy, for reasons that K-Value (Thermal Conductivity) is low and stable for all usage life, the material of Aeroflex's products is also proved to be non-toxic. Moreover, in case of fire, Aeroflex's Insulation generates low smoke density and does not catch on fire. In addition, Aeroflex's products are in high quality, compared to other competitors in the market. Aeroflex's insulation has been certified by leading standard from all over the world, such as ASTM / JIS / CE / UL / FM / BS / GB / Lloyd's Register and RoHS .

*Remark: Two production bases in china are consisting 1) Aeroflex Polymer Technologies (Shanghai) Co., Ltd. (APT) which is the subsidiaries of EPG and 2) Aerocel Construction Material (Jiangsu) Co., Ltd. (ACM) which is the joint venture of Aeroflex.



Aeroklas Company Limited

 Automeric Innovation



We are the
TRUE STORY

**We are
Aeroklas Canopy**
The 1st brand in the world who
reinforces with ABS double
shells for double strength

1



Manufacture and distribution of automotive parts and accessories by Aeroklas Co., Ltd. and subsidiaries

BUSINESS OVERVIEW

Aeroklas Co., Ltd. is the world leading manufacturer of automotive parts and accessories with product designs and development under Aeroklas' patents. Aeroklas's automotive parts and accessories are used for decoration and supplement to enhance efficient use of pick-up trucks.

Aeroklas distribute the product both domestically and internationally under the Brand "Aeroklas" "TJM" and "Flexiglass"



AEROKLAS' MAIN PRODUCTS ARE:

Bed Liner

Bed liner is installed on the trunk for increasing durability and loading performance. Aeroklas is the sole and first manufacturer in the world who develops technology and owns patent of installation system with no drilling required but using plate instead. Aeroklas' bed liner is made of HDPE (High Density Polyethylene)



Canopy

Canopy is installed on the trunk for enlarging passenger space as well as increasing safety to the carried loading. Aeroklas is the first manufacturer who manufactures and distributes special ABS Alloy canopy under Aeroklas' specific formula. Comparing to other brands, Aeroklas' canopy is lighter, with 2 layers being seamlessly integrated into a single piece. ABS Alloy canopy can prevent destructive impact of external high temperature while keeping internal temperature at a steady level. In addition, the ABS Alloy canopy also enhances safety in case of accident, as ABS Alloy does not crumble or breaks into sharp pieces upon impact and the product is also recyclable.



Deck Cover

Deck cover is a part installed at the back of the trunk with no drilling required while being lockable. Deck cover is designated to protect storage of materials in the trunk, protect against dust and rain as well as to upgrade the look of pickup truck. Aeroklas' deck cover is made of Polycarbonate ABS (PC-ABS); the material is hard, resilient while the weight is much lighter compared to other competitive products.



Side Step

Aeroklas' side step is designed for SUV car and off-road pickup truck. The side step is used for providing easy step when accessing the car. The product is made of Polymer Alloy which has light weight and is environmentally friendly.



Other Products

Aeroklas has wide ranges of parts and accessories for pickup truck and passenger car including automotive parts for agricultural vehicle and multipurpose plastic sheets used in agricultural business.





Products under TJM Brand

TJM products Pty Ltd started its operation in Australia in 1973. The Company has established a long history of being a distributor of TJM brand for more than 44 years in Australia. TJM has established and expanded more than 63 TJM shops as its product distribution channel, and also 30 other automotive shops around Australia. The company is ranked in the top 2 based on sale revenue from 4WD and SUV automotive parts market in Australia.

TJM is both expert and pioneer of the 4WD car accessories. The products by TJM are well trusted in regarding of design innovation and quality control of manufacture. The example of TJM product include: front and rear bumper, chokap back, winch, and other outdoor accessories

Products under Flexiglass Brand

Flexiglass Challenge Pty.Ltd. commences its operation in 1949. The company operates the distribution of the automotive and accessories product for both 2 wheel drive and 4 wheel drive pick up truck in Australia.

The notable product are the Canopy and Trays. Flexiglass currently have more than 100 distributors and dealers in their network. The company also own 5 owned branches.

INDUSTRY TREND AND COMPETITION

Automotive industry is one of the world major industries. Nowadays, the value of automotive industry is approximately 1 trillion USD, which is 2-3% of the world GDP, based on the fact that cars are the most popular vehicle used for transportation. In addition, there are both directly and indirectly relevant industries in the chain of



FLEXISPORT
PREMIUM



FLEXISPORT



FLEXIEDGE



FLEXIXOVER

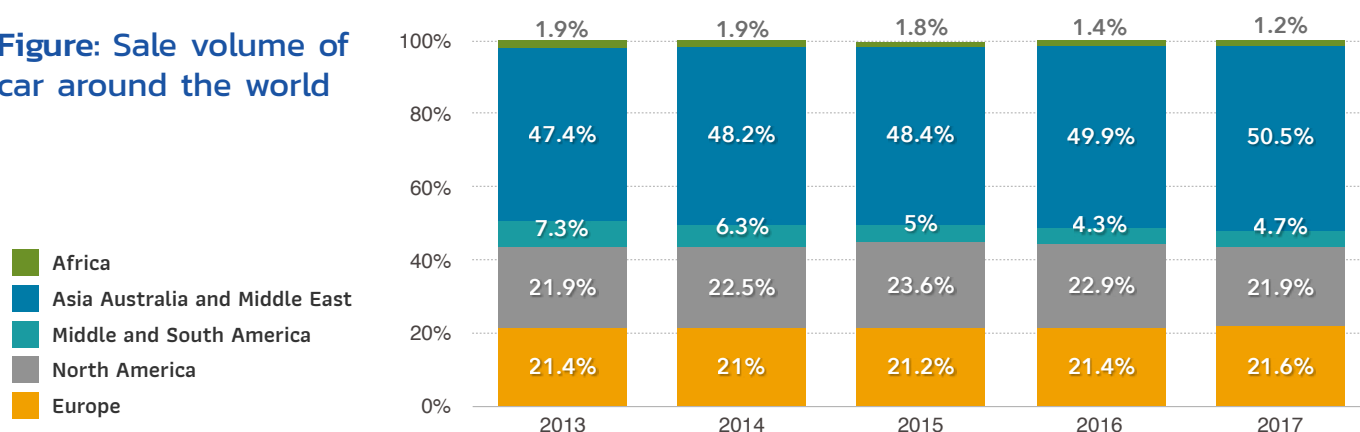


FLEXITRADE



FLEXIWORK

Figure: Sale volume of car around the world



The International Organization of Motor Vehicle Manufacturers (OICA)

the automotive industry, such as parts and accessories business, and car dealer.

According to the market value distribution classified by continent, in 2017, Asia pacific including the Middle East has the highest market value of car sold in 2017 at 50.5% of the total number because Asia has the

largest number of populations, followed by North America and Europe at 21.9% and 21.6% respectively. Nowadays, the demand of plastic in automotive industry is continually increasing as a result of ideas and a change of consumer's trends, which comprises of 4 important factors: (1) focusing on energy saving, (2) focusing on environment, (3) focusing on automotive safety standards, and (4) plastic parts can be produced fast with high standard.

SALE CHANNELS

Aeroklas is one of the few Thai automotive parts manufacturing companies that are not categorized as an Original Equipment Manufacturer (OEM) only. Aeroklas' main income comes from manufacturing products and parts for various brands which the company has collaborated with customers for Original Design Manufacturer (ODM) and Replacement Equipment Manufacturers (REM).

Aeroklas' sale channels are through the following:

1) Domestic Customers Sale of products in ODM and OEM channel

ODM (Original Design Manufacturer)

ODM is a direct distribution to automotive assemblers. Aeroklas designs and manufactures products for leading automotive companies under their own brands. Each automotive model lasts for 5-8 years, therefore, the income is stable and the risk of order being cancelled is low because most products are codesigned by Aeroklas under the patent of Aeroklas. At the same time, Aeroklas also

manufactures such products to other automotive companies.

OEM (Original Equipment Manufacturer) Customers

Aeroklas operates business in the form of OEM for various automotive companies by producing automotive parts under the circumstance that the profit derived from such contract is within expected range.

REM (Distribute product directly to the automobile dealership under the brand of Aeroklas) Customer

Aeroklas distributes products in REM channel to dealers and automotive sale centers under "Aeroklas" brand. At present, Aeroklas' products are distributed to more than 400 showrooms and automotive accessories shops, which are located in Thailand and other 100 countries worldwide.

2) Oversea Customers

The sale is conducted through export to our oversea subsidiaries or dealers worldwide.




MANUFACTURING BASE

Aeroklas has 3 manufacturing bases located in Thailand, China, and Malaysia. However, the main manufacturing base remains in Thailand at IPP Industrial Estate, Nikom Pattana district, Rayong, and the manufacturing base in China is established in Shanghai, while the overseas subsidiaries in USA and Australia are delegated as distribution centers for its own territory and neighboring countries.

Currently, Aeroklas has a total manufacturing capacity of bed liner at 800,000 pieces/ year; canopy at 34,000 pieces/ year; deck cover at 24,000 pieces/ year; and side step at 400,000 pairs/ year.

PROCUREMENT OF PRODUCTS AND SERVICES

Plastic beads are the main raw material in Aeroklas' manufacturing processes, which are HDPE, ABS PC/ABS, and DCPD. Aeroklas orders plastic beads from both domestic and overseas manufacturers by considering from the quality, price, and delivery conditions. Nevertheless, the plastic beads are a product of oil refining process which the cost of manufacture depends on the price of crude oil in the world market. Thus, the volatility of the crude oil price has an impact on Aeroklas's cost of production. Furthermore, Aeroklas purchases other parts and components, such as hook, polymer alloy, mirror, choke, and other fitting set as accessories or components for Aeroklas' products.

at the designated proportion, which will not cause an impact on product quality. According to such effort, Aeroklas has been certified by ISO 9001, ISO 14001, ISO/TS 16949, OHSAS 18001, TIS 18001, and Q-1 Quality from Ford. Such criteria is the major regulations adhered by world leading automotive manufacturers nowadays. Aeroklas' products: bed liner, canopy, deck cover, and side step are made of light plastic with the particular manufacturing methods; this enhances the special durability, thus it can be completely used instead of metal. The total weight of pickup trucks will be much less, which also helps saving energy, subsequently reducing emission of Carbon Dioxide (CO₂) into the air. In addition, automotive entrepreneurs in some European countries can use this advantage for tax break by deducting carbon credit with their government authorities. 

IMPACTS ON ENVIRONMENT

Aeroklas has created various innovations for consumers by taking into consideration the importance of environment, under the idea of "Technology & Environment in Harmony". Accordingly, Aeroklas continually develops manufacturing process and technology with aim to reduce on-process impacts on the environment, while excessive amount of plastic from manufacturing process is reused in the process.





Eastern Polypack Company Limited



Containers made perfect

Asian number

Thermoforming
plastic & packaging
manufacturers

1



BUSINESS OVERVIEW

Eastern Polypack's main business is manufacture and distribution of disposable plastic packaging for food and beverage, for example, drinking cups, food containers, plates, and bowls. All products are manufactured under the trademark of "EPP". EPP brand is well recognized as premium products among food and beverage industries at every level. Last year, the Company launched new trademark, which is "eici", in order to expand the business to the non-premium product market.

PRODUCTS

EPP products are categorized into 2 main types:

1. Plastic Packaging

The products manufactured and distributed by EPP are:

- Beverage packaging, for example, cold cup, hot cup, lid, and straw, are manufactured from many types of plastic, such as (1) Polypropylene (PP), (2) Polystyrene (PS) - General Purpose Polystyrene (GPPS), High Impact Polystyrene (HIPS), K-Resin, and (3) Polyethylene Terephthalate (PET).
- Food packaging, for example, frozen food box which is high heat-resistant in microwave level, bakery box, fruit box, egg tray, and sauce cup, are made of the same plastic types for beverage packaging, depending on its qualification.

2. Plastic sheet

Eastern Polypack Co., Ltd. manufactures and distributes plastic sheet to customers in many industries who will transform plastic sheet to be their product, such as automotive parts, bottle and can pads, billboards, and various forms of roofing. Plastic sheets are made of various types of plastic, which are Polypropylene (PP), Polyethylene Terephthalate (PET), Polystyrene (PS), Polycarbonate

(PC), and Acrylonitrile Butadiene Styrene (ABS).

INDUSTRY TREND AND COMPETITION

Nowadays, the demand of various types of plastic packaging is increasing along with growth rate and economic development of the country. Due to the changes in population structure, income, lifestyle, and consuming behavior, plastic packaging can satisfy people with rush daily routine. Eastern Polypack has sufficient capacity to accommodate the growth of consumers who likely have the demand in good quality product due to the reason that it owns large and high quality manufacturing process with the advanced technology and machinery,

DISTRIBUTION CHANNELS

Eastern Polypack's distribution channel can be classified into 3 groups:

1) Domestic wholesale business

- For the wholesaler, Eastern Polypack distributes products to the wholesale stores which have defined their distribution areas not to overlap with other customers of Eastern Polypack; these wholesale stores will sell EPP products to small coffee shops, bakeries, restaurants and other stores.
- For retailer, Eastern Polypack distributes products of EPP and eici to Modern Trade.

2) Domestic food and beverage industry

Eastern Polypack distributes packaging products to food and beverage entrepreneurs, and plastic sheet to manufacturers of construction industry, automotive parts manufacturers.

3) International export business

Eastern Polypack distributes products to other countries via the distributor agents and direct contact with industrial customer, depending on the appropriateness of marketing in that country.

MANUFACTURING BASE

Eastern Polypack has 2 manufacturing bases in Thailand; the first one is situated in Pluak Daeng district, Rayong province, while the second one is located in IPP Industrial Park, Nikhom Phatthana district, Rayong province, with total manufacturing capacity of 32,000 tons/year.

PROCUREMENT OF PRODUCTS AND SERVICES

Eastern Polypack uses various plastic beads for manufacturing different products, both plastic packaging and plastic sheet. The procurement is based on price, quality, and suitability of each type of plastic beads of manufacturers in Thailand and overseas. Eastern Polypack has purchased plastic beads mainly from domestic suppliers. In each order, the Company considers the amount of plastic beads of customer orders and estimates the number of products to be sold in the future for the reason of bargaining power.

IMPACTS ON ENVIRONMENT

Eastern Polypack's packaging products are friendly with environment by concerning the principle of 3R;

1. **Reduce:** To reduce plastic-decomposing time of some types of plastic packaging products and to reduce the energy consumption during the manufacturing process.



2. **Reuse:** Eastern Polypack's products should not be re-used because they are disposable; however, they are available for other uses, such as storing office utensils and seeding the new plants.
3. **Recycle:** Products that are broken or do not meet quality standards can be mashed and used for re-manufacturing, thus there will be no loss in manufacturing process. In addition, Eastern Polypack's products can be brought into transformation process to manufacture other types of products. Moreover, the unused plastic packaging products can be brought into de-polymerization process to become crude oil or fuel for generating energy in cement industry.

Eastern Polypack pays attention and complies to the international standards, and receives many rewards, for example, quality management system ISO 9001 / GMP (Good



Manufacturing Practice) / HACCP (Hazard Analysis And Critical Control Point) / Environment: ISO 14001 / Green Industry Level 4: Green Culture / Carbon Footprint of Products (CFP) from Thailand Greenhouse Gas Management Organization (Public Organization): TGO / Health care, safety, and environment in workplace (OHSAS 18001, TIS 18001) / Corporate Social Responsibility (CSR) and Thai Labor-Standard (TLS 8001).


Eastern Polypack is in the process of studying the potentiality of using new technology together with biological substance from plants in manufacturing plastic packaging products in order to reduce plastic-decomposing time in the proper atmosphere for reducing the impact on world environment, which is in compliance with National Strategic Plan for Environmentally Sustainable Growth Strategy. 



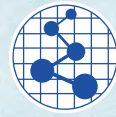
Aeroflex Polymer Technologies (Shanghai) Company Limited - China

BUSINESS OVERVIEW

Eastern Polymer Group Public Company Limited incorporated Aeroflex Polymer Technologies (Shanghai) Limited (APT) in order to support production and distribution of 3 businesses afore mentioned to ensure efficiency in business operation.

- For example, supporting Eastern Polypack Company Limited (EPP) in sourcing products for trading i.e. papercap, plastic forks and spoons.
- APT also support Aeroflex Company Limited (AFC) in producing importing and distribution of EPDM insulation and
- Support TJM in product sourcing / storing and distributing.
- In addition APT also acts as international trading to help sourcing for Machinery / chemical use in production for the subsidiaries of Eastern Polymer Group. 





**EPG INNOVATION
CENTER (EIC)**

EPG Innovation Center Company Limited



**Researching
for the Future**

The total
number of
**R&D and
laboratories**

8

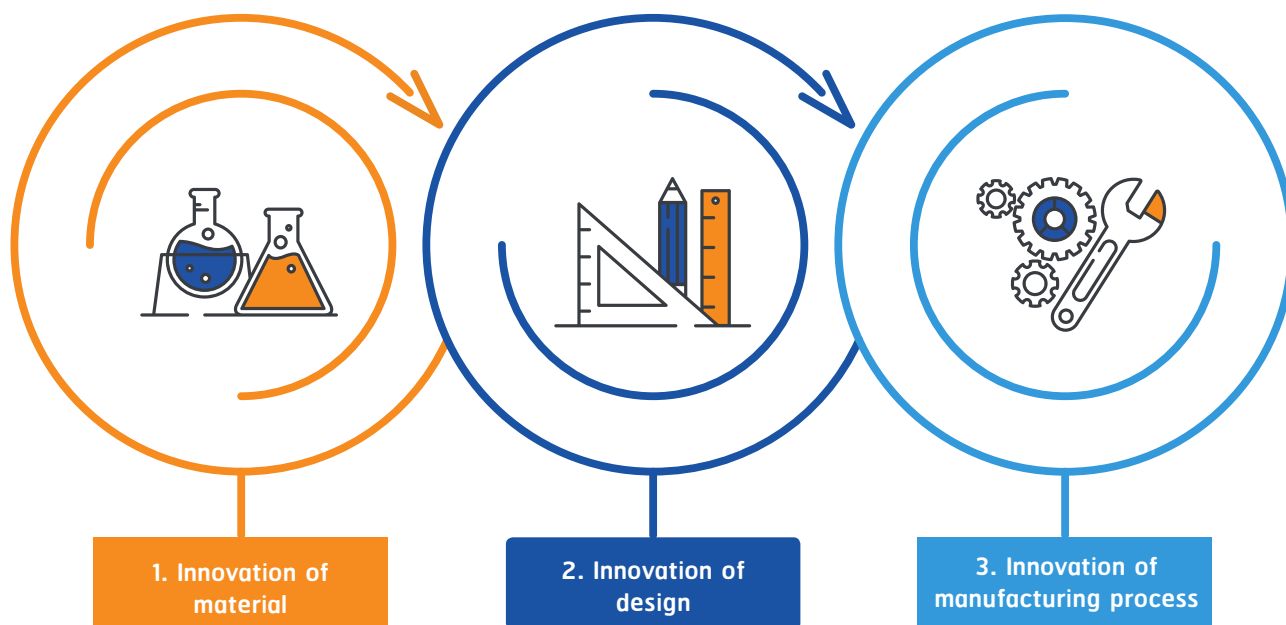


CREATIVE INNOVATION ORGANIZATION

The success of Eastern Polymer Group Public Company Limited (EPG) is the result of outstanding innovation which is continually developed; it is the combination of many fields: science, engineering, marketing, and finance. This leads to the successful components of the organization, which are high-quality innovative product, strong and acceptable brand, and differentiation for being the market leader.



The stable and sustainable success of the Company comes from these 3 outstanding innovations;

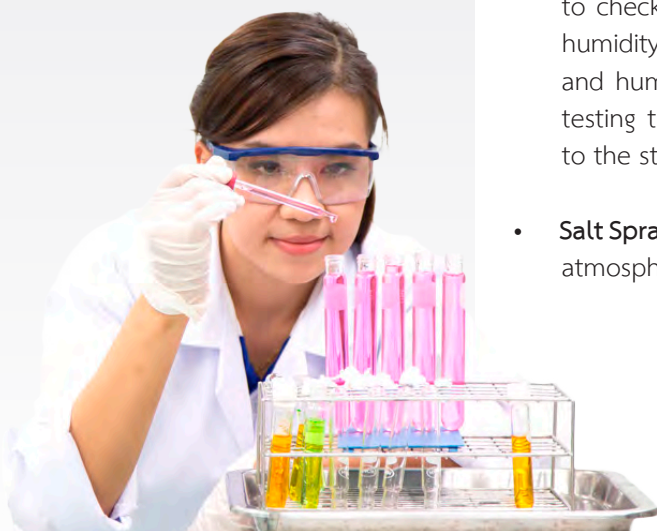


In addition, the Company and its subsidiaries have registered various patents both in Thailand and many countries across the world in order to prevent copying and to sustained high level of profit.

BUSINESS OVERVIEW

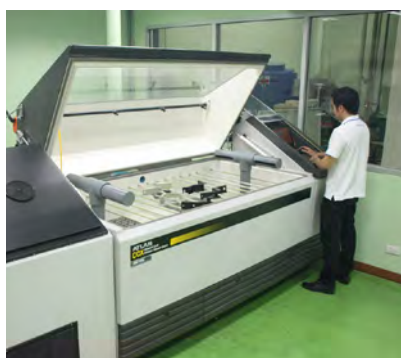
EPG Innovation Center Co., Ltd. (EIC) conducts the research and development and testing for the materials and products, including calibration. EIC is an important organization supporting the research and development of EPG. In addition, EIC is one of the modern private polymer research lab centers in Thailand. With technology performance, testing tools and equipments, operation method, and experience of testing, EIC can provide services of product analysis and testing according to the test standards in the acceptable international level about rubber, plastic, metal, packaging, and automotive parts; moreover, dimensional and temperature calibration services can also be provided. Currently, testing services are also offered to other external companies.


EPG Innovation Center Co., Ltd. (EIC) received standard certification of ISO 9001:2015 / ISO/IEC 17025:2005 / private analytical laboratory Registration number W-230. In January 2017, EIC received 'Ford Laboratory Accreditation' which is the certified 54 listed of testing on colored products, and soft trim materials from Ford Motor Research and Engineering (Nanjing) Co.,Ltd. This enables EIC to be able to support the test in the Ford's standards, and provide test to Ford's customer. This is a significant advance accepted and recognized by many world-class companies.



The outstanding technology is as follow:

- **Vibration Resistance Test;** the test aim to assess Product quality under the condition of different type of vibration such as frequency / duration and length of time. The Test can be conduct either in horizontal or vertical in three different directions while control for the humidity and temperature in the chamber Testing room at the same time. The customer from automotive industries and Electronics products that rely on logistic transportation via Trucks / Train / Airplane and Ship are some of the major customer that interest in this test.



- **Fire Testing** is used for testing the ignition and flammability of materials; the testing tools are up to many important standards of the world, for example, Cone Calorimeter, UL, and LOI, which are used to test the insulation and all types of plastic according to the standards of UL, EN, FM, DIN, GB/T, BS, ASTM, and ISO.
- **Walk-in Chamber** is the technology used to simulate conditions to check for real product changes under temperature and relative humidity; by that it can handle temperatures between -40 and 100°C and humidity of 15 to 95% RH. This technology is mostly used in testing the automotive parts and construction materials according to the standards of each automotive company (Customer Method).
- **Salt Spray Test** is metal corrosion monitoring technology under various atmospheres according to the standards of ASTM, JIS and ISO. 



**Tokai Eastern Rubber
(Thailand) Company Limited**

**Embracing
Tomorrow's Technologies**



**Zeon Advanced Polymix
Company Limited**





Joint Venture

Eastern Polymer Group invest in Joint Venture with Tokai Eastern Rubber (Thailand) Co.,Ltd and Zeon Advanced Polymix Co.,Ltd




and worldwide distributed to large manufacturers with production based in Thailand and worldwide.

The Company holds 30% of ordinary shares (not included preferred shares) in Tokai Eastern Rubber but is entitled to receive dividend and has voting rights at 20% in Tokai Eastern Rubber (Thailand) Co., Ltd. The reason is based on the fact that Sumitomo Riiko Co., Ltd. holds 25,000 preferred shares which allows voting right and receive dividend - 30 times of ordinary shares. However, according to the joint venture agreement, any significant amendment must be approved by at least 81% of represented shares.

BUSINESS OVERVIEW

Investment in Tokai Eastern Rubber (Thailand) Co., Ltd. for manufacturing of shock absorbing rubber and fuel hoses for motorcycles. The Company has associated with Japanese firm, Sumitomo Riiko Company Group - one of the world's biggest manufacturers of anti-vibration rubber. The product ranges include rubber covers for engine and fuel hoses for cars and motorcycles which are distributed to large manufacturers with production based in Thailand

The products of Tokai Eastern Rubber are mainly distributed to domestic automotive manufacturers and assemblers. The remaining products are sold to companies under Sumitomo Riiko Company Group as well as other automotive firms worldwide.

Production Capacity and Factories: Tokai Eastern Rubber produces all products in its 2 factories located in IPP Industrial Estate, Nikom Pattana District, Rayong and Eastern Seaboard Industrial Estate, Pluakdaeng District, Rayong. 

BUSINESS OVERVIEW

Investment in Zeon Advanced Polymix Co., Ltd. This business is production and distribution of rubber compound for natural and artificial rubber used in various industries. Customers are from within the country and overseas whereby more than 70% of them are automotive industry which produces anti-vibration rubber, seals, car doors including rubber parts used in construction site. At present production capacity of Zeon Advanced Polymix is approximately 47,000 tonnes/year, - considered as one of the biggest manufacturers of compound rubber and artificial rubber in Thailand. The Company holds 27% of shares in Zeon Advanced Polymix Co., Ltd.



Majority of products from Zeon Advanced Polymix are distributed to automotive part manufacturers (Original Equipment Manufacturer "OEM") both domestically and overseas. 



Corporate Social Responsibility for sustainable development

POLICY AND OVERALL

Eastern Polymer Group PLC and its subsidiaries have operated business by creating the innovation and having the strong intention to create the sustainable development to the Company along with the happiness of society and community based on good governance and CSR policy.

CSR Policy

1) To operate business with honesty, transparency, integrity and verifiability by focusing on the growth of the Company together with life quality development of personnel, community, society, and environment; including sustaining the interest of stakeholders based on Company's vision and mission.

2) To place importance on corporate governance under moral and ethical management, with transparency and verifiability, especially focus on the process involving or containing exposure to the risk of internal direct and indirect corruption.

3) To operate business with respect to human rights; abstention from taking advantages of trading partners, per-

sonnel, customers, and society; and stakeholders with equality and fairness.

4) To assign personnel of the Company and subsidiaries to perform their duties in line with CSR policy. In addition, to provide training and personnel development programs by fairly support employees to progress in their line of work.

5) To place importance on product quality by continually offering products that is beneficial for health and safe for consumers, society and environment with reasonable prices, for the good life quality of all consumers and society.

6) To effectively support the development activities in saving natural resources and conserving water, energy, plastic and paper.

7) To place importance on community development. Therefore, to engage in and be responsible to the communities is an important factor that needs to be conducted in parallel with the sustainable Company's business operation. The Company and its subsidiaries support various activities and projects concerning communities and educational program for rural schools, and also help the victims of natural and public disasters.

8) To place importance on innovation related to sustainable social and environmental development; including policies on marketing, investment, products and services with social responsibility as well as appropriately providing special services required by customers.

DIRECTION OF CREATING SUSTAINABLE GROWTH

The sustainable and stable growth for over 40 years of the Company is the result of the success of family management which has a leader as a good role model, by prioritizing the cultivation of family culture, and transmitting moral and ethical concept. The life philosophy of the Company's Board is concerned with harmony and unity among each member in the family.

The good role model of family leader helps to transmit the concept and ideal of harmoniousness, diligence, patience, and gratitude which focus on paying to the benefactors and land, based on the life philosophy that "Don't forget the well digger when you get water to drink from the well". The family management is consisted of these 7 factors:

1. To cultivate the concept of family love, to create understanding, harmony, readiness, and unity.

2. To teach about family regulation, to have the strong and explicit internal family management that prioritizes seniority.

3. To provide the educational support so that all family members can have the highest education, and be always eager to study for increasing knowledge and for knowing

the reality.

4. To have the exemplary leadership; to be the family leader must continually behave well in order to create credibility and faith from family member.

5. To treat each family member with fairness; the success that occurred belongs every member, the benefit and income are systematically and fairly allocated, therefore, each family member can live together

peacefully without any conflict.

6. To rely on humility and not luxury; to treat yourself and others with appropriate demeanor and to know the value of money.

7. To hold on honesty and transparency; every member has honesty and trust. The accountancy should be transparent without any avarice or corruption.

These directions cause an effect on business management to place importance on creating organizational culture which contains the morality in management. In addition, the growth throughout the past has come from the business model which integrates business operation philosophy together with modern management, which is consisted of 7 factors;

1. Niche marketing; the Company manufactures products for niche market and Blue Ocean market, but does not participate in the highly competitive market (Red Ocean).

2. Innovation; it is an important factor of production in niche market, the outstanding point of the Company is know - how and skills, which result in various number of Patents held by EPG and Subsidiaries

3. Network; the Company focuses on expanding network around the world, for example, human network, financial network, customer network, supplier network, along with good online logistics system.

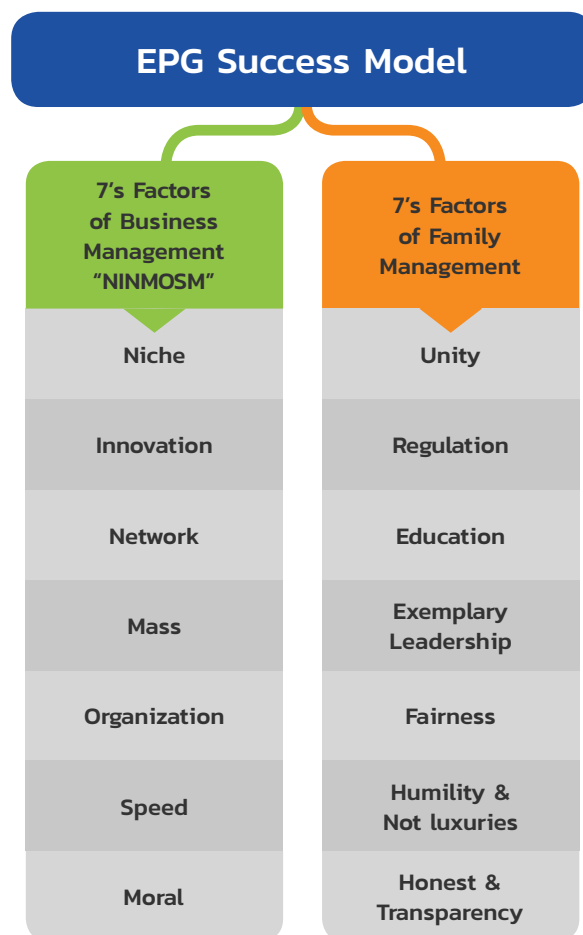
4. Mass marketing; the Company creates network from Niche Marketing of every city in every country all over the world. This network can become mass market which will lead to mass production.

5. Organization management; the Company sets the universal organization structure, and the centralized management. The executive of each subsidiary is professional, focuses on supporting good and skillful personnel, treats all personnel equally, and behaves with the principles of managing human resources, brain, and skills in order to create the advance of the organization.

6. Speed of business; the Company applies modern technology in the production, and can create higher advantage to become cost leadership and to increase the competitiveness with know - how plus with speed and technology

7. Moral business operation; the Company applies life philosophy in operating business, which is honesty, sufficiency, and treats all stakeholders well, and also relies on manufacturing high-quality products which is beneficial for environment. This can create happiness to personnel, others, and society, which becomes the cycle of happiness.

According to 7's Factors of Family Management and 7's Factors of Business Management, they are applied to create the EPG success model and this academic article is published in European Journal of Scientific Research.



When applying this model in the research process, the results show that the business management of EPG with the NINMOSM model has the relationship with the success of the Company, by that the components which has the highest relationship with success is innovation, organization management, and company image which creates impression, confidence, and faith to personnel, customers, suppliers, communities, societies, and environments. The Company also relies on applying morality in operating business based on the principle "To Create Organization with Morality, To Manage with Quality." Therefore, the Company has readiness and strong intention to create continual growth with stability and sustainability.

DIRECTION OF THE SOCIAL RESPONSIBILITY FOR SUSTAINABLE DEVELOPMENT

With the Company's vision that is to become "Creative Innovation Organization", EPG is the real creative innovation organization; it is the organization of thinker, researcher, and innovator who has courage to invest in research and development to create the best product for human, society, and environment. Eastern Polymer Group PLC and its subsidiaries have operated business along with the social responsibility for sustainable development, covering the responsibility of corporate governance, society, and environment.



PROCESS AND REPORT

In order to establish the policy of corporate governance and corporate social responsibility (CSR) in the company, the company, thus, appoints the CSR department which is responsible to organize CSR activities, to present CSR plan in the meeting of the Company's Board every year, and to make report to conclude the results of CSR activities operation in the last year and publicizes to the Company's Board of each subsidiary.

IN-PROCESS CSR

EPG has the continual intention to invent new innovation for developing product quality, creating good life quality for consumers, and being environmentally friendly. The Company determines the policy for sustainable business operation by not only focusing on the profit or financial advantage for the reason that the sustainable growth must be together with good society and environment. Therefore, EPG invents the products that develop life quality, production process, and management process that are concerned about the impact on society and environment with these principles;

The operation of *In-process* CSR of the Group helps reduce manufacturing costs, to increase work safety, and to reduce energy consumption, which leads to the sustainability in the manufacturing process.

BUSINESSES OPERATION AFFECTING THE SOCIAL RESPONSIBILITY OF AEROFLEX CO., LTD.

Products that are concerned about safety of consumer, community, and environment.

Aeroflex places importance on the impact on environment, health of community and personnel in every level by analyzing that every type of chemicals must be safe for human and ecosystem in surrounding area. The main manufacturing base of Aeroflex is guaranteed by the international standard, for example, ISO 9001 / ISO14001 / ISO50001 / OHSAS 18001/ และ TIS 18001. Thermal insulation of Aeroflex is guaranteed in the international standard, such as ASTM/ JIS/ EC/ EMPA/ BS/ GB/ Lloyd's Register and RoHS.



Product qualifications

The thermal insulation of Aeroflex is used in the airconditioning industry for maintaining coolness and preventing condensation, and especially efficiently saving electric energy because insulation product contains low and stable k-value. The

material of Aeroflex's insulation is non-toxicity, for example, non-CFC which causes damage on ozone layer which leads to greenhouse effect.

In case of Aeroflex's insulation is on fire, there will be less smoke, the fire will not be spread, and Hydrogen Cyanide (HCN) is not released. These are the important qualifications that encourage many important projects and places select Aeroflex's insulation. Nowadays, Aeroflex products are famous in more than 100 countries

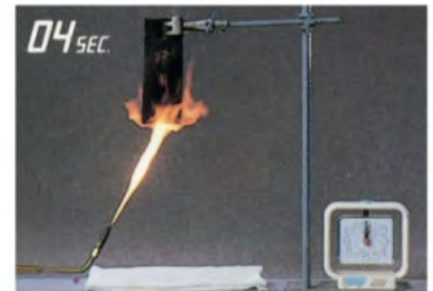
PE. FOAM



PU. FOAM



AEROFLEX®
CLOSED CELL EPDM INSULATION FOR HVAC & R



The Comparison of Burning demonstration of Tolyethylene Foam / Polyurethane Foam and Aeroflex EPDM insulation Rubber

RESOURCE MANAGEMENT

Management of factory energy consumption

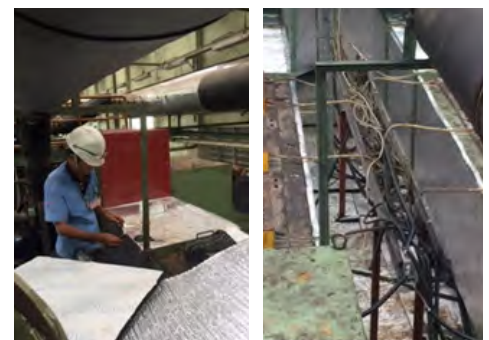
Aeroflex Co., Ltd. has set up a working group on energy management to control and supervise energy consumption at the organization level, production process and machinery. In each month, the Working Group receives a report on energy management to be used in assessing energy consumption trends and investigate abnormalities to find solutions immediately.

In 2017, Aeroflex Co., Ltd., has achieved the energy saving of 49,648.47 kWh./year, and the energy saving value was 169,011.67 baht. Measuring energy

consumption per kWh./Ton., which is the Energy Performance Indicator (ENPI), in the year 2017, Aeroflex has a 0.42% reduction in energy consumption per capacity from 2016, while the production capacity has increased. Examples of energy conservation projects are as follows;

• Project of reduction of heat loss in the production process of leaky walls of the rubber oven

In order to reduce the energy loss, Aeroflex has made an improvement, resulting in saving energy of 248,289.60 kWh./year or decreasing by 13.79% from the pre-operating power bill. This also helps reduce the cost of energy by 869,610.24 baht/year



Rubber oven

• Project of training and activity to promote energy conservation

To educate and cultivate the awareness in energy conservation for employees; Aeroflex Co., Ltd. invited the employees to participate in activity to promote energy conservation, which was participated by 741 employees.

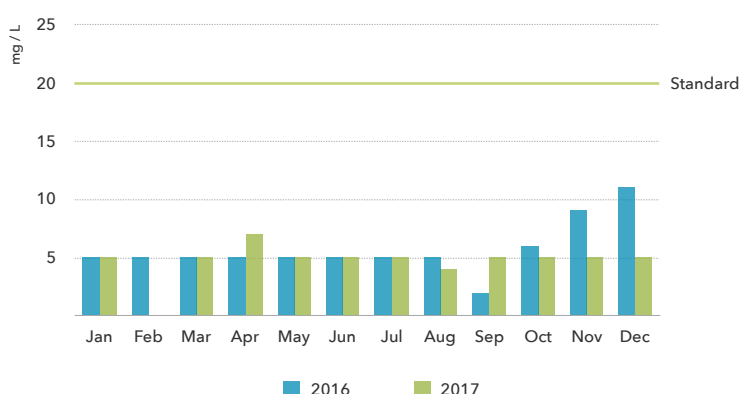
1. Training program about Internal Energy Management System Audit of ISO 50001: 2011.
2. Training program about motivation and adjustment of consciousness in energy saving in organization.
3. Educating about energy (Energy talk) (6 times per year).
4. Managing information billboard to publicize the news about energy.
5. Answering the questions on energy behind the brochure.
6. Visiting the energy management system/renewable energy facility.

Environmental management

Aeroflex Co., Ltd. recognizes the importance of environment by implementing ISO 14001, which is the standard on environmental management system. Nowadays, it is upgraded to be ISO 14001 Version 2015, which is an environmental management system that takes into account the environment, organization and stakeholders. Aeroflex Co., Ltd. has upgraded its standard to be complied with the current situation. Therefore, it follows the regulations of ISO 14001 Version 2015, by evaluating the environmental impact based on life cycle perspective of Aeroflex, and preventing the pollution at the source, following the laws, improving the policy of environmental management to be in accordance with the world environmental situation, including publicizing the information to be acknowledged by both internal and external people. This enabled Aeroflex to pass the evaluation of ISO 14001 Version 2015 from TUV NORD (Thailand) Ltd. in March 2018.

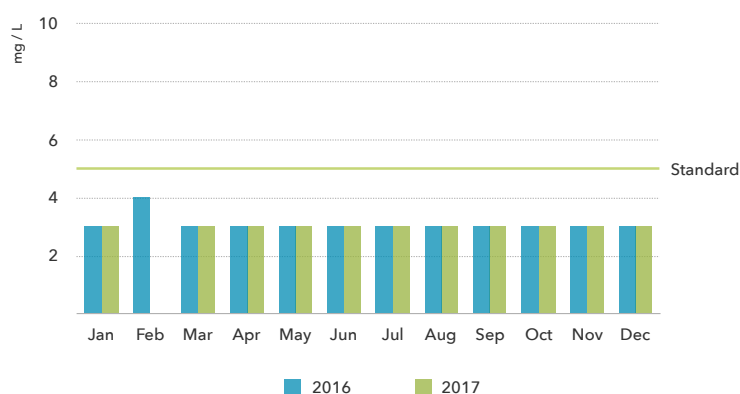
The picture illustrates the measurement which is used to check the water quality before using in the production process and effluent quality from the treatment system before discharging to public water sources. The green line shows the statutory value. The display value of Aeroflex is better than the legal limit.

BIOLOGICAL OXYGEN DEMAND



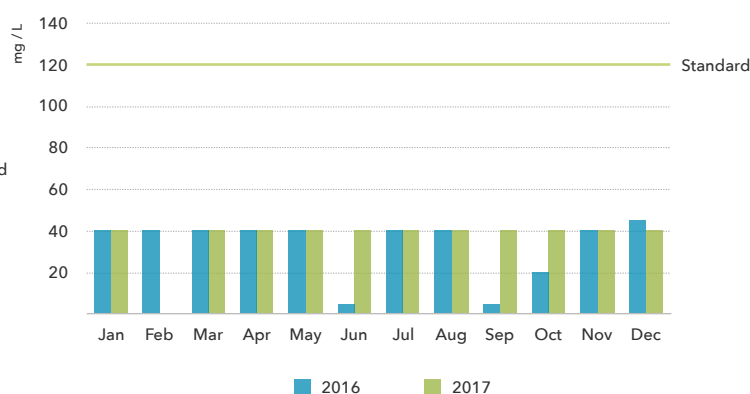
Remark: There is no water quality check during February 2017 due to upgrade and maintenance

OIL AND GREASE

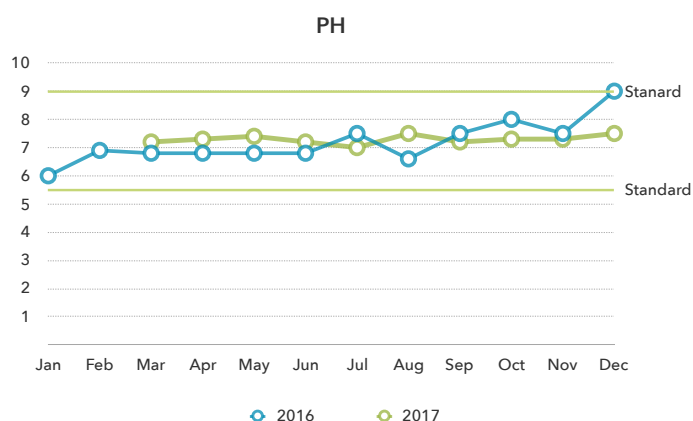


Remark: There is no water quality check during February 2017 due to upgrade and maintenance

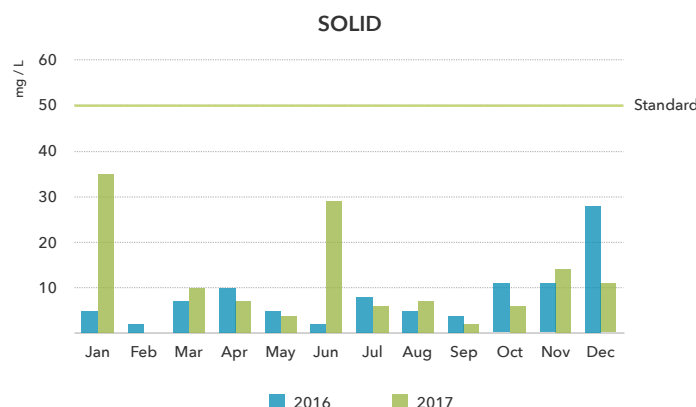
CHEMICAL OXYGEN DEMAND



Remark: There is no water quality check during February 2017 due to upgrade and maintenance

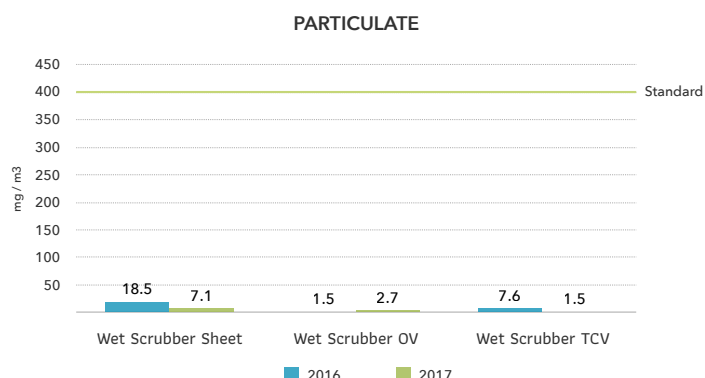
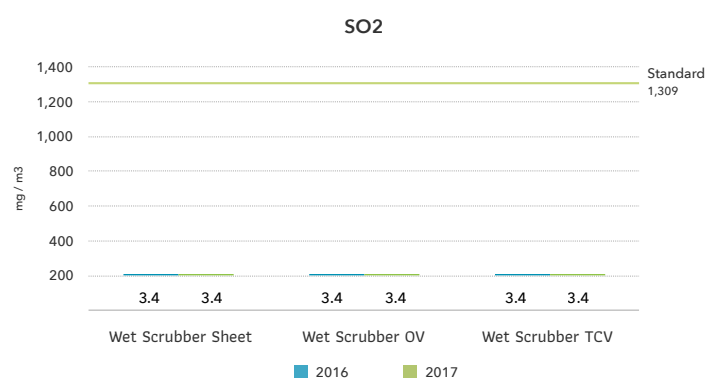


Remark: There is no water quality check during February 2017 due to upgrade and maintenance



Remark: There is no water quality check during February 2017 due to upgrade and maintenance

The picture illustrates the measurement which is used to check the air pollution from the Ventilation chimney. The green line shows the statutory value. The display value of Aeroflex is better than the legal limit.



THE MANAGEMENT OF CARBON FOOTPRINT FOR ORGANIZATION (CFO)

The evaluation of Carbon Footprint for Organization (CFO) is the method to demonstrate the information on emission and absorption of greenhouse gas generated by the organization's operations, both production and service. This evaluation can classify the significance cause of greenhouse gas emission, and then leads to determine the management direction for decreasing greenhouse gas emission effectively. Moreover, this can be used as the tool to evaluate the greenhouse gas emission, and support the performance of Thai entrepreneur and business to have competitiveness in the world trade forum. This is also the preparation in case that the public sector requests the greenhouse gas report of each organization in order to be used in the management direction for decreasing greenhouse gas emission in Thailand.

According to the Carbon Footprint Project for organization (CFO), Aeroflex Co., Ltd. has emitted the greenhouse gas in Scope 1 at 500 tons of carbon dioxide equivalent per year. The highest rate is in the action of R134a refrigerant change in air conditioning and chiller. The greenhouse gas emission in Scope 2 is at 9,101 tons of carbon dioxide equivalent per year due to the high energy activity in the workplace in the synthetic rubber process. The greenhouse gas emission in Scope 3 is at 67 tons of carbon dioxide equivalent per year, which Aeroflex Co., Ltd. used activities in the transportation of waste and production to evaluate the emissions of greenhouse gas.

The principle of 3R of Aeroflex consists of

Reduce: Aeroflex's products take part in reducing the energy consumption and reducing the carbon dioxide (CO₂) emission by reducing the loss of cold, preventing the condensation, and saving the energy effectively, due to the low and constant thermal conductivity (K-Value) through the life time.

Reuse: Aeroflex reuses the used package to ship the insulation of the Company's rubber in the next shipment.

Recycle: Excess production occurred during the production process will be recycled into the new production process in proportion that does not affect the quality of the product. Moreover, the surplus from production will be recycled to produce new products.

FACTORY SAFETY MANAGEMENT PROJECT

Aeroflex has organized the safety and health care activity in order to create acknowledgement and recognition to strict on the discipline in working to all personnel with the expectation to develop to be the safety culture in work and daily life. The Company’s activities about factory safety are;

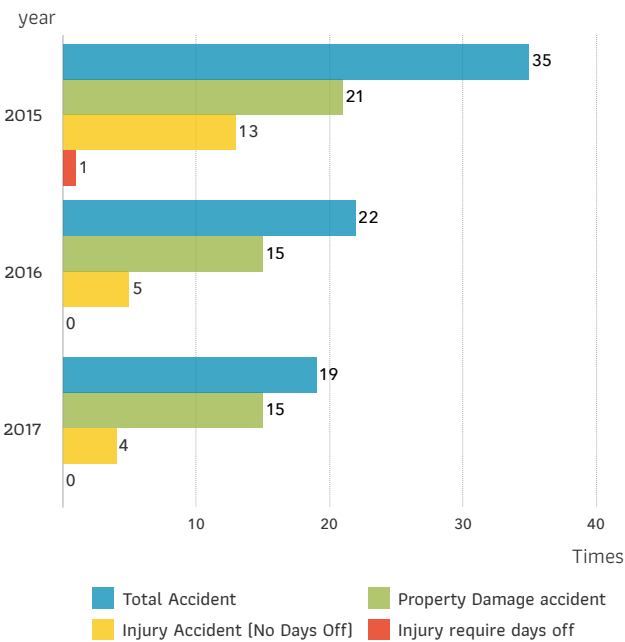
Campaign for wearing personal protective equipment (PPE): in order to encourage all personnel to recognize the importance of wearing each PPE device at work.

Public relations of security and environment activity: it is necessary to continually grow consciousness and stimulate security through the public relations in the form of published document, for axample, brochure and journal.

Campaign to reduce accidents at work in the factory: in order to raise awareness of work safety both for oneself and for colleagues. ‘Near Miss’ report activity: to enable personnel to engage in suggesting insecure points, and solutions and to have awareness of danger to workers in unsafe conditions and practices.

STATISTICS OF ACCIDENT FROM WORK

Statistics of accident from work would be used to analyze the cause of that accident in order to find the solution and measure to prevent the risk factor of accident to prevent recurrence



BUSINESSES OPERATION AFFECTING THE SOCIAL RESPONSIBILITY OF AEROKLAS CO., LTD.

Products that are concerned about worthiness to customer, consumer, society, and environment

Aeroklas has continually developed production process and technology in order to reduce the effect on environment during production. The company is guaranteed in the international standard; ISO9001/ ISO 14001/ ISO/ TS 16949/ OHSAS 18001/ Green label and Q1 from Ford. The automotive and accessories product of Aeroklas is designed under the concept of 3R to be environmental friendly as follow

Reduce: Aeroklas product such as Bed Liner / Canopy / Deck Cover and Sidesteps are made of light plastic with the specific production process, which is specially strengthen and can be used

completely instead of metal material. Thus the pickup trucks are lighter. This also helps saving energy and reducing Carbon dioxide (CO2) emission. In addition, the automotive entrepreneur in some European countries can use this advantage for tax break by deducting carbon credit.

Reuse: The reuse of excess plastics during the production process will be applied into the new production process in proportion that does not affect the quality of the product. This is the useful recycle; and the packaging used in transporting the Company’s products can be reused.

Recycle: Aeroklas’ products are recyclable according to the requirements of the world’s leading automobile

companies and the packaging used in transporting the Company’s products can be reused.

Aeroklas’ products are certified by the world’s leading manufacturers of automotive. Aeroklas has the concept to help the world save energy and to enhance the environment. Every Aeroklas’ products are produced from light weight plastic with unique production methods that make it extremely durable and can be used as a substitute for metal materials. This makes pickups lightweight, reduces energy consumption, and carbon dioxide (CO2) emissions. In addition, in some European countries, automotive operators can take advantage of this to reduce their tax by deducting

PRODUCTS' QUALIFICATIONS

- **Bed Liner** is made of HDPE plastic, installing on the pickup trucks for increasing endurance and capacity in cargo. to use instead of metal, for that the pickup truck is lighter and can save energy.
- **Deck cover and Canopy** are made of ABS Alloy which is lighter than other type of canopy. This helps saving energy and maintaining the internal temperature. In case of accident, ABS Alloy will not break into nib, and also can be recycling.
- **Design and production of geo membrane.** Geo membrane, 7 meters wide, is used for flooring the pond for keeping water, and flooring the landfill for preventing the chemicals or poison to soak into soil and groundwater. This can reduce soil and water pollution.
- **Side step** is used and the footrest stair to get in a car, which is the cooperative design with the world's leading automotive company. The side step is made of Polymer Alloy

Resource management

Management of factory energy consumption

Aeroklas Co., Ltd. has set up a working group on energy management to control and supervise energy consumption at the organization level, production process and machinery. In 2017, Aeroklas Co., Ltd., has achieved the energy saving of 1,734,977 KWh year, and the energy saving value was 6,340,938 baht. Thus, Aeroklas has a 5.62% reduction in energy consumption per capacity from the previous year



• Project of changing High bay lamp from Mercury to LED High Bay

The purpose of this project is to improve and reduce the amount of electricity consumption in lighting the factory area of 50 sets, which can reduce the energy in this section by about 50% of the original, the energy savings is 51,480 kWh / year, or 190,990 baht / year. This also reduces greenhouse gas emissions by 28,879 kg / year.

• Project of replacing fluorescent lamp with LED in office buildings and warehouse buildings

In order to improve and reduce the amount of electricity consumption in lighting office buildings and warehouse buildings, the Company replaced the 20W LED bulb, instead of the 36W fluorescent tubes with 926 tubes. This can reduce the power consumption by about 50% of original. The energy saving is 20,311.62 kWh / year or 81,246.48 baht / year. This helps reduce greenhouse gas emissions by 11,394.50 kg./years.

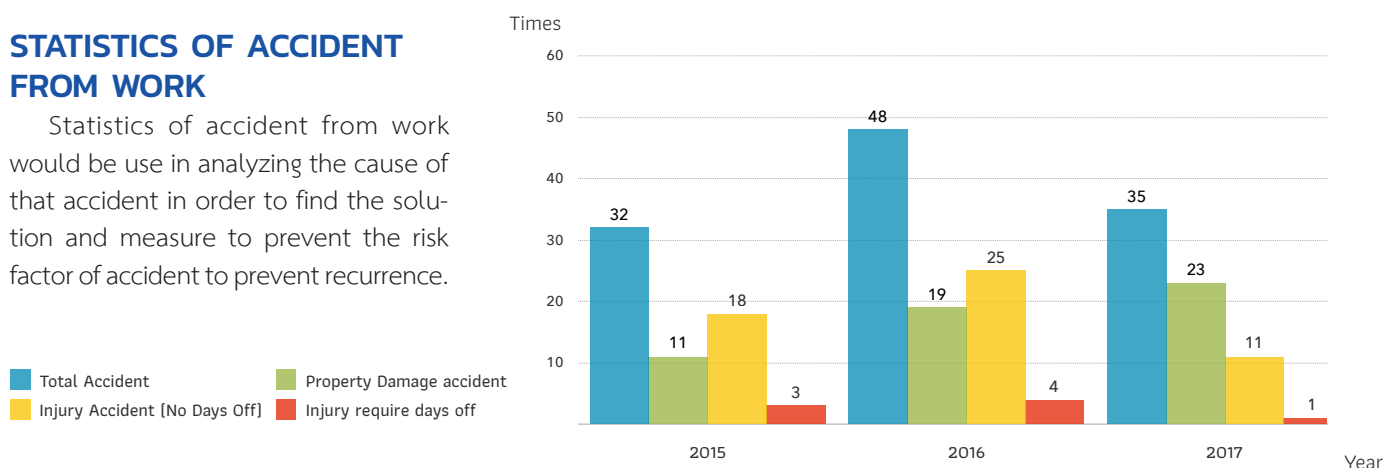
• Project of training and activity to promote energy conservation

The purpose of this project is to promote the knowledge and understanding of being a part of social responsibility and cultivate the awareness in energy conservation, including creating the understanding about energy management. This project received much cooperation from employees, and KPIs have been developed for energy conservation with the mutual measurement.



STATISTICS OF ACCIDENT FROM WORK

Statistics of accident from work would be use in analyzing the cause of that accident in order to find the solution and measure to prevent the risk factor of accident to prevent recurrence.



BUSINESS OPERATION THAT AFFECTS SOCIAL RESPONSIBILITY OF EASTERN POLYPACK CO., LTD. PRODUCTS THAT ARE CONCERNED ABOUT SAFETY OF CONSUMER, SOCIETY, AND ENVIRONMENT

Eastern Polypack’s packaging products is environmentally friendly by concerning the 3R principle;

1. Reduce: To reduce time for decomposing plastic; the ingredients in some types of plastic packaging products and to reduce the energy use during the production process

- To reduce the use of energy consumption during the manufacturing process such as High-performance air compressor replacement project and Project of training and activities for promotion of energy conservation which overall reduce the total consumption of energy of EPP and also help reduce the amount of carbondioxide release to the environment
- EPP phase II also equipped with high speed automation technology that mitigate the labor intensive process and increase the production capacities while reduce the use of energy by half.

2. Reuse: EPP product should not be re-using as a food packaging; however other use such as storing office utensils and seeding the new plants is appropriated.

3. Recycle: The under-standard products can be mashed and used in reproduction, thus there will not be the loss in production. In Addition, Eatern Polypack’s products can be reentered in transformation process by using in manufacturing other types of products. In addition, the unused plastic packaging product can be reentered in De-polymerization process to become crude oil or fuel for producing energy. Thus, the resources are used worthily and environmentally friendly.

Eastern Polypack is concerned about the environment quality inside the plant and surrounding area, thus determines the environment control with the world standard production

process guaranteed in the international standard from GMP/HACCP/ ISO9001/ ISO14001/ ISO 50001 and TIS/OHSAS 18001, including many awards from public organizations, such as Green Industry Award in the forth level, Green Culture from the Ministry of Industry, Carbon Footprint in the organization level from Tha iland Greenhouse Gas Management Organization (Public Organization) and National Science and Technology Development Agency (NSTDA).

Eastern Polypack is studying the potential to use new technology in manufacturing plastic packaging products from plants material for replacing plastic packaging products from petroleum products. Even though this technology has limit in the aspect of less various application, its advantage is about decomposition which does not cause pollution to environment, and it increases value-added of agriculture product.

PRODUCTS’ QUALIFICATIONS

Eastern Polypack’s plastic packaging products are environmentally friendly, by that the decomposition of some types of packaging products will not cause the emission of the substance that effects the environment. The usability of Eastern Polypack’s plastic packaging products focuses on the highest benefit of consumer with Food Grade standard; the consumer can trust that the packaging products are safe for packing up food. Some packaging products are used for frozen food, which can conserve food in -40 – 120 °c without any damage or transform when heated. In addition, the plastic cup is durable, not easily broken, effectively stored, and saved space for transportation. The shape of the plastic packing products is beautiful, clear, shiny, and popular for consumer.

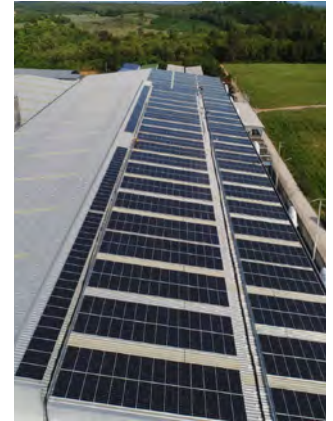
Resource management

Management of factory energy consumption

In 2017, Eastern Polypack Co., Ltd. has achieved the energy saving in total of 424,961.65 kWh./year which is accounted for 1,579,792.85 baht in energy saving. Examples of energy conservation projects are as follows:

• Project of Solar Power System Installation (Solar Rooftop 994 KW)

In order to reduce the energy consumption and the carbon dioxide emission, Eastern Polypack has introduced solar-powered renewable energy by installing solar panels on the roof. It has a capacity of 994 kilowatts.



• Training program and activity to promote energy conservation

The purpose of this project is to promote the knowledge and understanding of being a part of social responsibility and cultivate the awareness in energy conservation, including creating the understanding about energy management. This project was participated by 800 employees and contractors relating to the production process. The activities are as follows:

The internal training

- The training of awareness and consciousness on energy conservation: employees in every division of production department/ staff orientation
- The training of awareness on energy management: contractors
- The training of energy conservation in the office: office workers
- Review of ISO 50001 system requirements and related legislation / Internal Audit ISO 50001: Supervisor, and Energy Management Committee, Internal Audit Committee



The external training

- Sending a representative to attend trainings and seminars hosted by Department of Alternative Energy Development and Efficiency.
- Sending a representative to attend trainings and seminars hosted by agency responsible for effective energy consumption in the industrial sector.
- Attending VIENNA ENERGY FORUM 2017

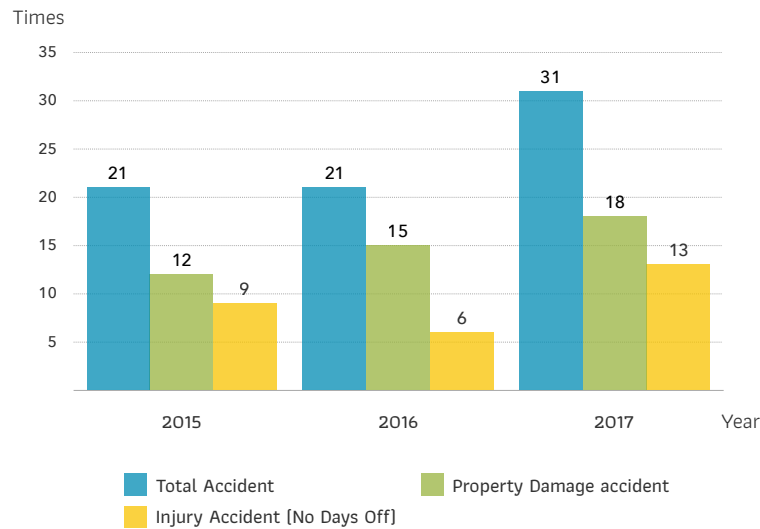


Activities to promote energy conservation

- Energy Conservation Motto Contest
- Energy Conservation Project Contest
- Activities on Energy Conservation Day

STATISTICS OF ACCIDENT FROM WORK

Statistics of accident from work at Eastern Polypack are increase due to personal is not accustomed to the new machinery that recently installed. The Company has collected the data which will be analyzed and used for the long-term planning to continually reduce the accident.



BUSINESSES OPERATION AFFECTING THE SOCIAL RESPONSIBILITY OF EASTERN POLYMER GROUP PUBLIC COMPANY LIMITED

To support the long-term potentiality of organization growth and image

The Company places importance on continually developing the potentiality of human resources in the Company and its subsidiaries: Aerolex Co., Ltd./ Aeroklas Co., Ltd./ Eastern Polypack Co., Ltd./ The EPG Innovation Center Co., Ltd. by that Eastern Polymer Group PLC (EPG) has supported to conduct research entitled HUMAN CAPITAL DEVELOPMENT TOWARDS INNOVATIVE ORGANIZATION OF EASTERN POLYMER GROUP PUBLIC COMPANY LIMITED for studying the relationship of developing the human capital towards innovative organization, the research results show that factors influencing innovative human capital are consisting of the personal mastery, team learning, and individualized consideration. EPG has applied the research results in developing the personnel in the organization.

EPG develops innovative human capital with “Imagination, Vision and Flexibility” in creating innovation for organizations in various dimensions.



• Annual symposium

The objective of this activity is that personnel at management level acknowledges overall goal and operation plan of the Company from the project to develop the organization to the international level, to create innovative leader, and to sustainably grow/ permit personnel to share their opinion by SWOT Analysis, and to build a good relationship among personnel through recreation activity and making merit; by that in 2017/2018, we organized the activities 2 times under the topic of “EPG Today makes Tomorrow” and “Driving Force” .

ACTIVITIES FOR SOCIAL AND ENVIRONMENTAL BENEFITS (AFTER-PROCESS CSR) ACTIVITIES FOR SOCIAL AND ENVIRONMENTAL BENEFITS OF AEROFLEX CO., LTD.



• Project of awards for employees who work consistently and continually

The purpose of this project is to encourage employees to work, and to build a good relationship between the organization and employees as the Company's stakeholders.



• Project of healthy life without excess belly

In order to support the Company's employees to recognize the importance of their health, Aeroflex organized the activity "Healthy life without excess belly", which was participated by more than 170 employees.



• Blood donation project

Aeroklas intended to cultivate public mind to personnel to participate in helping and sharing to public society by donating blood to Thai Red Cross. This project was organized every quarter at Aeroklas' office in Rayong province, cooperating with Thai Red Cross of Rayong province



• Project of scholarship for students in Nikom Community School of the year 2017

In the year 2017/2018, Aeroflex provided the scholarships to students in 8 schools in order to support and increase the educational opportunity to students in Nikom Community School situated in the community nearby the Aeroflex's factory. The scholarships have been provided to good-grade students with poverty of Nikom Community Schools for more than 10 years.



• Project to support the pineapple processing of farm women group, moo 2, MakhamKhoosub-district, NikomPattana district

In order to create good relationship with the nearby community surrounding the factory, Aeroflex has provided support to the people in the community to have an extra income in order that they can be self-dependent.



• Project for children in distant area for the 6th consecutive year

Aeroflex and the employee of Aeroflex help donate the goods and contributing the scholarships for the children in the distance area. In FY 17/18 the activity was organized for the 6th time, the event was held at Ban Tha I Bun School, Petchabun province.

• Project to conserve and restore the community forest, Khao Jom Hae, Makham Khoo subdistrict , Rayong province (8th year)

The area of Khao Jom Hae is located in the administrative district of Makham Khoo Municipality, covering the space of about 4,600 rai. The area is plentiful with forest, and limestone mountain. In the past, it was a fertile and important area of ecology and environment of Rayong province. At present, the expansion of Rayong’s community and industry has led forest encroachment along the foothills. Aeroflex has performed the activity to support the project to conserve and restore the community forest at Khao Jom Hae, such as caring for the trees and local plants which have been continually grown to increase biodiversity, as well as supporting Weir Project, and Volunteer Training Program for Fire Forest Prevention.

Aeroflex also places the importance on project to conserve and restore the community forest at Khao Jom Hae, in order to develop the environment, life quality and well-being of people in the community; then organized this project with the cooperation from the public sector and people in the community. The operation was divided into 2 phases: the first phase was started during the year 2010 – 2013, by determining the area for planting 55 rai of forest, and the second phase, from the year 2014 – present, by determining the area for planting 90 rai of forest as the followings.

• Smart by Aeroflex Activities with Stakeholders

This is a recreation and volunteering activity organized for Dealer, designer, supervisor, and consultant who are counted as Aeroflex’s stakeholders to promote knowledge and understanding about the selection of insulation for the safety of life and property, and to build a good relationship among them. In this year, Aeroflex also organized the volunteering activity to merit making, providing luncheon and donation of goods to children at Teacher Boonchoo home for special children located in Phlu Ta Luang, Chon Buri.



No.	Year	Area of forest Restoration (rai)	Area of tree care (rai)							
			2010	2011	2012	2013	2014	2015	2016	
1	2010	20	20							
2	2011	20		40						
3	2012	15			55					
4	2013	-				55	End of 1st phase			
5	2014	20					20			
6	2015	25						45		
7	2016	25							70	
8	2017	20								90
Total		145								

Notice: Forest protection and surveillance is annually operated

Operating result Summary

No.	Year	No. of three planted	Budget (Baht)	Grow tree counted at 80% tree planted
1	2010-2013	5,150	897,222.46	4,120 (80%)
2	2014-2017	9,200	862,398.90	9,200 (100%)
Total		11,850	14,350	1,759,621.36



ACTIVITIES FOR SOCIAL AND ENVIRONMENTAL BENEFITS OF AEROKLAS CO., LTD.



• Project to make sandalwood flowers for the Royal Cremation ceremony

In Remembrance of His Majesty the Late King Bhumibol Adulyadej, plus with the commitment to participate in the Royal Cremation Ceremony, Aeroklas' staff voluntarily makes sandalwood flowers through workshop with Rayong Provincial Cultural office.



• Project of Happy Family Junior 2018

In order to support the cultivation about unity and harmony in family, this activity was organized for children of Aeroklas' employees every year on Children's Day.



• Project of the summer novice ordination

To promote Buddhism and good relationships with surrounding communities, Aeroklas, cooperated with Makham Khoo Municipality, organized the summer novice ordination, and offered food alms to a Buddhist monks and novices. In this year, 39 novices joined the ordination at Wat Noppakao Panaram, Nikom Pattana district, Rayong province.



• Project to donate medical equipment for Rayong Provincial Health Office

In order to support the mission of Rayong Provincial Health Office, and provide help to bed ridden patients in the area of Rayong province, Aeroklas, in collaboration with the project of Governor of Rayong province, donated the contributions to purchase medical equipment for Rayong Provincial Health Office.



• Project of student sport in Nikom Pattana district

In order to upgrade the life quality of people in the community to have good health, Aeroklas supported the internal sport day to Nikom Pattana 7 Community School.



• Project to construct the check dam at Khao Jom Hae, Rayong province

In order to take part in conserving and restoring water resources, maintaining ecosystem and environment in surrounding community to reserve water for the dry season, and to build a good relationship between the factory and community. Aeroklas supports this project, in collaboration with government personnel and community. Aeroklas organizes this project every year.



ACTIVITIES FOR SOCIAL AND ENVIRONMENTAL BENEFITS OF EASTERN POLYPACK CO., LTD.



• Project of blood donation

In order to cultivate public mind to employees to participate in helping and sharing for public society by donating blood to Thai Red Cross.

• Project of scholarship for students in vocational college in the east of Thailand

In order to promote and increase educational opportunity to students in vocational college, Eastern Polypack realized that the future of students is an important power of industrial sector; therefore the Company gave 30 scholarships to students from 6 institutions (Bankhai Technical College, Rayong Technical College, Maptaphut Technical College, Rayong Polytechnic College, Thai-Austrian Technical College at Sattahip district, and Trat Technical College) and allowed them to study visit in the factory. This project has been organized since 2013.



• Project of luncheon at Nikom Sang Ton-Eang 10 School

In order to build good relationship with the community, and to cultivate public mind to employees to be part of social assistance and sharing, Eastern Polypack organized the luncheon project for students at Nikom Sang Ton-Eang 10 School.



• Project of luncheon and hydroponics vegetable planting course at Center for Occupational Rehabilitation Region 2

In order to support the rehabilitated people about their occupation after the recovery, and to cultivate public mind to employees to be part of social assistance and sharing, Eastern Polypack organized this project for the rehabilitated people at Center for Occupational Rehabilitation Region 2.



• International Coastal Cleanup Day (ICC) 2017

In order to take care of the local beach environment, Eastern Polypack participated in the activity on International Coastal Cleanup Day 2017 at Mae Rumphueng Beach and Phala Beach in Rayong province. This activity was hosted by Industrial Estate Authority of Thailand, in collaboration with entrepreneurs of the estates and ports in the area of Map Ta Phut Complex.

ACTIVITIES FOR SOCIAL BENEFITS OF EASTERN POLYMER GROUP PLC (EPG)



• Scholarship for employees' children

The Company provides scholarship for employees' children in order to encourage employees and to lighten the cost in family because employees are the Company's stakeholders; this also promoted organization's image. In 2017, the Company provided 1,319 scholarships, which were approximately 5 million baht.

In addition to the scholarship mentioned above, EPG also gave 18 scholarships (unconditional scholarships) to employees' children with good grades, who studied in higher educational level in the branches of science, engineering, and education. The Company has also recognized the importance of building a team to support the country's growth under the "Thailand 4.0" model.



• Dhamma activities in the Company

The Company would like personnel to work with happiness and good mental health. In order to cultivate morality and ethics to personnel, the Company organized Dhamma activities in the Company and meditation course for more than 10 years. The activities in 2017 were as followed;

1. To give alms to a Buddhist monk and to listen to sermons every month.
2. To attend outing meditation project for 3-5 days (2 times).

• The collaboration with Ramkhamhaeng University to lecture the concept of innovation for the field of innovation management, Master degree, Ramkhamhaeng University

The Company's Executive recognized the importance in publicizing the concept of innovation to students who will become the entrepreneur in the future. Dr. Pawat Vitoorapakorn, Chief Executive Officer, has continually transmitted knowledge of innovation for more than 10 years, as the special lecturer of Ramkhamhaeng University. This project is still continuing in 2017-2018.



• Project of training about professional management

The Company's Executive was aware of an importance of sharing experience in working, conducting research, and managing professionally to both public and private organizations by dividing training titles into 4 categories:

1. The Contemporary Leadership
2. Dimension of Change Management
3. Experience and point of view of professional executive: experience in establishing family business
4. Talent Development Assoc.

Dr. Chalio Vitoorapakorn, Deputy Chief Executive Officer, has continually transmitted knowledge and experience for more than 13 years. During 2016 – 2017, Assoc. Dr. Chalio Vitoorapakorn has lectured for 22 organizations, for example, Ministry of Commerce, Police College, Command and General Staff College, Kasetsart University, Mahidol University, Internal Security Operations Command, SCBS Infinite Wealth of SCB Securities Co., Ltd., and BUALUANG SMART FAMILY ENTERPRISE of Bangkok Bank Public Company Limited.



• **Delivering 50 boats with more than 200,000 Baht worth of items to Internal Security Operations Command to help flood victims**

In the flood crisis at the beginning of the year 2017, the Company delivered necessary things to the victims by donating many products of the Company, such as 50 boat adapted from bed liner of pick-up car from Aeroklas, including plastic packaging from EPP and rice, to Internal Security Operations Command in order to help the flood victim, at ISOC Office in Suan Ruenrudee.



• **Project “Share the Warmth, Increase the Happiness” 2017**

In order to help the public society, and to cultivate public mind to employees, Eastern Polymer Group PLC (EPG) organized the project “Share the Warmth, Increase the Happiness” to donate sweaters, blankets, food and necessities to the villagers at Baan Pa Daeng Samakki, Namwaen subdistrict, Chiang Kham district, Phayao province, and Tubtao subdistrict, Terng district, Chiangrai province. This project has been continually organized for more than 10 years.

Prevention of Corruption Involvement

EPG is committed to adhere to ethics and good governance, including responsibility to society and stakeholders. EPG also prioritizes anti-bribery and anti-corruption in all types, by raising awareness and consciousness to personnel at all levels, and indicating the direction in compliance with Anti-bribery and Anti-corruption Policies and business ethics.

The participation in Collective Action Coalition of the Private Sector against Corruption (CAC) is to demonstrate the explicit commitment towards anti-bribery and anti-corruption. The

Eastern Polypack Co., Ltd., EPG’s subsidiary, is the first company of EPG to be certified as a member of the Private Sector against Corruption on 22nd July 2016. Aeroflex Co., Ltd. and Aeroklas Co., Ltd., EPG’s subsidiaries, are also now certified as a member of the Private Sector against Corruption on the 10th November 2017 and 12th February 2018 respectively.

The company and subsidiaries provide the knowledge of policy and guidance of the Collective Action Coalition of the Private Sector against Corruption through various sources

such as Company-wide Seminar / New Employee Orientation / Morning Talk / Knowledge sharing with the public sector / intra-Company communion / Desktop Screen saver / Company’s intranet and website and brochures.

Company-wide seminar to provide the knowledge of policy and guidance of the Collective Action Coalition of the Private Sector against Corruption



Annual employees training

Company	Seminar Duration
EPG*	3 seminars during Jan-April 2017 and new Employee Orientation every month
Aeroflex	4 seminars during Mar-May 2017 and new Employee Orientation every month
Aeroklas	1 seminars in Jan 2017 and new Employee Orientation every month

* Employees of EPG participate in Company-wide seminar at the same time with Employees of Aeroflex

EPG AND AEROFLEX'S SEMINAR TO PROVIDE THE KNOWLEDGE OF POLICY AND GUIDANCE OF THE COLLECTIVE ACTION COALITION OF THE PRIVATE SECTOR AGAINST CORRUPTION.



Company-wide Seminar



Company-wide Seminar



Morning Talk sharing with the public sector



Knowledge

AEROKLAS'S SEMINAR TO PROVIDE THE KNOWLEDGE OF POLICY AND GUIDANCE OF THE COLLECTIVE ACTION COALITION OF THE PRIVATE SECTOR AGAINST CORRUPTION.



Company-wide Seminar



Desktop Screen saver intra-Company communion



intra-Company



*Communication with
Subsidiaries abroad*



Promoting via Brochures



Promoting via Brochures

EPP'S SEMINAR TO PROVIDE THE KNOWLEDGE OF POLICY AND GUIDANCE OF THE COLLECTIVE ACTION COALITION OF THE PRIVATE SECTOR AGAINST CORRUPTION.



intra-Company communion

ANTI-CORRUPTION POLICY

1) The Company's Board, executive, and personnel are prohibited to operate or accept or support all types of corruption both directly and indirectly; covering all subsidiaries, sub-contractors, and other relevant people. The Company determines to always operate the review guidelines to be in compliance to the policy, regulations, requirements, rules, announcement, law, and business change.

2) Anti-corruption measure is a part of business operation and the responsibility of the Company's Board, executive, personnel in every level, and sub-contractor to take part in sharing opinion to drive on the operation of anticorruption to achieve its appointed policy.

3) The Company will determine the anti-corruption measure to be in line with laws, relevant requirements, and ethical practice, by operating the risk assessment in relevant activities or intend to corrupt and making handbook to be guidelines for relevant people.

4) The Company will not operate or support all types of bribery under their duty or responsibility; control all do-

nation, charity, donation for political parties, business gifts and supports of all activities to ensure transparency, without intention to persuade government employees or private officer to conduct any inappropriate actions.

5) The Company will set the appropriate and regular internal control in order to prevent personnel to behave inappropriately, especially sales, marketing, and procurement department.

6) The Company will provide knowledge on anticorruption to the Company's Board, executive, and personnel in order to cultivate honesty and responsibility to their duty for demonstrating the determination of company.

7) The Company will set the mechanism that reports the financial status which is transparent and correct.

8) The Company will promote various channels of communication in order that personnel and relevant people can be whistle-blower who will be protected not to be unfairly punished and transferred; including appointing personnel to monitor and follow-up all matters being reported.



PROCESS OF ASSESSING RISK FROM CORRUPTION

Subsidiaries of Eastern Polymer Group, Eastern Polypack Co., Ltd sets internal control system for preventing and suppress corruption by assessing the risk level by indicating the incident which risk to be corrupted, which may cause an impact on business. Then, the Company will determine appropriate anti-corruption measure, follow-up process, and report to the Risk Management Committee.

Anti-corruption guidance

1) The Company's Board, executive, and personnel must comply with anti-corruption policy by refraining from corruption both directly and indirectly.

2) Personnel should not ignore or neglect any corruption that involve the Company and subsidiaries, inform supervisor or person in charge of such matter including collaborate in investigation process.

3) The Company will provide appropriate protection and fairness to personnel who inform corruption matter, including who refuse the corruption.

4) The Company will keep information of whistle-blowers and protect them against any threat during and after investigation process.

5) The person who commits corruption is deemed as breaching the company's ethics and is subjected to disciplinary action as prescribed in the regulation as well as subjected to the legal penalty if such action is considered as a legal offense.

6) The Company's Board, executive, and personnel must undertake following actions with caution;

6.1) Gifts, banquets, expenses, giving or accepting of gifts

should be in accordance with regulation of the Company.

6.2) The donated money for charities or supporting fund for donation or support must be proceeded with transparency and in compliance with law.

Follow-up direction of anti-corruption operation

The Company and its subsidiaries defines the follow-up direction of anti-corruption operation by appointing the internal audit department whose duty is to examine the internal control system, risk management, and corporate governance, including giving appropriate suggestion. The internal audit department's investigation will be compatible to annual investigation plan approved by the investigation committee; then report the important and significant results with suggestion to the investigation committee.

Whistle-Blowing or Corruption Complaints Channel

The Board of directors assigned audit committee to review whistle-blowing notice, and complaints for potential actions that may be corruption in the Company whether directly or indirectly, via official channel set forth in this policy. The complainant shall specify details of the whistle-blowing or complaining matter including name, address, and telephone number to call back, and submit to following channels:


1) Via by Mailing to Chairman of Audit Committee / Audit Committee

Eastern Polymer Group Public Company Limited.
770 Moo 6 Theparak Sub-District, Muang District, Samutprakarn 10270 or

2) Via by E-Mail to Chairman of Audit Committee : Chaiwat@prospectconsult.co.th or

3) Via whistle-blowing box installed by human resource department.

In case that the whistle-blowing or complaint against the directors or chief executive officer, the whistle blower or complainant can directly submit your notice to internal audit committee. The eligible person, who can be whistle blower or complainant, is every group of corporate stakeholders including shareholders, customers, competitors, creditor, government agencies, communities, executives, and corporate personnel. The Company shall keep your secret by any means necessary.

Further detail regarding and other details will be prescribed in "Anti Corruption Policy", published on the company's website www.epg.co.th, www.aeroflex.co.th, www.aeroklas.com and www.eppcup.com 

Report of Risk Management Committee 2018

Risk Management Committee has operated its duty as assigned by the Board of Directors of the Company. In 2018 (April 2017 – March 2018), Risk Management Committee has scheduled 12 meetings by inviting the involved department from subsidiaries of Eastern Polymer Group PLC, which are consisted of Aeroflex Co.,Ltd., Aeroklas Co.,Ltd., and Eastern Polypack Co.,Ltd., to report the Risk Management.

The meeting's result and the performance can be concluded as follows:

1. To acknowledge the risk management of EPG Group as follows :-
 - 1.1 To acknowledge financial information and financial risk management of the company and subsidiaries to prevent potential future liquidity risk and to manage the foreign exchange fluctuation risk.
 - 1.2 To acknowledge operating risk information from each company that has been assessed for potential internal and external risk, as well as possible effect to the company's operation and the preventive measures for risk management.

2. To consider risks associated with overseas investment of subsidiaries.
3. To recommend; risk assessment covering every facet; the improvement of risk management in the company and its subsidiaries in line with business environment, current state of economy and present-day local and international situation because they have potential effects on business operation of the company and its subsidiaries and overseas investment of subsidiaries; to follow up and report the operating result to the committee for acknowledgment in the risk committee meeting.

Risk Management Committee realizes an importance of risk management, and has a great intention to develop and review the risk management system of the Company to have more efficiency and effectiveness continually in order that the Company can sustainably operate its business. The meeting will be scheduled for assessing and following-up the risk management results closely. Last year, there was no significant risk affecting the Company's performance.



(Mr. Vachara Tuntariyanond)

Chairman of the Risk Management Committee

Risk Factors

Risk factors mentioned in this document are based on information in the current situation and future prediction as possibly identified. These risk factors have certain implication which may adversely affect the company and its stock value. Besides the risk factors mentioned in this document, there may be other risks unknown to the company, and considered by the company immaterial at present, that may have an impact to the future business operation of the company. In addition, forward looking statements as appeared in this document such as “believe that”, “anticipate that”, “expect that”, “plan to”, “intend to” or “estimate that” etc. or the forecast about operating result, business, business plan, change of law associated with the business of the company, subsidiaries and affiliated entities, including government policies and others, are the prediction of future events. As a result, the actual outcome may materially differ from the anticipation or prediction. The information that referred to or related to the government or the economy of a country is obtained from public domain or other reliable sources.

• Risks related to business operation

Risk related to overall business operation of Eastern Polymer Group Public Company Limited

Risks from procurement of raw materials and volatility of raw material price

The company manufactures and distributes Polymer and Plastic Converter for different industries. Therefore, one of the main components of cost of sales of the company is raw material. As a downstream manufacturer, the corporate group may be affected if it cannot obtain sufficient supply of polymer for production which may cause the company to stop its business operation.

In addition, polymer is a by product from oil refinery process which means the quantity and price of polymer vary according to the quantity and price of crude oil which depend on world economy and political factors. Prices of plastic beads which the company uses in main business such as PP, PET, PS and HDPE are fluctuated in the same direction as the prices of crude oil.

The company cannot accurately forecast or control the price factors of plastic beads. Therefore, the rise of polymer price may materially affect the company’s profitability and result in decreasing profit or causes the corporate group to incur losses.

Nonetheless, the corporate group is aware of the importance of procurement and cost management of polymer. In term of quantitative aspect of polymer, the corporate group (only subsidiaries) has purchasing guidelines by maintaining good relationship with all suppliers. At present, Eastern Polymer Group purchase raw materials of plastic and polymer from more than 40 suppliers, both domestic and abroad (Global Sourcing). Such policy helps managing risk to certain degree. In purchasing of raw material, the corporate group would inquire about selling price and trading terms with every trading partner in each class to ensure the corporate group would receive the highest benefit and the best trading term. In addition, in order to assure that the corporate group can manage raw material cost effectively for each purchasing order, the corporate group will compile on the demand for polymer to increase purchasing volume, which can help increase the bargaining power of the corporate group.

Despite the fact that volume purchase may provide price advantage to the corporate group, it does not render the corporate group the ability to minimize the fluctuation of polymer price. Presently, financial instruments that can reduce aforementioned risk are not available in Thailand. Therefore, the corporate group still confronts with such risk. However, Eastern Polymer Group can manage some risk by passing polymer cost to customers. Such method takes an estimated time of 3 – 6 month by increasing price of the products manufactured under their own brands, including substitution of certain materials to lower the cost of production at the time or selling products made from alternative materials in place of original materials.

Risks from changing of technologies

Since the corporate group manufactures and distributes plastic products, all incomes are derived from plastic and polymer Manufacturer, which the corporate group implements a variety of technologies, for example, Mixing and compounding, Extrusion, Injection, Thermoforming, Blow Molding, and Reaction

Injection Molding (R.I.M.) If competitors of the corporate group can invent better and more advance technology which can lower the cost of production, this may affect the competitive advantage of the corporate group. If the corporate group cannot improve its production technology in time, it may materially affect the result of operation.

In addition to production technology, the unique features of plastic materials rendering products made by the corporate group to outperform their competitors become the main factors the customers consider when making decision to buy products. If competitors can invent materials with better features, they may adversely affect the corporate group's turnover or result in possible losses.

Considering the importance of technologies and risks, the company, decided to invest in EPG Innovation Center Co., Ltd. ("EIC") to conduct research and product development for the corporate group. EIC has testing lab which is ranked as one of the biggest and most advanced polymer and plastic laboratory centers in Southeast Asia. Also, skilled researchers are hired to research and develop products.

In addition to research on new products, EIC works on improvement of existing products to attain more prominent properties, including improvement of production to increase its efficiency. As a result, with ongoing research, the corporate group's products with superior features stand out against the competitors', all along. Simultaneously, subsidiaries, such as AFC have investment in specialized center for the development of fire-retardant polymer, and one of the most advanced flammability test centers in the country, while EPP also invests in biological research and development center for safety of food and beverage packaging.

Risks of possible loss of income or business performance from the incurrence of unavoidable calamity and natural disaster to factories or machines of the company

The main business of the subsidiaries is manufacturing products for distribution which is depended on factories and machines. The incurrence of damage, unavoidable calamity, and natural disaster to factories or machines cause production under-capacity or the production to stop and could have a material adverse effect on subsidiaries, and result in a loss of major

customers because they need to find other manufacturers in place of subsidiaries. Retaining said customers after damaged factories or machines are fixed can be difficult. Besides aforementioned subjects, subsidiaries have to bear additional cost of maintenance, building new factories or purchasing new machines in order to continue running business further in the future.

Well aware of the necessity for risk management, the subsidiaries have insurance policy to prevent risk from unavoidable calamity and natural disaster. The subsidiaries also implement preventive measures and other arrangement to ensure uninterrupted continuity of business in the event of unavoidable calamity and severe natural disasters directly impact the company.

Risks from damages as a result of problem in product's quality

Thailand and other countries in the world have laws stipulated for the incurrence of damages due to unsafe products or poor quality. Such laws stipulate for the manufacturers to be responsible parties of any damages, regardless whether such actions are intentional or the result of negligence. Thus, if customers file lawsuit against products made by subsidiaries or affiliated companies, such class action may result in joint-responsibility by subsidiaries or affiliated companies. Besides damages caused by subsidiaries or affiliated companies whether such actions are intentional or the result of negligence, customers of subsidiaries or affiliated companies may consider cancellation of future business transactions which will cause the decline in operating result and a loss. In addition to such fallibility, repercussive effects resulting in negative image of the subsidiaries or affiliated companies will affect future turnovers of the subsidiaries or affiliated companies.

Nonetheless, subsidiaries or affiliated companies have never encountered such events since their inception. Subsidiaries and affiliated companies are aware of the significance of such risks. Hence, preventive measures have been implemented to prevent the problems from the root causes by developing quality control system continuously under certification of quality system; ISO9001, ISO14001, OHSAS18001/TIS18001, ISO/TS16949, Q1(Ford), GMP and HACCP. Furthermore, our

overseas subsidiaries in USA and Australia have product liability insurance to provide coverage against any damaged products.

Risks from expiration of subsidiaries / affiliated companies' patents

Currently, the company's incomes derived from manufacturing and distribution of products with patents under its subsidiaries accounted for about 20% of total incomes. Such products are protected by law to prohibit competitors from copying the production and competing with the company. However, if subsidiaries or affiliated companies' patents expire, the products made by subsidiaries or affiliated companies would not be protected by law anymore. As a result, competitors can manufacture, compete, and materially affect the company's operating result or incur a loss to the company. The company is aware of such risks. Therefore, the corporate group has employed professional legal advisor who is specialized in patent law to take care of various patents in order to prevent aforementioned events; the corporate group also conducts a research on the products for better features and performance, register additional patents and petty patents to extend the protection period of important patents that are about to expire for another 10 - 20 years, and maintain good relationship with customers while highlighting the premium quality of products to prevent competitors from competing with ease. Even though, the patents are already expired, competitors cannot easily imitate the products of the company and its subsidiaries since the products made by the company and its subsidiaries require advanced production technology including the installation of modern high speed system of machines. As a result, it is difficult to have manufacturers with similar caliber in competition.

In addition, the corporate group continues to create and develop new products in order to present to customers, register patent to protect and prohibit competitors from competition, and strengthen future sustainable growth of corporate group's revenue and operating result.

Risks related to business operation of Aeroflex group

Risks from the use of competitive pricing strategy to compete by competitors

The Elastomeric Thermal Insulation industry where Aeroflex group of companies operate has few players. The world major manufacturers include Armacell (USA), K-Flex (Italy) and Aeroflex (Thailand). In the past, the level of competition was moderate and severe in some regions. In some case, competitors may reduce price of goods in order to gain more market shares. As a result, Aeroflex group of companies could not sell their goods at original specific price and may have to reduce the price of goods in order to compete in some circumstances. If Aeroflex group of companies did not consider price reduction in order to compete, it could result in the decline of Aeroflex group of companies' operating result due to a decrease in product sales, and a loss condition when the competitors considered implementation of competitive pricing policy for long continuous period.

However, Aeroflex group of companies' products have prominent properties when comparing to competitors such as thermal insulation factors, temperature resistant range, moisture permeability and flammability. With said prominent properties, Aeroflex group of companies' products are still in demand by particular group of customers who are not price sensitive despite the use of competitive pricing policy to compete by the competitors. This is because not only competitors' goods are made from other substance, but also Aeroflex brand in Thailand and across the world is defined goods with features that design engineers specify in the projects thereof. In addition, Aeroflex group of companies have introduced Celflex to be a secondary brand to compete with products from competitors, price-wise.

Special properties of EPDM which are specific proprietary technology of Aeroflex group of companies enables the production of pre-foam tubes and sheets or semi-finished products which help to reduce cost of production and transportation and result in variety of products' sizes available for sales in different countries. Said advantage is one of important factors that customers choose Aeroflex group of companies' products over competitors who in some case cannot deliver goods within period required by customers.

Risks from dependency on construction and real estate industry

Aeroflex group of companies' thermal insulation products are classified as construction materials in which the demand for consumption of the said products are fluctuated in the same direction as construction and real estate industry. If the two industries decelerated and construction of buildings and offices are declined as it had happened in 1997 – 1999, such event would significantly affect the operation of Aeroflex group of companies. Despite the fact that the two industries have influence on the operation of Aeroflex group of companies, that effect is less in comparison to that of the two industries which have higher volatility. This is because Aeroflex group's products have been used in replacement market or in reparation of office buildings. Aeroflex group's sales to replacement market accounted for 20 – 30%. In addition, constant development and innovation by Aeroflex group make it possible to develop thermal insulation for roof and acoustic board of better quality than the products that are in common usage. As a result, Aeroflex group of companies have additional revenues from changing the use of products in use by consumers without the need to rely solely on construction and real estate industry.

Risk from expansion of investment and production capacity overseas

The transportation cost of products is considered an important operating expense since the size of Aeroflex's goods is large in comparison to its weight and takes up large storage space. For this reason, Aeroflex Company needs to set up production facilities in different parts of the world to increase efficiency in transportation in terms of related costs and time in transit. However, setting up production facilities in different parts of the world or in unexperienced locations may result in Aeroflex group of companies' losses as production secret may be exposed to the competitors rendering them to produce similar products to compete with Aeroflex group of companies.

However, Aeroflex group of companies are aware of risks from overseas investment. To be prudent, they have taken into account different types of investment such as joint venture and licensing with trading partners. Doing so will lower the risks from investing solely by the company. Having good trading partners overseas can help to ensure quick success of Aeroflex group's

expansion of businesses. In addition, before each business engagement, the Company will carefully consider its business alliances, and invest with caution in small increments. Establishment of overseas production facilities by Aeroflex group will only be a noninclusive manufacturing base.

Moreover, Aeroflex considers investment in production bases in the form of overseas subsidiaries which Aeroflex holds 100% of shares. Such production bases have comprehensive production process with low expenses in comparison to production facilities in Thailand and enable Aeroflex the ability to mitigate the risks from investment.

Risks related to business operation of Aeroklas group

Risks from termination of contract or not receiving new contract from major trading partners

Aerolas engages in ODM/OEM production for world leading automotive companies such as Toyota, Ford, Isuzu, Nissan or Mitsubishi. Such business model requires Aeroklas to have manufacturing contracts with leading automotive companies, of which certain contracts are short term only 1 – 2 years and face risks from termination of contract upon expiration by customers including relocation of their production by leading automotive companies. As a result, contracts may be terminated during the term of contract with Aeroklas if Aeroklas considers not to move its production to nearby location. In addition to such cases, contracts with Aeroklas may be terminated for other reasons and significantly result in decrease or loss of Aeroklas's turnover. Nevertheless, Aeroklas's customers who are world leading automotive companies normally do not consider changing equipments and auto parts manufacturers until the particular model is out of production which is estimated to take 5 - 8 years. This is because searching for qualified auto parts manufacturers that meet requirements would require long period for consideration and inspection of products' quality, which may cause the said operators to face interruption with production. Mostly, screening and planning period take 6 – 36 month. And if the automotive manufacturer expanded its production base abroad, Aeroklas would consider the expansion of its production plant to potential country in order to increase revenue from sale and become the global player.

In addition, another important reason is that it is unlikely for major automotive companies to terminate production contracts with Aeroklas within a short notice as Aeroklas's products have registered patents and been protected by law against any copying from competitors. This makes Aeroklas the sole manufacturer in the country that can produce such products. Nonetheless, the company has personnel to take care and provide services to various automotive companies while, at the same time, Aeroklas continue to develop new product and identify new potential clients.

Risks from dependency on automotive industry

Aeroklas group of companies operate their business with main dependency on automotive industry. In the future, if automotive industry slows down or faces recession as a result of overall economic situations or any other factors as previously occurred during fiscal year ended 2012 – 2016, the company's turnover may have negative effect and result in the decline of operating result and a loss. During 2012 – 2016, the domestic automotive market had retraction rate of 14.5% per year.

However, Because vehicles are important factor for people's life across the world, Thai government continues to support the industry.. Due to high competition in automotive industry, the world leading automotive companies increase releasing rate in pushing new models of vehicles or speed up the process of upgrading the vehicles. As a result, Aeroklas group of companies have opportunity to produce new products and continue to generate more incomes.

Besides, most of the products from Aeroklas group of companies are for pickup trucks or commercial cars which are mostly used in business sector with constant demand for car usage. For this reason, business performance of Aeroklas group of companies fluctuates less than other companies which focus their business on personal cars. In addition prior to change of car models, new products are always available for Aeroklas for co-development.

Risks related to business operation of Eastern Polypack

Risks from termination of contract or not receiving new contract from major trading partners

Eastern Polypack (EPP) engages in manufacturing of packaging goods. Such business model requires Eastern Polypack to have manufacturing contract with world leading food and beverage companies such as McDonald, CP ALL, and Yum Yum. In some case, no term of contract or fix quantity of products is specified. As a result, Eastern Polypack faces the risk from termination of manufacturing contract upon expiration by customers and may result in decline of turnover and or a loss.

Nevertheless, Eastern Polypack's customers who are world leading food and beverage companies normally do not consider changing packaging manufacturers unless there are other manufacturers who can meet the needs better in term of price and quality. In addition, To find qualified manufacturers that meet the specified requirements would require long period for consideration and inspection of products' quality. As such, said operators face disruption to their business operation. Mostly, the period required for screening and planning take a long time since quality assurance must be certified at all time. Eastern Polypack has contract manufacturing with more than 30 industrial partners and more than 200 customers from both domestic and overseas. Therefore, the risk from termination of contract is not severe enough to have material effect on business performance and profit.

Risks from dependency on local consumption

Eastern Polypack Co., Ltd's major incomes are from sales of products to Thai customers. In the event of economic recession, natural disaster, outbreak, terrorism or political unrest that may have material adverse effect on Thai consumers' demand lead to continual decline in the Company's turnover. Particularly, if Eastern Polypack faces such event over a long period of time and may result in Eastern Polypack group's losses.

However, Eastern Polymer Group Public Co., Ltd is aware of such risk and anticipates that Eastern Polypack Company will not be affected to the same degree as that of other companies that solely depend on consumption in Thailand. This is due to the plastic package products are necessary for daily life of consumer in present time. In addition, Eastern Polypack Company has overseas sales in proper portion to compensate in case that domestic consumption is in decline. Similarly, Aeroflex group and Aeroklas group have distributed products via subsidiaries or overseas agents.

• Financial Risks

Risks from Currency Exchange Volatility

The important incomes and expenses of subsidiaries and joint venture companies are in foreign currencies such as revenues from sales of products to customers overseas, cost of polymer raw materials, machines, overseas staff compensation, loans and money loan to subsidiaries overseas.

However, foreign currency exchange is based on local economic condition and world economy which subsidiaries and joint venture companies cannot control or forecast precisely. If exchange rate changes unfavorably, it may result in decline of subsidiaries and joint venture companies' profit.

However, key advantage of collective group of organization is the overall ability to manage foreign currencies via natural hedge to mitigate the effect from currency fluctuation in accordance with the company's risk prevention policy that enables the use of certain financial instrument with finance institution such as Forward.

• Risks from management

Risks from the company that has major shareholders holding together 75% after shares distribution

The company's major shareholders are Vitoorapakorn group which held altogether 100% of subscribed shares prior to share distribution for capital increase. Subsequent to capital increase and share distribution to public of 25%, the sharing ratio of major shareholders dropped to 75% of total paid-up capital. Still, major shareholders can control almost all of the resolutions of shareholders' meeting including appointment of directors, or any other resolutions that require majority votes in the shareholders' meeting, or matter related to law or the company's articles of association that must receive $\frac{3}{4}$ of votes in the shareholders' meeting. Hence, other shareholders of the company face risks from being unable to gather their votes for check and balance on proposed agendas from major shareholders to their shareholders' meeting for consideration.

However, according to the corporate structure, the company has board of directors which consists of 9 directors, of which 4 of them are independent directors whose duties are to audit, balance control on decision, and approve other matters prior to

making proposal to the meeting of shareholders. Besides, in case of connected transactions with directors, major shareholders, controlling person, and related companies including person who might have conflict of interest, are not allowed to vote in approval of such related transactions. Any approval of transactions must be in compliance with criteria set forth by the Stock Exchange Commission of Thailand and the Stock Exchange of Thailand.

To ensure transparent and effective management as well as to balance the power of major shareholders, the company has appointed 4 sets of sub-committee which are (1) Executive Committee (2) Audit Committee (3) Risk Management Committee and (4) Nomination and Remuneration Committee. Each group of committee consists of independent director or external party who assists in various fields of managements to achieve better performance.

Risks from Dependency on Executives and personnel with professional expertise in specific field

The company's business operation mainly depends on the ability and professional expertise of executives in setting organizational vision, and managing complexity of the business. Particularly, the group of executives and executives in subsidiaries are from Vitoorapakorn family who has long experience in thermal insulation business, automotive parts, and packaging business. They are also well recognized in thermal insulation, automotive parts, and packaging, plastic and polymer industries. If the company loses any of the executives and cannot find appropriate persons to replace them, it may significantly affect the company operation.

The company also needs personnel with professional expertise in specific field such as engineers and other specialists. Losing significant numbers of such professional personnel may significantly affect the company's business performance. Losing such personnel may result in the company's production formula leaked to the competitors. Such event may have material adverse effect on the Company's profit.

The company places importance on such risk. Therefore, it assigns that the company and subsidiaries must have sub-committee which consists of executives and working team to collaborate in setting business plan and operational strategy. In

addition, the company has training and development program to increase knowledge and skill among its employees on regular basis. The company is confident that skilled and competent personnel with experiences can carry out the business passed on by top executives. In addition, the company also implements appropriate policy related to human resource in order to keep personnel with specific expertise.

Risks from the company's main business as holding company which the operating result is based on performance of subsidiaries and joint venture companies

The company engages in business as a holding company where incomes derive from holding shares in other companies while it does not operate any business on its own that creates revenues. Thus, the company's turnover depends on operating result and the ability to pay dividend of subsidiaries and joint venture companies. Possible risks come from business risks including the ability to pay dividend of the subsidiaries and joint venture companies.

At present, operating results of subsidiaries and joint venture companies account for 100% of the company's operating result. Therefore, the operating result of subsidiaries and joint venture companies play very important role to consolidated gross profit. In case that subsidiaries and joint venture companies encounter difficulties in business operation, it may have direct effect of the company's overall operating result. In addition, the dividend payment of the company to its shareholders is based on net profit as shown in separate financial statement of the company which is dependend on the ability to pay dividend of subsidiaries and joint venture companies since such dividends are considered as almost total revenues in separate financial statement of the company. Therefore, if the subsidiaries and joint venture companies are unable to pay dividend to the company due to unprofitable results or other business reasons such as reserving for business expansion or loan repayment, it will affect the ability to pay dividend of the company accordingly.

However, in order to mitigate such risks, the company has implemented policy and plan to invest, manage and control mechanism for subsidiaries and/or joint venture companies by appointing individual persons to hold position as directors or

executives in those companies, including setting scope of responsibilities and duties thereof to ensure the high efficiency in operation and achieve good business turnover.

Risks from price fluctuation of ordinary shares which may cause significantly loss to investors

Price of ordinary shares of the company may be fluctuated, depending on many factors which beyond the control of the company as the followings:

- Attitude towards business opportunities and the operation of corporate group's business in thermal insulation, automotive and packaging industry.
- The difference between financial result and actual operating result versus anticipated financial result and operating result by investors and analysts.
- The change of advice or attitude of analysts.
- Changes of terms and conditions which have an influence on thermal insulation, automotive and packaging industry, general economic situation, stock market atmosphere, or other factors.
- Notifications of other companies in the same industry
- Changes in market evaluation and stock price of listed companies which engage in similar business to the company's
- Severe fluctuation of stock price in the stock exchange

Structure of Shareholders and Management

Information of Shareholders

1. Issued and fully paid-up share capital

The Company' Securities as of 12 June 2018 consists of 2,800 million baht paid-up capital, divided into 2,800 million ordinary

shares at the par value of 1 baht pershare, all of which are ordinary shares listed in the Stock Exchange of Thailand.

2. Shareholders

Major shareholders

Shareholders List of shareholders and sharing portion of 10 major shareholders as of 12 June 2018 are as follow:

No.	Name	Amount of Share	%
1	Vitoorapakorn Holding Co., Ltd.	1,679,999,800	60.00
2	Mr. Pawat Vitoorapakorn	70,400,100	2.51
3	Thai NVDR Co., Ltd.	63,063,450	2.25
4	Mr. Chumnarn Vitoorapakorn	48,800,000	1.74
5	Mr. Chalio Vitoorapakorn	42,600,000	1.52
6	Mr. Ekawat Vitoorapakorn	40,400,000	1.44
7	Mr. Teerawat Vitoorapakorn	40,000,100	1.43
8	Mr. Tanawat Vitoorapakorn	29,400,000	1.05
9	Krungsri Dividend Stock LTF	27,230,800	0.97
10	Mrs. Somrual Vitoorapakorn	20,000,000	0.71

List of shareholders of Vitoorapakorn Holding Co., Ltd.

As of 31 March 2018, Vitoorapakorn Holding Co., Ltd.'s registered and paid-up capital is equal to 100.00 million

baht. Lists of shareholders as recorded in the shareholders' register book, can be summarized as follows:

No.	Name	Amount of Share	%
1	Mr. Patwat Vitoorapakorn	190,000	19.00
2	Mr. Teerawat Vitoorapakorn	114,000	11.40
3	Mr. Chumnarn Vitoorapakorn	128,000	12.80
4	Mr. Chalio Vitoorapakorn	110,000	11.00
5	Mr. Ekawat Vitoorapakorn	104,000	10.40
6	Mr. Tanawat Vitoorapakorn	60,000	6.00
7	Ms. Naowarat Vitoorapakorn	39,000	3.90
8	Ms. Rungravee Vitoorapakorn	39,000	3.90
9	Ms. Waraphin Vitoorapakorn	20,000	2.00
10	Ms. Wariya Theerajaruwat	6,000	0.60
11	Ms. Nisana Theerajaruwat	6,000	0.60
12	Mr. Pawit Theerajaruwat	6,000	0.60
13	Mr. Tawin Theerajaruwat	6,000	0.60
14	Ms. Ratipin Vitoorapakorn	12,000	1.20

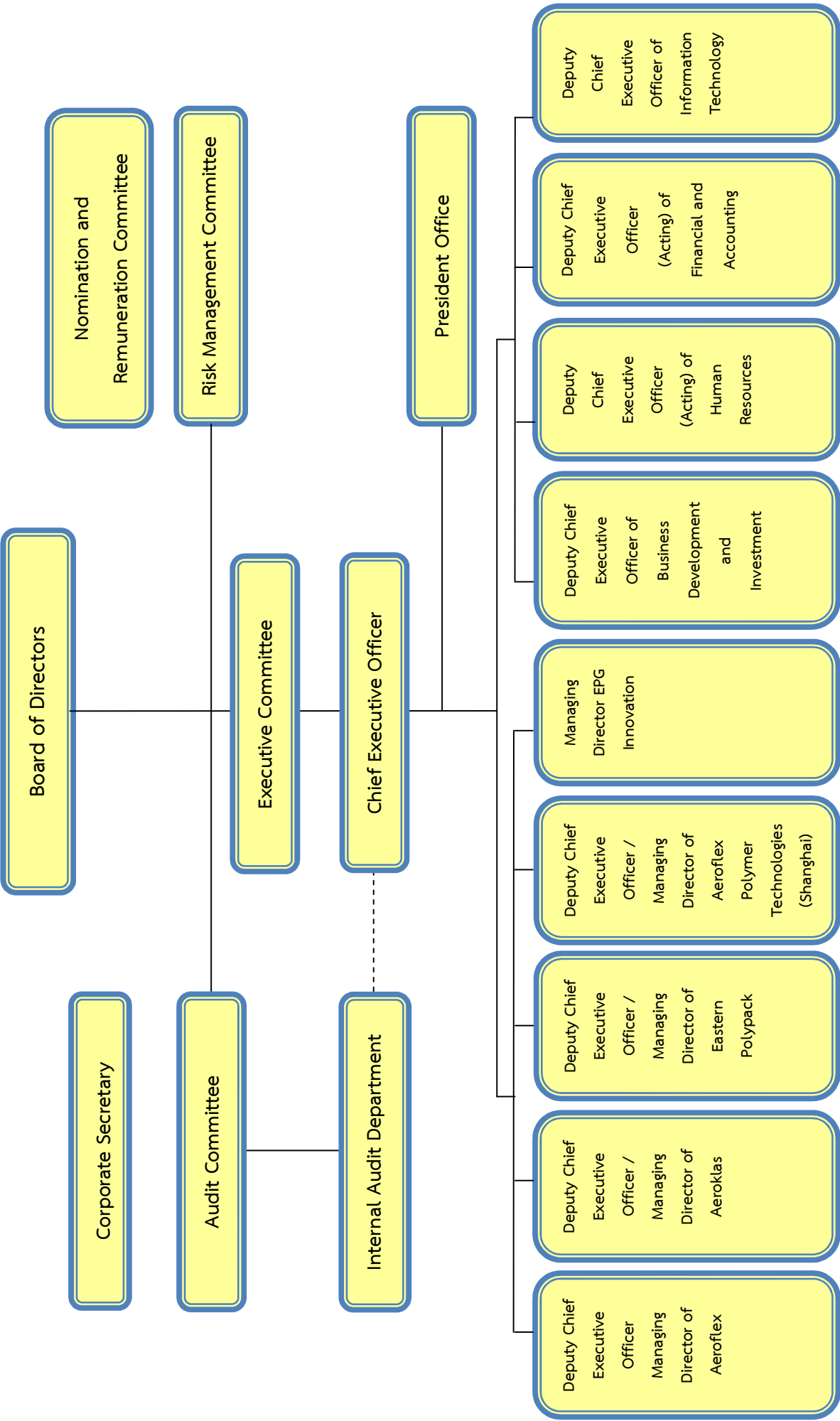
No.	Name		Amount of Share	%
15	Mrs. Ratiporn	Chaiyangyuen	12,000	1.20
16	Ms. Ravina	Vitoorapakorn	15,000	1.50
17	Ms. Piyawadee	Vitoorapakorn	15,000	1.50
18	Ms. Sasiluck	Vitoorapakorn	12,000	1.20
19	Mr. Sasin	Vitoorapakorn	12,000	1.20
20	Mr. Sarit	Vitoorapakorn	12,000	1.20
21	Mr. Punawat	Vitoorapakorn	6,000	0.60
22	Ms. Poonyapa	Vitoorapakorn	6,000	0.60
23	Mr. Peeraphat	Vitoorapakorn	10,000	1.00
24	Ms. Samatcha	Vitoorapakorn	10,000	1.00
25	Mr. Supawat	Vitoorapakorn	8,000	0.80
26	Mr. Kunawat	Vitoorapakorn	8,000	0.80
27	Mr. Natawin	Vitoorapakorn	5,000	0.50
28	Mr. Chawanat	Vitoorapakorn	5,000	0.50
29	Mr. Phisanu	Wongkijrungruang	4,000	0.40
30	Ms. Matthanee	Wongkijrungruang	4,000	0.40
31	Mr. Parinya	Wongkijrungruang	4,000	0.40
32	Miss kanokkarn	Chaiyangyuen	4,000	0.40
33	Mr. Tawat	Chaiyangyuen	4,000	0.40
34	Miss Chettikarn	Chaiyangyuen	4,000	0.40
	Total		1,000,000	100.00

Shareholding of the Board of Directors and Management*

Name			Holding shares in the company as of 31 March 2017	Increase / Decrease during financial years		Holding shares in the company as of 31 March 2018	Nature of Interest
				Increase	Decrease		
Mr.Vachara	Tuntariyanond	Chairman of the Board	1,000,000	500,000	500,000	1,000,000	Direct
Mr.Pawat	Vitoorapakorn	Vice Chairman, Management	70,400,100	-	-	70,400,100	Direct
			10,000,000	-	-	10,000,000	Indirect (Spouse)
Mr.Chaiwat	Atsawintarangkun	Chairman of the Audit Committee	-	-	-	-	-
Mr.Tanachai	Santichaikul	Directors	-	-	-	-	-
Mr.Panchai	Wattanachai	Directors	160,000	-	-	160,000	Indirect (Spouse)
Mr.Teerawat	Vitoorapakorn	Directors, Management	40,000,100	-	-	40,000,100	Direct
			20,000,000	-	-	20,000,000	Indirect (Spouse)
Mr.Chumnan	Vitoorapakorn	Directors, Management	48,800,000	-	-	48,800,000	Direct
			10,000,000	-	-	10,000,000	Indirect (Spouse)
Mr.Chalieo	Vitoorapakorn	Directors, Management	42,600,000	-	-	42,600,000	Direct
			10,000,000	-	-	10,000,000	Indirect (Spouse)
Mr.Ekawat	Vitoorapakorn	Directors, Management	40,400,000	-	-	40,400,000	Direct
			4,000,000	-	-	4,000,000	Indirect (Spouse)
			3,000,000	-	-	3,000,000	Indirect (Minor Children)
Mr.Tawawat	Vitoorapakorn	Management	29,400,000	-	-	29,400,000	Direct
Ms.Rungravee	Vitoorapakorn	Management	14,700,000	-	-	14,700,000	Direct
Ms.Maliwan	Kittiwiriyakarn	Management	-	4,000	4,000	-	-
Mr.Jarintr	Warintarapon	Management	-	-	-	-	-

*Management, as defined by The Securities and Exchange Commission, Thailand

Organizational Structure



Management Structure

The management structure of the Company consists of Board of Directors 4 subcommittees including Audit Committee, Executive Committee, Risk Management Committee and Nomination and Remuneration Committee.

As for the management in subsidiaries, the company assigns its representative to hold positions as directors and chief of the executive officers where the chief thereof is one of the executive officers of the Company. In this way, the Company will be able to manage its subsidiaries throughly and effectively. For joint ventures, the Company assigns representatives to hold director positions with proportion to the amount of shares held by the Company, to ensure that the interest of the Company will be managed and controlled comprehensively.

Board of Directors

The Board of Directors consists of 9 directors who are professionals from various industries including business, accounting and finance; all are involved in supporting the Company's business. The directors have 3 years term in the office, and separated into 5 administrative directors and 4 non-administrative (independent) directors which are in line with the rules of the Securities and Exchange Commission that specify listed company must have number of independent directors more than or equal to one-third of the total number of all directors in order to ensure proper balance of management structure.

The Board of Directors consists of 9 Directors as follows;

Name		Position
1. Mr. Vachara	Tuntariyanond	Chairman of the Board / Independent Director
2. Mr. Pawat	Vitoorapakorn	Vice-Chairman of the Board / Chief Executive Officer
3. Mr. Teerawat	Vitoorapakorn	Director
4. Mr. Chumnann	Vitoorapakorn	Director
5. Mr. Chalio	Vitoorapakorn	Director
6. Mr. Ekawat	Vitoorapakorn	Director
7. Mr. Chaiwat	Atsawintarakun	Chairman of Audit Committee/ Independent Director
8. Mr. Tanachai	Santichaikul	Audit Committee / Independent Director
9. Mr. Panchai	Wattanachai	Audit Committee / Independent Director

Remark : Ms. Prapawadee Na Ranong is the Corporate Secretary

Authorized Directors to sign on behalf of the Company as stated in the Company's certificate

Quantity of directors authorized to bind the Company are 2 out of 5 directors who co-sign their names together and affix the company's seal. List of authorized directors are as follow:

- | | | | | | |
|-----------------|---------------|-----------------|---------------|---------------|---------------|
| 1. Mr. Pawat | Vitoorapakorn | 3. Mr. Chumnann | Vitoorapakorn | 5. Mr. Ekawat | Vitoorapakorn |
| 2. Mr. Teerawat | Vitoorapakorn | 4. Mr. Chalio | Vitoorapakorn | | |

Meeting of the Board of Directors

Regarding the setting up the Board of Directors meeting, The company secretary will provide all Committee members with pre-specified date and time in order to reserve the time slot for the meeting since the beginning of the year. In addition, the secretary shall provide Board members with Agendas of

meeting 7 days in advance to provide adequate information for the board (urgent agendas will be less than 7days). For the fiscal year 2017/18, the company held 6 Board of director meeting with the following details

Name		No. of attendance / No. of meeting	
		Apr.2016 – Mar.2017	Apr.2017 – Mar.2018
1. Mr. Vachara	Tuntariyanond	6/6	6/6
2. Mr. Pawat	Vitoorapakorn	6/6	6/6
3. Mr. Teerawat	Vitoorapakorn	6/6	4/6
4. Mr. Chumnarn	Vitoorapakorn	6/6	5/6
5. Mr. Chalio	Vitoorapakorn	6/6	6/6
6. Mr. Ekawat	Vitoorapakorn	4/6	6/6
7. Mr. Chaiwat	Atsawintarakun	6/6	6/6
8. Mr. Tanachai	Santichaikul	6/6	6/6
9. Mr. Panchai	Wattanachai	6/6	5/6

Independent Director Meeting

The company shall hold independent director meeting once a year to consult subject in various area. The company has four independent directors and in 2017/18, the company held independent director meeting on 22th December 2017 where

all independent directors attended the meeting. The company secretary then reported the meeting resolution to Company management.

Executive Committee

The Executive Committee consists of 9 Directors as follows:

Name		Position
1. Mr. Pawat	Vitoorapakorn	Chief Executive Officers / Managing Director of EIC
2. Mr. Teerawat	Vitoorapakorn	Deputy Chief of Executive Officer / Managing Directors of Eastern Polypack
3. Mr. Chumnarn	Vitoorapakorn	Deputy Chief of Executive Officer / Managing Directors of Aeroflex
4. Mr. Chalio	Vitoorapakorn	Deputy Chief of Executive Officer – Business Development and Investment
5. Mr. Ekawat	Vitoorapakorn	Deputy Chief of Executive Officer / Managing Directors of Aeroklas
6. Mr. Tanawat	Vitoorapakorn	Deputy Chief of Executive Officer / Managing Directors of Aeroflex Polymer Technologies (Shanghai)
7. Ms. Maliwan	Kittiwirayakarn	Deputy Chief of Executive Officer – Information Technology
8. Mr. Jarintr	Warintapaporn	Deputy Chief of Executive Officer (Acting) – Human Resource and Administration
9. Ms. Rungravee	Vitoorapakorn	Deputy Chief of Executive Officer (Acting) – Accounting and Finance

Audit Committee

Audit Committee consists of 3 independent directors with 3 years term in the office. After said term is completed, Chairman of the audit committees and audit committee who retired by rotation may be re-elected to the position for another term in

the board of directors' meeting. Audit Committee consists of 3 directors as follows:

Name	Position
1. Mr. Chaiwat Atsawintarakun	Chairman of the Audit Committee
2. Mr. Tanachai Santichaikul	Audit Committee
3. Mr. Panchai Wattanachai	Audit Committee

Remark : Ms. Yaowapaporn Ranom is the Secretary of the Audit Committee

Mr. Chaiwat Atsawintarakun and Mr. Tanachai Santichaikul are the person with knowledge and experience in relation to accounting and finance sufficient to perform the audit review of the integrity of the Company's financial statement.

For the year of 2017/18 the company held the Audit Committee meeting 7 times with the following details:

Name	No. of attendance / No. of meeting	
	Apr.2016 – Mar.2017	Apr.2017 – Mar.2018
1. Mr. Chaiwat Atsawintarakun	6/6	7/7
2. Mr. Tanachai Santichaikul	6/6	7/7
3. Mr. Panchai Wattanachai	6/6	6/7

Risk Management Committee

Risk Management Committee consists of 4 directors with 3 years term in the office. After said term is completed, the chairman of the Risk Management Committee and Management Committee

retired by rotation may be re-elected to the position for another term in the board of directors' meeting.

Risk Management Committee consists of 4 directors as follows:

Name	Position
1. Mr. Vachara Tuntariyanond	Chairman of the Risk Management Committee
2. Mr. Chaiwat Atsawintarakun	Risk Management Committee
3. Mr. Chumnarn Vitoorapakorn	Risk Management Committee
4. Mr. Ekawat Vitoorapakorn	Risk Management Committee

Remark : Ms. Yaowapaporn Ranom is the Secretary of the Risk Management Committee

For the year of 2017/18 the company held the Risk Management Committee meeting 12 times with the following details:

Name	No. of attendance / No. of meeting	
	Apr.2016 – Mar.2017	Apr.2017 – Mar.2018
1. Mr. Vachara Tuntariyanond	12/12	12/12
2. Mr. Chaiwat Atsawintarakun	10/12	11/12
3. Mr. Chumnarn Vitoorapakorn	11/12	9/12
4. Mr. Ekawat Vitoorapakorn	6/12	11/12

Nomination and Remuneration Committee

Nomination and Remuneration Committee consist of 5 directors; 3 of which are independent committees, with 3 years term in the office. After said term is completed, the Chairman of Nomination and Remuneration Committees, and Nomination and Remuneration Committee who retired by rotation may be re-elected to the position for another term in the board of directors' meeting Nomination and Remuneration Committee consists of 5 directors as follows.

Name		Position
1. Mr. Chaiwat	Atsawintarakun	Chairman
2. Mr. Tanachai	Santichaikul	Member
3. Mr. Panchai	Wattanachai	Member
4. Mr. Teerawat	Vitoorapakorn	Member
5. Mr. Chalio	Vitoorapakorn	Member

Remark : Mr. Jarintr Warintaraporn is the Secretary of the Nomination and Remuneration Committee

For the year of 2016/17 the company held the Nomination and Remuneration Committee meeting 3 times with the following details

Name		No. of attendance / No. of meeting	
		Apr.2016 – Mar.2017	Apr.2017 – Mar.2018
1. Mr. Chaiwat	Atsawintarakun	3/3	4/4
2. Mr. Tanachai	Santichaikul	3/3	4/4
3. Mr. Panchai	Wattanachai	3/3	4/4
4. Mr. Teerawat	Vitoorapakorn	3/3	3/4
5. Mr. Chalio	Vitoorapakorn	3/3	4/4

The Executives

The Company's first 4 Level, as fined by the Capital Market Advisory Board, consists of 9 persons as follows:

Name		Position
1. Mr. Pawat	Vitoorapakorn	Chief Executive Officers / Managing Director of EIC
2. Mr. Teerawat	Vitoorapakorn	Deputy Chief of Executive Officer / Managing Directors of Eastern Polypack
3. Mr. Chumnan	Vitoorapakorn	Deputy Chief of Executive Officer / Managing Directors of Aeroflex
4. Mr. Chalio	Vitoorapakorn	Deputy Chief of Executive Officer – Business Development and Investment
5. Mr. Ekawat	Vitoorapakorn	Deputy Chief of Executive Officer / Managing Directors of Aeroklas
6. Mr. Tanawat	Vitoorapakorn	Deputy Chief of Executive Officer / Managing Directors of Aeroflex Polymer Technologies (Shanghai)
7. Ms. Maliwan	Kittiwiriyakarn	Deputy Chief of Executive Officer – Information Technology
8. Mr. Jarintr	Warintaraporn	Deputy Chief of Executive Officer (Acting) – Human Resource and Administration
9. Ms. Rungravee	Vitoorapakorn	Deputy Chief of Executive Officer (Acting) – Accounting and Finance

Scope of duties and responsibilities of the Chief Executive Officer

1. Supervise the business operations, management and/ or normal conduct of business to ensure the highest interest of the Company, and to control consistency to objectives and regulations of the Company, including rules, policies, plans and budget set forth by the meeting of the Board and/or meeting of shareholder.
2. Conduct or manage business operation to be in accordance with policies, plans and budget approved by the Executive Committee and/or the Boards.
3. Create and propose policies, business plans, business strategies, budget, investment, including managerial structure of the Company, in order to submit to the meeting of the Executive Committee.
4. Control and supervise work or performance of the Company to be in compliance with policies, plans and budget approved by the Board, including review and assess operation results of the Company to be in line with policies set forth; report operation and management result as well as work progress to the Executive Committee and/or the Board.
5. Has the power to approve normal transactions of the Company such as investment in securities or acquisition of assets to be in line with investment budget or the budget approved by the Board. The credit limit for each transaction are set in the approval schedule from the Board and shall not exceed the amount of annual budget which is also approved by the Board; to execute the relevant contracts for the Company on the matter thereof.
6. Determine organization structure, appointments, employment, relocations, remunerations, salaries, bonuses and dismissal of employees from Deputy Chief of Executive Officer and lower.
7. Issue an order, rules notifications and memorandum to enable the operation of the Company to be in line with policies for corporate benefit; ensure the compliance to the discipline within the organization.
8. Has the power to appoint team works for the good and transparent management; has the power to authorize one or more persons to perform a particular task which shall be under control of the Executive Committee; or to authorize such person to have a power as considered appropriate by the Board under the proper time. The Executive Committee may cancel, revoke, change or amend the person to be authorized or such authorization as considered appropriate.
9. Perform other tasks as may be assigned by the Board.

However, the authorization of power, duties or responsibilities of the Chief Executive Officer shall not be in a manner that enables the authorized person to approve the transaction that he/she or any person that may have conflict (according to notification from the Capital Market Advisory Board and/or Stock Exchange of Thailand and/or relating authorities), interest or conflict of interest with the Company or subsidiaries and/or relating companies. In this case, the Executive Committee is not entitled to execute such matter. The matter shall be proposed to the Board's meeting and/or the shareholders' meeting (as the case may be) for approval. Except the approval for transaction categorized under normal conduct of business operation and normal trading terms as per notification from the capital Market Advisory Board and/or Stock Exchange of Thailand and/or Relating authorities.

In regard to scope of authorization of financial credits, the Board specified that the Executive Committee can approve the financial credits for business operation to certain levels in order to streamline business operation.

Detail of Director and Executive of the Company and Subsidiaries

BU's	Director Name		Executive Name		Position
Aeroflex	1. Mr. Pawat	Vitoorapakorn	1. Mr. Chumnarn	Vitoorapakorn	Managing Director
	2. Mr. Teerawat	Vitoorapakorn	2. Mr. Tanawat	Vitoorapakorn	Deputy managing Director/ Senior Operation Director (Acting)
	3. Mr. Chumnarn	Vitoorapakorn	3. Miss Naowarat	Vitoorapakorn	Senior Domestic Sale and Marketing Director
	4. Mr. Chalio	Vitoorapakorn	4. Mrs. Piyanee	Vitoorapakorn	Senior Export Sale and Marketing Director
	5. Mr. Ekawat	Vitoorapakorn	5. Mr. Anand	Rotchanamethin	Safety and Environment Director/General Director
	6. Mr. Tanawat	Vitoorapakorn	6. Miss Nongyao	Siriwonk	Rubber Technical Director
			7. Miss Chompunuth	Kongsathien	Accounting Manager
Aeroklas	1. Mr. Pawat	Vitoorapakorn	1. Mr. Ekawat	Vitoorapakorn	Managing Director
	2. Mr. Teerawat	Vitoorapakorn	2. Mrs. Supawadee	Vitoorapakorn	Senior Deputy Managing Director/Deputy Strategy and Domestic Sale Managing Director
	3. Mr. Chumnarn	Vitoorapakorn	3. Mr. Wira	Lapjatuporn	Deputy Marketing Managing Director
	4. Mr. Chalio	Vitoorapakorn	4. Miss Maliwan	Kittiwiriyakarn	Deputy Production Managing Director
	5. Mr. Ekawat	Vitoorapakorn	5. Mr. Brian William Rogers		Deputy Export Sale Managing Director
			6. Mrs. Rattiya	Suwankijkorn	Deputy Accounting and Financial Director
Eastern PolyPack	1. Mr. Pawat	Vitoorapakorn	1. Mr. Teerawat	Vitoorapakorn	Managing Director/General Director
	2. Mr. Teerawat	Vitoorapakorn	2. Mr. Tanawat	Vitoorapakorn	Deputy Sale Managing Director
	3. Mr. Chumnarn	Vitoorapakorn	3. Mr. Rakthai	Boonmee	Deputy Production Managing Director
	4. Mr. Chalio	Vitoorapakorn	4. Mrs. Nisanat	Kongsathien	Accounting and Financial Director
	5. Mr. Ekawat	Vitoorapakorn			
Aeroflex Polymer Technologies (Shanghai)	1. Mr. Pawat	Vitoorapakorn	1. Mr. Tanawat	Vitoorapakorn	Managing Director/Sale and Marketing Director/Operation General Director
	2. Mr. Chumnarn	Vitoorapakorn	3. Ms. Huang	Xiuling	Deputy Accounting and Financial Manager
	3. Mr. Ekawat	Vitoorapakorn			
	4. Mr. Tanawat	Vitoorapakorn			
	5. Mr. Sun Bo				
EPG Innovation Center	1. Mr. Pawat	Vitoorapakorn	1. Mr. Pawat	Vitoorapakorn	Managing Director
	2. Mr. Teerawat	Vitoorapakorn	2. Mr. Chumnarn	Vitoorapakorn	Deputy Managing Director
	3. Mr. Chumnarn	Vitoorapakorn	3. Mr. Ekawat	Vitoorapakorn	Asst. Managing Director
	4. Mr. Chalio	Vitoorapakorn	4. Mrs. Rattiya	Suwanakijkorn	Deputy Accounting and Financial Director
	5. Mr. Ekawat	Vitoorapakorn	5. Miss Phatchariya	Suriyachai	Asst. Director Research and Development

Company Secretary

Scope of duties and responsibilities of the Company Secretary

1. Oversee and supervise directors and executives on the matters related to compliance with law, regulations, rules and company articles, including to monitor / ensure the continuous compliance.
2. Arrange the meeting of the board of directors and shareholders coordinate and facilitate to ensure consistency to the resolution of the meeting.
3. Oversee the disclosure of the information and information technology report to be in accordance with related rules and regulations from the Stock Exchange of Thailand and The Securities and Exchange Commission as well as applicable laws.
4. Keep and maintain the documents as following:
 - (a) Directors' register
 - (b) Notice to the meeting of directors and minutes of the board of directors' meeting
 - (c) Invitation letter to the shareholders' meeting and minutes of the shareholders' meeting
 - (d) Annual Report
 - (e) Report on conflict of interest of the committee

Managerial structure of subsidiaries that conduct main business

As for the management in subsidiaries, the Company assigns its representatives to hold positions of director and Chairman of the executive officers, in order to efficiently control the business operations. For executive position below Chief of Executive officer, the chairman of executive committee the reof is entitled to appoint candidate for the said positions to streamline managing task.

To resure that management in subsidiaries are effectively operated. The Company has established additional Company Articles which specified that directors and executives of the subsidiaries shall comply with, to assure the full compliance with the guidance from the Securities, Exchange Commission and the Stock Exchange of Thailand.

Remuneration of Directors, Subcommittee and Executives

The detail of the runumeration of directors and Sub-Committee are as following:

Remuneration of the Directors

Remuneration of the Bord of Directors

Position	Annual remuneration	Meeting Allowance (Baht/time)
1. Chairman of the Board of Directors	384,000	27,000
2. Directors and Chairman of Audit Committee	324,000	22,000
3. Director and Chairman of Excutive Committee	324,000	22,000
4. Director	264,000	22,000

Remuneration of Subcommittee

Remuneration of the Audit Committee

Position	Meeting Allowance (Baht/Time)
1. Chairman of the Audit Committee	17,000
2. Audit Committee Member	12,000

Remuneration of the Risk Management Committee

Position	Meeting Allowance (Baht/Time)
1. Chairman of the Risk Management Committee	17,000
2. Risk Management Committee Member	12,000

Remuneration of Nomination and Remuneration Committee

Position	Meeting Allowance(Baht/Time)
1. Chairman of the Nomination and Remuneration Committee	17,000
2. Nomination and Remuneration Member	12,000

Remuneration of Directors and Subcommittee

For 1 April 2017 – 31 March 2018 the company paid total compensation for the committee member in total of 7,165,000 Baht which in accordance to the previous Annual General meeting shareholder's resolution with the following details:

Unit : Baht

No.	Name	Position	Annual remuneration (Baht/year)	Meeting Allowance (Baht/Year)	Bonus (Baht/year)	Total (Baht/year)
1	Mr. Vachara Tuntariyanond	Chairman of the Board / Independent Director	376,000	356,000	360,000	1,092,000
2	Mr. Chaiwat Atsawintarakun	Chairman of Audit Committee / Independent Director	316,000	435,000	300,000	1,051,000
3	Mr. Thanachai Santichaikul	Audit Committee / Independent Director	256,000	256,000	240,000	752,000
4	Mr. Panchai Wattanachai	Audit Committee / Independent Director	256,000	224,000	240,000	720,000
5	Mr. Pawat Vitoorapakorn	Vice-Chairman / CEO	316,000	130,000	360,000	806,000
6	Mr. Teerawat Vitoorapakorn	Director	256,000	120,000	240,000	616,000
7	Mr. Chumnant Vitoorapakorn	Director	256,000	210,000	240,000	706,000
8	Mr. Chalio Vitoorapakorn	Director	256,000	176,000	240,000	672,000
9	Mr. Ekawat Vitoorapakorn	Director	256,000	254,000	240,000	759,000
Total			2,400,000	2,161,000	2,460,000	7,165,000

Remuneration of the Executives

Executives of the Company and subsidiaries are paid in form of monthly salary, bonus and other compensation such as social welfare, provident fund, position allowance, vehicle milage reimbursement etc. However, the bonus payment for executives is based on profit derived from operation result and performance of each person. During April 2017 – March 2018 the Company and subsidiaries paid compensation to the executives at the amount of 119.8 Million baht.

Personnel in the organization

Number of personnel in various business groups across the globe

Business Group	No. of Employee (Person)
Eastern Polymer Group Plc.	69
Manufacturing and Distribution of Rubber insulation	843
Manufacturing and Distribution of Auto parts and Decorations	1,161
Manufacturing and Distribution of Plastic packaging	892
Other Support Business	44
Total	3,009

Knowledge and Competency Enhancement

The Company has assigned Thailand's leading consultant in leadership and staff development from 2016 – 2018 to plan and advise for staff development program in various levels of the group companies, with focus on the management level of the organization, to ensure they understand the goal, business's direction, and expectation of the Company that leaders should express their role in the organization and begin to act on the policy, direction, and operational plan.

Since 2017, the staff development team has selected targeted managerial staff, studied and set development's requirement, designed program, process and method with the consulting team to implement the First EPG Leadership Development Program for selected managerial staff based on performance track record and leadership's assessment through all business units of the group companies (across business units). The objective is to create and develop leadership in the group companies within knowledge base and defined behavioral framework that undergo organizational analysis, and the needs of organization. The leadership skills, emotional intelligence, and teamwork's potential can support the organization to achieve 3

principles of running business which include Global Player, Leader in Innovation, and Sustainable Profit and Growth, as well as promoting the cross-collaboration and development environment.

In addition, corporate human resource department has collaborated with each business unit's human resource department to implement program for selected staff who are promoted in managerial and supervisory level in line with the direction of business's operation and organization's expectation, to prepare the corporate leaders of the group under the behavioral framework and further bring the developing results to various level to ensure all staff have knowledge and understanding in core competency of the organization.

In the year 2017/2018, staff from every level participated in the training program or 87.0% of targeted training hours.

Compensation and Welfare

Compensation

In the most recent three fiscal year (2015/16 – 2017/18) The company and affiliates has the total compensation of all

employee including the management in form of Salaries, Commission, Other compensation and Provident fund in the total of 1,384.7 MB., 1,555.0 MB and 1,662.64 MB. respectively.

Welfare

The Company set a clear policy for employee welfare and the practice, and disclosed rule and guideline of welfare for human resource department and administration by job position such as fuel, transportation, telephone, and other work related benefits include allowance, accommodation, uniform, health benefits include medical expense, annual health-check, sport club, and other employee related benefits include accident insurance,

staff loans, long-term employee care program, and the establishment of provident fund.

Provident fund

The Company establishes provident fund since 2004 with the Asset Management Provident Fund – Sinsathaporn, with objective to support long term saving among employees, stabilize the security to employees and their families in case of unemployment, retire of or death. The Provident fund is an incentive to keep employees for long term commitment to the Company, build good relationship between employer and employees, resulting in better work performance.

The Profile of Director

Mr. Vachara Tuntariyanond

Chairman of the Board of Directors and Independent Director

Age 60 Years

Education

- Master's degree of Science in Management Administration, Northrop University, California, USA

Training Background

- Audit Committee and Continuing Development Program (ACP), Class 41/2012, Thai Institute of Directors Association (IOD)
- Monitoring Fraud Risk Management (MFM), 8/2012, Thai Institute of Directors Association (IOD)
- Monitoring the Quality of Financial Reporting (MFR), Class 16/2012, Thai Institute of Directors Association (IOD)
- Monitoring the Internal Audit Function (MIA), Class 13/2012, Thai Institute of Directors Association (IOD)
- Monitoring the System of Internal Control and Risk Management (MIR), Class 13/2012, Thai Institute of Directors Association (IOD)
- Director Certification Program (DCP), Class 94/2007, Thai Institute of Directors Association (IOD)

Working Experience in the past 5 years

Listed company

2013 – Present	Chairman of the Board of Directors and Independent Director Eastern Polymer Group Public Company Limited
2017 – Present	Independent Director and Executive Board Thai Airways International Public Company Limited
2016 – Present	Advisor of the Audit Committee and Independent Director International Research Corporation Public Company Limited

2016 – Present	Audit Committee Member and Independent Director M Pictures Entertainment Public Company Limited
2013 – 2017	Audit Committee Member and Independent Director Big C Supercenter Public Company Limited
2016 - 2016	Chairman of the Board of Directors and Independent Directors Nation Multimedia Group Public Company Limited
2010 – 2013	Chairman of the Executive Board of Directors and Directors MFC Asset Management Public Company Limited

Holding a position Director of Listed company 3 Companies

Non-listed company

2017 - Present	Commission Member in Finance Office of Insurance Commission
2014 – Present	Chairman of the Board of Directors and Independent Director Krung Thai Asset Management Public Company Limited
2010 – Present	Advisor Fiscal Policy Office, Ministry of Finance
2008 – Present	Advisor National Power Supply Public Company Limited
2007 – Present	Advisor ACE Capital Company Limited
2006 – Present	Advisor Double A (1991) Public Company Limited
2016 - 2016	Advisor to the Minister Ministry of Information and Communication Technology
2009 – 2015	Chairman of the Executive Board of Directors and Director Government Saving Bank

Holding a position Director of Non-listed company 2 Companies

Appointed Date:

Term 1: 8 August 2013, Term 2: 25 July 2016

Holding shares in the company as of 12 June 2018

Ordinary Share 500,000 Shares, 0.018%

Mr. Pawat Vitoorapakorn

Vice Chairman, Chief Executive Officer and Managing Director of EIC

Age 67 Years

Education

- Honorary Doctorate of Chemical Engineering, Kasetsart University
- Bachelor's Degree of Economics, Krirk University

Training Background

- Executive Leadership & Group Strategy Revisit, In-house Training
- Talent Management & Succession Planning, In-house Training
- Economic Intelligence service exclusive, Thailand Development Research Institute
- Capital Market Academy (CMA), Class 16/2013, Capital Market Academy, 2013
- Senior Executive Program, Graduate Institute of Business Administration of Chulalongkorn University
- Director Accreditation Program (DAP), Class 98/2012, Thai Institute of Directors Association (IOD)

Working Experience in the past 5 years

Listed company

1978 – Present Vice Chairman and Chief Executive Officer
Eastern Polymer Group Public Company Limited

Holding a position Director of Listed company 1 Company

Non-listed company

2014 – Present Director
Aeroklas USA Inc.

2014 – Present Director
ALP Aeroflex India Private Ltd.

2014 – Present National Researcher Academy
(Economic No. SA033)

2012 – Present Director
Vitoorapakorn Holding Company Limited

2012 – Present Director
Aeroflex Company Limited

2012 – Present Chairman of the Board of Directors
Aeroflex USA Company Limited

2011 – Present Chairman of the Board of Directors
Aeroklas (Shanghai) Company Limited

2011 – Present Director
Sanki Eastern (Thailand) Company Limited

2011 – Present Director
Aerocel Construction Material (Jiangsu) Company Limited

2006 – Present Director and Managing Director
EPG Innovation Center Company Limited

2005 – Present Director
Esco Service Company Limited

2001 – Present Chairman of the Board of Directors
Eastern Polypack Company Limited

1999 – Present Director
Aeroflex Polymer Technologies (Shanghai) Company Limited

1995 – Present Director
Zeon Advanced Polymix Company Limited

1995 – Present Director
Tokai Eastern Rubber (Thailand) Company Limited

1994 – Present Chairman of the Board of Directors
I.P.P (Thailand) Company Limited

1992 – Present Director
Eastern Syntech Company Limited

1992 – Present Chairman of the Board of Directors
Aeroklas Company Limited

2007 – 2015 Director
Patton Aero Company Limited

2009 – 2015 Director
Eastern Polytech Company Limited

1994 – 2014 Director
Abric Eastern International Company Limited

Holding a position Director of Non-listed company 17 companies

Appointed Date :

Term 1 : 8 August 2013, Term 2 : 31 July 2014
Term 3 : 27 July 2017

Holding shares in the company as of 12 June 2018

Ordinary Share 70,400,100 Shares, 2.514%

Mr. Chaiwat Atsawintarangkun

Chairman of the Audit Committee and Independent Director

Age 66 Years

Education

- Master's degree in Business Administration, Thammasat University
- Master's degree in Education Curriculum and Teaching Methodology (Teaching Chinese as a foreign language), Beijing Language and Cultural University)
- Bachelor's degree in Laws, Ramkhamhaeng University
- Bachelor's degree in Business Administration, Ramkhamhaeng University
- Bachelor of Arts in Chinese Languages (Trade & Economics), Beijing Language and Cultural University

Training Background

- Board Nomination and Compensation Program (BNCP), Class 3/2017, Thai Institute of Directors Association (IOD)
- AC HOT UPDATE Get Ready for the new era of Corporate Governance (CG) to sustainability, Federation of Accounting Professions Under the Royal Patronage of his Majesty the King
- Audit Committee Seminar – Get Ready for the Year End, Federation of Accounting profession under the Royal Patronage of His Majesty the King
- Director Certification Program (DCP), Class 81/2006, Thai Institute of Directors Association (IOD)
- Audit Committee and Continuing Development (ACP), Class 12/2006, Thai Institute of Directors Association (IOD)
- Director Accreditation Program (DAP), Class 24/2004, Thai Institute of Directors Association (IOD)
- Thailand Bar Association, Institute of Legal Education of the Thai Bar under Royal Patronage

Working Experience in the past 5 years

Listed company

2013 – Present Chairman of the Audit Committee and Independent Director
Eastern Polymer Group Public Company Limited

2005 – Present Chairman of the Audit Committee and Independent Director
Eastern Printing Public Company Limited

2005 – Present Audit Committee Member and Independent Director
U City Public Company Limited

2004 – Present Chairman of the Audit Committee and Independent Director
Krunghthai Car Rent & Lease Public Company Limited

2003 – Present Chairman of the Audit Committee and Independent Director
Syntech Construction Public Company Limited

2013 – 2017 Audit Committee Member and Independent Director
AQ Estate Public Company Limited

Holding a position Director of Listed company 5 companies

Non-listed company

2013 – Present Chairman of the Audit Committee and Independent Director
Merchant Partners Asset Management

2012 – Present Director
Amatara A Destination Spa Company Limited

2010 – Present Director
Ma Trad Company Limited

2007 – Present Chairman of the Audit Committee and Independent Director
Merchant Partners Securities Public Company Limited

2006 – Present Director
Resort Holding Company Limited

2005 – Present Director
Boat House Hua Hin Company Limited

2004 – Present Director
Andaman Long Beach Resort Company Limited

1997 – Present Executive Partner and Director
Prospect Consulting Company Limited

Holding a position Director of Non-listed company 8 Companies

Appointed Date :

Term 1 : 8 August 2013, Term 2 : 31 July 2014

Holding shares in the company as of 12 June 2018

-None-

Mr. Tanachai Santichaikul

Audit Committee and Independent Director

Age 64 Years

Education

- Master's degree in Business Administration, Thammasat University
- Bachelor's degree in Accountancy (Cost Accounting), Chulalongkorn University
- Advanced Certificate Course in Financial Audit, Chulalongkorn University

Training Background

- AC HOT UPDATE Get Ready for the new era of Corporate Governance (CG) to sustainability, Federation of Accounting Professions Under the Royal Patronage of his Majesty the King
- Graduate Diploma in Politics and Governance in Democratic Systems for Executives Course, Class 11/King, Prajadhipok's Institutes
- Capital Market Academy Leadership Program (CMA), Class 1/2005, Capital Market Academy
- Director Certification Program (DCP), Class 18/2002, Thai Institute of Directors Association (IOD)

Working Experience in the past 5 years

Listed company

2013 – Present	Audit Committee Member and Independent Director Eastern Polymer Group Public Company Limited
2017 – Present	Assistant Managing Director Salee Printing Public Company Limited
2013 – Present	Chairman of the Audit Committee and Independent Director M Pictures Entertainment Public Company Limited
2013 – 2015	Audit Committee Member and Independent Director LDC Public Company Limited
1979 – 2012	Chief Executive Officer Nation Multimedia Group Public Company Limited
Holding a position Director of Listed company 4 companies	

Non-listed company

2016 – Present	Director Spring News Corporation Company Limited
2016 – Present	Director News Network Multimedia Company Limited
2016 – Present	Chairman of Board of Directors and Independent Director Siam Syndicate Technology Company Limited
2016 – Present	Director Aim Reit Management Company Limited
2012 – Present	Audit Committee Member Chulalongkorn University
2012 – Present	Executive Director TPN Media Company Limited
2012 – Present	Advisor VIV Interchem Company Limited
2012 – Present	Director Chulabook of Chulalongkorn University
2012 – Present	Advisor Printing and Paper Packing Industry Group of The Federation of Thai Industry
2012 – Present	Director Federation of Accounting Professions of Thailand
2012 – Present	Advisor The Faculty of Commerce and Accountancy of Chulalongkorn University Alumni Association
2010 – Present	Advisor Thai Printing Association
2007 – Present	Advisor The Publishers and Booksellers Association of Thailand
2012 – 2016	Advisor The Majestic Creek Country Club Company Limited
2012 – 2014	Advisor Thai Edible Oil Company Limited
Holding a position Director of Non-listed company 8 Companies	

Appointed Date :

Term 1 : 8 August 2013, Term 2 : 25 July 2016

Holding shares in the company as of 12 June 2018

-None-

Mr. Panchai Wattanachai

Audit Committee and Independent Director

Age 66 Years

Education

- Master's degree in Public Administration, Chulalongkorn University
- Bachelor's degree in Laws, Chulalongkorn University

Training Background

- Financial Statement for Directors (FSD), Class 34/2017, Thai Institute of Directors Association (IOD)
- CG Forum "Ethics : Conscious Corporate Governance", Stock Exchange of Thailand
- Audit Committee Seminar – Get Ready for the Year End, Federation of Accounting Profession under the Royal Patronage of His Majesty the King
- Director Accreditation Program (DAP), SEC/2013, Thai Institute of Directors Association (IOD)
- National Defense course, Private Sector and Politics 2006 from Thailand National Defense College
- High Level Administration course, class 34, Institute of Administration Management, Department of Provincial Administration, Ministry of Interior
- Sheriff School of 32, Institute of Administration Management, Department of Provincial Administration, Ministry of Interior

Working Experience in the past 5 years

Listed company

2013 – Present Audit Committee Member and Independent Director
Eastern Polymer Group Public Company Limited
Holding a position Director of Listed company 1 company

Non-listed company

2015 – Present Professional of Political Committee
The National legislative Assembly
2012 – Present Advisor
Institute of promotion and development of Pid
Thong Lang Pra, activities under the guidance
of her majesty the King

2015 – 2017 Sub-committee of Development Strategy in
accordant with sufficiency economy philosophy
in sections of agriculture and upcountry. Office
of the Royal Development projects Board
2011 – 2016 Sub-committee
Government service for provincial and regional
development committee Office of the Public
Sector Development Commission Office of
prime Minister
2012 – 2014 Sub-committee, population and development
public health committee Senate
2012 Deputy Permanent Secretaries to the Office of
the Prime Minister Office of the Permanent
Secretary, Prime Minister Office
2011 – 2012 Inspector to the office of the Prime Minister
office of the Permanent Secretary, Prime
Minister Office

Holding a position Director of Non-listed company 0 companies

Appointed Date :

Term 1 : 8 August 2013, Term 2 : 29 July 2015

Holding shares in the company as of 12 June 2018

-None-

Mr. Teerawat Vitoorapakorn

Director, Deputy Chief Executive Officer and Managing Director of EPP

Age 59 Years

Educational

- Master of Business Administration, Chulalongkorn University
- Bachelor of Economics Program in Economics, Kasetsart University

Training Background

- Executive Leadership & Group Strategy Revisit, In-house Training
- Talent Management & Succession Planning, In-house Training
- Role of the Compensation Committee (RCC), Class 21/2016, Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP), 94/2012, Thai Institute of Directors Association (IOD)

Working Experience in the past 5 years

Listed company

1991 – Present Director and Deputy Chief Executive Officer
Eastern Polymer Group Public Company Limited

Holding a position Director of Listed company 1 Company

Non-listed company

2012 – Present Director
Vitoorapakorn Holding Company Limited

2012 – Present Director
Aeroflex Company Limited

2010 – Present Director
Eastern Polytech Company Limited

2006 – Present Director
EPG Innovation Center Company Limited

2005 – Present Director
Esco Service Company Limited

2001 – Present Director and Managing Director
Eastern Polypack Company Limited

1999 – Present Director
Aeroflex Polymer Technologies (Shanghai) Company Limited

1994 – Present Director
I.P.P. (Thailand) Company Limited

1993 – Present Director
Eastern Syntech Company Limited

1992 – Present Director
Aeroklas Company Limited

2007 – 2016 Director
FOUR-S (2007) Company Limited

2007 – 2016 Managing Partner
V.R.S. Service Ltd.

1994 – 2014 Director
Abric Eastern International Company Limited

Holding a position Director of Non-listed company 11 companies

Appointed Date :

Term 1 : 8 August 2013, Term 2 : 29 July 2015

Holding shares in the company as of 12 June 2018

Ordinary Share 40,000,100 Shares, 1.429%

Mr. Chumnan Vitoorapakorn

Director, Deputy Chief Executive Officer and Managing Director of AFC

Age 57 Years

Educational

- Bachelor's degree Faculty of Science, Chulalongkorn University
- Master's degree of Business Administration, Chulalongkorn University

Training Background

- Executive Leadership & Group Strategy Revisit, In-house Training
- Talent Management & Succession Planning, In-house Training
- Risk Management Program for Corporate Leaders (RCL), Class 6/2017, Thai Institute of Directors Association (IOD)
- Leading in a Disruptive World 2 (LDW2), Stanford University USA.
- Director Accreditation Program (DAP), Class 94/2012, Thai Institute of Directors Association (IOD)

Working Experience in the past 5 years

Listed company

1992 – Present Director and Deputy Chief Executive Officer
Eastern Polymer Group Public Company Limited

Holding a position Director of Listed company 1 Company

Non-listed company

2013 – Present Director
Talitech Company Limited

2013 – Present Director
APS Company Limited

2012 – Present Director and Managing Director
Aeroflex Company Limited

2012 – Present Director
Vitoorapakorn Holding Company Limited

2011 – Present Director
Sanki Company Limited

2011 – Present Director
Aeroklas Shanghai Company Limited

2009 – Present	Director and Managing Director Eastern Polytech Company Limited
2006 – Present	Director and Deputy Managing Director EPG Innovation Center Company Limited
2005 – Present	Director Esco Service Company Limited
2001 – Present	Director Eastern Polypack Company Limited
1999 – Present	Director Aeroflex Polymer Technologies (Shanghai) Company Limited
1996 – Present	Director Hayakawa Eastern Rubber Company Limited
1995 – Present	Director Zeon Advanced Polymix Company Limited
1995 – Present	Director Tokai Eastern Rubber Company Limited
1994 – Present	Director I.P.P. (Thailand) Company Limited
1993 – Present	Director Eastern Syntech Company Limited
1992 – Present	Director Aeroklas Company Limited
1994 – 2014	Director Abric Eastern International Company Limited

Holding a position Director of Non-listed company 17 companies

Appointed Date:

Term 1: 8 August 2013, Term 2 : 25 July 2016

Holding shares in the company as of 12 June 2018

Ordinary Share 48,800,000 Shares, 1.743%

Assoc. Prof. Dr. Chalio Vitoorapakorn

Director, Deputy Chief Executive Officer of Business
Development and Investment

Age 55 Years

Educational

- Doctor of Business Administration, International American University, USA
- Doctor of Philosophy in Public Administration, New York University and California University, USA
- M.D.A., Kasetsart University
- B.B.A., Bangkok University

Training Background

- Executive Leadership & Group Strategy Revisit, In-house Training
- Talent Management & Succession Planning, In-house Training
- Capital Market Academy (CMA), Class 20, Capital Market Academy
- IR Professional Certification Program (IR2/2013), Federation of Accounting Profession
- Security Connection Development of Executive Version 2, Internal Security Operations
- Corporate Governance for Committee and Chief Executive of State Enterprise and Public Organization (PDI Course), King Prajadhipok's Institute
- Director Certification Program – DCP 117/2009, Thai Institute of Directors Association (IOD)
- Financial Statement for Director –FSD 5/2009, Thai Institute of Directors Association (IOD)
- Role of the compensation Committee – RCC 8/2009, Thai Institute of Directors Association (IOD)
- Successful Formulation & Executive of Strategy – SFE 5/2009, Thai Institute of Directors Association (IOD)
- Project Finance 2012 Conference: Focusing on Energy & Infrastructure Sectors, ASIA BUSINESS CONNECT
- Modern Marketing Management Class 15, Chulalongkorn University

Working Experience in the past 5 years

Listed company

1992 – Present Director and Deputy Chief Executive
Officer of Business Development and Investment
Eastern Polymer Group Public Company
Limited

Holding a position Director of Listed company 1 Company

Non-listed company

2013 – Present National Researchers Economics
(Code researchers: NU 327)

2013 – Present Director
Academic Committee of California
University, USA (Thailand)

1992 – Present Director
Aeroklas Company Limited

1992 – Present Director
Vitoorapakorn Holding Company Limited

1992 – Present Director
Aeroflex Company Limited

1992 – Present Director
Eastern Polytech Company Limited

1992 – Present Director
EPG Innovation Center Company Limited

1992 – Present Director
Esco Service Company Limited

1992 – Present Director
Eastern Polypack Company Limited

1992 – Present Director
Aeroflex Polymer Technologies
(Shanghai) Company Limited

1992 – Present Director
I.P.P. (Thailand) Company Limited

1992 – Present Director and Managing Director
Eastern Syntech Company Limited

2007 – 2016 Director
Patton Aero Company Limited

1994 – 2016 Director and Managing Director
Dinamic Eastern Garment Company
Limited

2001 – 2014 Director
Abric Eastern International Company Limited

Holding a position Director of Non-listed company 11 companies

Appointed Date:

Term 1: 8 August 2013, Term 2: 29 July 2015

Holding shares in the company as of 12 June 2018

Ordinary Share 42,600,000 Shares, 1.521%

Mr. Ekawat Vitoorapakorn

Director, Deputy Chief Executive Officer and Managing Director of Aeroklas

Age 53 Years

Education

- Master's degree in Administration International, University of Dallas
- Bachelor's degree in Marketing, Bangkok University

Training Background

- Executive Leadership & Group Strategy Revisit, In-house Training
- Talent Management & Succession Planning, In-house Training
- Director Accreditation Program (DAP) 106/2013, Thai Institute of Directors Association (IOD)

Working Experience in the past 5 years

Listed company

1992 – Present Director and Deputy Chief Executive Officer
Eastern Polymer Group Public Company
Limited

Holding a position Director of Listed company 1 Company

Non-listed company

2017 – Present Director
Ekwadee Company Limited

2012 – Present Director
Vitoorapakorn Holding Company Limited

2012 – Present Director
Aeroflex Company Limited

2011 – Present Director
Aeroklas Shanghai Company Limited

2011 – Present Director
Faraero Otomotive Sanayi ve Ticaret A.S.

2009 – Present Director
Eastern Polytech Company Limited

2006 – Present	Director and Deputy Managing Director EPG Innovation Center Company Limited
2005 – Present	Director Esco Service Company Limited
2001 – Present	Director Eastern Polypack Company Limited
1999 – Present	Director Aeroflex Polymer Technologies (Shanghai) Company Limited
1994 – Present	Director I.P.P. (Thailand) Company Limited
1992 – Present	Director Eastern Syntech Company Limited
1992 – Present	Director and Managing Director Aeroklas Company Limited
1994 – 2014	Director Abric Eastern International Company Limited

Holding a position Director of Non-listed company 13 companies

Appointed Date :

Term 1 : 8 August 2013, Term 2 : 31 July 2015

Holding shares in the company as of 12 June 2018

Ordinary Share 40,400,000 Shares, 1.443%

Mr. Tanawat Vitoorapakorn

Deputy Chief Executive Officer and
Managing Director of APT

Age 45 Years

Education

- Master's degree in Business Administration, Kasetsart University
- Bachelor's degree in Business Administration, Bangkok University

Training backgrounds

- Executive Leadership & Group Strategy Revisit, In-house Training
- Talent Management & Succession Planning, In-house Training
- Director Certification Program – DCP 121/2009, Thai Institute of Directors Association (IOD)

Working Experience in the past 5 years

Listed company

1992 – Present	Deputy Chief Executive Officer Eastern Polymer Group Public Company Limited
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Non-listed company

2013 – Present	Director APS Company Limited
2012 – Present	Director Vitoorapakorn Holding Company Limited
2012 – Present	Director and Deputy Managing Director Aeroflex Company Limited
2011 – Present	Director Aerocel Construction Material (Jiangsu) Company Limited
2011 – Present	Director Aeroklas Shanghai Company Limited
2009 – Present	Director Eastern Polytech Company Limited
1999 – Present	Director and Managing Director Aeroflex Polymer Technologies (Shanghai) Company Limited

Holding shares in the company as of 12 June 2018

Ordinary Share 29,400,000 Shares, 1.050%

Ms. Maliwan Kittiwiriyakarn

Deputy Chief Executive Officer of Information
Technology

Age 52 Years

Education

- Master's degree in Business Administration – Finance and Banking, Sripatum University
- Bachelor's degree in Management of Information System, Chulalongkorn University
- Bachelor's degree in Science, Statistics, and Computer, Ramkhamhang University

Training backgrounds

- Executive Leadership & Group Strategy Revisit, In-house Training

- Talent Management & Succession Planning, In-house Training
- Director Accreditation Program (DAP) Class SEC/2013, Thai Institute of Directors Association (IOD)
- Development of Energy Management System in compliance with ministerial regulation and ISO 50001:2011 by Dr. Somchai Dechapanitkul
- Energy Management System Internal Auditor, Mahidol University 2011
- Internal Assessment TS16949/ISO9001/ISO14001/OHSAS 18001

Working Experience in the past 5 years

Listed company

1993- Present Deputy Chief Executive Officer of Information and Technology Eastern Polymer Group Public Company Limited

Non-listed company

2013- Present Deputy Managing Director Aeroklas Company Limited

Holding shares in the company as of 12 June 2018

-None-

Mr. Jarintr Warintaraporn

Deputy Chief Executive Officer of Human Resources (Acting)

Age 61 Years

Educational

- Master's degree in business Administration, Chulalongkorn University
- Bachelor's degree in Economics of Money and Banking, Thammasat University

Training

- Talent Management & Succession Planning, In-house Training
- Labour Law for Human Resource Management, Sriprathum University
- Salary Structure Management by Easy Excel, HR Center
- Career Path & Succession Planning, HR Center

- Operational Seminar of Analysis and Evaluation of Compensation and Benefit Management.
- “How Directors Create Value to the Company”, Thai Institute of Directors Association (IOD)
- Technical writing for important documents as required by Labor law for effective human resource management, The committee for improvement of legal knowledge of Labor law and Labor welfare, 2013
- Guidelines after the Approval of Investment Promotion, Investor Club Association, 2013
- Draft for the amendment of new Labor Protection Act, Employers' Confederation Thailand, 2015
- Learning and Operational workshop on critical issues regarding human capital management in the organization, Sripatum University 2015
- Situation and Trend of Labour Problem in year 2016, The Rayong Welfare and Labour Protection Office
- Manpower Management under the Royal Initiative of His Majesty the King Rama 9, The Eastern Seaboard Labour Relation Club

Working Experience in the past 5 years

Listed company

2015 - Present Deputy Chief Executive Officer of Human Resources (Acting) Eastern Polymer Group Public Company Limited

2015 - Present Secretary of the Nomination and Remuneration Committee Eastern Polymer Group Public Company Limited

2015 – 2016 Company Secretary Eastern Polymer Group Public Company Limited

Non-listed company

2000 - Present Deputy Managing Director I.P.P. (Thailand) Company Limited

1996 – Present Director Hayakawa Eastern Rubber Company Limited

Holding shares in the company as of 12 June 2018

-None-

Ms. Rungravee Vitoorapakorn

**Deputy Chief Executive Officer of Financial
and Accounting (Acting)**

Age 48 Years

Education

- Master's degree in Business Administration with Concentration on Finance, Kasetsart University,
- Master's degree in Business Administration with Concentration on International Business, Saginaw Valley State University, MI, USA,
- Bachelor's degree in Business Administration with Concentration on Finance, Bangkok University,

Training backgrounds

- Executive Leadership & Group Strategy Revisit, In-house Training
- Talent Management & Succession Planning, In-house Training
- Update COSO Enterprise Risk Management : Integrating with Strategy and performance, Stock Exchange of Thailand
- Strategy Financial Management, National Institute of Development Administration
- Strategic CFO in Capital Market, Class 5, Stock Exchange of thailand
- The Key point of the Accounting standard for the year 2017
- Chief Financial Officer Certification Program, Federation of Accounting Professions Under the Royal Patronage of his Majesty the King
- Director Certification Program - DCP 98/2013, Thai Institute of Directors Association (IOD)

Working Experience in the past 5 years

Listed company

1997- Present Deputy Chief Executive Officer (Acting) of
Financial and Accounting
Eastern Polymer Group Public Company Limited

Non-listed company

2005 – Present Director Best Architectural Lighting
Company Limited

Holding shares in the company as of 12 June 2018

Ordinary Share 14,700,000 Shares, 0.525%

Corporate Governance

Good Corporate Governance Policy

The Company realizes the importance of business operation with responsibility and fairness. Therefore, the Company prioritizes the corporate governance and good governance which can increase competitive capability and effectiveness in management by focusing on the sustainable development; this can lead to long-term added value creation to the Company, shareholders, and all stakeholders. In addition, the corporate governance sets the operation to be transparent and can be verified. The Company has set the policy of corporate governance by applying the principles of good corporate governance of The Stock Exchange of Thailand in 2549, so that committee, executives and all employees can rely on these principles in working.

Section 1: Rights of Shareholders

The Company gives priority to the rights of shareholders, and refrains from any actions that may violate or disenfranchise the rights of shareholders. As such, the board of directors sets policy to ensure that shareholders receive accurate, complete, sufficient, punctual and fair information as reference for the their decision making to all matters as follows:

- 1) The Company sends invitation letter along with the meeting agenda accompanied with sufficient information with clear indication of, objectives and reasons of the meeting, including the point of view of committees on every agenda. This information will be submitted in advance to the shareholders within period set forth by law, announcement or related rules or regulations in order to give shareholders an opportunity to study the information thoroughly in advance before attending the shareholders' meeting.
- 2) In case the shareholders cannot attend the meeting, the Company gives shareholders an opportunity to appoint independent director or any person as proxy by using the

Proxy form which will be sent together with the invitation letter.

- 3) The Company will facilitate every shareholder equally during the meeting in terms of place and time.
- 4) During shareholders meeting, the Company will conduct the meeting in accordance with the rules and regulations of the Company by orderly considering and voting on the agenda without any change of the important information or addition of the agenda which is not informed to the shareholders in advance or which is not necessary. The shareholders have the equal right to verify, inquire and share attitudes and recommendations about the operation of the Company.
- 5) The Company will add informative channel for shareholders via company's website; especially the invitation letter to shareholders will be made available before the meeting day for the shareholders to conveniently download the complete meeting agenda.
- 6) The Company has the policy that the involved committee and executives of the Company must attend the meeting simultaneously to answer the questions from the shareholders.
- 7) The Company will thoroughly and quickly record the minutes of the meeting with accuracy as well as transparency. All questions and comments are recorded for shareholders to review. Then, the minutes of the meeting will be disclosed in the Company's website and sent to the Stock Exchange of Thailand or the involved organizations within the limited time. Moreover, the Company will record the meeting session on video as the reference.
- 8) The Company will add convenience to the shareholders in receiving dividend by way of money transfer to bank account (if there is dividend payment) to ensure a

prompt payment, and to prevent any problems including damage check, lost check, or delays.

At the annual general meeting of shareholders of the year 2016/2017, the Company had the action on the rights of shareholders as follows:

- 1) The Company sends the invitation letter including the meeting information to the shareholders in advance, according to the time period prescribed by law, announcement or relevant regulations, in order that shareholders can study the information thoroughly before attending the meeting.
- 2) The shareholder who cannot attend the meeting may appoint a proxy or appoint at least one independent director to be a proxy to attend the meeting and vote on his / her behalf. The list of independent directors should be also included in the notice of the shareholders' meeting.
- 3) The Company has held the annual general meeting of shareholders of the year 2016/2017 on July 27, 2017, at 9:00 am, at Convention Hall, The Ambassador Hotel Bangkok, 171 Sukhumvit soi11, Khlong Toei Nuea, Vadhana, Bangkok, which is located in the community and convenient to visit because it is close to Sukhumvit road and Nana BTS station.
- 4) The meeting should be conducted in accordance with the laws and regulations of the Company.

Presenting the meeting agendas to be acknowledged and approved by the shareholders, the Company has informed about the number of attendees, how to conduct the meeting, and the voting process of each agenda, including appointing an independent vote-counter who does not have a vested interest in the Company, and two shareholder representatives to be witness in the vote-counting process in the meeting.

- 5) The Company has published the invitation letter and the meeting agendas on the Company's website (www.epg.co.th) in advance in order that the shareholders can download the complete documents conveniently.
- 6) Every Board of Directors attends the annual general meeting of shareholders.

- 7) The Company completely records the minutes of the meeting and makes the report of the annual general meeting of shareholders of the year 2016/2017 within 14 days from the date of the meeting. The report will be submitted to The Stock Exchange of Thailand, The Ministry of Commerce within the time period prescribed by law, and will be publicized on the Company's website.

Section 2 : Equitable treatment of Shareholders

To ensure the fair treatment among all shareholders, the board of directors has determined policies as the following:

The policy of facilitation and support for shareholders meeting

- 1) To send invitation letter to the meeting which includes information of the meeting to shareholders in advance according to the period set forth by law, announcement, or related rules and regulations in order that the shareholders can thoroughly study the information before attending the meeting.
- 2) The Company permits the minority shareholders to nominate the candidate to be elected as the committee or to propose additional meeting agenda before the shareholders meeting.
- 3) The Company will add convenience to the shareholders who cannot attend the meeting in person by allowing the shareholders to appoint any person as proxy or the arrangement of at least 1 independent director as proxy to attend the meeting and vote. The name of the independent directors who are available will be noticed in the invitation letter to the meeting.
- 4) The Company will treat every shareholder with equality regardless of minor or major, Thai or foreign shareholders.

In the annual general meeting of shareholders in 2017, the company provides opportunities to shareholders to suggest the issue to contain in the agenda, and to nominate people to be elected as the committee in advance; in the annual general meeting of shareholders of the year 2017/2018, shareholders

can exercise from February 15th 2018 – March 31th 2018 through the Stock Exchange of Thailand and the notice on the company's website (www.epg.co.th) in the title of investor relations.

Section 3 : Roles of Stakeholders

The Company recognizes and acknowledges the right of each group of stakeholders, both internal stakeholders who are shareholders, employees, and external stakeholders who are customers, partners, creditors, competitors, the public sector, other organizations, and surrounding communities due to the reason that the Company received the supports from these stakeholders who help create competitive capability and profits to the Company. This creates a long-term value for the Company.

The Company, therefore, defines the codes of conduct for each group of stakeholders based on the basic principle of fairness and equality as prescribed in business code of conduct in order that everyone in the company can follow.

In the year 2017/2018, the Company has the action on the roles of stakeholders, as follows:

1. Shareholders

The Company always realizes that the shareholders are the business owner; thereby the Company has the duty to create the long-term added value for the shareholders, and directors, executives and employees are required to comply with the code of conduct on business ethics.

Activities for ordinary shareholders

The Company has provided an opportunity to the minor shareholders to visit the Company in order to get to know the business and meet the executives, which the shareholders would sign the visit card at the annual general meeting of shareholders of the year 2016/2017. Then, the shareholders were randomly selected to participate in the event, which was witnessed by Mr. Chalio Vitoorapakorn, Deputy Chief Executive officer and other executives. The list of eligible people was announced on the Company's website, including the phone call to confirm the attendance. The company visit was held on September 27, 2017 at IPP Industrial Estate, Nikhom Pattana, Rayong province.



2. Employees

The Company well recognizes that employees are the valuable success factors to achieve the Company's goals. Therefore, the Company's policy is announced to treat employees fairly in the aspects of opportunity, returns, appointment, relocation, and performance development according to the policy.

More detail please sees "Employee in the organization"

3. Customers

The Company realizes the importance of customers, by defining the policy to treat customers, as follows:

- The Company commits to produce the quality products and services to satisfy the customers, including the continual improvement and development.
- The Company holds customer confidentiality
- The Company provides accurate, adequate, up-to-date, and non-factual information.
- The Company provides advice on how to use the Company's products efficiently and profitably.

Accordingly, to comply with the policy, the Company has adopted strategies to build good relationships with its customers classified by business and customer segments. The customer needs would be analyzed to develop the product to

meet their needs. The Company's products are certified internationally. In addition, the Company sets a customer satisfaction evaluation form to be used in order to improve the work and service of the Company.

4. Partners/ Creditors

The Company has the policy to treat partners and/or creditors with fairness, loyalty, and to not exploit partners, by concerning the Company's benefits, basis of mutual fair return, and avoiding the situation that causes the conflict of interest. Moreover, the Company's negotiation for problem solving is based on business relationship, and complied with guideline as follows:

- The Company will never call, receive, or pay any dishonest benefits in trade with the partner and/or creditor.
- The Company strictly complies with the conditions agreed upon. If any of the conditions cannot be met, the creditor should be informed in advance to find solutions.
- The Company offers business opportunities to all partners; and the partner selection is based on equality and fairness to ensure that all deliverers are fully qualified.
- The Company uses goods and services with rights, patents, and trademarks, and also does not support goods or acts that violate intellectual property.

5. Competitors

The Company has the policy to treat the competitors, as follows;

- The Company should act under the rules of good competition.
- The Company should not seek the confidential information of a competitor in a dishonest or inappropriate manner.
- The Company should not damage the reputation of a competitor in a dishonest manner.
- The Company should support transparent cooperation with competitors, without concealing unlawful agreements, for the benefit of consumers.

- The Company should not violate but strictly follow the intellectual property law.

6. Society/ Community and Environment

The Company has a policy to conduct business to benefit the economy, society and environment. The Company also adherences to good citizenship, compliances with relevant laws and regulations, and participates in promotion and improvement of the quality of life of people in society and the community. In addition, the Company sets the policy to support the activities of society as defined in the "Social and Environmental Responsibility Policy" for the directors, executives, and employees of the Company to adopt the same practice.

Section 4 : Disclosure of information and Transparency

The board of directors has policy to disclose related financial information and others of the Company's business and turnover, which are true, complete, sufficient, consistent, and timely, and can demonstrate actual condition of the Company's finance and performance including future of the Company's business.

The board of directors is determined to strictly abide any actions by the law, rules, and regulations related to the disclosure of information and transparency. Thereby, the Company publicizes the information on the Company's website, as well as in the media released by the Stock Exchange of Thailand in order that shareholders and other related persons can thoroughly reach the Company's information. Such information will be improved in accordance with the guidelines of the Stock Exchange of Thailand and the Securities and Exchange Commission that are in effect.

The Company has arranged for the department of investor relations to communicate with investors or shareholders including institutional investors and minority shareholders. The Company also schedules regular meeting to analyze the result of business operation, and publicizes the information of the organization, both financial and general information, to

shareholders, securities analysts, credit rating agencies and related government agencies through various channels such as the report to The Stock Exchange of Thailand, The Securities and Exchange Commission, and the Company's website. In addition, the Company emphasizes on regular disclosure of information in order that the shareholders can receive the news on regular basis through the Company's website. The information publicized on website will be updated constantly including vision, mission, financial information, public relations news, annual report, corporate structure and executives, and shareholders' structure and major shareholders.

Moreover, the Company emphasizes on the financial reporting to reflect true financial condition and turnover of the Company based on accurate and complete accounting information, and in accordance with generally accepted accounting principles. The Company will disclose the information of each committee including roles and duties of the board of directors and the subcommittee in the Company's annual report (Form 56-2) and annual registration statement (Form 56-1), and the compensation of the committee and executives in the Company's annual report (Form 56-2) and annual registration statement (Form 56-1).

The report on conflict of interest of the committee

To pursue the interests of committee and executives, the Company sets the report on conflict of interest in accordance with section 89/14 of Securities and Exchange Act B.E. 2535, and the report on conflict of interest of committee and executives or other related parties will be revised once a year. The report must be submitted to the corporate secretary within 30 days after the end of company's fiscal year; after that the corporate secretary copies the report and submits to chairman of the board and chairman of the audit committee according to section 89/16 of Securities and Exchange Act B.E. 2535.

In the last year, the company operated the issue about disclosures and transparency as follows:

● **The publication channel of the company's information**

The company has developed the publication channel of information and news for the advantage of stakeholders which are consisted of shareholders/individual investors/both domestic and international institutional investors/analysts/the Stock Exchange of Thailand and the Securities and Exchange Commission, and mass media. The contact channels are consisted of:

1. Providing the investor relations department in order that the company can directly contact with both domestic and international investors.
2. Organizing the press conference to report the quarterly performance and the important operational plan.
3. Announcing the quarterly performance to investors and analysts.
4. Operating the meeting with both domestic and international investors.
5. Operating the site visit project for shareholders, investors, analysts, mass media, students, and other relevant people.
6. Organizing the seminar for personnel in the managing level in order to explain the policy and direction of business operation, and to publicize the article Newsletter through the company's website (www.epg.co.th).
7. Publishing news through many types of mass media, for example, news of public relation, news photos, advertisement media, and other social media.
8. Preparing the publications and other media for publishing the company's information, for example, the company's annual report (Form 56-2) and annual registration statement (Form 56-1).
9. Publishing news to personnel through the electronic media, for example; e-mail, and social media.
10. Disclosing the information through www.epg.co.th. And social media.

● **The investor relations**

The company has organized many activities for Chief Executive Officer and Deputy Chief Executive to meet the individual

investors, institutional investors, analysts, and news reporters in order to present the performance, financial budget, the explanation and analysis of management department, and the future business trend as follows:

1. Organizing the activities for that Chief Executive Officer and Deputy Chief Executive to meeting both domestic and international institutional investors (Road show and Conference) for 8 times.
2. Scheduling the quarterly meeting with the analysts for 4 times.
3. Organizing the press conference to report the performance to news reporters for 1 time.
4. Attending the Opportunity Day for 4 times.



Section 5 : Responsibilities of the Committee

The management structure of the Company consists of the Board of Directors and 4 subcommittees including Audit Committee, Executive Committees, Risk Management Committees, and Nomination and Remuneration Committees. The Company operates the business as the holding company; therefore the Company must set the corporate governance guideline for subsidiaries or joint-venture companies. For subsidiaries, the Company will assign the representatives to take positions as committee and executives as chief executive officer and/or deputy chief executive. For joint-venture companies, the Company assigns the representatives to be

5. Operating the site visit project in order to create understanding about production technology, production process, and products from all subsidiaries of EPG, including the advance of technology and innovation of EPG.
6. Scheduling the company visit: one-on-one meeting/group meeting and meetings call in order that the investors and pose questions about direction and strategies of operation of the company.
7. Informing and answering questions through e-mail and phone. For more information, please directly contact;

Address: 770 Theparak Road, Theparak sub-district, Mueang district, Samut Prakan 10270

Telephone: 02-249-3976 E-mail ir@epg.co.th

the committee according to sharing portion to protect the



benefits of the Company; unless there is a limitation according to other laws or joint investment term with the government or other conditions set forth by the Securities and Exchange Law, notification of the Capital Market Supervisory Board, or rules of the Stock Exchange of Thailand.

Board of Directors

The board of directors has responsibilities to shareholders in respect of business operation, and corporate governance to meet the targets and guidelines which will create maximum return to shareholders and all stakeholders.

Structure and composition of Board of Directors

The Board of Directors consists of 9 directors who are professionals from various industries including business, accounting and finance; all are involved in supporting the Company's business. The directors have 3 years term in the office, and separated into 5 administrative directors and 4 non-administrative (independent) directors which are in line with the rules of the Securities and Exchange Commission that specify listed company must have number of independent directors more than or equal to one-third of the total number of all directors in order to ensure proper balance of management structure.

The qualifications of the independent directors in accordance with the rules of the Securities and Exchange Commission are as follows:

1. Holding shares not exceeding 1% of the total number of shares with voting rights of the company, its parent company, subsidiary company, affiliate company, major shareholder or controlling person, including shares held by related persons of such independent director.
2. Neither being nor used to be an executive director, employee, staff, advisor who receives salary, or controlling person of the company, its parent company, subsidiary company, affiliate company, same-level subsidiary company, major shareholder or controlling person, unless the foregoing status has ended not less than two years prior to appointment into the director position of the company. Such prohibited characteristics shall not include the case where the independent director used to be a government official or advisor of a government authority which is a major shareholder or controlling person of the company.

3. Not being a person related by blood or legal registration as father, mother, spouse, sibling, and child, including spouse of child, other director, executive, major shareholder, controlling person, or person to be nominated as director, executive or controlling person of the company or its subsidiary company.
4. Neither having nor used to have a business relationship with the Company, its parent company, subsidiary company, affiliate company, major shareholder or controlling person, in the manner which may interfere with his independent judgment, and neither being nor used to be a significant shareholder or controlling person of any person having a business relationship with the company, its parent company, subsidiary company, affiliate company, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to appointment into the director position of the company.

The business relationships mentioned in the first paragraph include ordinary course of business transactions, leasing out or taking lease of immovable assets, transactions related to assets and services, providing or receiving of financial assistance including lending, borrowing, guarantees, or pledging assets to secure debts or any other similar action, which result in the company or contractual parties incur debt burden that must be repaid to other party with values from 3% of net tangible assets or Baht 20 million, whichever is lower. The debt burden calculation shall account for the debt burden took place during 1 year period prior to the date of starting business relationship with the same person and shall adhere to the Notification of the Capital Market Supervision Board under the Rules on Connected Transaction, mutatis mutandis.

5. Neither being nor used to be an auditor of the company, its parent company, subsidiary company, affiliate company, major shareholder or controlling person, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the company, its

parent company, subsidiary company, affiliate company, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to appointment into the director position of the company.

6. Neither being nor used to be a provider of any professional services including those as legal advisor or financial advisor who receives service fees exceeding two million baht per year from the company, its parent company, subsidiary company, affiliate company, major shareholder or controlling person, and not being a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended not less than two year prior to appointment into the director position of the company.
7. Not being a director appointed as representative of directors of the company, major shareholder or shareholder who is related to major shareholder.
8. Not undertaking any business in the same nature and in significant competition to the business of the company or its subsidiary company or not being a significant partner in a partnership or being an executive director, employee, staff, advisor who receives salary or holding shares exceeding one per cent of the total number of shares with voting rights of other company which undertakes business in the same nature and in significant competition to the business of the company or its subsidiary company.
9. Not having any other characteristics which cause the inability to express independent opinions with regard to the company's business operations.
10. Has never been assigned by the Board of Directors to make decision in business operation of the company, parent company, subsidiaries, affiliates, subsidiaries in the same level, major shareholders or controlling person of the Company.

11. Not holding directorship in parent company, subsidiaries or listed subsidiaries in the same level.

The Independent Committee may be assigned by the board of directors in making collective decision on business operation of holding company, subsidiaries, and affiliated companies, subsidiaries in the same level, major shareholder or controlling person.

In case the Independent Director is a person who has or used to have business relationship or provide profession service which exceed the value as stated in 4 or 6, the board of director may consider leniency if such appointment will not affect performance and independent opinions. The following information shall be disclosed in the notice of the shareholders' meeting in agenda for appointment of independent directors.

- (a) Type of business relationship or profession that disqualifies such person from specific criteria
- (b) Reason and necessity for such person to remain in an independent director position
- (c) Opinion of the board of directors in appointment such person as an independent director

In addition, the Company sets policy that the Chairman of the board of directors shall not be the same person as the Chief Executive Officer. Their authority is divided clearly to balance the management power and to refrain one particular party from holding absolute authority. The Chairman of the board of directors has no relationship with the executives and the sole duty is to set policy and give advice.

Qualifications of Board of Directors

The qualifications of Board of Directors are as follows:

1. That person must have no prohibited characteristics according to Public Limited Companies Act B.E. 2535 and Securities and Exchange Act B.E. 2535.
2. That person should have knowledge, ability, expertise and experiences which are useful to the business operation. In addition, such person should have loyalty, sincerity and morality in operating the business, and should have time

to dedicate knowledge and ability to work for the Company.

Scope of duties and responsibilities of Chairman of the Board of Directors

1. Chairman of the board has the duty to supervise the policy and strategic code of conduct of the management division, including giving advices and support the business operation, but does not participate in managing the routine work of the Company.
2. Chairman of the board is also the chairman of the meeting of the Board of Directors and the shareholders, and has the role to control the meeting in accordance with the Company's articles section 3 regarding committee and its authority and section 4 regarding the shareholders' meeting, and encourage every committee to participate in the meeting, and supervise the meeting of the board of directors and shareholders to progress with success and successfully effectiveness.
3. Chairman of the board has the duty to convene a meeting of committees and to cast final vote in case tie vote.

Scope of duties and responsibilities of the Board of Directors

1. To perform their duties and responsibilities pursuant to applicable laws, objectives, regulations, and resolutions of shareholders' meeting with honesty and focus on the interest of the Company.
2. To hold meeting of the board of directors, at least once every three months.
3. To arrange balance sheets together with profit and loss statement on the date of accounting closure period – of which is duly certified by the auditor – to be proposed to the shareholders' meeting for approval.
4. To review and approve policies, directions, strategies, business operation plans proposed by the Management.

5. To consider and determine comprehensive Risk Management policy and to implement system and/or procedures of risk management, including supporting strategy and control method to appropriately reduce the impact on the business of the Company.
6. To determine targets, directions, policies, business operation plans and budget including monitoring and supervision of administration of the Management to ensure their consistency to policies, plans and budget set forth effectively and efficiently.
7. To determine and set the management structure, to appoint Executive Committees, Managing Director and other subcommittees where appropriate; to determine scope of authority of Executive Committees, Managing Director and other subcommittees being appointed thereof.

However, the power assigned in accordance with the authority and responsibility shall not be in a manner that enables the Executive Committee, Managing Director and other subcommittees to consider and approve any transactions that may have conflict of interest with the Company or subsidiaries (if any) except the transaction that are in accordance with policy and criteria as previously considered and approved by the committees.

8. To arrange annual report of the committees and to take on responsibility in preparing and disclosing of financial statements that demonstrate the financial status and operating result of the previous year, as well as to propose to the shareholders' meeting for consideration and approval.
9. The committees may authorize one or more directors or other person to execute a particular task on behalf of the committees, under supervision of the committees, or appoint such person as proxy with the scope of power as appropriate by the committees within the proper time frame. The Board may terminate, revoke, amend or edit such proxy as appropriate.

However, the power assigned shall not be in a manner that enables such persons to consider and approve any transactions that may have conflict of interest with the Company or subsidiaries (if any) (as stated in the Notification of Capital Market Advisory Board and/or the Stock Exchange of Thailand and/or any other notification related) except the transaction that is in accordance with policy and criteria previously considered and approved by the Board.

However, any matters where the director or proxy of the director that may have conflict of interest with the Company or its subsidiaries, the said director or proxy is not entitled to vote on such matters.

Sub-committees

The Board of Directors appoints 4 subcommittees including Audit Committee, Executive Committees, Risk Management Committees, and Nomination and Remuneration to assist in administrative work for the Company as follows:

Executive Committees

Executive Committees consist of 9 directors. The scope of authority, duty and responsibility of Executive Committees are as follows:

Scope of authority of the Executive Committees

1. To operate and manage the business of the Company in accordance with objectives, articles, policies, regulations, rules, provisions, orders and resolutions of the committees and/or the shareholders' meetings.
2. To screen and review proposals from the Management; propose policies, targets, strategies and business operations of the Company, investment plans, business expansion and budget to the board of directors' meeting for consideration and approval.
3. To review and approve normal transactions of the Company such as investment in securities or acquisition of assets in line with investment budget or the budget approved by the board of directors. The credit limit for each transaction shall

be in line with approved authorization from the board of directors and shall not exceed annual budget approved by the board of directors; including contracts for the Company on the related matter thereof.

4. To monitor business operation of the Company, in line with the committees' policies and targets, and to supervise business operation is conducted with quality and efficiency.
5. To have authority to consider and approve on the expenses in ordinary course of operating the business within the budget approved by the board of directors in accordance with approved authority as approved by the board of directors.
6. To determine organization structure and administrative power; consider the adjustments of salary, and bonuses for position of chief executive officer and lower, and approve manpower which is not included in the annual budget.
7. To have an authority to authorize one or more persons to implement a particular task which shall be under control of the Executive committees; or to authorize such person to have a power as appropriated by the Executive committees within period as appropriated by the Executive committees. The Executive committees may cancel, revoke, change or amend such authorized person or authorization as appropriate.
8. To perform any other tasks as assigned by the board of directors from time to time.

However, the authorization of power, duties or responsibilities of the board of directors shall not be in a manner that enables the authorized person to approve the transaction that oneself or any person may have conflict of interest (according to definition from the notification of the Capital Market Advisory Board and/or Stock Exchange of Thailand and/or relating authorities) with the Company or subsidiaries and/or relating companies. The Executive committees have no authority in such matter. Such Matter shall be proposed to the committees' meeting and/or the shareholders' meeting (as the case may be) for

approval. Except that the approval for such transaction is conducted under ordinary course of business, with normal trading terms according to notification from the Capital Market Advisory Board and/or Stock Exchange of Thailand and/or relating authorities.

For the scope of credit facility authorization, the board of directors specifies that the Executive committees can approve the credit for business operation to certain level for flexibility of operating the business.

Audit Committee

Audit Committee consists of 3 independent directors with 3 years term in the office. After said term is completed, Chairman of the audit committee and audit committee who retired by rotation may be re-elected to the position for another term in the board of directors' meeting.

Scope of authority of the Audit Committee

Audit Committee have the duty to balance the power and audit work performance of the board of directors including audit of other important matters as assigned by the committees to assist in supervision of the Company's affair with effectiveness. The important matters assigned by the board of directors are as follows:

1. To review that the Company has accurately and sufficiently reported its financial statements.
2. To review that the Company has proper and effective internal control and audit system; review the independency of the Internal Audit Department; give consent to the appointment, relocation, and dismissal of Internal Audit Department Supervisor or any other departments with related responsibility in the internal audit.
3. To review that the Company has complied with the Securities and Stock Exchange law, regulations of the Stock Exchange, including applicable law related to business of the Company.
4. To consider, select and propose for the appointment of independent person as an auditor of the Company; propose for remuneration of such auditor, attend the meeting with and auditor without attendance of the Management at least once a year.
5. To consider connected transactions or the transactions that may have conflict of interest are in line with law and regulations of the Stock Exchange, to ensure that such transaction is reasonable and provided maximum benefit to the Company.
6. To prepare report of the Audit Committee and disclose in the Company's annual report. The said report shall be signed by the Chairman of the Audit Committee and consists of at least, the following information:
 - (a) Opinions on accuracy, completeness and reliability of the financial report of the Company.
 - (b) Opinions on sufficiency of the internal control system.
 - (c) Opinions on compliancy of the Securities and Stock Exchange, regulations of the Stock Exchange or applicable law related to the business of the Company.
 - (d) Opinions on the suitability of the auditor.
 - (e) Opinions on the transaction that may have conflict of interest.
 - (f) The number of the meeting of the Audit Committee and attendance of each audit committee.
 - (g) Opinions or observation received from performing their duties under the charter rules.
 - (h) Any other matters that shareholders and general public investors should be informed under the scope of duties and responsibilities assigned by the board of directors.
7. To execute other tasks as assigned by the board of directors and consent by the Audit Committee.

Risk Management Committees

Risk Management Committee consists of 4 directors with 3 years term in the office. After said term is completed, the chairman of the Risk Management Committees and Management Committee retired by rotation may be re-elected to the position for another term in the board of directors' meeting.

Scope of authority of the Risk Management Committees

1. To assess the potential risks of the Company and subsidiaries, including trends that may affect the organization; both external and internal risks.
2. To determine risk management policy, improve and reassess risk management system for continuous efficacy by giving assignment to the Management to comply with the said policy, and report the result to the Risk Management Committees.
3. To develop and reassess risk management system for continuous efficacy via performance review and monitor the risk management system to ensure the consistency to the policies on regular basis.
4. To report the risks and suggestions thereof to the board of directors and perform other tasks assigned by the board of directors.

Nomination and Remuneration Committees

The Company's Nomination and Remuneration Committee consists of 5 members; 3 of them are independent directors who have 3 year term of office. At the end of the term of office, the chairman and directors of the Nomination and Remuneration Committee who are retired by rotation may be re-appointed for another term at the Board of Directors meeting.

Scope of authority and responsibilities of the Nomination and Remuneration Committee

1. To suggest the structure, size, and composition of the Board of Directors and subcommittees, including determining qualifications, processes, and criteria for nominating nominees according to the structure, size, and composition of the Board as determined.

2. To consider nominating the person to be nominated as a director to be presented to the shareholders meeting in case of vacancy due to expiration of term, and the Board of Directors would consider the vacancy due to other cases, including the Chief Executive Officer position.
3. To recruit persons to be selected as subcommittees and Chief Executive Officer to be presented to the meeting of Board of Directors.
4. To prepare a succession plan for key positions in the Company, such as Chief Executive Officer and Senior Executives of the subsidiaries as Managing Director. In addition, the Company has also reviewed the development of such positions to prepare for the succession plan in order to have the successors in the case when such manager is retired or unable to work, in order that the Company's management can continue to operate.
5. To improve and recommend the remuneration structure of the Board of Directors and the subcommittees, both monetary and non-monetary to be in line with the Company's performance and comparable to other companies in the same industry to be presented to the Board of Directors for consideration before presenting at the shareholders' meeting to be approved.
6. To improve and propose the self-assessment criteria of the directors, and the performance evaluation of the Chief Executive Officer to the Board of Directors in order to evaluate the overall performance of the Board of Directors and the Chief Executive Officer.
7. To prepare a plan for the development and training for directors, subcommittees, Chief Executive Officers and Senior Executives of the subsidiaries in the position of Managing Director in each year, and evaluate the achievement of such development and training to be presented to the Board of Directors.
8. To perform other duties as assigned by the Board of Directors.

Performance Appraisal and Knowledge Enhancement

Performance Appraisal of the Board

The company hold performance appraisal of the Board of directors and the Executive director during 2017/2018 (3rd Consecutive time) which categorized into three parts (1) performance appraisal of the Board of Directors (as a committee and as an individual assessment) (2) performance appraisal of the subcommittee (as a committee and as an individual assessment) and (3) performance appraisal of CEO. The process of the appraisal is below.

Evaluation Process

- 1) The Board reviews and approves the evaluation form, and update information from the Stock Exchange Market's evaluation form for consistency and appropriateness of the Company's environment.
- 2) Nomination and remuneration committee concludes and analyses the evaluation's result and the effectiveness of the Board, and presents the evaluation result to the Board of Directors for further improvement.

Knowledge Enhancement of the Board and Executive

During 2017/2018, the company has endorsed the knowledge enhancement of the board and management by encouraging the executives in attending seminars and courses that benefit their role at the company with the following detail

Name	Course
Mr. Vachara Tuntariyanond Chairman of the Board	- Visit TJM Products Pty.Ltd., in Australia.
Mr. Pawat Vitoorapakorn Vice-Chairman of the Board	- In-house Training "Executive Leadership & Group Strategy Revisit" - In-house Training "Talent Management & Succession Planning" - Information and Communication technology course for senior management By Thailand Development Research Institute - Annual Symposium "EPG Today makes Tomorrow" - Annual Symposium "Driving Force"
Mr. Chaiwat Atsawintarakun Chairman of the Audit Committee / Independent Director	- Annual Symposium "EPG Today makes Tomorrow" - Annual Symposium "Driving Force" - Visit TJM Products Pty.Ltd. in Australia.
Mr. Tanachai Santichaikul Audit Committee/Independent Director	- Annual Symposium "Driving Force" - Visit TJM Products Pty.Ltd. in Australia.
Mr. Panchai Wattanachai Audit Committee / Independent Director	- Annual Symposium "Driving Force" - Financial Statements for Directors (FSD) class 34/2017 The Thai Institute of Directors Association (IOD) - Visit TJM Products Pty.Ltd. in Australia.
Mr. Teerawat Vitoorapakorn Director	- In-house Training "Executive Leadership & Group Strategy Revisit" - In-house Training "Talent Management & Succession Planning" - Annual Symposium "EPG Today makes Tomorrow" - Annual Symposium "Driving Force"
Mr. Chalio Vitoorapakorn Director	- In-house Training "Executive Leadership & Group Strategy Revisit" - In-house Training "Talent Management & Succession Planning"

Name	Course
	<ul style="list-style-type: none"> - Annual Symposium “EPG Today makes Tomorrow” - Annual Symposium “Driving Force”
Mr. Chumnat Vitoorapakorn Director	<ul style="list-style-type: none"> - In-house Training “Executive Leadership & Group Strategy Revisit” - In-house Training “Talent Management & Succession Planning” - Annual Symposium “EPG Today makes Tomorrow” - Annual Symposium “Driving Force”
Mr. Ekawat Vitoorapakorn Director	<ul style="list-style-type: none"> - In-house Training “Executive Leadership & Group Strategy Revisit” - In-house Training “Talent Management & Succession Planning” - Annual Symposium “EPG Today makes Tomorrow” - Annual Symposium “Driving Force” - Visit TJM Products Pty.Ltd. in Australia.
Mr. Tanawat Vitoorapakorn Director	<ul style="list-style-type: none"> - In-house Training “Executive Leadership & Group Strategy Revisit” - In-house Training “Talent Management & Succession Planning” - Annual Symposium “EPG Today makes Tomorrow” - Annual Symposium “Driving Force”
Ms. Maliwan Kittiwiriyakorn Deputy Chief Executive Officer – Information Technology	<ul style="list-style-type: none"> - In-house Training “Executive Leadership & Group Strategy Revisit” - In-house Training “Talent Management & Succession Planning” - Annual Symposium “EPG Today makes Tomorrow” - Annual Symposium “Driving Force”
Mr. Jarintr Warintaraporn Deputy Chief Executive Officer (Acting) – Human Resources and Administration	<ul style="list-style-type: none"> - Annual Symposium “EPG Today makes Tomorrow” - Annual Symposium “Driving Force”
Ms. Rungravee Vitoorapakorn Deputy Chief Executive Officer (Acting) – Accounting and Finance	<ul style="list-style-type: none"> - In-house Training “Executive Leadership & Group Strategy Revisit” - In-house Training “Talent Management & Succession Planning” - Annual Symposium “EPG Today makes Tomorrow” - Annual Symposium “Driving Force”

In addition, The chairman of the board also appointed the related party to report any change in law and regulation that is related to Board of director including any change in Board of director Guidelines

Nomination and appointment of directors, sub-committees and chief executive officer

The Company assigns Nomination and Remuneration Committees to nominate directors, subcommittees and chief executive officer based on qualifications, education, experiences and skills that are appropriate to the vacant position.

The Nomination and Remuneration Committees would propose a list of selected candidates to the board of directors’ meeting and/or shareholders’ meeting for consideration and approval.

The appointment of director, including independent director requires approval from the votes of the shareholders’ meeting (individual vote). Each shareholder has voting right equal to the number of shares held where each shareholder may vote for one or more candidates. In the event of electing several directors, each shareholder must cast all the votes he or she

has and those votes are not divisible. Candidates who receive the greatest number of votes for the vacant positions shall be elected to be directors. In case of tie votes, the Chairman of the meeting shall exercise a casting vote.

The recruitment of executive and succession plan

The Board of Directors of the Company recognizes the importance of the effective and efficient management, as well as the continual operation. Consequently, this would bring about the sustainable growth and prosperity of the Company. Therefore, during the year 2017/2018, the Company defines the policy of succession plan to determine the succession of key positions in the Company, such as directors, executives, and key positions in the subsidiaries, in order to ensure that there will be people with the knowledge to inherit key positions in achieving sustainable growth for the organization.

Corporate Governance of the subsidiaries and joint ventures

Incorporated as a holding company, the Company has set supervisory guideline of investment for subsidiaries, joint ventures in the addendum of the Company's Articles of Association.

The purpose of mentioned Articles is to determine criteria and mechanism both in direct and indirect way to enable the Company to supervise and manage business operation of subsidiaries and joint venture companies to ensure their full compliance with the Company's policy, public company law, civil and commercial code, securities law and other applicable laws, including related notifications, regulations and rules of Capital Market Advisory Board, the Securities and Exchange Commission and the Stock Exchange of Thailand to the extent not in contradictory with other law, in order to protect investment benefit of the Company in its subsidiaries and joint venture companies

In case, where prescribed herein, of any transactions or procedures having material effect on financial status and business operation of subsidiaries and affiliated companies,

such transactions must receive approval from the board of directors or shareholders' meeting (as the case may be). It is duty of the board of directors to hold the board's meeting and/or shareholders' meeting for the consideration and approve of such transaction prior to; the board's meeting and/or shareholders' meeting of the subsidiaries and/or joint venture companies, and/or prior to the execution of such transaction. In this regard, the Company shall disclose the information and comply with criteria, conditions, procedures and method relevant thereof, mutatis mutandis, as stipulated in public company law, civil and commercial code, securities law and any applicable law, including notifications, regulations and rules of Capital Market Advisory Board, the Securities and Exchange Commission and the Stock Exchange of Thailand (to the extent not in contradictory), by which must be complete and accurate in all material respects.

The Corporation Governance of the subsidiaries on financial approval

To supervise subsidiaries to be flexible in the operation, the Board of Directors has approved regulation, authority, and operation of each company in the authorization and operation manual

Control of internal information Policy

The Board of directors realizes the necessity of good corporate governance. Thus, to ensure the transparency and to prevent leakage of internal information which has not been disclosed yet to the public, the board of directors has determined the usage of internal information policy and declared to committees, executives and employees of the Company to acknowledge and abide by the policy as follows:

1. To provide knowledge to committee and executives in regard to disclosure of securities under ownership of their own, spouse and minor child to the Securities and Exchange Commission pursuant to Section 59 and Penalty code as per Section 275 of the Securities and Stock Exchange Act B.E. 2535 (including amendment thereafter),

report of acquisition or disposal of their securities as well as of their spouse and minor child to Securities and Exchange Commission pursuant to Section 246 and Penalty code as per Section 298 of the Securities and Stock Exchange Act B.E. 2535 (including amendment thereafter).

2. Committee and executives including their spouse and minor child shall provide and disclose list of securities under their ownership and changes of the ownership thereof to the Securities and Exchange Commission pursuant to Section 59 and Penalty as per Section 275 of the Securities and Stock Exchange Act B.E.2535 (including amendment thereafter), as well as to send this report to the Company in the same day as sending to the Securities and Exchange Commission.

In regard to committee and executives of the Subsidiaries, despite of having no responsibility as stated in Section 59 and Penalty code as per Section 275 of the Securities and Stock Exchange Act B.E. 2535, it is determined by the Company that such persons have duty to report changes of Company's securities holding to the Audit Committee as if executed under obligation as stated in Section 59 and Penalty code as per Section 275 of the Securities and Stock Exchange Act B.E. 2535 which requires the persons to report to Securities and Exchange Commission.

3. Committee, executives, staff and employees of the Company and Subsidiaries who acknowledge internal information material to the change of the securities price should exercise caution when trading securities during the one month period prior to the financial statement or such internal information will be disclosed to the public, and 24 hour after such internal information has been disclosed to the public. Person in connection with internal information shall not disclose such information to any other persons until such information is disclosed to the Stock Exchange. There will be punitive measure on any act of violation to such code of conduct. The Company considers any violation as disciplinary offense which is subjected to

penalty such as verbal warning, warning letter, probation or termination of the employment by dismissal lay-off or offering option to resign as the case may be.

4. Committee, executives, staff and employees are prohibited from using internal information material to the change of the securities' price, and undisclosed to the public which they may obtain by their position or status, to buy or sell or offer to buy or sell; or solicit other person to buy or sell or offer to buy or sell shares or other securities (if any) of the Company either directly or indirectly in a manner that could damage the Company either directly or indirectly; whether such action is taken for own interest or for others, or disclosing factual information for other person to implement regardless of who receives the benefits.
5. Committee, executives, staff and employees of the Company have the duty to keep the secret and/or the internal information of the Company, including those of the Company's partners. They must use the internal information of the Company only for the benefit of the Company's operation. Thereby, both present and former committee, executives, staff and employees of the Company are prohibited from disclosing the secret and/or the internal information of the Company, including those of the Company's partners, which they have obtained while performing their duty to outsider (for 1 year after termination of employment) or to other companies that they are shareholder, committee, executives and employees, even though such information could not damage the Company and its partners.
6. Committee, executives, staff, and employees, have duty to comply with guidelines of using internal information pursuant to Securities and Stock Exchange Act and Public Company Act as well as other applicable regulations.

Dividend Payment Policy

The Company

The Company's policy on dividend payment to shareholders takes into consideration the ability to pay dividend from accumulated profit on separate financial statements of the Company as well as the amount of dividend payment from business result as shown on consolidated financial statement. The Company pays dividends not less than 30% of the Company's total net profits after the deduction of corporate income tax. However, the Company may consider the payment of dividends at a different rate from that specified in the policy, depending on the Company's results, financial position, liquidity, investment plan, business expansion and economic conditions. Dividend payments shall be no more than the accumulated profit reported in the separate financial statement of the Company and shall be in compliance with relevant laws.

Since the Company operates as a holding company with its investment in subsidiaries as core assets, the ability to pay dividends is subjected to the operating results and dividend payments of the subsidiaries.

Subsidiaries

The Company's subsidiaries, Aeroflex Co., Ltd. Aeroklas Co.,Ltd. Eastern Polypack Co.,Ltd. EPG Innovation Center Co.,Ltd. and Aeroflex Polymer Technologies (shanghai) Co.,Ltd. have a policy of paying dividends at a rate of not less than 50% of net profit after the deduction of corporate income tax and the allocation of reserve capital in compliance with the law. The subsidiaries will take into consideration a number of factors for the greatest benefit of the shareholders such as

operating results, financial position, liquidity, investment plans, business expansion and economic conditions. Dividend payments shall be no more than the accumulated profit reported in the separate financial statement of subsidiaries and shall be in compliance with relevant laws.

Associated Companies

Tokai Eastern Rubber (Thailand) Co., Ltd. a joint venture company, has a policy of dividend payment according to operating results, with dividends paid to shareholders as considers appropriate. Tokai Eastern Rubber will allocate dividends to preferred shareholders at a dividends per share amount that is equal to 30 times of dividends per share paid to common shareholders. In the event of non-payment of dividends in any year, the dividends shall not be carried forward to the following year.

Zeon Advanced Polymix Co.,Ltd. another joint venture company, has a policy of paying a dividend of not less than 20% of the net profit after the deduction of corporate income tax and the allocation of reserve capital in accordance with the law. Zeon Advanced polymix Co., Ltd. will take into consideration a number of factors for the greatest benefit of the shareholders such as operating results, financial position, liquidity, investment plans, business expansion and economic conditions. Dividend payments shall be no more than the accumulated profit reported in the separate financial statement of the company and shall be in compliance with relevant laws.

Related Transactions

Company and persons that may have conflict of interest with the Company and subsidiaries

The company reports all related transactions occurred in quarterly meetings. After consideration, the Audit committee releases suggests opinion about related transactions (between the Company or juristic person) that may cause conflict of interest during the quarters, and are executed under normal course of business operation as well as general trading terms – likewise as human would convene with their contract parties under arm's length basis, without transfer of benefit between the Company and person/juristic person which may have conflict.

Company and persons that may have conflict of interest with the Company and subsidiaries

Person / Juristic person that may have conflict of interest	Nature of business	Relationship
Vitoorapakorn	-	<ul style="list-style-type: none"> Vitoorapakorn Group Hold 75% Vitoorapakorn designates their representative to as directors of the Company which are (1) Mr. Pawat Vitoorapakorn (2) Mr. Teerawat Vitoorapakorn (3) Mr. Chumnant Vitoorapakorn (4) Mr. Chalio Vitoorapakorn and (5) Mr. Ekawat Vitoorapakorn
Vitoorapakorn Holding Co., Ltd. ("Holding")	Holding conducts its business by investing in different companies	<ul style="list-style-type: none"> Vitoorapakorn Group holding 100% of shares in Holding There are total 6 directors designated by Vitoorapakorn Group in Holding which are (1) Mr. Pawat Vitoorapakorn (2) Mr. Teerawat Vitoorapakorn (3) Mr.Chumnant Vitoorapakorn (4) Mr. Chalio Vitoorapakorn (5) Mr. Ekawat Vitoorapakorn and (6) Mr.Tanawat Vitoorapakorn
Eastern Syntech Co., Ltd. ("Syntech")	Manufacturer and distributor of prefabricated rigid air duct and energy-saving lams	<ul style="list-style-type: none"> Vitoorapakorn Group is a major shareholders, holding 100.0% of shares, directly and indirectly Vitoorapakorn Group has 5 nominated directors in Syntech which are (1) Mr. Pawat Vitoorapakorn (2) Mr. Teerawat Vitoorapakorn (3) Mr. Chumnant Vitoorapakorn (4) Mr. Chalio Vitoorapakorn and (5) Mr. Ekawat Vitoorapakorn
I.P.P (Thailand) Co., Ltd. ("IPP")	Real estate business and industrial estatesell, lease property, land, public utilities and services	<ul style="list-style-type: none"> Vitoorapakorn Group is a major shareholders, holding 100.0% of shares, directly and indirectly Vitoorapakorn Group has 5 nominated directors in IPP which are (1) Mr. Pawat Vitoorapakorn (2) Mr. Teerawat Vitoorapakorn (3) Mr. Chumnant Vitoorapakorn (4) Mr. Chalio Vitoorapakorn and (5) Mr. Ekawat Vitoorapakorn

Person / Juristic person that may have conflict of interest	Nature of business	Relationship
Hayakawa Eastern Rubber Co., Ltd. ("Hayakawa")	Manufacturer and Distributor of playground mat	<ul style="list-style-type: none"> ■ Vitoorapakorn Group is a majorshareholders, holding 15.8% of Shares (Including Preferred Stock), directly and Indirectly ■ Vitoorapakorn Group has 1 nominated director in Hayakawa which is Mr. Chumnan Vitoorapakorn ■ Mr. Jarintr Warintaraporn, executive of the Company also hold directorship in Hayakawa Eastern Rubber Co., Ltd. ("Hayakawa")
Dynamic Eastern Garment Co., Ltd. ("Dynamic")	Dynamic is a manufacturer of ready-made clothes, apparel and leather wear	<ul style="list-style-type: none"> ■ Vitoorapakorn Group is a major shareholders, holding 74.0% of shares, directly and indirectly ■ Vitoorapakorn Group has 3 nominated directors in Dynamic which are (1) Miss Ratipin Vitoorapakorn (2) Mrs. Ratiporn Chaiyangyuen and (3) Mr. Chalio Vitoorapakorn
Siam Inter Air Supply Co., Ltd. ("Siam Inter")	Siam Inter is a manufacturers and distributor of airconditioners	<ul style="list-style-type: none"> ■ Vitoorapakorn Group is a major shareholders, holding 97.5% of shares,directly and indirectly ■ Vitoorapakorn Group has 1 nominated director in Siam Inter which is Miss Ratipin Vitoorapakorn
Four-S (2007) Co., Ltd. ("Four-S")	Four-S conducts lease of buildings and rooms	<ul style="list-style-type: none"> ■ Vitoorapakorn Group is a major shareholders, holding 100.0% of shares, directly and indirectly ■ Vitoorapakorn Group has 5 nominated directors in Four-S which are (1) Mr. Teerawat Vitoorapakorn (2) Mrs. Somrual Vitoorapakorn (3) Miss. Sasiluck Vitoorapakorn (4) Mr. Sasin Vitoorapakorn and (5) Mr. Sarit Vitoorapakorn
Best Architectural Lighting Co., Ltd. ("Best")	Wholesale, retail of lamps and equipments	<ul style="list-style-type: none"> ■ Vitoorapakorn Group is a major shareholders of Best, holding 47.0% of shares, directly and indirectly ■ 3 directors designated by Vitoorapakorn consists of (1) Mrs. KanyaratVitoorapakorn (2) Miss Naowarat Vitoorapakorn and (3) Miss Rungravee Vitoorapakorn
A Group of Persons B.N.C.-1 ("BNC.1")	BNC.1 provides lease of property, buildings and offices	<ul style="list-style-type: none"> ■ BNC.1 is an ordinary partnership established by Vitoorapakorn Group
BNC Ordinary Partnership 4 ("BNC. 4")	BNC.4 provides lease of property, buildings and offices	<ul style="list-style-type: none"> ■ BNC.4 is an ordinary partnership established by Vitoorapakorn Group
A Group of Persons T and C Land and House ("T&C") A Group of Persons P and C Land and House ("P&C") A Group of Persons P and T	provides lease of property, plant and equipment	<ul style="list-style-type: none"> ■ T&C, P&C, P&T and PRV are established by a group of person and is a beneficiary. Vitoorapakorn Group is a major shareholder, holding 100.0% of shares.

Person / Juristic person that may have conflict of interest	Nature of business	Relationship
Land and House ("P&T") A Group of Persons PRV ("PRV")		
Faraero Otomotive Sanayi ve Ticaret A.S. ("Faraero")	Manufacturer and Distributor of rubber mat for van cars in Turkey	<ul style="list-style-type: none"> ■ Vitoorapakorn Group is a major shareholders of Faraero, holding 40.0% of shares, directly and indirectly ■ Vitoorapakorn Group has 1 nominated director in Faraero which is Mr. Ekawat Vitoorapakorn
Siam B R Service Co., Ltd. ("Siam BR")	Siam BR is a distributor and provider of air-conditioner repair service	<ul style="list-style-type: none"> ■ Vitoorapakorn Group is a major shareholders, holding 51% of shares, directly and indirectly ■ Vitoorapakorn Group has 1 nominated director in Siam BR which is Miss Ratipin Vitoorapakorn
Eastern Polytech Co., Ltd. ("EPT")	After the flood in 2012, the company suspended its business operation (manufacture and distributes forming plastic and metal	<ul style="list-style-type: none"> ■ Vitoorapakorn Group is a major shareholders of EPT, holding 100.0% of shares, directly and indirectly ■ There are total 6 directors designated by Vitoorapakorn Group which are (1) Mr. Pawat Vitoorapakorn (2) Mr. Teerawat Vitoorapakorn (3) Mr. Chumnan Vitoorapakorn (4) Mr. Chalio Vitoorapakorn (5) Mr. Ekawat Vitoorapakorn and (6) Mr. Tanawat Vitoorapakorn
Sanki Eastern (Thailand) Co., Ltd. ("Sanki")	Manufacturer and distributor of metal parts for camera and lamps	<ul style="list-style-type: none"> ■ Vitoorapakorn Group is a majorshareholders of Sanki, holding 30.0% of shares, directly and indirectly ■ Vitoorapakorn Group has 2 nominated directors in Sanki which are (1) Mr. Pawat Vitoorapakorn and (2) Mr. Chumnan Vitoorapakorn
S. Ordinary Partnership S.Trading ("S. S. Trading")	invests in purchase, sale of office stationary /factory equipment, machinery parts and products/services	<ul style="list-style-type: none"> ■ S.S. Trading Ordinary Partnership is established by a group of person and is a beneficiary. Vitoorapakorn Group is a major shareholder, holding 100.0% of shares.
Aeroflex Europe GmbH ("Aeroflex Europe")	Manufacturer and Distributor of insulation rubber in Europe	<ul style="list-style-type: none"> ■ Vitoorapakorn Group is a major Shareholder of EPT, holding 40.0% of shares, directly and indirectly
Esco Service Co., Ltd. ("Esco")	Construction materials and services, air-conditioning, sanitation, and electrical system	<ul style="list-style-type: none"> ■ Vitoorapakorn Group is a major shareholders of Esco, holding 100.0% of shares, directly and indirectly ■ Vitoorapakorn Group has 5 nominated directors in Esco which are (1) Mr. Pawat Vitoorapakorn (2) Mr. Teerawat Vitoorapakorn (3) Mr. Chumnan Vitoorapakorn (4) Mr. Chalio Vitoorapakorn and (5) Mr. Ekawat Vitoorapakorn

Person / Juristic person that may have conflict of interest	Nature of business	Relationship
Ekwadee Co., Ltd. ("Ekwadee")	The company can operate the property leasing business, as owner properties or sub lease	<ul style="list-style-type: none"> ■ Vitoorapakorn Group is a major shareholders of Ekwadee, holding 100.0% of shares, directly and indirectly ■ Vitoorapakorn Group has 3 nominated director in Ekwadee which are (1) Mr. Ekawat Vitoorapakorn (2) Ms. Supawadee Vitoorapakorn and (3) Mr. Supawat Vitoorapakorn
VTH Australia Pty. Ltd. ("VTH-AU")	Real estate business, Building for rent, Utilities and services	<ul style="list-style-type: none"> ■ Vitoorapakorn Holding Co., Ltd. holding 100.0% of shares in VTH-AU, directly and indirectly ■ Vitoorapakorn Holding Co., Ltd. has 4 nominated director in VTH-AU which are (1) Mr. Pawat Vitoorapakorn (2) Mr. Teerawat Vitoorapakorn (3) Mr. Chumnant Vitoorapakorn and (4) Ms. Supawadee Vitoorapakorn
Related Person		<ul style="list-style-type: none"> ■ Director, Executive and Close relatives are Vitoorapakorn family which are (1) Ms. Somrual Vitoorapakorn and (2) Ms. Piyawadee Vitoorapakorn

Details of Related transactions during accounting year 2017/2018 (April 2017 – March 2018)

(Unit : Million Baht)

Type of Transaction	Company incharge of executing transactions	Amount		Pricing policy and / or rationality of transaction
		2017 (Apr.16 – Mar.17)	2018 (Apr.17 – Mar.18)	
Income				
1. Service income				
1.1 Income from service of information technology				
- The company provides service of internet and IT system	The Company / Syntech	0.801	0.792	Such transaction is reasonable because Syntech's office is located near the company and Syntech offers affordable price.
1.2 Income from utility charge				
- The company provides utility service to IPP by providing cleaning staff for office buildings	The Company / IPP	0.180	0.180	IPP's office location is close to the company, therefore, the company consider to hire the contractor for the said service. The transaction is normal and the service rate is reasonable.
1.3 Income from service				
- Provides transportation, service billing and check, imports and exports document and other service	Aeroflex / Syntech	0.393	0.397	Such service provision does not affect the Company's operation, plus the service rate is reasonable.
	Aeroflex / IPP	-	0.070	Aeroflex provides service seminar and new year party for IPP, The Company
- TJM provides contraction management fee	TJM / VTH-AU	-	3.856	TJM provides contraction control to VTH Australia in Australia
1.4 Income from R&D service				
- EPG Innovation provides R&D service	EPG Innovation / Hayakawa	0.041	0.088	Such service provision does not affect the Company's operation, plus the service rate is reasonable.
	EPG Innovation / Syntech	0.026	-	
	EPG Innovation / IPP	0.015	-	
	EPG Innovation / Faraero	-	0.119	
Total income from service/consultant		1.455	5.503	

Type of Transaction	Company incharge of executing transactions	Amount		Pricing policy and / or rationality of transaction
		2017 (Apr.16 – Mar.17)	2018 (Apr.17 – Mar.18)	
2. Income from lease of property, plant and equipment				
2.1 Income from rent of property				
- Eastern Polypack provides meeting room for rent	Eastern Polypack / Hayakawa	0.003	-	Eastern Polypack provides meeting room for rent with Hayakawa. The rate is considered as reasonable.
Total income from lease of property, plant and equipment		0.003	-	
3. Income from sale of finished goods products				
3.1 Income from sale of rubber insulation				
- Aeroflex sells finished goods such as ; rubber insulation and other related products and other consumables	Aeroflex / Syntech	11.737	10.069	Sale of finished goods to the Company is classified as normal business operation. In addition, the selling price is reasonable and not lower than other customers.
	Aeroflex / IPP	2.728	1.072	
	Aeroflex / Hayakawa	0.067	0.030	
	Aeroflex / Siam Inter	0.496	0.531	
	Aeroflex / Aeroflex Europe	30.861	0.982	
	Aeroflex / Esco	0.005	-	
	Aeroflex / Executive	0.008	-	
	Aeroflex / Holding	0.204	0.028	
3.2 Income from sale of plastic packaging				
- Eastern Polypack sells finished good such as; plastic packaging and plastic sheet	Eastern Polypack / Syntech	1.661	1.922	Sale of finished goods to the Company is classified as normal business operation. In addition, the selling price is reasonable and not lower than other customers.
	Eastern Polypack / IPP	-	0.001	
3.3 Income from sale of products				

Type of Transaction	Company incharge of executing transactions	Amount		Pricing policy and / or rationality of transaction
		2017 (Apr.16 – Mar.17)	2018 (Apr.17 – Mar.18)	
- Aeroklas sells sample products of Truck Body	Aeroklas / Syntech	0.026	-	Sale of finished goods to the Company is classified as normal business operation. In addition, the selling price is reasonable and not lower than other customers.
- Aeroklas sells finished goods such as automotive parts and accessories	Aeroklas / Holding	0.273	0.139	Sale of finished goods to the Company is classified as normal business operation. In addition, the selling price is reasonable and not lower than other customers.
Total income from sale of finished goods		48.066	14.773	
4. Income from sale of other products				
4.1 Income from sale of products				
- Aeroflex sells other product and consumables	Aeroflex / Holding	0.037	0.020	Aeroflex ordered the purchasing of Calendar and diary for use in New Year Festival and sold to Vitoorapakorn Holding, IPP and Syntech in reasonable price.
	Aeroflex / IPP	0.013	0.015	
	Aeroflex / Syntech	0.171	0.121	
4.2 Income from sale of assets				
- The Company sells office equipment to EPT	The Company / EPT	0.001	-	The Company sells office equipment to EPT, the selling price is reasonable.
- Aeroklas sells car to related person	Aeroklas / Close relative	1.532	-	Aeroklas sells car to Miss Piyawadee Vitoorapakorn (related person) in the market price.
Total income from sale of other products		1.754	0.156	
Total income		51.278	20.432	
Expenses				
1. Rent of property, plant and equipment				
1.1 Expense on rent of property and plant				

Type of Transaction	Company incharge of executing transactions	Amount		Pricing policy and / or rationality of transaction
		2017 (Apr.16 – Mar.17)	2018 (Apr.17 – Mar.18)	
- Aeroflex rents property to use as sale office	Aeroflex / Syntech	0.346	0.364	Aeroflex rents land from Syntech to use as sale office because the area has been used and is appropriate for Aeroflex's sale office. Additionally, the rent rate is reasonable.
1.2 Expense on rent of property and plant - Aeroklas rents property of IPP to use as storage space or temporary parking lot	Aeroklas / IPP	0.198	0.198	Aeroklas rents land from IPP to use as storage space or temporary parking lot-which is necessary for business operation. Additionally, the rent rate is reasonable.
1.3 Expense on rent of office space - The company rent office building from Vittoorapakorn Holding for to use as an office Theparak	The Company / Holding	9.000	9.000	The Company rents office building from Vittoorapakorn Holding to use as an office. The rent is reasonable price
1.4 Expense on rent of plant - Eastern Polypack rents office and plant building from IPP for EPP2	Eastern Polypack / IPP	8.467	9.677	Eastern Polypack rent the land and factory from IPP Company limited at Eco Park for establishment of Factory to produce plastic and packaging which is necessary for business operation. The rental price is reasonable and not higher than the price that IPP Company Limited rent out the other Renters.
- APS rents office and plant building from IPP for use as Factory	APS / IPP	-	1.460	APS rent the land and factory from IPP for establishment of Factory and warehouse which is necessary for business operation. The rental price is reasonable and not higher than the price that IPP Company Limited rent out the other Renters.
- Aeroklas rent building from Vittoorapakorn Holding for use as an factory Theparak	Aeroklas / Holding	-	0.720	Aeroklas rent land and factory from Vittoorapakorn Holding at Theparak for establishment of Factory and warehouse which is necessary for business operation. Offers the reasonable rental rate.
Total expense on rent of property and plant		18.011	21.419	

Type of Transaction	Company incharge of executing transactions	Amount		Pricing policy and / or rationality of transaction
		2017 (Apr.16 – Mar.17)	2018 (Apr.17 – Mar.18)	
2. Expense on rent of vehicles				
2.1 Expense on rent of towing trailer				
- Aeroflex rents towing trailer from IPP for business operation	Aeroflex / IPP	0.600	0.300	Aeroflex requires towing trailer for its business operation, IPP offers the reasonable rental rate.
Total expenses on rent of vehicles		0.600	0.300	
3. Expense on utilities and other expenses				
3.1 Utility expense				
- Aeroklas Aeroflex Eastern Polypack and APS use utilities and substation from IPP industrial estate	Aeroflex / IPP	4.582	5.263	Factory of Aeroklas and Aeroflex are located in IPP industrial estate, and it is necessary to use public utilities from IPP for business operation. Additionally, the utility charge rate is reasonable
	Aeroklas / IPP	8.948	10.621	
	Eastern Polypack / IPP	5.793	9.047	Eastern Polypack rent the land and factory from IPP Company limited at Eco Park for establishment of Factory to produce plastic and packaging which is necessary for business operation. The utility charge rate is reasonable.
	APS / IPP	-	1.021	APS rent the land and factory from IPP for establishment of Factory and warehouse which is necessary for business operation. The utility charge rate is reasonable.
- Aeroflex use utilities for use as sale office	Aeroflex / Syntech	1.800	1.800	Aeroflex rent land from Syntech for use as sale office
- Aeroklas use utilities at rental Theparak from Vitoorapakorn Holding	Aeroklas / Holding	-	0.480	Aeroklas rent land and building from Vitoorapakorn Holding at Theparak for establishment of Factory and warehouse which is necessary for business operation. Offers the reasonable rental rate.
3.2 Other expenses				
- Aeroklas, Aeroflex, Eastern	Aeroflex / IPP	1.502	0.739	Factory of Aeroklas, Aeroflex, Eastern Polypack and EPG Innovation are

Type of Transaction	Company incharge of executing transactions	Amount		Pricing policy and / or rationality of transaction
		2017 (Apr.16 – Mar.17)	2018 (Apr.17 – Mar.18)	
Polypack and EPG Innovation employ or use service such as; staff transportation, medical expense for staff from IPP for their business operation and other expenses. (transport billing and cheque)	Aeroklas / IPP	4.974	1.052	located in IPP industrial estate, and it is necessary to provide transport service for employees, cover their medical expenses. Additionally, the utility charge rate is reasonable and not higher than other companies.
	Eastern Polypack / IPP	0.001	-	
	EPG Innovation / IPP	0.001	0.001	
- Aeroflex employ or use service transportation from Syntech	Aeroflex / Syntech	0.016	0.052	Aeroflex employ or use service such transportation from Syntech for their business operation. Additionally, the utility charge rate is reasonable.
Total expense on utilities and other expenses		27.617	30.076	
4. Expense on raw materials and finished goods				
4.1 Expense on finished goods / raw materials				
- Aeroflex purchases finished goods from Syntech to use in cooling system production	Aeroflex / Syntech	6.569	22.033	The purchase of finished goods by Aeroflex from Syntech is classified as normal business course. Additionally, the selling price is reasonable.
- Aeroflex purchases finished goods from Hayakawa for Test	Aeroflex / Hayakawa	0.234	0.015	The purchase of the finished goods from Hayakawa is classified as normal business operation of Aeroflex. In addition the selling price is reasonable.
- Aeroflex purchases finished goods from Aeroflex Europe for sale	Aeroflex / Aeroflex Europe	5.450	-	The purchase of the finished goods from Aeroflex Europe is classified as normal business operation of Aeroflex. In addition the selling price is reasonable.
4.2 Expense on finished good / raw materials				
- Aeroklas purchase finished goods automotive parts from syntec	Aeroklas / Syntech	0.816	1.142	Purchase of Automotive parts from Syntec is normal business operating business of Aeroklas. In Addition, the purchasing price is a reasonable.

Type of Transaction	Company incharge of executing transactions	Amount		Pricing policy and / or rationality of transaction
		2017 (Apr.16 – Mar.17)	2018 (Apr.17 – Mar.18)	
for the use in manufacturing process				
4.3 Expense on finished good / raw materials				
- Aeroklas purchases finished goods from Dynamic for sale	Aeroklas / Dynamic	-	0.009	Dynamic is a manufacturing and sewing company for clothes and leather wear of which considered as normal business. The rate is appropriate and consistent with other rate offered by other companies or person.
Total expense on raw materials and finished goods		13.069	23.199	
5. Expense on purchase of property, plant and equipment				
5.1 Purchase of equipment				
- The Company, Aeroflex, Aeroklas and Eastern Polypack	Aeroflex/Siam Inter	-	0.509	Aeroflex, Aeroklas and Eastern Polypack purchase air-conditioners from Siam Inter to use in their business operation at reasonable price which is similar to the rate what Siam Inter offers to other companies.
purchase air-conditioners from Siam Inter	Eastern Polypack /Siam Inter	6.538	0.105	
	The Company/Siam Inter	0.114	-	
	Aeroklas/Siam Inter	0.094	0.160	
- Eastern Polypack and Aeroklas purchase assets which are finished goods of Syntech	Eastern Polypack/Syntech	0.600	-	Eastern Polypack and Aeroklas purchased lamps from Syntech for installs it in a factory building, the purchasing price is a reasonable.
	Aeroklas/Syntech	0.390	0.185	
- Aeroflex purchase assets which are finished goods of Syntech	Aeroflex / Syntech	0.920	0.001	Aeroflex purchase equipment for a production precess, the purchasing price is a reasonable.
- Aeroflex purchase machinery from Aeroflex Europe	Aeroflex / Aeroflex Europe	35.022	-	Aeroflex purchase machinery from Aeroflex Europe for use in the production process, the purchasing price is a reasonable.
5.2 Purchase of Vehicles				
- Aeroflex purchase trailer from IPP	Aeroflex / IPP	-	0.218	Aeroflex purchase trailer from IPP instead renting, the purchasing price is a reasonable.
Total expenses on purchase of property, plant and equipment		43.679	1.178	

Type of Transaction	Company incharge of executing transactions	Amount		Pricing policy and / or rationality of transaction
		2017 (Apr.16 – Mar.17)	2018 (Apr.17 – Mar.18)	
6. Other Expenses				
6.1 Other Expenses				
- The Aeroklas and Eastern Polypack have purchased assets, consumable goods or hired or used service from Syntech for their business operation which are construction control, repair, training and other expenses.	Aeroklas, Eastern Polypack/Syntech	2.023	0.782	Acquiring service repair from Syntech is reasonable and the service rate is appropriate comparing to expenses to other companies or persons.
6.2 Equipment repair cost				
- The company, Aeroklas and Eastern Polypack hire Siam Intern to repair air-conditioners	The Company, Aeroklas, Eastern Polypack / Siam Inter	0.219	0.006	The Company, Aeroklas and Eastern Polypack hires Siam Inter to repair air-conditioners. The service fee rate is reasonable and not higher than Siam Inter charges other customers.
6.3 Rent of accommodation				
- The Company, Aeroflex and Aeroklas rent a room for supporting guests	The Company / Four-S Aeroflex / Four-S Aeroklas / Four-S	0.036 - -	0.035 0.010 0.006	The Company, Aeroflex and Aeroklas rents a room from Four-S in order to support guest, because a room near the company. The rental rate is reasonable and not higher than what Four-S charges other customers.
- Aeroklas rent a room for supporting guests	Aeroklas / Ekwadee	-	0.488	Aeroklas rents a room from Ekwadee in order to support guest, because a room near the company. The rental rate is reasonable and not higher than what Ekwadee charges other customers.
6.4 Equipment maintenanceCost				
- The Company, Aeroklas, Eastern Polypack and Aeroflex hires repair service from Siam BR	The Company / Siam BR Aeroklas / Siam BR Eastern Polypack / Siam BR Aeroflex / Siam BR	0.007 0.012 - 0.006	0.003 0.040 0.028 -	Repair of air-conditioners is classified as normal business operation of Siam BR. The service charge rate is reasonable in comparison to rates from other companies and persons.

Type of Transaction	Company incharge of executing transactions	Amount		Pricing policy and / or rationality of transaction
		2017 (Apr.16 – Mar.17)	2018 (Apr.17 – Mar.18)	
6.5 Other Expenses				
- Aeroflex pay for other service to Aeroflex Europe	Aeroflex / Aeroflex Europe	0.983	0.322	Other service for normal business operation of Aeroflex, the selling price is reasonable.
- Aeroflex pay for other service to Syntech.	Aeroflex / Syntech	0.035	0.278	Other service for normal business operation of Aeroflex, the service price is reasonable.
- Aeroflex pay other expense related from purchase assets from IPP	Aeroflex / IPP	-	0.007	Aeroflex purchase trailer from IPP instead renting for transportation which are other expense related for purchase assets
6.6 Loan interest				
- APT receives loan from Dr. Chen Xiu Shi with payable interest, beginning loan, ending loan as follow : Interest paid	APT / Mr. Chen Xiu Shi	-	-	APT is established to conducts business in China which requires loan from Vitoorapakorn Group (Dr.Chen Xiu Shi) as such loan has been executed in the past for liquidity in business operation. China limits loan acquired from overseas, including domestic banks in some cases. APT needed the loan for liquidity of their business operation and since loan from Vitoorapakorn Group contain no interest which is consistent with purpose of APT to not have additional expense.
Beginning loan		24,539	18,277	
Ending loan		18,277	13,503	
Total other expenses, excluding loan		3,320	2,005	
Total Expenses		106,294	78,179	
7. Other				
7.1. Other Expenses				
- Vitoorapakorn Group provide loan guarantee from bank for The company, subsidiaries; Aeroflex Aeroklas, Eastern Polymer	The Company / Vitoorapakorn Group Aeroflex / Vitoorapakorn Group Aeroklas / Vitoorapakorn Group			

Strategy or procedures of approval on related transactions

The board of directors has a resolution on setting policies and procedures of connected transactions to ensure the transaction between a person or juristic person that may have potential conflict is executed with transparency and done with care to protect the benefit of the Company. The Company strictly complies with the Securities and Stock Exchange Law, regulations, notifications or rules stipulated by the Capital Market Advisory Board concerning connected transaction. Executives or stakeholders cannot engage in approval of such connected transaction. In case where stipulated by law to seek approval from the meeting of board of directors, the Company would assign Audit Committee to attend in the meeting to consider and express their opinion concerning the necessity and reasonableness of such transactions. Furthermore, execution of transaction that is trading agreement with general trading condition or without general trading condition shall have following formality:

To transact trading agreement with general trading condition

Execution of connected transaction that is trading agreement with general trading condition between the Company and subsidiaries and committee, executives or connected person being approved in principle from the Company's committees, the management can approve such transaction if such transaction contains trading agreement in the same nature that any reasonable individual would deal with another contractual party under similar circumstance, based on negotiation power without influence by way of their position as committee, executives or connected person.

The Company shall prepare report on transactions that exceed 15,000,000 baht and inform in the meeting of Audit Committee and the committees every quarter.

To transact trading agreement without general trading condition

Execution of trading agreement without general trading condition shall be considered and remarked by the Audit Committee prior to submit to the board of directors and/or meeting of shareholders for approval to comply with securities and stock exchange law, regulations, notifications, orders or rules of the Capital Market Advisory Board and Stock Exchange of Thailand including regulations concerning connected transaction.

In case that the Audit Committees have no experience in reviewing potential connected transaction, the Company shall appoint independent expert or the Company's auditor to express opinion on such connected transaction to be used in complementary to the decision of Audit Committees and/or the board of directors and/or shareholders, as the case may be, to ensure that such transaction is genuinely necessary and reasonable based on benefit of the Company. Details of connected transactions shall be disclosed in annual registration statement and notes to financial statement audited by the Company's auditor.

Policy or trend of future related transactions

In the future, the company can do the company transactions among companies as indicated by policy.

Audit Committee Report 2018

Audit Committee

The Audit Committee of Eastern Polymer Group Public Limited Company is composed of 3 qualified independent directors as follows:

1. Mr. Chaiwat	Atsawintarakun	Chairman of the Audit Committee
2. Mr. Thanachai	Santichaikul	Audit Committee member
3. Mr. Panchai	Wattanachai	Audit Committee member

Mr. Chaiwat Atsawintarakun and Mr. Thanachai Santichaikul are the person with knowledge and experience in relation to accounting and finance sufficient to perform the audit review of the integrity of the Company's financial statement.

Scope of Audit Committee duties

- Review the accuracy and completeness of the Company's financial statement.
- Ensure that the Company has appropriate and effective internal control and internal audit systems, consider the independence of the internal audit units and approve the appointment, transfer and dismissal of the head of the internal audit unit or any other unit that has responsibilities related to the internal audit.
- Review the Company's compliance with the Securities and Exchange Act, Stock Exchange regulations and laws relating to the Company's business.
- Consider, select and propose the appointment of independent persons to act as Company auditor and their appropriate remuneration, and to meet the auditor without the management at least once per year.
- Consider connected transactions or transactions with possible conflicts of interest, ensuring compliance with the law and Stock Exchange regulations and confidence that such transactions are handled fairly and for the greatest benefit of the Company.
- Prepare the Audit Committee report for publication in the Company's annual report, which is to be signed by the chairman of the Audit Committee and contains at least the following information:
 - Comments on the accuracy, completeness and reliability of the Company's financial report.
 - Comments on the adequacy of the Company's internal control system.
 - Comments on legal compliance with the Securities and Exchange Act, Stock Exchange regulations or other laws relating to the Company's business.
 - Comments on the appropriateness of the auditor.
 - Comments on matters with possible conflicts of interest.
 - The number of Audit Committee meetings and attendance of each committee member.
 - General comments or observations received by the Audit Committee while carrying out their duties in accordance with the charter.
 - Other matters that should be reported to the shareholders or investors, within the scope of the duties and responsibilities as assigned by the Board of Directors.
- Perform any other duties assigned by the Board of Directors and accepted by the Audit Committee.

Duties of the Audit Committee in the last year. And the views of the Audit Committee in these various matters can be summarized as follows:

In the Company's fiscal year ending 31 March 2018, the Audit Committee performed the following duties:

1. Reviewed and audited the Company's quarterly financial statements and the final accounts on 31 March 2018, including reporting to the Board of Directors.

Reviewing of the auditing of financial statement for Quarterly and the fiscal year ending on 31 March 2018,

that has already been audited, the committee's unconditional opinion was that the report was accurate, complete, reliable and contained no issues requiring greater scrutiny.

2. Considered the internal audit plan, acknowledged the audit results of the Subsidiaries of Company's internal control system and followed up on measures taken for improvement.

Internal audit department of the Company's have carried out their duties appropriately, efficiently and independently. The Company has adequate internal controls that are appropriate for the condition and nature of the Company's business and are in compliance with the laws and regulations of the regulatory bodies. The internal control system for connected transactions is sufficient.

3. Considered the Related Party Transaction of Company's and Subsidiaries and Related persons. And reporting to the Board of Directors.

Transactions between the Company and its subsidiaries or individuals with possible conflicts of interest were reported fairly for the greatest benefit to the company in accordance with the Company's pricing policy and announcements by the Stock Exchange of Thailand regarding connected transactions.

4. To consider and approve appointment of auditors and to determine auditor's remuneration.

The Company's auditor for the fiscal year ended as at 31 March 2017 from PricewaterhouseCoopers ABAS Co., Ltd., Mr. Sudwin Panyawongkhanti, Certified Public Account No. 3534, performed his duties appropriately.

And in the Audit Committee's meeting No. 3/2017 on 29 May 2017, the committee approved the appointment of the auditors of PricewaterhouseCoopers ABAS Ltd. as the Company's auditors for the fiscal year ended as at 31 March 2018. The appointment of the auditors and audit fee are subject to the approval of the shareholders at the annual general meeting to be held on 27 July 2017. as follows:

- 1) Mr. Sudwin Panyawongkhanti,
Certified Public Accountant (Thailand) No. 3534 or
- 2) Mrs. Anutai Poomsurakul,
Certified Public Accountant (Thailand) No. 3873 or
- 3) Mr. Krit Chatchawalwong,
Certified Public Accountant (Thailand) No. 5016

Anyone of the above auditors shall review and express his/her opinion on the Company's financial statements. If the nominated auditors are unable to perform their duties for the Company, PricewaterhouseCoopers ABAS Co., Ltd. agrees to designate other qualified members of its team to replace the nominated auditors in order to perform the auditing work on the Company's financial statements. The remuneration for annual audit and quarterly review for the fiscal year, ended as at 31 March 2018 equals to 4,930,000 Baht.

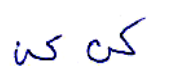
5. To acknowledge the participation in "Collective Action Coalition" of the subsidiaries.

Aeroflex Co., Ltd. and Aeroklas Co., Ltd., subsidiary of the Eastern Polymer Group has met the commitments to the CAC declaration on anti-corruption by putting in place good business principles and control against bribery, is now a full member of the CAC on the 10th November 2017 and 12th February 2018 respectively.

Number of Audit Committee meetings and attendance of each committee member.

In the Company's fiscal year ending on 31 March 2018, the Audit Committee met a total of 7 times. Attendance by the committee members is summarized below.

Name	Position	No. of meetings attended / No. of meetings
1. Mr. Chaiwat Atsawintarangkun	Chairman of the Audit Committee	7/7
2. Mr. Thanachai Santichaikul	Audit Committee	7/7
3. Mr. Panchai Wattanachai	Audit Committee	6/7


 Mr. Chaiwat Atsawintarangkun
 Chairman of the Audit Committee

Management's Discussion and Analysis

Long Term Goal

The Eastern Polymer Group operates under the vision of "Creative Innovation Organization" by constructs the organization base on innovation and technology. The Company aims to manufacture high quality product that benefit society and uplift the quality of living while take in to consideration the impact on the environment. The company and subsidiaries long term goal is

1) To Success through innovation

Regarding the Innovation, EPG foster the innovation base corporate culture to all level of employee to promote them to have innovative thinking / to be observant and to solve the problem via establishing the organization to be the center of learning / having the innovative role model and promoting employee's product of innovation

The principle of innovation development can be categorized as follows

- 1) Using innovation to solve the issue
- 2) Continuously develop the existing product

In addition, the creative innovation has to take in consideration of both the economic benefit and the overall benefit to society and environment.

Furthermore, the EPG Innovation center (EIC) also centralizes the Research and Development for all core businesses. In Each year, EPG subsidiaries contribute directly and indirectly approximately 1% of the revenue from sale to EIC for Research and Development Purpose. Moreover, the company also set KPI on the innovation to encourage each subsidiary to come up with new innovation in order to generate sustainable future growth.

EPG Strongly believes that the power of innovation will drive the corporate toward sustainable growth.

2) To be Global Player

From the ideology of "World is our market", the past 40 years, EPG emphasize the overseas market expansion by establishing our manufacturing base in global strategic location. The company currently distributes the products to more than 100 countries around the world through

- 1) Strengthen the "Brand" of all businesses.
- 2) Good relationship management with consumers through the excellence product characteristic / product quality and services
- 3) Expansion of distribution channel in all business by appropriately manage customer proportion such as Industrial Customers / Dealers / Wholesalers / Retailers and also online
- 4) Develop inventory management software and utilize appropriate logistic software in order to satisfied customer's requirement

The Company target to manage the proportion of the international revenue from sale both directly and indirectly toward 70% in the future.

3) Toward the Sustainable Growth

In addition to success through innovation and to be global, EPG also emphasize the development of working process / database system and employee. The company fosters the corporate culture of the good virtue and ethical company management to all level of organization in accordance to EPG's good corporate governance practice that consider all parties of stakeholders with expectation that the industry and society can co-exist and moving toward the bright future under our motto of "Contribution toward better societies"

Factors affecting the performance of the Company

Factors affecting the Company's performance can be classified into 1) Successful overseas business operation 2) Successful research and development of new products 3) Successful of expansion and improvement of production capacity, including expansion of sales channel 4) Price fluctuation of raw materials 5) Fluctuation of the currency exchange and 6) Domestic and global economic situation

1) The success of overseas business operation

Most products manufactured and distributed by the Company are very specific to limited market (Niche Market). Hence, the Company needs to develop technology, and innovate quality

products that stand out against competitors, and are in line with corporate strategy “Differentiated Focus Strategy”

Differentiated Focus Strategy is suitable for sizable market. For this reason, the Company must expand its overseas business to achieve Economic of Scale in production capacity, and competitiveness in global market.

2) The success of research and development of new products

One of the key success factors of the Company is the ability to commercialize innovative and quality products to the market. The company has hitherto succeeded in the invention, development, and introduction of products from different business units to the market, resulted in increase in sales and steady profit margin.

Researches and development of new products have associated risks from the level of consumer acceptance and responsiveness. In addition, the Company takes investment risk in research and development before realization of financial returns.

3) The success of expansion and improvement of production capacity of the Company and subsidiaries, including expansion of sales channel

The Company expands its production capacity continuously to support the growth in all business units with the focus on the improvement of production process using Technology / Machinery and modern production innovation to increase the output, reduce energy cost and labor cost. At the same time, the company has increased its product distribution capabilities for car accessories in Australia by acquiring the Automotive and Accessories Retailer under the brand “TJM”, expanding distribution of insulation products in the continent of America, and Europe. The expansion of production variety includes new product in demand by the market, for instance, the improvement and distribution of Canony, and Deck Cover to America, Australia, and Europe; the improvement and distribution of water cup “PET” in Asian countries where they demand high quality plastic packaging. Such countries are, for instance; Korea, Japan, and Australia.

4) Fluctuation of material price

The Company manufactures and distributes Polymer and Plastic Converter for different industries where one of the main costs is raw material cost. As a downstream manufacturer, the Company may have modest effect from the price fluctuation. The Company mitigates the fluctuation of raw materials price via purchasing future contracts in appropriate proportion for 3 – 6 month in advance while be able to pass on some portion of costs to customers.

5) Fluctuation of Currency Exchange

The company has financial exposure to foreign currency such as revenue from export, cost of raw material (Plastic Polymer), Machineries, loans and transaction between foreign subsidiaries.

The fluctuation of currency exchange depends on the domestic and global economic situation in which the company cannot control and accurately forecast. If exchange rate changes regressively, it could result in the decline of sales and profit of the company and its subsidiaries.

Despite the statement above, the advantage of being holding company is the ability to holistically manage foreign currencies so-called “Natural Hedging” from the foreign transaction pool of subsidiaries. The Company can partially mitigate risk from fluctuation of the currency exchange, where necessary, in accordance with risk policy of the Company that allows for the purchase of certain type of instruments with financial institutions.

6) Domestic and Global Economic Situation

Main products of the Company are classified into 3 groups which are 1) Thermal insulation 2) Automotive parts and accessories 3) Plastic packaging. These business groups relate to Constuction, automotive, and food and beverage packaging industry where the sale channels are both at the domestic and international. Hence, both domestic and global economic situation are potential factors that may have negative impacts to the business operation of the Company. However, the variety of the Company’s products and customer base creates diversification and reduces volatility from the economic situation to certain degree.

Incomes from products' sales (main revenue)

(Unit : Million baht)

	Accounting Year 2015/2016		Accounting Year 2016/2017		Accounting Year 2017/2018	
	Apr.2015 – Mar.2016		Apr.2016 – Mar.2017		Apr.2017 – Mar.2018	
	Value	%	Value	%	Value	%
<u>Manufacturing and Distributing of thermal insulation</u> (Conducted by Aeroflex) ^{1/}	2,596.8	29.6	2,641.7	28.5	2,834.9	29.5
<u>Manufacturing and Distributing of automotive parts and accessories</u> (Conducted by Aeroklas) ^{2/}	3,604.8	41.1	4,176.3	45.0	4,462.0	46.4
<u>Manufacturing and Distributing of Plastic packaging</u> (Conducted by Eastern Polypack)	2,563.1	29.3	2,461.8	26.5	2,310.2	24.0
Total incomes	8,764.8	100.0	9,279.78	100.0	9,607.1	100.0

Remark: ^{1/} total operating result of Aeroflex Co., Ltd. / Aeroflex USA, Inc. / Aeroflex Polymer Technology (Shanghai) Co., Ltd and APS Co., Ltd.

^{2/} total operating result of Aeroklas Co., Ltd. / Aeroklas USA, Inc. / Aeroklas Australia Pty, Ltd / Aeroklas Europe, GmbH. / TJM Products Pty, Ltd., and Aeroklas Malaysia Co., Ltd.

In accounting year 2018 (Apr.2017 – Mar.2018) the Company's main incomes from products' sales totaled 9,607.1 million baht. Income from each business segment to total incomes was as follows; (1) Thermal insulation business accounted for 29.5% (2) Automotive parts and accessories accounted for 46.4% and (3) Plastic packaging business accounted for 24.0% of total income. The 3.5 % increase from accounting year 2017 (Apr.2016–Mar.2017) where total income was 9,279.8 million baht is due to following reasons :

1) Income from thermal insulation business increases 7.3% from the previous year, especially sale volumes increase in overseas market such as Japan, China and AEC which contribute 72% of total overseas sale volume.

2) Income from automotive parts and accessories increases 6.8% is because of sales volumes increase in automotive parts for commercial and transportation in overseas market, where it contributes 73% of total overseas sales.

3) Income from plastic packaging business decreases 6.2% due to slower than expected recovery in domestic consumption and increase in domestic competition which pressure revenue from sale. Currently the plastic and packaging business has domestic revenue from sale accounted for 92%.

Cost of sales

In 2018 (Apr.2017 – Mar.2018) and 2017 (Apr.2016 – Mar.2017) the cost of sales of the Company was 6,892.5 million baht and 6,307.9 million bath, respectively. The increase of 584.6 million baht or 9.3% was higher than the increase of sales incomes because of the continued increase of raw material price toward the end of 2016, and the improvement of production process to increase productivity. As a result, gross profit margin from sales incomes slightly adjusts downward at 9.5%. The gross profit proportion from thermal insulation business, automotive parts and accessories and plastic packaging was 41.1%, 42.9%, 16.0% respectively.

Sale and administrative expenses

In 2018 (Apr.2017 – Mar.2018) and 2017 (Apr.2016 – Mar.2017) the Company's expenses on sale and other administrative expenses were 1,876.7 million baht and 1,736.8 million baht respectively., The increase of 139.9 million baht or 8.1% was more than the increase of revenue from sale due to the expansion in operation from both domestic and oversea. In addition, the company also incurred the cost from the Research and Development in new products for all core businesses.

Profit before Interest, Tax, Depreciation and Amortization (EBITDA)*

**excluding others income / others expense / gain (loss) from exchange rate / share of profit from investments in associates*

In 2018 (Apr.2017 – Mar.2018) the Company's EBITDA was 1,481.3 million baht. The decrease of 20.1% from the previous year. Despite, higher revenue from sales, the cost of sales increased from higher cost of raw materials, the increase in selling and administrative expenses increased also increase in proportion in comparison with the increase in sales. The depreciation and amortization cost increased to 643.4 million baht from previous year to 618.0 million baht in 2018.

Profit (loss) from exchange rate

In 2018 (Apr.2017 – Mar.2018) the Company's loss from exchange rate of 21.0 million baht in comparison to loss of 20.2 million baht from previous year (post-adjustment for profit/loss from exchange rate derived from the use of financial instruments whereby accounting standard required to record as interest expense) was the result of devaluation of US dollars.

Share of profits from investments in associates

In 2018 (Apr.2017 – Mar.2018) and 2017 (Apr.2016 – Mar.2017) the Company's share of profits from investments in associates was 245.1 million baht, and 246.3 million baht respectively, a decrease of 1.2 million baht or 0.5%.

Financial Cost

The financial cost (post-adjustment for profit/loss from exchange rate) reduced by 14.7 million baht or decrease 23.3% due to lower amount of debt.

Tax expense

In 2018 (Apr.2017 – Mar.2018) and 2017 (Apr.2016 – Mar.2017) the Company's tax expense was 70.3 million baht and 61.3 million baht respectively; an increase of 9.0 million baht.

Net Profit

In 2018 (Apr.2017 – Mar.2018) the Company's net profit was 993.2 million baht, a decrease from the previous year 389.5 million baht or 28.2%

Financial Analysis

Overall financial status of the Company and subsidiaries as of 31 March 2018 in comparison with the statement of financial

position as of 31 March 2017 was 13,139.1 million baht and 12,785.3 million baht respectively, an increase of 353.8 million baht or 2.8%. The important information is as follows;

Assets

- Inventory significantly increase to 261.1 million baht from the consolidation of inventory of new acquisition, Flexiglass in Australia. In addition, the increase in inventory is also the result of the stocking of raw material for plastic and packaging business as the raw material price is expected to increase while the demand of domestic plastic and packaging is also expected to show the recovery

- Investments in associates increased 169.7 million baht from the solid performance of our Joint Ventures.

Liabilities

Total liabilities were 3,016.4 million baht, an increase of 155.4 million baht from previous year, mainly because of the Trade and other account payable.

Shareholder's equity

As of 31 March 2018, the Company's shareholder's equity was 10,122.6 million baht, an increase of 198.3 million baht from 9,924.3 million baht as of 31 March 2017, derived from accumulated operating profits.

AS of 31 March 2018, the capital structure of the Company and subsidiaries consisted of total liabilities 3,016.4 million baht and shareholder's equity 10,122.6 million baht, with debt to equity ratio of 0.30 times, slightly higher than 0.29 times from the previous year.

According to consolidated financial statements as of 31 March 2018 and 31 March 2017, the Company and subsidiaries's operating cash flow was 1,497.9 million baht and 1,763.5 million baht respectively. Cash flow from investment was 649.3 million baht, and 452.3 million baht respectively. In addition, the cash flow from financing activity was 681.2 million baht, and 1,188.6 million baht respectively.

Auditor's remuneration

In 2018 (Apr.2017 – Mar.2018) The Company appointed PricewaterhouseCoopers ABAS Ltd. to be the auditor of the Company and subsidiaries in Thailand. The Company paid 4.93 million baht for audit fee and other service fee including traveling and accommodation allowance for 0.5 million baht.

Responsibilities of the Board of Directors for Financial Report

The administrative section is responsible for the preparation of the Company's financial statements as of March 31, 2018 in accordance with Accounting and Financial Reporting Standard imposed by Federation of Accounting Professions, and General Accepted Accounting Principles of Thailand. Preparation of Such financial statements was under vigilant attention with selection of proper accounting policy and consistent performance, including the disclosure of material information under the notes to the financial statements.

The Board of Directors has realized the responsibility and effectiveness of administering the

financial report. The proper internal audit is put in place and the integrity of the system is kept intact to ensure comprehensive and accurate accounting information for the benefit of shareholders and general investors. Audit committee is assigned to ensure correct financial report from the Company, and provide audit result to the Board on quarterly basis.

The Board has assessed the internal control system and commented that it is suffice, and reasonably firmed to believe that consolidated and separate financial statements of the Company as of March 31, 2018 is reliable.

For and on behalf of The Company



Mr. Pawat Vitoorapakorn
Vice-Chairman and Chief Executive Officer

EASTERN POLYMER GROUP PUBLIC COMPANY LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 MARCH 2018



Independent Auditor's Report

To the shareholders and the Board of Directors of Eastern Polymer Group Public Company Limited

My opinion

In my opinion, the consolidated financial statements of Eastern Polymer Group Public Company Limited ("the Company") and its subsidiaries ("the Group") and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 March 2018, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 March 2018;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. 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 judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.



Key audit matter	How my audit addressed the key audit matter
<p>1) Assessment of impairment of intangible assets and goodwill</p> <p>Refer to note to the consolidated and separate financial statements no. 2.11 (Accounting policy - Goodwill), and no. 19 (Goodwill)</p> <p>Subsidiaries of the Group had goodwill of Baht 80 million on the consolidated statement of financial position as at 31 March 2018.</p> <p>Group management has assessed an impairment review of goodwill annually and will recognise the impairment if the carrying amount is higher than the recoverable amount.</p> <p>The Group assessed the recoverable amount from the value-in-use of the CGU from the future cash flow forecasts that required many assumptions subjected to management's significant judgments such as revenue growth rate, profit margin and discount rate.</p> <p>I focused on this area due to the assessment of the recoverable amount to consider if the impairment of goodwill and the future cash flow forecasts preparation is related to management's judgement and also the magnitude of the goodwill to the consolidated financial statements. Based on the annual impairment test, the recoverable amount of goodwill is higher than the carrying value. Therefore, the Group had not recognise any impairment loss on goodwill.</p>	<p>The goodwill was originated from subsidiaries of the Group and was audited by component auditor which is the same network of my firm.</p> <p>I planned my audit of the subsidiary's financial information for the audit of consolidation purpose and communicated the key audit matter to the component auditor.</p> <p>I reviewed the working papers relating to the assessment of impairment of goodwill and evaluated the test results of the component auditor for the procedures performed as below.</p> <ul style="list-style-type: none"> • understood, evaluated and challenged the management on the data used to calculate cash flow forecasts, including the process by which they were developed. • tested the parameters used to determine the discount rate applied and test the mathematical accuracy of the underlying calculations. • tested the management's estimation used to calculate the future cash flow forecasts by comparing the current year's actual results with the figures included in the prior year's forecast to consider they were reasonable. • Assessed the reasonableness of management's key assumptions and recalculated the recoverable amount by comparing them to historical results, and the economic and industry outlook. <p>Based on the above procedures, I found that the management's relevant key assumptions used in the cash flow forecast preparation were reasonable.</p>

Other information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.



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

The audit committee assists the directors in discharging their responsibilities for overseeing the Group and the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate 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 TSAs 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 consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate 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 and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate 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 and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate 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 the audit committee 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 the audit committee 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 the audit committee, I determine those matters that were of most significance in the audit of the consolidated and separate 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.

PricewaterhouseCoopers ABAS Ltd.

A handwritten signature in black ink, appearing to read "Sudwin Panyawongkhanti", written over a horizontal line.

Sudwin Panyawongkhanti
Certified Public Accountant (Thailand) No. 3534
Bangkok
28 May 2018

Eastern Polymer Group Public Company Limited

Statement of Financial Position

As at 31 March 2018

		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
	Notes	Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	7	497,892,690	368,943,537	227,581,388	147,809,410
Trade and other accounts receivable (net)	8	1,699,885,061	1,733,599,852	741,354,237	384,326,048
Short-term loans to related companies	40 c)	-	-	769,200,000	1,731,800,000
Inventories (net)	9	2,358,396,781	2,097,291,862	-	-
Value added tax	10	29,624,167	90,464,736	-	-
Current portion of land leasehold right (net)	20	216,611	218,069	-	-
Other current assets	11	17,084,536	8,126,342	-	-
Total current assets		4,603,099,846	4,298,644,398	1,738,135,625	2,263,935,458
Non-current assets					
Restricted deposits at financial institutions	12	269,608,552	269,909,789	1,500,000	1,500,000
Investments in associates	13	2,077,508,631	1,907,804,400	221,000,000	221,000,000
Investments in subsidiaries	14	-	-	3,764,229,749	3,764,229,749
Other long-term investments (net)	15	1,237,425	-	-	-
Long-term loans to related companies	40 d)	-	-	931,057,300	34,285,700
Investment properties (net)	16	-	-	279,928,085	288,385,575
Property, plant and equipment (net)	17	5,648,505,379	5,713,927,660	106,251,219	111,301,125
Advance payment for fixed assets		39,587,006	81,766,959	-	-
Intangible assets (net)	18	219,730,812	248,010,794	1,049,499	1,054,142
Advance payment for intangible assets		1,557,108	1,557,108	-	-
Goodwill	19	79,577,280	34,747,166	-	-
Land leasehold right (net)	20	6,588,590	6,851,005	-	-
Deferred tax assets (net)	21	144,788,794	158,338,488	22,232,062	22,037,129
Other non-current assets	22	47,291,192	63,758,125	34,585,446	30,872,185
Total non-current assets		8,535,980,769	8,486,671,494	5,361,833,360	4,474,665,605
Total assets		13,139,080,615	12,785,315,892	7,099,968,985	6,738,601,063

Eastern Polymer Group Public Company Limited

Statement of Financial Position

As at 31 March 2018

		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
	Notes	Baht	Baht	Baht	Baht
Liabilities and equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	23	839,904,929	591,127,289	-	-
Trade and other accounts payable	24	1,293,830,456	1,142,417,193	13,372,164	12,461,064
Short-term loans from related parties	40 e)	13,503,984	18,277,069	-	-
Current portion of					
- Long-term loans from financial institutions	25	280,352,500	329,754,408	-	-
- Finance lease liabilities (net)	27	5,822,878	5,812,965	-	-
Accrued income tax		1,195,526	20,334,074	-	-
Value added tax	10	9,016,210	13,348,026	389,997	294,483
Other current liabilities	28	11,224,381	23,255,976	558,102	510,969
Total current liabilities		2,454,850,864	2,144,327,000	14,320,263	13,266,516
Non-current liabilities					
Long-term loans from financial institutions	25	331,928,750	513,871,500	-	-
Finance lease liabilities (net)	27	4,364,909	5,897,041	-	-
Deferred tax liabilities (net)	21	61,318,831	45,811,941	-	-
Employee benefit obligations	29	163,983,284	151,109,035	13,480,083	11,780,138
Total non-current liabilities		561,595,774	716,689,517	13,480,083	11,780,138
Total liabilities		3,016,446,638	2,861,016,517	27,800,346	25,046,654

Eastern Polymer Group Public Company Limited**Statement of Financial Position****As at 31 March 2018**

		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
	Notes	Baht	Baht	Baht	Baht
Liabilities and equity (Cont'd)					
Equity					
Share capital	30				
Authorised share capital					
2,800,000,000 ordinary shares of Baht 1 each		2,800,000,000	2,800,000,000	2,800,000,000	2,800,000,000
Issued and fully paid-up share capital					
2,800,000,000 ordinary shares of Baht 1 each		2,800,000,000	2,800,000,000	2,800,000,000	2,800,000,000
Share premium on ordinary shares	30	3,274,182,000	3,274,182,000	3,274,182,000	3,274,182,000
Retained earnings					
Appropriated - legal reserve	31	154,446,048	119,132,280	154,446,048	119,132,280
Unappropriated		3,275,568,185	3,019,908,412	844,901,188	521,158,435
Remeasurement of post-employment benefit obligations		(20,723,574)	(23,841,802)	(1,360,597)	(918,306)
Surplus from business combination under common control		701,719,893	701,719,893	-	-
Other components of equity	33	(86,644,421)	19,652,506	-	-
Equity attributable to owners of the parent		10,098,548,131	9,910,753,289	7,072,168,639	6,713,554,409
Non-controlling interests	33	24,085,846	13,546,086	-	-
Total equity		10,122,633,977	9,924,299,375	7,072,168,639	6,713,554,409
Total liabilities and equity		13,139,080,615	12,785,315,892	7,099,968,985	6,738,601,063

Eastern Polymer Group Public Company Limited
Statements of Comprehensive Income
For the year ended 31 March 2018

	Notes	Consolidated financial statements		Separate financial statements	
		2018 Baht	2017 Baht	2018 Baht	2017 Baht
Revenues					
Revenue from sales of goods	42	9,607,116,354	9,279,781,478	-	-
Revenue from services	42	7,182,464	5,201,253	93,608,000	78,417,000
Cost of goods sold		(6,892,494,334)	(6,307,857,960)	-	-
Cost of services		(5,073,733)	(3,776,037)	(57,747,168)	(48,447,178)
Gross profit		2,716,730,751	2,973,348,734	35,860,832	29,969,822
Other gains (losses) - net gain (loss)					
on foreign exchange rate		(82,362,470)	(29,339,709)	(3,223,995)	(901,113)
Dividend income	40 b)	-	-	1,059,559,785	717,069,919
Other income	34	49,467,447	47,383,681	38,737,209	56,375,868
Profit before expense		2,683,835,728	2,991,392,706	1,130,933,831	802,514,496
Selling expenses		(809,630,624)	(751,008,292)	-	-
Administrative expenses		(1,067,099,510)	(985,800,835)	(71,959,730)	(68,402,480)
Other expenses	35	(683,498)	(1,740,403)	-	-
Finance costs	37	11,972,332	(55,205,920)	(14,731)	(46,914)
Share of profit from investments in associates	13 a)	245,119,706	246,332,342	-	-
Profit before income tax		1,063,514,134	1,443,969,598	1,058,959,370	734,065,102
Income tax	38	(70,303,983)	(61,267,342)	84,361	(3,574,826)
Net profit for the year		993,210,151	1,382,702,256	1,059,043,731	730,490,276
Other comprehensive income (loss)					
Item that will not be reclassified to profit or loss					
- Remeasurements of employment benefit obligations	29	3,775,771	5,064,660	(552,863)	3,453,091
- Income tax relating to components of other comprehensive income	21	(657,543)	(1,012,931)	110,572	(680,618)
Item that will be reclassified subsequently to profit or loss					
- Currency translation differences		(96,028,507)	(44,601,349)	-	-
- Share of other comprehensive income (loss) of associates accounted for using the equity method	13 b)	(9,978,060)	(22,535,673)	-	-
Other comprehensive income (loss) for the year - net of tax		(102,888,339)	(63,085,293)	(442,291)	2,772,473
Total comprehensive income for the year		890,321,812	1,319,616,963	1,058,601,440	733,262,749

Eastern Polymer Group Public Company Limited

Statement of Comprehensive Income

For the year ended 31 March 2018

		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
	Notes	Baht	Baht	Baht	Baht
Profit attributable to:					
Owners of the parent		990,960,751	1,380,978,029	1,059,043,731	730,490,276
Non-controlling interests		2,249,400	1,724,227	-	-
		<u>993,210,151</u>	<u>1,382,702,256</u>	<u>1,059,043,731</u>	<u>730,490,276</u>
Comprehensive income attributable to:					
Owners of the parent		887,782,052	1,318,473,582	1,058,601,440	733,212,749
Non-controlling interests	33	2,539,760	1,143,381	-	-
		<u>890,321,812</u>	<u>1,319,616,963</u>	<u>1,058,601,440</u>	<u>733,212,749</u>
Earnings per share to the owners of the parent					
	39				
Basic earnings per share (Baht)		<u>0.354</u>	<u>0.493</u>	<u>0.378</u>	<u>0.261</u>

Eastern Polymer Group Public Company Limited
Statement of Changes in Equity
For the year ended 31 March 2018

Consolidated financial statements (Baht)												
Notes	Attributable to owners of the parent											
	Retained earnings				Surplus from business combination			Other components of equity				
								Other comprehensive income (loss)				
	Authorised, issued and fully paid-up share capital	Premium on share capital	Appropriated - legal reserve	Unappropriated	Remeasurements of post-employment benefit obligations	under common control	Translation differences	Share of other comprehensive income (loss) of associates	Total other components of equity	Total owners of the parent	Non-controlling interests	Total equity
Opening balance as at 1 April 2016	2,800,000,000	3,274,182,000	85,058,393	2,288,984,456	(27,893,531)	701,719,893	97,561,717	(11,353,035)	86,208,682	9,208,259,893	3,195,705	9,211,455,598
Changes in equity for the year												
Legal reserve	31	-	34,073,887	(34,073,887)	-	-	-	-	-	-	-	-
Dividend paid	32	-	-	(615,980,186)	-	-	-	-	-	(615,980,186)	-	(615,980,186)
Investments in subsidiary of non-controlling interests	33	-	-	-	-	-	-	-	-	-	9,207,000	9,207,000
Net profit for the year	-	-	-	1,380,978,029	-	-	-	-	-	1,380,978,029	1,724,227	1,382,702,256
Total other comprehensive income for the year	-	-	-	-	4,051,729	-	(44,601,349)	(21,954,827)	(66,556,176)	(62,504,447)	(580,846)	(63,085,293)
Closing balance as at 31 March 2017	2,800,000,000	3,274,182,000	119,132,280	3,019,908,412	(23,841,802)	701,719,893	52,960,368	(33,307,862)	19,652,506	9,910,753,289	13,546,086	9,924,299,375

Eastern Polymer Group Public Company Limited
Statement of Changes in Equity
For the year ended 31 March 2018

Consolidated financial statements (Baht)												
Notes	Authorised, issued and fully paid-up share capital	Premium on share capital	Appropriated - legal reserve	Unappropriated	Retained earnings			Attributable to owners of the parent				
					Remeasurements of post-employment benefit obligations	Surplus from business combination under common control	Other components of equity					Non- controlling Interests
							Translation differences	Share of other comprehensive income (loss) of associates	Total other components of equity	Total owners of the parent	Total equity	
Opening balance as at 1 April 2017	2,800,000,000	3,274,182,000	119,132,280	3,019,908,412	(23,841,802)	701,719,893	52,960,368	(33,307,862)	19,652,506	9,910,753,289	13,546,086	9,924,299,375
Changes in equity for the year												
Legal reserve	-	-	35,313,768	(35,313,768)	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	(699,987,210)	-	-	-	-	-	(699,987,210)	-	(699,987,210)
Investments in subsidiary of non-controlling interests	-	-	-	-	-	-	-	-	-	-	8,000,000	8,000,000
Net profit for the year	-	-	-	990,960,751	-	-	-	-	-	990,960,751	2,249,400	993,210,151
Total other comprehensive income for the year	-	-	-	-	3,118,228	-	(96,318,867)	(9,978,060)	(106,296,927)	(103,178,699)	290,360	(102,888,339)
Closing balance as at 31 March 2018	2,800,000,000	3,274,182,000	154,446,048	3,275,568,185	(20,723,574)	701,719,893	(43,358,499)	(43,285,922)	(86,644,421)	10,098,548,131	24,085,846	10,122,633,977

Eastern Polymer Group Public Company Limited
Statement of Changes in Equity
For the year ended 31 March 2018

		Separate financial statements (Baht)					
		Retained earnings					Total equity
		Authorised, issued and fully paid-up share capital	Premium on share capital	Appropriated - legal reserve	Unappropriated	Gain (loss) on measurement of post-employment benefit obligations	
Notes							
	Opening balance as at 1 April 2016	2,800,000,000	3,274,182,000	85,058,393	440,722,232	(3,640,779)	6,596,321,846
	Changes in equity for the year						
31	Legal reserve	-	-	34,073,887	(34,073,887)	-	-
32	Dividend paid	-	-	-	(615,980,186)	-	(615,980,186)
	Net profit for the year	-	-	-	730,490,276	-	730,490,276
	Total comprehensive income for the year	-	-	-	-	2,722,473	2,722,473
	Closing balance as at 31 March 2017	2,800,000,000	3,274,182,000	119,132,280	521,158,435	(918,306)	6,713,554,409
	Opening balance as at 1 April 2017	2,800,000,000	3,274,182,000	119,132,280	521,158,435	(918,306)	6,713,554,409
	Changes in equity for the year						
31	Legal reserve	-	-	35,313,768	(35,313,768)	-	-
32	Dividend paid	-	-	-	(699,987,210)	-	(699,987,210)
	Net profit for the year	-	-	-	1,059,043,731	-	1,059,043,731
	Total comprehensive income for the year	-	-	-	-	(442,291)	(442,291)
	Closing balance as at 31 March 2018	2,800,000,000	3,274,182,000	154,446,048	844,901,188	(1,360,597)	7,072,168,639

Eastern Polymer Group Public Company Limited

Statement of Cash Flows

For the year ended 31 March 2018

	Notes	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
Cash flows from operating activities:					
Profit before income tax		1,063,514,134	1,443,969,598	1,058,959,370	734,065,102
Adjustments					
(Reversal of) allowance for doubtful accounts	8	3,595,267	(11,542,978)	(1,206,280)	(224,345)
(Reversal of) allowance for obsolete and slow-moving inventories	9	(2,335,635)	(27,175,756)	-	-
(Reversal of) allowance for inventories cost in excess of net realisable value	9	1,398,017	3,669,177	-	-
Net (gain) loss on exchange rates					
- Realised	25	171,630	1,554,740	-	-
- Unrealised	25, 40 d)	(7,284,158)	(4,422,888)	3,228,400	904,300
Share of (profit) from investments in associates	13 b)	(245,119,706)	(246,332,342)	-	-
Depreciation					
- Investment properties	16	-	-	8,457,490	8,742,041
- Property, plant and equipment	17	588,614,817	560,897,147	5,992,751	6,650,141
(Reversal of) provision for impairment property, plant and equipment	17	-	(685,964)	-	-
Amortisation	18, 20	54,803,495	57,069,795	67,143	52,460
Net loss on write-off of property, plant and equipment	35	683,498	17,248	-	-
Net (gain) loss on disposals of property, plant and equipment					
- Investment properties		-	-	-	7,941
- Property, plant and equipment		(4,892,958)	(8,887,144)	15,492	20,707
Reversal of trade accounts payable	34	-	(822,496)	-	-
Employee benefit obligations	29	16,561,663	12,784,465	1,147,082	941,981
Dividend income					
- Associates	40 b)	-	-	(97,560,000)	(146,070,000)
- Subsidiaries	40 b)	-	-	(961,999,785)	(570,999,919)
Interest income	34	(6,165,024)	(6,550,658)	(38,381,135)	(45,644,395)
Loss from fire damage	35	-	1,723,155	-	-
Finance costs	37	(11,972,332)	55,205,920	14,731	46,914
		<u>1,451,572,708</u>	<u>1,830,471,019</u>	<u>(21,264,741)</u>	<u>(11,507,072)</u>

Eastern Polymer Group Public Company Limited

Statement of Cash Flows

For the year ended 31 March 2018

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
Changes in working capital					
(excluding the effects of acquisition of subsidiaries)					
(Increase) decrease in operating assets					
Trade and other accounts receivable		91,056,985	(234,916,088)	1,751,764	17,943,292
Inventories		(165,153,340)	189,264,166	-	-
Value added tax		56,508,753	(23,580,527)	95,514	87,404
Other current assets		(2,622,829)	(6,120,820)	-	-
Other non-current assets		(7,993,947)	(1,397,081)	(20,000)	-
Increase (decrease) in operating liabilities					
Trade and other accounts payable		124,330,192	144,820,319	931,269	1,847,834
Other current liabilities		(12,031,595)	1,937,295	47,133	(64,379)
Employee benefit obligations paid	29	(4,722,940)	(2,765,364)	-	-
Cash generated from (used in) operating activities					
Before interest income received, finance costs paid and income tax paid		1,530,943,987	1,897,712,919	(18,459,061)	8,307,079
Interest income received		6,350,816	6,078,637	37,747,381	47,044,160
Finance costs paid - interest expense		13,837,549	(55,072,472)	(14,731)	(36,555)
Income tax received		5,123,968	-	-	-
Income tax paid		(58,341,741)	(85,192,695)	(3,693,261)	(3,315,831)
Net cash generated from operating activities		1,497,914,579	1,763,526,389	15,580,328	51,998,853

Eastern Polymer Group Public Company Limited

Statement of Cash Flows

For the year ended 31 March 2018

		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
	Notes	Baht	Baht	Baht	Baht
Cash flows from investing activities					
(Increase) decrease in advance for shares					
subscription to associates	13 a)	-	(15,935,793)	-	-
(Increase) decrease in restricted deposits					
at financial institutions	12	301,237	(1,533,680)	-	3,500,000
Cash paid for purchase of investments in associates	13 b)	(16,186,792)	(30,989,555)	-	-
Net cash paid for purchase of assets					
as business acquisition	14.4	(200,409,675)	-	-	-
Cash paid for purchase of investments in other company	13	(1,237,425)	-	-	-
Cash paid for purchase of					
- property, plant and equipment		(543,373,687)	(624,966,354)	(1,293,166)	(897,346)
- intangible assets		(47,271,684)	(40,038,352)	(62,500)	(68,060)
Cash received from disposals of					
- property, plant and equipment		39,291,548	92,433,805	314,660	694,832
- investment property		-	-	-	3,640
Short-term loans to related parties					
- Proceeds	40 c)	-	-	(2,253,700,100)	(1,592,200,200)
- Repayments	40 c)	-	-	2,316,300,100	1,559,200,200
Long-term loans to related parties					
- Proceeds	40 d)	-	-	-	(35,190,000)
Dividend receipts from investments in					
- associates		119,605,473	168,751,172	97,020,000	162,000,000
- subsidiaries		-	-	605,599,866	505,399,927
Net cash generated from (used in) investing activities		(649,281,005)	(452,278,757)	764,178,860	602,442,993

Eastern Polymer Group Public Company Limited
Statement of Cash Flows
For the year ended 31 March 2018

		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
	Notes	Baht	Baht	Baht	Baht
Cash flows from financing activities					
Increase (decrease) in bank overdrafts and					
short-term loans from financial institutions	23	248,777,640	(282,242,640)	-	(65,967)
Short-term loans from related parties					
- Proceeds	40 e)	-	5,230,900	-	-
- Repayments	40 e)	(4,641,816)	(9,624,856)	-	-
Long-term loans from financial institutions					
- Proceeds	25	108,400,000	53,000,000	-	-
- Repayments	25	(332,632,130)	(357,071,540)	-	-
Finance lease liabilities payments		(9,069,842)	8,882,397	-	(517,182)
Dividends paid	32	(699,987,210)	(615,980,186)	(699,987,210)	(615,980,186)
Proceeds from investment in non-controlling interests	33	8,000,000	9,207,000	-	-
Net cash generated from (used in) financing activities		(681,153,358)	(1,188,598,925)	(699,987,210)	(616,563,335)
Net increase (decrease) in cash and cash equivalents		167,480,216	122,648,707	79,771,978	37,878,511
Exchange gains (losses) on cash and cash equivalents		(38,531,063)	(32,702,282)	-	-
Cash and cash equivalents at the beginning of the period		368,943,537	278,997,112	147,809,410	120,521,503
Cash and cash equivalents at the end of the period	7	497,892,690	368,943,537	227,581,388	158,400,014

Eastern Polymer Group Public Company Limited**Statement of Cash Flows****For the year ended 31 March 2018**

		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
	Notes	Baht	Baht	Baht	Baht
Non-cash transactions:					
Dividend receivable - associates	8	11,610,000	33,655,473	11,610,000	11,070,000
- subsidiaries	8	-	-	721,999,865	365,599,946
Fixed asset receivable	8				
- other companies		-	120,000	-	-
- associate companies		4,073,075	2,091,342	-	-
Fixed assets payable	24				
- other companies		36,167,591	46,847,649	41,522	61,690
- related companies		53,928	984,400	-	-
Retention payable	24	3,085,033	3,872,900	-	-
Fixed asset payable from purchase of asset					
under finance lease during the period		6,618,989	11,710,006	-	-
Reclassify of short-terms loan to					
long-terms loan to subsidiaries	40 c), 40 d)	-	-	(900,000,000)	-

Eastern Polymer Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 March 2018

1 General information

Eastern Polymer Group Public Company Limited (“the Company”) was incorporated as a limited company in Thailand on 7 March 1978 and subsequently registered to convert to a public company limited on 15 August 2013, according to letter from the Stock Exchange of Thailand (SET) at Bor. Jor 1067/2557 dated 23 December 2014. As a result, the Company registered to change its name from “Eastern Polymer Industry Company Limited” to “Eastern Polymer Group Public Company Limited” with the Ministry of Commerce. The Company is listed on the Stock Exchange of Thailand on 24 December 2014. The Company uses “EPG” as a name for trading in Stock Exchange of Thailand. The address of its registered offices are as follows:

Head office : 770 Moo 6, Theparak Road, Theparak, Muang Samutprakarn, Samutprakarn
 Factory 1 : 1721 - 1722 Moo 6, Theparak Road, Theparak, Muang Samutprakarn, Samutprakarn
 (The Company registered to decrease the factory to Ministry of Commerce on 27 March 2017).
 Factory 2 : 111/7 Moo 2, Makhamkoo, Nikom Pattana, Rayong
 Factory 3 : 48, Soi Bangna-Trad, Bangna, Bangna, Bangkok

For reporting purposes the Company and its subsidiaries are referred to as the Group. The Company's principal business operation is investing in other companies. The Company's subsidiaries' principal business operation is described in Note 14. Before the year 2013, the Company's principal business operations were the manufacture and distribution of rubber pipe, synthetic rubber, plastic sheet, aero duct, insulation tape, rubber seal and other rubber products.

The Group consolidated and separate financial statements were authorised for issue by the authorised directors on 28 May 2018.

2 Accounting policies

The principal accounting policies adopted in the preparation of these consolidated and separate financial statements are set out below:

2.1 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E.2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention except where otherwise disclosed in the accounting policies.

The preparation of the consolidated and company financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and separate financial statements are disclosed in Note 4.

An English version of the consolidated and separate financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

Eastern Polymer Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 March 2018

2 Accounting policies (Cont'd)

2.2 Revised accounting and financial reporting standards

2.2.1 Revised accounting and financial reporting standards are effective on or after 1 January 2017 which are relevant and do not have a significant impact to the Group are as follows:

TAS 27 (revised 2016)	Separate financial statements
TAS 28 (revised 2016)	Investments in associates and joint ventures
TAS 38 (revised 2016)	Intangible assets
TFRS 11 (revised 2016)	Joint arrangements

TAS 27 (revised 2016), the amendments allow an entity a policy choice to account for investments in subsidiaries, joint ventures and associates in its separate financial statements using the equity method as described in TAS 28 (revised 2016) in addition to measurement at cost or at fair value (when announced) previously allowed. The election can be made independently for each category of investment (subsidiaries, joint ventures and associates). Entities wishing to change to the equity method must do so retrospectively.

TAS 28 (revised 2016), the significant change is the amendments allow an entity which is not an investment entity, but has an interest in an associate or joint venture which is an investment entity, a policy choice when applying the equity method of accounting. The entity may choose to retain the fair value measurement applied by the investment entity associate or joint venture, or to unwind the fair value measurement and perform a consolidation at the level of the investment entity associate or joint venture.

TAS 38 (revised 2016), the amendments include a rebuttable presumption that the amortisation of intangible assets based on revenue is inappropriate. This presumption can be overcome if either the intangible asset is expressed as a measure of revenue (i.e. where a measure of revenue is the limiting factor on the value that can be derived from the asset), or it can be shown that revenue and the consumption of economic benefits generated by the asset are highly correlated.

TFRS 11 (revised 2016), the amendments clarify that 1) the accounting for the acquisition of an interest in a joint operation where the activities of the operation constitute a business. They require an investor to apply the principles of business combination accounting and 2) existing interests in the joint operation are not remeasured on acquisition of an additional interest, provided joint control is maintained.

The Group's management assessed and considered that the above revised accounting and financial reporting standards are not have a material impact on the Group and the Company.

2.2.2 Revised accounting and financial reporting standards are effective for annual periods beginning on or after 1 January 2018 which have significant changes and are relevant to the Company. The Company has not yet adopted these revised standards are as follows:

TAS 7 (revised 2017)	Statement of Cash Flows
TAS 12 (revised 2017)	Income taxes
TFRS 12 (revised 2017)	Disclosure of interests in other entities

TAS 7 (revised 2017), the amendments require additional disclosure of changes in liabilities arising from financing activities. This includes changes arising from cash and non-cash.

TAS 12 (revised 2017), the amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. Specifically, the amendments confirm that:

Eastern Polymer Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 March 2018

2 Accounting policies (Cont'd)

2.2 Revised accounting and financial reporting standards (Cont'd)

2.2.2 Revised accounting and financial reporting standards are effective for annual periods beginning on or after 1 January 2018 which have significant changes and are relevant to the Company. The Company has not yet adopted these revised standards are as follows: (Cont'd)

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
- An entity can assume that it will recover an amount higher than the carrying amount of an asset to estimate its future taxable profit.
- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profits.

TFRS 12 (revised 2017), the amendments clarify that the disclosure requirements of TFRS 12 apply to interests in entities that are classified as held for sale in the scope of TFRS 5 (revised 2017), except for the summarised financial information.

The Group's management assessed and considered that the above revised standards will not have a material impact on the Group and the Company except for disclosure.

2.2.3 The FAP has announced new standard, TFRS15 Revenue from contracts with customers. This standard will become effective for annual periods beginning on or after 1 January 2019. The Group has not yet adopted this revised standard.

TFRS 15 will replace the following standards and interpretations

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

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.

A new five-step process must be applied before revenue can be recognised:

- 1) identify contracts with customers
- 2) identify the performance obligations in the contract
- 3) determine the transaction price of the contract
- 4) allocate the transaction price to each of the separate performance obligations, and
- 5) recognise the revenue as each performance obligation is satisfied.

Eastern Polymer Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 March 2018

2 Accounting policies (Cont'd)

2.2 Revised accounting and financial reporting standards (Cont'd)

2.2.3 The FAP has announced new standard, TFRS15 Revenue from contracts with customers. This standard will become effective for annual periods beginning on or after 1 January 2019. The Group has not yet adopted this revised standard. (Cont'd)

Key changes to current practice are:

- Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements
- Revenue may be recognised earlier than under current standards if the consideration varies for any reasons (such as for incentives, rebates, performance fees, royalties, success of an outcome etc) - minimum amounts must be recognised if they are not at significant risk of reversal
- The point at which revenue is able to be recognised may shift: some revenue which is currently recognised at a point in time at the end of a contract may have to be recognised over the contract term and vice versa
- There are new specific rules on licenses, warranties, non-refundable upfront fees and, consignment arrangements
- As with any new standard, there are also increased disclosures.

Entities will have a choice to apply this standard retrospectively in accordance with TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, subject to the expedients or retrospectively with the cumulative effect recognised as an adjustment to the opening balance of retained earnings of the annual reporting period that includes the date of initial application with additional disclosures.

The Group's management is currently assessing the impact of initial adoption of this standard.

2.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Thai Baht, which is the Group's functional and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.

Eastern Polymer Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 March 2018

2 Accounting policies (Cont'd)

2.3 Foreign currency translation (Cont'd)

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each statement of comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.4 Cash and cash equivalents

In the consolidated and company statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with maturities of three months or less from date of acquisition and are not used as collateral.

In the consolidated and company statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

2.5 Trade accounts receivable

Trade accounts receivable are recognised initially at original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful accounts based on a review of all outstanding amounts at the year-end. The amount of the allowance is the differences between the carrying amount of receivable and the amount expected to be collected. Bad debts are recognised in the profit or loss within administrative expenses.

2.6 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost of raw material, work in process, finished goods, and supplies being determined on the first-in, first-out method. Cost of machine being determined on the specific identification method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses. The amount of any write down of inventories to net realisable value is recognised as an expense in the period the write down occurs and presented as cost of goods sold.

2.7 Group Accounting - Investments in subsidiaries and associates

a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Eastern Polymer Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 March 2018

2 Accounting policies (Cont'd)

2.7 Group Accounting - Investments in subsidiaries and associates (Cont'd)

a) Subsidiaries (Cont'd)

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurements are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains or loss on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the company's separated financial statements, investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

A list of the Group's subsidiaries is set out in Note 14.

b) Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

c) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

Eastern Polymer Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 March 2018

2 Accounting policies (Cont'd)

2.7 Group Accounting - Investments in subsidiaries and associates (Cont'd)

d) Business combination under common control

The Group accounts for business combination under common control by measuring acquired assets and liabilities of the acquiree in the proportion of interests under common control at the carrying values of the acquiree presented in the highest level of the consolidation prior to the business combination under common control at the acquisition date. The Group retrospectively adjusted the business combination under common control transactions as if the combination occurred from the beginning of period of which the financial statements in the previous period are comparatively presented in accordance with the guidance of business combination under common control as issued by the Federation of Accounting Professions.

Costs of business combination under common control are the aggregated amount of fair value of assets transferred, liabilities incurred and equity instruments issued by the acquirer at the date of which the exchange in control occurs. Other costs directly attribute to business combination under common control, such as professional fees of legal advisors and other advisors, registration fees, and costs relating to preparation of information for shareholders, are capitalised as an investment in the separate financial statements while immediately recognised as expenses in the consolidated financial statements in the period of which the business combination occurs.

The difference between costs of business combination under common control and the acquirer's interests in the carrying value of the acquiree is presented as "Surplus arising from business combination under common control" in equity and is derecognised when the investment is disposed (transfer to retained earnings).

e) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting.

2.8 Other investments

Investments other than investments in subsidiaries, associates and joint arrangements are classified into the following three categories: (1) available-for-sale investments (2) held-to-maturity investments and (3) general investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

- (1) Available-for-sale investments are investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale; and are included in non-current assets unless management has expressed the intention of holding the investment for less than 12 months from the statement of financial position date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.
- (2) Held-to-maturity investments are investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets, except for maturities within 12 months from the statement of financial position date which are classified as current assets.
- (3) General investments are investments in non-marketable equity securities.

Investments are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost.

Available-for-sale investments are subsequently measured at fair value. The fair value of available-for-sale investments is based on quoted bid price at the close of business on the statement of financial position date by reference to the Thai Bond Dealing Center. The unrealised gains and losses of available-for-sale investments are recognised in other comprehensive income.

Eastern Polymer Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 March 2018

2 Accounting policies (Cont'd)

2.8 Other investments (Cont'd)

Held-to-maturity investments are carried at amortised cost using the effective yield method less impairment loss.

General investments are carried at cost less impairment loss.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is greater than its recoverable amount, impairment loss is charged to profit or loss.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss. When disposing of part of the Company's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

2.9 Investment Property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Land and buildings held under operating leases is classified and accounted for by the Group as investment property when the rest of the definition of investment property is met.

Investment property is measured initially at its cost, including related transaction costs and borrowing costs. Borrowing costs are incurred for the purpose of acquiring, constructing or producing a qualifying investment properties are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway and cease once the asset is substantially complete, or suspend if the development of the asset is suspended.

After initial recognition, investment property is carried at cost less any accumulated depreciation and any accumulated impairment losses.

Land is not depreciated. Depreciation on other investment properties is calculated using the straight line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Plant buildings and building improvement	10 to 30 Years
Facility systems	5 to 25 Years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Eastern Polymer Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 March 2018

2 Accounting policies (Cont'd)

2.10 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and allowance for impairment of assets. Initial cost included other direct cost related to assets acquisition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Land has not been depreciated. Depreciation of other assets is calculated using the straight-line method to write off the cost of each asset to their residual value over the estimate useful lives as follows:

Land improvement	10 Years
Plant buildings, building improvement and utilities systems	5 to 50 Years
Machinery, molds and equipment	5 to 20 Years
Factory equipment and tools	10 Years
Office equipment and tools	3 to 15 Years
Motor vehicles	5 to 8 Years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of property, plant and equipment are calculated by comparing net proceeds from disposal of assets with assets' carrying amount and are taken into other income and other expenses, respectively, in the profit or loss.

2.11 Goodwill

Goodwill represents the excess of the consideration transferred over the fair value of the Group's share of the net identifiable assets, liabilities and contingent liability of the acquired subsidiary undertaking at the date of acquisition. Goodwill on acquisitions of subsidiaries is separately reported in the consolidated statement of financial position.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.

2.12 Intangible assets

Research and development

Research expenditure is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will be a success considering its commercial and technological feasibility, and only if the cost can be measured reliably. Other development expenditure is recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Development costs that have been capitalised are amortised from the commencement of the commercial production of the product on a straight-line basis over the period of its expected benefit, not exceeding 5 and 10 years.

Eastern Polymer Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 March 2018

2 Accounting policies (Cont'd)

2.12 Intangible assets (Cont'd)

Patents

Acquired patents are shown at historical cost. Patents have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of patents over their estimated useful lives of 8 to 10 years.

Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an intangible asset in a subsequent period.

Computer software development costs recognised as intangible assets are amortised using the straight-line method over their estimated useful lives, which does not exceed 3 and 10 years.

Trademarks and licences

Separately acquired trademarks and licences are shown at historical cost. Trademarks and licences acquired in a business combination are recognised at fair value at the acquisition date. Trademarks and licences have a finite useful life and are carried at cost less accumulated amortisation and allowance for impairment. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licences over their estimated useful lives of 10 and 15 years.

Customer relationships

Customer relationships acquired in a business combination are recognised at fair value at the acquisition date. Customer relationships have a finite useful life and are carried at cost less accumulated amortisation and allowance for impairment. Amortisation is calculated using the straight-line method over the estimated useful life of 7 years.

The intangible assets residual values and useful lives are reviewed, at the end of each reporting period.

2.13 Land leasehold right

Acquired land leasehold right is identifiable and is recorded at the acquisition cost and other cost paid for the land to be ready to use. The cost is amortised over the estimated useful life of 50 years.

Eastern Polymer Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 March 2018

2 Accounting policies (Cont'd)

2.14 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

The capitalisation rate used to determine the amount of borrowing cost to be capitalised is a weighted average interest rate applicable to the outstanding borrowings during the year. Where funds are borrowed specifically for the acquisition, construction or production of assets, the amount of borrowing costs eligible for capitalisation on the asset is determined at the actual borrowing cost incurred on the borrowing during the period less any investment income on the temporary investments of those borrowings.

2.15 Impairment of assets

Assets that have an indefinite useful life, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.16 Borrowings

Borrowings are recognised initially at the proceeds received (net of transaction costs incurred). In subsequent periods, borrowings are stated at amortised cost using the effective yield method. Any difference between proceeds (net transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

2.17 Accounting for long-term leases

Finance leases - where the Group is the lessee

Leases of assets where the lessee has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated to principal and to finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance charge is charged to the profit or loss over the lease period. The assets acquired under finance lease is depreciated over the shorter of the useful life of the asset or lease term.

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Notes to the Consolidated and Separate Financial Statements
For the year ended 31 March 2018

2 Accounting policies (Cont'd)

2.17 Accounting for long-term leases (Cont'd)

Operating leases - where the Group is the lessee

Leases where the lessor has substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Operating leases - where the Group is the lessor

Assets leased out under operating leases are included in investment properties in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with the Group's investment properties. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

2.18 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the Group's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in subsidiaries and associates and joint arrangements, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.19 Employee benefits

The Group recognises a liability and an expense for bonuses and employee benefit obligations. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

The Group's employee benefits comprise of defined contribution plans and defined benefit plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity through trustee-administered funds. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Eastern Polymer Group Public Company Limited
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2 Accounting policies (Cont'd)

2.19 Employee benefits (Cont'd)

A defined benefit plan comprise of retirement benefit and long service award. Typically defined benefit plan defined an amount of pension benefit that an employee will receive which usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period and adjusted with unrecognised past-service costs. The defined benefit obligation is calculated using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in profit or loss.

2.20 Provident fund

The Group established a contributory registered provident fund, in accordance with the Provident Fund Act B.E. 2530 by joining a registered - pooled fund which was approved by Ministry of Finance. The fund is held in a separate trustee - administered fund.

Under the provident fund plan. The employees who are member of the provident fund must contribute 3 to 15 percent of their basic salary and the Group also contributes 3 to 5 percent of the employees' basic salary. The fund appointed a fund manager to manage the fund in accordance with the terms and conditions prescribed in the Ministerial Regulations issued under the Provident Fund Act B.E. 2530.

The Group's contributions to the provident fund are charged to the statement of comprehensive income in the year to which they relate.

2.21 Provisions - general

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense (if any).

Provisions exclude the provisions for employee benefits. The accounting policy for employee benefit is mentioned in note 2.19

Eastern Polymer Group Public Company Limited
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For the year ended 31 March 2018

2 Accounting policies (Cont'd)

2.22 Financial assets and financial liabilities

Financial assets carried on the statement of financial position include cash and cash equivalents, temporary investment at financial institutions, trade and other accounts receivable, short-term and long-term loans to related companies, certain parts of other current assets, restricted deposits at financial institutions, and other non-current assets. Financial liabilities carried on the statement of financial position include bank overdrafts and short-term loans from financial institutions, trade and other accounts payable, short-term loans from related parties, certain parts of other current liabilities, long-term loans from financial institutions and finance lease liabilities. The particular recognition methods adopted are disclosed in the individual accounting policy statements associated with each item.

2.23 Share capital

Ordinary shares with discretionary dividends are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.24 Revenue recognition

Revenue comprises the fair value for consideration received or receivable for the sale of goods and service in the ordinary course of the Group's activities. Revenue is shown net of valued-add tax, returns, rebates and discounts and after eliminating sales within the Group. Revenue from sale of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer. Services income is recognised as revenue in the period in which they are rendered.

Other revenues are recognised on the following basis:

- Dividend income is recognised when the Group's right to receive dividend is established.
- Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group.
- Rental income is recognised by using straight line method over the contractual period.
- Scrap income is recognised when the scrap is actually sold.
- Other income is recognised when the Group has right to receive.

2.25 Finance costs

Finance costs comprise interest expense from borrowings from financial institutions, borrowings from related parties, interest expense from finance lease liabilities, bank charge and net gain (loss) on exchange rate from foreign currencies borrowings.

2.26 Dividends

Dividends and interim dividends are recorded in the consolidated and company financial statements in the period in which they are approved by the shareholders and board of directors, respectively.

2.27 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Board of Directors that makes strategic decisions.

The Group's principle business operations are rubber insulation, automotive plastics, packaging plastics which operate in domestic and overseas. There has been presented segment information by those businesses.

The strategic steering committee assesses the performance of the operating segments based on revenues from segment. Interest income and expenditure are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Group.

Eastern Polymer Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
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3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by the finance department under policies approved by the Board of Directors. The finance department identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The finance department provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk and credit risk.

3.1.1 Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

As at 31 March 2018 and 2017, the Group has outstanding balances of financial assets and liabilities as follows:

Currency	Consolidated					
	2018			2017		
	Amount		Average exchange rate as at 31 March	Amount		Average exchange rate as at 31 March
	Financial assets	Financial liabilities		Financial assets	Financial liabilities	
US dollar	9,111,395	8,499,040	31.23	8,148,069	12,478,125	34.45
Euro	1,385,078	673,529	38.44	1,337,716	1,027,931	36.79
Singapore dollar	52,822	-	23.82	121,454	-	24.65
Australian dollar	12,408,323	18,786,289	23.98	10,659,727	15,967,234	26.35
Yen	139,238,623	-	0.29	242,041,904	6,048,000	0.31
Renminbi	23,153,607	15,536,074	4.98	29,556,651	19,768,697	5.01
Swiss franc	188,561	-	32.69	-	-	-
British pound	-	165,950	43.83	-	4,562	43.02
Taiwan dollar	5,870	-	1.07	5,870	-	1.14
Hong Kong dollar	600	-	3.98	600	-	4.43
Won	-	-	-	37,000	-	0.03
Ringgit	2,335,487	280,553	8.10	2,976,142	267,768	7.79
United Arab Emirates Dirham	143,505	41,433	8.50	64,230	1,668	9.38
Hungary	136,859,727	-	0.12	-	-	-
South Africa	-	40,438	2.64	-	-	-

Currency	Separate					
	2018			2017		
	Amount		Average exchange rate as at 31 March	Amount		Average exchange rate as at 31 March
	Financial assets	Financial liabilities		Financial assets	Financial liabilities	
US dollar	1,000,000	-	31.23	1,000,000	-	34.45

3.1.2 Interest rate risk

The Group exposes to interest rate risk relates primarily to their cash at financial institutions, loans to bank overdrafts, finance lease liabilities and borrowings bearing interest. However, since most of the financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the current market rate, the interest rate risk is expected to be minimal.

3 Financial risk management (Cont'd)

3.1 Financial risk factors (Cont'd)

3.1.2 Interest rate risk (Cont'd)

Outstanding balances of financial assets and financial liabilities and interest rate as at 31 March 2018 and 2017 as follows:

	2018													
	Consolidated financial statements						Separate financial statements							
	Fixed interest rate			Floating interest rate	Non-interest bearing	Interest (%)	Fixed interest rate			Floating interest rate	Non-interest bearing	Interest (%)		
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Within 1 year Baht	1 - 5 years Baht		Over 5 years Baht	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Within 1 year Baht		1 - 5 years Baht	Over 5 years Baht
Financial assets														
Cash and cash equivalents	-	-	-	284,453,492	213,439,198	497,892,690	0.04 - 1.50	-	-	-	226,596,849	984,539	227,581,388	0.50 - 1.10
Trade and other accounts receivable (net)	-	-	-	-	1,699,885,061	1,699,885,061	-	-	-	-	-	741,354,237	741,354,237	-
Short-term loans to related companies	-	-	-	-	-	-	-	-	-	-	-	-	769,200,000	2.00
Restricted deposits at financial institutions	269,608,552	-	-	-	-	269,608,552	0.55 - 2.55	1,500,000	-	-	-	-	1,500,000	1.20
Long-term loans to related companies	-	-	-	-	-	-	-	-	931,057,300	-	-	-	931,057,300	3.00 - 4.00
	269,608,552	-	-	284,453,492	1,913,324,259	2,467,386,303		770,700,000	931,057,300	-	226,596,849	742,338,776	2,670,692,925	
Financial liabilities														
Bank overdrafts and short-term loans	569,319,889	-	-	270,585,040	-	839,904,929	1.00 - 7.70	-	-	-	-	-	-	-
Trade and other accounts payable	-	-	-	-	1,293,830,456	1,293,830,456	-	-	-	-	-	13,372,164	13,372,164	-
Short-term loans from related parties	-	-	-	-	13,503,984	13,503,984	-	-	-	-	-	-	-	-
Current portion of														
- long-term loans from financial institutions	81,252,500	-	-	199,100,000	-	280,352,500	4.00 - 5.00	-	-	-	-	-	-	-
- finance lease liabilities (net)	5,822,878	-	-	-	-	5,822,878	4.57	-	-	-	-	-	-	-
Long-term loans from financial institutions	-	108,628,750	-	223,300,000	-	331,928,750	4.00 - 5.00	-	-	-	-	-	-	-
Finance lease liabilities (net)	-	4,364,909	-	-	-	4,364,909	4.57	-	-	-	-	-	-	-
	656,395,287	112,993,659	-	692,985,040	1,307,334,440	2,769,708,406		-	-	-	-	13,372,164	13,372,164	

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3 Financial risk management (Cont'd)

3.1 Financial risk factors (Cont'd)

3.1.2 Interest rate risk (Cont'd)

Outstanding balances of financial assets and financial liabilities and interest rate as at 31 March 2018 and 2017 as follows: (Cont'd)

2017

	Consolidated financial statements							Separate financial statements						
	Fixed interest rate			Floating interest rate				Fixed interest rate			Floating interest rate			
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht	Interest (%)	Non-interest bearing rate Baht	Total Baht	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht	Interest (%)	Non-interest bearing rate Baht	Total Baht
Financial assets														
Cash and cash equivalents	-	-	-	368,943,537	0.04 - 1.45	160,502,911		-	-	-	145,038,293		2,771,117	147,809,410
Trade and other accounts receivable (net)	-	-	-	1,733,599,852	-	1,733,599,852		-	-	-	-		384,326,048	384,326,048
Short-term loans to related companies	-	-	-	-	-	-		1,731,800,000	-	-	-		-	1,731,800,000
Restricted deposits at financial institutions	269,909,789	-	-	269,909,789	0.55 - 2.25	-		1,500,000	-	-	-		-	1,500,000
Long-term loans to related companies	-	-	-	-	-	-		-	34,285,700	-	-		-	34,285,700
	269,909,789	-	-	2,372,453,178		1,894,102,763		1,733,300,000	34,285,700	-	145,038,293		387,097,165	2,299,721,158
Financial liabilities														
Bank overdrafts and short-term loans from financial institutions	466,227,044	-	-	591,127,289	1.00 - 7.70	-		-	-	-	-		-	-
Trade and other accounts payable	-	-	-	1,142,417,193	-	1,142,417,193		-	-	-	-		12,401,064	12,401,064
Short-term loans from related parties	-	-	-	18,277,069	-	18,277,069		-	-	-	-		-	-
Current portion of - long-term loans from financial institutions	251,036,100	-	-	329,754,408	4.25 - 5.00	-		-	-	-	-		-	-
- finance lease liabilities (net)	5,812,965	-	-	5,812,965	3.99 - 5.13	-		-	-	-	-		-	-
Long-term loans from financial institutions	-	-	-	513,871,500	4.25 - 5.00	-		-	-	-	-		-	-
Finance lease liabilities (net)	-	5,897,041	-	5,897,041	3.99 - 5.13	-		-	-	-	-		-	-
	723,076,109	5,897,041	-	2,607,157,465		1,160,694,262		-	-	-	-		12,401,064	12,401,064

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3 Financial risk management (Cont'd)

3.1 Financial risk factors (Cont'd)

3.1.3 Credit risk

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history.

3.1.4 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group Treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

3.2 Accounting for derivative financial instruments and hedging activities

The Group is party to derivative financial instruments, foreign currency forward contracts. Such instruments are not recognised in the financial statements on inception.

Foreign currency forward contracts protect the Group from movements in exchange rates by establishing the rate at which a foreign currency asset will be realised or a foreign currency liability settled. Any increase or decrease in the amount required to realise the asset or settle the liability is offset by a corresponding movement in the value of the forward exchange contract. The gains and losses on the derivative instruments and the underlying financial asset or liability are therefore offset for financial reporting purposes.

Disclosures about derivative financial instruments to which the Group is a party are provided in Note 41.6.

3.3 Fair value estimation

The table below analyses financial instruments carried and disclosed at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
	Level	Baht	Baht	Baht	Baht
Assets as at 31 March					
Investment properties (net) (Note 16)	2	-	-	522,556,200	533,711,200
Long-term loan to related party (Note 40 d))	2	-	-	931,057,300	34,285,700
Liabilities as at 31 March					
Long-term loan from financial institutions (Note 25)	2	610,875,563	843,206,899	-	-

Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market (over-the-counter) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Information on the fair values of investment properties, borrowings and long-term loans to related parties are included in Note 16, 25 and 40 d), respectively.

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4 Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Allowance for doubtful accounts

The Group maintains an allowance for doubtful accounts to reflect impairment of trade receivables relating to estimated losses resulting from the default or inability of customers to make required payments. The allowance is based on consideration of historical collection experience, known and identified instances of default of each customer.

Allowance for impairment of investment

In determining an allowance for impairment of investment, the managements need to make judgements and estimates the impairment loss when the indications of impairment arise. The allowance for impairment is based on the previous loss from operation of subsidiary, future expected estimated loss and other factors (Note 14 and 15).

Property, plant and equipment and depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and salvage values of the plant and equipment and to review estimate useful lives and salvage 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 loss in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenue and expenses relating to the assets subject to the review.

Goodwill and intangible assets

The initial recognition and measurement of goodwill and intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Deferred tax

Deferred tax assets come from the estimation of some temporary difference effects which is probable to utilise tax benefit. Management's estimation comes from an assumption based on an available future income and any factors or external exposures which might affect the projected future performance. The Group also considered the utilisation of the past tax losses and assessed the estimation on a conservative basis.

Employee benefit obligations

The present value of employee benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Any changes in these assumptions will have an impact on the carrying amount of employee benefit obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the employee benefit obligations. In determining the appropriate discount rate, the Group considers the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related employee benefit liability

Other key assumptions for employee benefit obligations are based in part on current market conditions. Additional information is disclosed in Note 29.

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5 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, and issue new shares or sell assets to reduce debt.

For the year ended 31 March 2018

Segment information

Categories and products which generate income are as follows :

	The consolidated statements of comprehensive income for the year ended 31 March 2018 (Baht)				
	Rubber insulation	Automotive plastics	Packaging plastics	Others	Total
					Domestic
					Overseas
Sale of goods and services					
Domestic	1,702,539,563	2,687,336,867	1,743,702,413	976,177,562	7,109,756,405
Overseas	1,048,331,494	1,789,875,159	157,436,031	204,847,323	3,200,490,007
Total sale of goods and services	2,750,871,057	4,477,212,026	1,901,138,444	1,181,024,885	10,310,246,412
Intra-group income					(695,947,594)
Total income					9,614,298,818
Segment income	1,009,525,190	1,111,879,122	370,659,771	224,666,668	2,716,730,751
Other gains (losses) - net gain (loss) on foreign exchange rate					(75,576,540)
Other income					33,822,090
Selling and administrative expenses					(1,425,185,839)
Other expenses					(205)
Share of profit from investment in associates					245,119,706
Finance costs					7,691,721
Income tax					(55,936,784)
Net profit for the year					993,210,151

Certain part of the consolidated statements of financial position as at 31 March 2018 (Baht)					
	Rubber insulation	Automotive plastics	Packaging plastics	Others	Total
Segment assets	2,374,087,461	4,323,457,866	3,439,221,618	852,724,467	10,989,491,412
Investments at equity	266,087,422	-	-	1,811,421,209	2,077,508,631
Unallocated assets					72,080,572
Consolidated total assets					13,139,080,615
Segment liabilities	491,548,641	1,471,962,802	976,161,935	76,773,260	3,016,446,638
Consolidated total liabilities					3,016,446,638

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7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Cash on hand	2,505,420	2,062,362	30,000	30,000
Cash at banks - savings accounts	284,453,492	208,440,626	226,596,849	145,038,293
- current accounts	210,933,778	158,440,549	954,539	2,741,117
	<u>497,892,690</u>	<u>368,943,537</u>	<u>227,581,388</u>	<u>147,809,410</u>

As at 31 March 2018, cash at banks - savings accounts in consolidated financial statements carry interest at the rates of 0.04% to 1.50% per annum (2017 : at the rates of 0.04% to 1.45% per annum).

8 Trade and other accounts receivable (net)

		Consolidated financial statements		Separate financial statements	
	Notes	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Trade accounts receivable					
- other companies		1,511,342,196	1,515,430,616	4,799,191	6,005,471
- related companies	40 a)	11,800,271	20,262,317	-	847,868
Trade notes receivable					
- other companies		137,347,945	142,302,287	-	-
<u>Less</u> Allowance for doubtful accounts		<u>(38,621,235)</u>	<u>(36,026,651)</u>	<u>(4,799,191)</u>	<u>(6,005,471)</u>
		<u>1,621,869,177</u>	<u>1,641,968,569</u>	<u>-</u>	<u>847,868</u>
Dividend receivable					
- associates	40 a)	11,610,000	33,655,473	11,610,000	11,070,000
- subsidiaries	40 a)	-	-	721,999,865	365,599,946
Other accounts receivable					
- other companies		2,522,582	2,866,988	6,748	-
Fixed asset receivable					
- other companies		-	120,000	-	-
- associates	40 a)	4,073,075	2,091,342	-	-
Interest receivable					
- financial institutions		1,003,755	1,189,547	13,611	18,115
- subsidiaries	40 a)	-	-	3,614,548	2,976,290
Advance payment					
- others companies		4,725,638	5,610,619	18,450	-
Prepaid expenses		19,439,561	22,181,598	3,279,677	3,060,584
Prepaid insurance		34,097,782	23,819,350	811,338	753,245
Accrued income from tax refund		543,491	96,366	-	-
		<u>1,699,885,061</u>	<u>1,733,599,852</u>	<u>741,354,237</u>	<u>384,326,048</u>

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8 Trade and other accounts receivable (net) (Cont'd)

Outstanding balance of trade accounts receivable and notes receivable as at 31 March 2018 and 2017 can be analysed as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Not overdue	1,021,407,928	968,258,259	-	-
Overdue				
1 - 90 days	537,321,879	535,081,118	-	847,868
91 - 180 days	49,110,544	101,539,757	-	-
181 - 360 days	18,594,811	28,608,055	-	-
Over 360 days	34,055,250	44,508,031	4,799,191	6,005,471
	1,660,490,412	1,677,995,220	4,799,191	6,853,339
<u>Less</u> Allowance for doubtful accounts	(38,621,235)	(36,026,651)	(4,799,191)	(6,005,471)
	<u>1,621,869,177</u>	<u>1,641,968,569</u>	<u>-</u>	<u>847,868</u>

Outstanding balance of trade accounts receivable from related companies as at 31 March 2018 and 2017 can be analysed as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Not overdue	10,585,534	16,953,474	-	-
Overdue				
1 - 90 days	1,214,737	3,044,468	-	847,868
91 - 180 days	-	264,375	-	-
181 - 360 days	-	-	-	-
	11,800,271	20,262,317	-	847,868
<u>Less</u> Allowance for doubtful accounts	-	-	-	-
	<u>11,800,271</u>	<u>20,262,317</u>	<u>-</u>	<u>847,868</u>

The movements of the allowance for doubtful accounts of trade accounts receivable - other companies for the years ended 31 March 2018 and 2017 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Allowance for doubtful accounts at the beginning of the year	(36,026,651)	(47,870,219)	(6,005,471)	(6,229,816)
Net change during the year	(3,595,267)	11,542,978	1,206,280	224,345
Translation differences	1,000,683	300,590	-	-
Allowance for doubtful accounts at the end of the year	<u>(38,621,235)</u>	<u>(36,026,651)</u>	<u>(4,799,191)</u>	<u>(6,005,471)</u>

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9 Inventories (net)

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Raw materials	859,645,816	817,218,004	-	-
Work in process	268,880,589	261,437,696	-	-
Work in process - machinery	1,051,976	-	-	-
Finished goods	1,145,108,678	973,059,124	-	-
Factory supplies	47,778,322	48,235,311	-	-
Packaging materials	30,543,643	27,016,087	-	-
Spare parts	6,381,204	8,700,843	-	-
	2,359,390,228	2,135,667,065	-	-
<u>Less</u> Allowance for obsolete and slow-moving inventories	(119,736,785)	(122,072,420)	-	-
<u>Less</u> Allowance for inventory cost in excess of net realisable value	(10,193,961)	(8,795,944)	-	-
	2,229,459,482	2,004,798,701	-	-
Goods in transit	105,508,898	73,664,083	-	-
Advance payment for goods	23,428,401	18,829,078	-	-
	2,358,396,781	2,097,291,862	-	-

Allowance for inventories cost in excess of net realisable value and allowance for obsolete and slow-moving inventories as at 31 March 2018 and 2017 comprises the following;

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Allowance for obsolete and slow-moving inventories				
- raw materials	(15,875,242)	(14,229,965)	-	-
- work in process	(2,560,257)	(1,736,506)	-	-
- finished goods	(101,301,286)	(106,105,949)	-	-
	(119,736,785)	(122,072,420)	-	-
Allowance for inventories cost in excess of net realisable value - finished goods	(9,951,312)	(8,753,517)	-	-
- work in process	(242,649)	(42,427)	-	-
	(10,193,961)	(8,795,944)	-	-
Total	(129,930,746)	(130,868,364)	-	-

As at 31 March 2018, finished goods with a value of Baht 55,159,901 (2017 : Baht 44,794,658) and work in process with a value of Baht 3,160,523 (2017 : Baht 885,309) are carried at net realisable value, this being lower than cost. During the year ended 31 March 2018, the Group reversed allowance for obsolete and slow-moving inventories amounting to Baht 2,335,635 and recognised allowance for inventories cost in excess of net realisable value amounting to Baht 1,398,017 and recognised as a part of cost of goods sold in the statement of comprehensive income (2017 : reversed allowance for obsolete and slow-moving inventories amounting to Baht 27,175,756 and recognised allowance for inventories cost in excess of net realisable value amounting to Baht 3,669,177).

The cost of inventories recognised as an expense and included in cost of goods sold amounting to Baht 4,276,782,695 (2017 : Baht 3,836,025,089) (Note 36).

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10 Value added tax

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
<u>Current assets</u>				
Value added tax refundable	20,921,622	82,943,344	-	-
Value added tax	652	280,994	-	-
Undue input tax	8,701,893	7,240,398	-	-
	<u>29,624,167</u>	<u>90,464,736</u>	<u>-</u>	<u>-</u>
<u>Current liabilities</u>				
Value added tax	<u>(9,016,210)</u>	<u>(13,348,026)</u>	<u>(389,997)</u>	<u>(294,483)</u>

11 Other current assets

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Prepaid corporate income tax	6,335,365	-	-	-
Promotional goods	7,177,670	3,391,506	-	-
Tax coupon	3,446,701	4,619,036	-	-
Others	124,800	115,800	-	-
	<u>17,084,536</u>	<u>8,126,342</u>	<u>-</u>	<u>-</u>

12 Restricted deposits at financial institutions

	Consolidated financial statements			
	2018 Currency	2018 Equivalents to Baht	2017 Currency	2017 Equivalents to Baht
Cash at banks				
- savings				
- Baht	-	100,000	-	100,000
- fixed deposits (3 months)				
- Australian dollar	100,000	2,360,860	100,000	2,597,750
- Baht	-	42,000,000	-	42,000,000
- fixed deposits (6 months)				
- Australian dollar	-	-	500,000	12,988,750
- Baht	-	124,000,000	-	124,000,000
- fixed deposits (12 months)				
- Australian dollar	683,975	16,147,692	124,080	3,223,289
- Baht	-	85,000,000	-	85,000,000
		<u>269,608,552</u>		<u>269,909,789</u>
			Separate financial statements	
			2018 Baht	2017 Baht
Cash at banks				
- savings			-	-
- fixed deposits (12 months)			1,500,000	1,500,000
			<u>1,500,000</u>	<u>1,500,000</u>

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12 Restricted deposits at financial institutions (Cont'd)

	Consolidated		Separate	
	financial statements		financial statements	
	Interest rate (% per annum)		Interest rate (% per annum)	
	2018	2017	2018	2017
Cash at banks				
- savings	1.00	1.00	-	-
- fixed deposits (3 months)	0.80 - 2.00	0.80 - 2.05	-	-
- fixed deposits (6 months)	0.55 - 1.00	0.55 - 2.70	-	-
- fixed deposits (12 months)	0.65 - 2.25	1.00 - 2.25	1.20	1.60

As at 31 March 2018 and 2017, savings and fixed deposits were used as collateral against bank overdrafts, short-term loans and long-term loans from financial institutions and letters of guarantee issued by banks (Note 23 and 25 and 41.3).

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13 Investments in associates

- a) As at 31 March 2018 and 2017, investments in associates comprise of the following:

Company name	Incorporated in	Nature of business	Currency	Paid-up share capital (Amount)		Percentage of shareholding		Consolidated financial statements		Separate financial statements		Share of Profit (loss)	
				2018	2017	2018	2017	Equity method	Cost method	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Tokai Eastern Rubber (Thailand) Ltd.	Thailand	Automotive antivibration manufacturing	Baht	152,500,000	152,500,000	20	20	1,450,728,108	1,373,218,189	45,000,000	45,000,000	160,361,271	162,179,346
Zeon Advance Polymix Co., Ltd.	Thailand	Rubber compounding service	Baht	100,000,000	100,000,000	27	27	360,693,100	315,682,758	176,000,000	176,000,000	56,620,342	52,621,008
Aerocel Construction Materials(Jiangsu) Co., Ltd.	Republic of China	Rubber insulation manufacturing	Renminbi	50,000,000	50,000,000	40	40	210,283,681	185,933,701	-	-	26,276,687	25,182,536
ALP Aeroflex India Private Ltd.	India	Rubber insulation manufacturing	Indian Rupee	290,000,000	170,000,000	40	40	55,803,742	32,969,752	-	-	1,861,406	6,349,452
								2,077,508,631	1,907,804,400	221,000,000	221,000,000	245,119,706	246,332,342

At the Board of Directors' Meeting of a subsidiary on 10 February 2017, the board of directors approved to increase in share capital of an associate of Aeroflex Co., Ltd. which is ALP Aeroflex Private Ltd. The associate increased its share capital by Rupee 120 million from the existing registered and paid-up share capital of Rupee 170 million to be Rupee 290 million registered share capital. As at 31 March 2017, the associate has not registered the share capital and the existing cash received becomes advance for share subscription for associate amounting to Rupee 30 million or equivalent to Baht 15.94 million (Note 22). During the period ended 31 March 2018, the subsidiary paid the remaining amount of the increased share capital for Rupee 30 million or equivalent to Baht 16.18 million and transferred the advance payment for share subscription mentioned above to be the investments in associates. This resulted in the total increased in investment in associates of Rupee 60 million or equivalent to Baht 32.12 million. Aeroflex Co., Ltd. has 40% shareholding in the associate in which the shareholding percentage remains unchanged after the increase in share capital.

The management of the Group has reviewed allowance for impairment of investments in associates by considering from the past performance and are expected to occur in the future including other factors (if any).

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13 Investments in associates (Cont'd)

- b) The movements in book value of investment in associates for the year ended 31 March 2018 and 2017 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Opening net book value	1,907,804,400	1,802,589,846	221,000,000	221,000,000
Share of profit - post-tax results	245,119,706	246,332,342	-	-
Transfer from advance payment for share subscription for associate (Note 40 a))	15,935,793	-	-	-
Additional investment	16,186,792	30,989,555	-	-
Dividend income	(97,560,000)	(149,571,670)	-	-
Exchange differences	(9,978,060)	(22,535,673)	-	-
Closing net book value	<u>2,077,508,631</u>	<u>1,907,804,400</u>	<u>221,000,000</u>	<u>221,000,000</u>

During the year ended 31 March 2018, the Company received dividend income from Tokai Eastern Rubber (Thailand) Ltd., and Zeon Advance Polymix Co., Ltd. in the amount of Baht 85.95 million and Baht 11.61 million respectively, totalling Baht 97.56 million.

During the year ended 31 March 2017, the Company received dividend income from Tokai Eastern Rubber (Thailand) Ltd., Zeon Advance Polymix Co., Ltd. and ALP Aeroflex India Private Ltd. in the amount of Baht 135.00 million, Baht 11.07 million and Baht 3.50 million respectively, totalling Baht 149.57 million.

b) Summarised share of profit (loss) from associates of the Group which are not listed in the Stock Exchange of Thailand and share of assets and liabilities are as follows: (Cont'd)

Summarised financial information for associates are as follows:

Summarised statements of financial position

	As at 31 March (Thousand Baht)								
	Total Eastern Rubber (Thailand) Ltd.		Zeon Advance Polymix Co., Ltd.		Aerocel Construction Material (Jiangsu) Co., Ltd.		ALP Aeroflex India Private Ltd.		Total
	2018	2017	2018	2017	2018	2017	2018	2017	
Current									
Assets	6,672,225	5,920,575	1,339,576	1,257,419	503,518	464,694	167,655	132,600	7,775,288
Liabilities	1,062,430	908,662	550,528	576,040	358,992	366,343	131,686	146,334	1,997,379
Total net current assets (liabilities)	5,609,795	5,011,913	789,048	681,379	144,526	98,351	35,969	(13,734)	5,777,909
Non-current									
Assets	1,727,840	1,921,335	557,042	496,850	381,835	367,191	121,361	108,525	2,893,901
Liabilities	83,993	67,156	10,190	9,034	-	-	8,813	4,141	80,331
Total net non-current assets	1,643,847	1,854,179	546,852	487,816	381,835	367,191	112,548	104,384	2,813,570
Net assets (liabilities)	7,253,642	6,866,092	1,335,900	1,169,195	526,361	465,542	148,517	90,650	8,591,479

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13 Investments in associates (Cont'd)

- b) Summarised share of profit (loss) from associates of the Group which are not listed in the Stock Exchange of Thailand and share of assets and liabilities are as follows: (Cont'd)

Summarised financial information for associates are as follows: (Cont'd)

Summarised of Statements of Comprehensive income

	For the year ended 31 March (Thousand Baht)							
	Tokai Eastern Rubber (Thailand) Ltd.		Zeon Advance Polymix Co., Ltd.		Aerocel Construction Material (Jiangsu) Co., Ltd.		ALP Aeroflex India Private Ltd.	
	2018	2017	2018	2017	2018	2017	2018	2017
Revenue	7,235,276	7,021,046	2,635,896	2,575,267	1,417,111	1,048,984	383,439	314,362
Expenses	(6,277,921)	(6,264,281)	(2,402,244)	(2,362,197)	(1,326,566)	(961,458)	(373,824)	(283,434)
Profit before finance cost	957,355	756,765	233,652	213,070	90,543	87,526	9,615	30,928
Finance costs	(1)	-	(113)	(183)	(1,945)	(2,501)	(4,682)	(4,211)
Profit (loss) before income tax	957,354	756,765	233,539	212,887	88,598	85,025	4,933	26,717
Income tax	(157,840)	(140,108)	(23,834)	(17,994)	(23,131)	(22,124)	(1,897)	(9,158)
Net profit (loss) for the year	799,514	616,657	209,705	194,893	65,467	62,901	3,036	17,559
Currency translation different	15,493	(22,916)	-	-	(4,817)	(33,522)	(27,875)	(11,359)
Share of other comprehensive income (loss) of associates	2,293	194,241	-	-	-	-	-	-
Other comprehensive income (loss) for the year - net of tax	17,786	171,325	-	-	(4,817)	(33,522)	(27,875)	(11,359)
Total comprehensive income for the year	817,300	787,982	209,705	194,893	60,650	29,379	(24,839)	6,200
							1,062,816	1,018,454

The information above reflects the amounts presented in the financial statements of the associates (but not The Group's share of those amounts) adjusted for differences in accounting policies between the Group and the associates.

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13 Investments in associates (Cont'd)

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of its interest in associates are as follows:

	Tokai Eastern Rubber (Thailand) Ltd.			Zeon Advance Polymix Co., Ltd.			Aerocel Construction Material (Jiangsu) Co., Ltd.			ALP Aeroflex India Private Ltd.			Total	
	2018		2017		2018		2018		2017		2018		2017	
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Opening net assets 1 April	6,866,092	6,753,110	1,169,195	1,015,302	464,835	357,926	82,424	86,663	8,582,546	8,213,001				
Profit for the period	799,514	616,657	209,705	194,893	65,467	62,901	3,036	17,559	1,077,722	892,010				
Other comprehensive income	17,786	171,325	-	-	(4,817)	(33,522)	(27,875)	(11,359)	(14,906)	126,444				
Intercompany transaction	-	-	-	-	225	56	1,618	(1,685)	1,843	(1,629)				
Addition	-	-	-	-	-	77,474	80,306	-	80,306	77,474				
Dividend paid	(429,750)	(675,000)	(43,000)	(41,000)	-	-	-	(8,754)	(472,750)	(724,754)				
Closing net assets 31 March	7,253,642	6,866,092	1,335,900	1,169,195	525,710	464,835	139,509	82,424	9,254,761	8,582,546				
Percentage of shareholding	20	20	27	27	40	40	40	40	-	-				
Interest in associates	1,450,728	1,373,218	360,693	315,683	210,194	185,911	55,157	33,643	2,076,772	1,908,455				
Intercompany transaction	-	-	-	-	90	22	647	(673)	737	(651)				
Carrying value	1,450,728	1,373,218	360,693	315,683	210,284	185,933	55,804	32,970	2,077,509	1,907,804				

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14 Investments in subsidiaries

14.1 Consolidation preparation

- 1) Subsidiaries are fully consolidated as from the date of acquisition, (being the date on which the Group obtains control), and continue to be consolidated until the date when such control ceases.
- 2) The subsidiaries have the same accounting period end as that of the Company, for which the accounting period used in consolidation preparation was from 1 April 2017 to 31 March 2018.
- 3) Non-controlling interests represent the portion of net income or loss and net assets of the subsidiaries that are not held by the Group and are presented separately in the consolidated statement of comprehensive income and within shareholders' equity in the consolidated statement of financial position.

14.2 As at 31 March 2018 and 2017, investments in subsidiaries comprise the following:

Direct subsidiaries	Incorporated in	Nature of business	Paid-up share capital (Amount)		Percentage of shareholding		Separate financial statements Cost method (Baht)		Dividend income (Baht)	
			2018	2017	2018	2017	2018	2017	2018	2017
Aeroklas Co., Ltd.	Thailand	Bedliners and covers of pickup trucks and automotive accessories manufacturing	1,800,000,000 Baht	1,800,000,000 Baht	100	100	1,799,999,980	1,799,999,980	179,999,998	125,999,999
Eastern Polypack Co., Ltd.	Thailand	Plastic packaging manufacturing	1,000,000,000 Baht	1,000,000,000 Baht	100	100	999,999,980	999,999,980	151,999,997	219,999,996
Aeroflex Co., Ltd.	Thailand	Rubber insulation manufacturing	600,000,000 Baht	600,000,000 Baht	100	100	599,999,800	599,999,800	629,999,790	224,999,925
EPG Innovation Center Co., Ltd.	Thailand	Research and development and calibration services	50,000,000 Baht	50,000,000 Baht	100	100	50,312,480	50,312,480	-	-
Aeroflex Polymer Technologies (Shanghai) Co., Ltd.	Republic of China	Rubber insulation manufacturing, import and export of machinery and chemical	8,100,000 US Dollar	8,100,000 US Dollar	100	100	313,917,509	313,917,509	-	-
							3,764,229,749	3,764,229,749	961,999,785	570,999,920

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14 Investments in subsidiaries (Cont'd)

14.2 As at 31 March 2018 and 2017, investments in subsidiaries comprise the following: (Cont'd)

Indirect Subsidiaries	Incorporated in	Nature of business	Paid-up share capital (Amount)		Cost method (Baht)				Dividend income (Baht)	
			2018	2017	2018		2017		2018	2017
					Investment	Allowance for impairment of investment	Investment (net)	Investment	Investment (net)	
APS Co., Ltd. (owned by Aeroflex Co., Ltd.)	Thailand	Manufacturing rubber for car, machinery, building and others	30,000,000 Baht	10,000,000 Baht	17,999,800	-	17,999,800	5,999,800	5,999,800	-
Aeroflex USA Inc. (owned by Aeroflex Co., Ltd.)	USA	Rubber insulation manufacturing	12,092,500 US Dollar	12,092,500 US Dollar	372,262,775	-	372,262,775	372,262,775	372,262,775	-
Aeroklas USA Inc. (owned by Aeroklas Co., Ltd.)	USA	Molded plastic parts assembling and distributing	1,000,000 US Dollar	1,000,000 US Dollar	31,924,573	(31,924,573)	-	31,924,573	(31,924,573)	-
Aeroklas Australia Pty Ltd. (owned by Aeroklas Co., Ltd.)	Australia	Molded plastic parts assembling and distributing	36,000,000 Australian Dollar	20,000,000 Australian Dollar	923,186,307	-	923,186,307	514,748,427	514,748,427	-
Aeroklas (Shanghai) Co., Ltd. (owned by Aeroklas Co., Ltd.)	Republic of China	Plastic parts injecting and moulding	4,000,000 US Dollar	4,000,000 US Dollar	124,308,336	-	124,308,336	124,308,336	124,308,336	-
Aeroklas Europe GmbH (owned by Aeroklas Co., Ltd.)	Germany	Molded plastic parts assembling and distributing	200,000 Euro	200,000 Euro	6,129,816	(3,926,408)	2,203,408	6,129,816	6,129,816	-
Aeroklas Malaysia Sdn. Bhd. (owned by Aeroklas Co., Ltd.)	Malaysia	Molded plastic parts assembling and distributing	3,000,000 Malaysian Ringgit	3,000,000 Malaysian Ringgit	17,282,790	-	17,282,790	17,282,790	17,282,790	-
TJM Products Pty. Ltd. (owned by Aeroklas Australia Pty. Ltd.)	Australia	Design and trading accessories for 4WD, light commercial and heavy transportation vehicle	445,320 Australian Dollar	445,320 Australian Dollar	547,374,939	-	547,374,939	547,374,939	547,374,939	-
TJM Off-Road Products Inc. (owned by TJM Products Pty. Ltd.)	USA	Manufacturing accessories for 4WD, light commercial and heavy transportation vehicle	100,000 US Dollar	100,000 US Dollar	2,390,564	-	2,390,564	2,390,564	2,390,564	-
TJM Products MEA DMCC (owned by TJM Products Pty. Ltd.)	United Arab Emirates	Trading accessories for 4WD, light commercial and heavy transportation vehicle	50,000 Dirham	50,000 Dirham	462,325	-	462,325	462,325	462,325	-
Flexiglass Challenge Pty. Ltd. (owned by Aeroklas Australia Pty. Ltd.)	Australia	Trading accessories for 2, 4WD, light commercial	7,164,000 Australian Dollar	-	178,570,580	-	178,570,580	-	-	-
					2,221,892,805	(35,850,981)	2,186,041,824	1,622,884,345	(31,924,573)	1,690,959,772

All subsidiaries undertaking are included in the consolidation. The proportion of the voting rights in the subsidiaries undertaking held directly by the parent company do not differ from the proportion of ordinary shares held.

The total non-controlling interest for the year ended 31 March 2018 amounting to Baht 24,085,846 (2017 : Baht 13,546,086) is not material.

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14 Investments in subsidiaries (Cont'd)

14.2 As at 31 March 2018 and 2017, investments in subsidiaries comprise the following: (Cont'd)

The net movements of investments in subsidiaries for the year ended 31 March 2018 and 2017 comprises the following:

	Separate financial statements	
	2018 Baht	2017 Baht
Opening net book value of the year	3,764,229,749	3,764,229,749
Increase in investment in subsidiaries	-	-
Closing net book value of the year	<u>3,764,229,749</u>	<u>3,764,229,749</u>

14.3 Summarised financial statements of subsidiaries with non-controlling interests

For the year ended 31 March 2018 Summarised financial statements of subsidiaries with non-controlling interests comprise 3 subsidiaries, Aeroklas Europe GmbH amounting to Baht 580,354, APS Co., Ltd. amounting to Baht 12,053,653 and Aeroklas Malaysia Sdn. Bhd. amounting to Baht 11,451,839 totalling to Baht 24,085,846. Therefore, the non-controlling interests is not material to disclosure.

14.4 Significant events

Investments in subsidiaries

APS Co., Ltd.

1) An additional investment of indirect subsidiary - APS Co., Ltd.

- At the Board of Directors' Meeting of Eastern Polymer Group Public Company Limited on 10 February 2017, the board of directors approved the indirect subsidiary - APS Co., Ltd. to increase its authorised share capital from 100,000 ordinary shares with a par value of Baht 100 per share to 300,000 ordinary shares with a par value of Baht 100 per share. The indirect subsidiary to call for an increase of 45% in paid-up ordinary shares with respect to 100,000 shares, represent of Baht 45 per share. APS Co., Ltd. received paid-up ordinary shares total Baht 4.5 million on 27 January 2017. The paid-up shares capital increased from Baht 5.5 million to Baht 10 million. The indirect subsidiary registered with Ministry of Commerce on 15 March 2017.
- As at 24 April 2017, APS Co., Ltd. received 50% of the increased 200,000 shares capital with a par value of Baht 100 per share, represent of Baht 50 per share totally amounting paid-up are Baht 10 million. The paid-up shares capital increased from Baht 10 million to Baht 20 million. The Company has 60% shareholding in the indirect subsidiary in which the holding interest will remain unchanged after the increase in authorised share capital.
- At the Board of Directors' Meeting of APS Co., Ltd. on 1 December 2017, APS Co., Ltd. received 50% ordinary shares total of the increased 200,000 shares capital with a par value of Baht 100 per share, represent of Baht 50 per share totally amounting paid-up are Baht 10 million. The paid-up shares capital increased by Baht 20 million of which the investment of the equity holders of parent is Baht 12 million and of non-controlling interest is Baht 8 million, increasing from Baht 10 million to Baht 30 million. The Company has 60% shareholding indirect subsidiary in which the holding interest will remain unchanged after the increase in authorised share capital.

As at 31 March 2018, Eastern Polymer Group Public Company Limited has the total investment in an indirect subsidiary - APS Co., Ltd. in amount of Baht 18 million.

Aeroklas Co., Ltd.

1) An additional investment of subsidiary - Aeroklas Co., Ltd.

At the Board of Directors' Meeting of Eastern Polymer Group Public Company Limited on 11 November 2016, the board of directors approved a subsidiary, Aeroklas Co., Ltd. to make a co-investment with a company by establishing a new company in Thailand to manufacture and distribute products for Aeroklas Co., Ltd. and other automotive companies. The new company will have registered share capital of Baht 25 million. Aeroklas Co., Ltd. will have 45% shareholding of the new company's share capital.

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14 Investments in subsidiaries (Cont'd)

14.4 Significant events (Cont'd)

Investments in subsidiaries (Cont'd)

Aeroklas Co., Ltd. (Cont'd)

1) An additional investment of subsidiary - Aeroklas Co., Ltd. (Cont'd)

At the Board of Directors' Meeting of Eastern Polymer Group Public Company Limited on 11 August 2017, the board of directors acknowledged the change in shareholding percentage in the new company which will be established in Thailand held by Aeroklas Company Limited. The shareholding percentage will change from 45% to 35% of the registered share capital capital.

As at 31 March 2018, the investment is in process according to the contract which is being considered by the management.

At the Board of Directors' Meeting of Eastern Polymer Group Public Company Limited on 29 May 2015, the board of directors approved the subsidiary - Aeroklas Co., Ltd., to invest in Aeroklas Malaysia Sdn. Bhd., which has registered capital of Ringgit 3,000,000 (approximately to Baht 30 million). Aeroklas Co., Ltd. will hold 70% interest in that company or Ringgit 2,100,000 (equivalent to Baht 17,282,790). The Company totally paid for the paid-up shares on 1 November 2016.

2) Allowance for impairment of investments in an indirect subsidiary - Aeroklas USA Inc.

As at 31 March 2018 and 31 March 2017, the Company's management reviewed and considered to set the allowance for impairment of investment in an indirect subsidiary - Aeroklas USA Inc. in the amount of Baht 31,924,573 which equivalent to 100% of the total investment. The allowance for impairment is based on the previous loss from operation of indirect subsidiary, future expected, estimated loss and other factors.

3) Indirect subsidiaries of a subsidiary - Aeroklas Australia Pty. Ltd.

3.1) Additional investment

At the Board of Directors' Meeting of Eastern Polymer Group Public Company Limited on 16 March 2017, the Board of Directors pass a resolution to

- Approve an indirect subsidiary, Aeroklas Australia Pty. Ltd., to make a co-investment with Spinks Holdings Pty. Ltd. in Australia which has registered capital of Australian Dollar 5 million (equivalent to Baht 136 million). Aeroklas Australia Pty. Ltd. will have 65% shareholding of share capital or Australian Dollar 3.25 million (equivalent to Baht 88.40 million).

As at 31 March 2018, the Company is in the negotiation process for more details.

- Increase authorised share capital of its indirect subsidiary, Aeroklas Australia Pty. Ltd., from paid-up share capital amounting Australian Dollar 20 million to Australian Dollar 30 million and call for an increase in paid-up capital amounting to Australian Dollar 5 million or equivalent to Baht 128.25 million. The increase in paid-up share capital increased from Australian Dollar 20 million to Australian Dollar 25 million. Aeroklas Australia Pty. Ltd. received total paid-up share capital on 26 June 2017 and registered the paid-up share capital with Australian Securities and Investments Commission on 5 July 2017.

On 26 July 2017, Aeroklas Australia Pty. Ltd. called for an increase in paid-up capital amounting to Australian Dollar 1 million or equivalent to Baht 25.99 million.

At the Board of Directors' Meeting of Eastern Polymer Group Public Company Limited 6/2017 on 29 November 2017, the Board of Directors pass a resolution to

- Approve an increase in capital of Aeroklas Australia Pty. Ltd. amounting to Australian Dollar 10 million for the purpose of business acquisition and working capital and call for an increase in paid-up capital amounting to Australia Dollar 10 million or equivalent to Baht 254.20 million. The increase in paid-up share capital increased from Australian Dollar 26 million to Australian Dollar 36 million. Aeroklas Australia Pty. Ltd. received total paid-up share capital on 24 January 2018 and registered the paid-up share capital with Australian Securities and Investments Commission on 20 February 2018. The holding interest will remain unchanged after the increase in authorised share capital.

As at 31 March 2018, the Company has the investment in an indirect subsidiary - Aeroklas Australia Pty. Ltd. in the total amount of Baht 923.18 million.

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14 Investments in subsidiaries (Cont'd)

14.4 Significant events (Cont'd)

Investments in subsidiaries (Cont'd)

Aeroklas Co., Ltd. (Cont'd)

3) Indirect subsidiaries of a subsidiary - Aeroklas Australia Pty. Ltd. (Cont'd)

3.2) The restructuring of indirect subsidiary

At the Board of Directors' Meeting of Eastern Polymer Group Public Company Limited on 29 May 2015, the board of directors approved the restructuring of subsidiaries in Australia. Aeroklas Australia Pty. Ltd. will transform to be a holding company and establish a new company which Aeroklas Australia Pty. Ltd. will hold 100% interest. The purpose of the new company is to act as distributor of its products to its customer in Australia. The new company will have registered share capital of Australian Dollar 100,000 (equivalent to Baht 2,600,000).

As at 31 March 2018, the Group's managements are still in process of consideration for the restructuring of indirect subsidiaries mentioned above.

3.3) Business acquisition

The purpose of business acquisition of Flexiglass Challenge Pty. Ltd.

At the Board of Directors' Meeting No.6/2017 of Eastern Polymer Group Public Company Limited held on 29 November 2017, the meeting approved Aeroklas Australia Pty. Ltd. - a wholly owned indirect subsidiary to enter into a Share Sale Agreement on 11 December 2017 with Flexiglass Challenge Pty. Ltd. which is located in Australia with the total amount of Australian dollar 7,164,000 to acquire 100% shares of Flexiglass Challenge Pty. Ltd.

The Group has the following synergy and goodwill from the business acquisition.

To increase the distribution channel for Aeroklas Co., Ltd. and product of Flexiglass Challenge Pty. Ltd. can be distributed via TJM Products Pty. Ltd., Aeroklas Australia Pty. Ltd. and Aeroklas Co., Ltd.

On 31 January 2018, the Group acquisition of Flexiglass Challenge Pty. Ltd. with the contractual price amount of Australian Dollar 7,164,000 (equivalent to Baht 178,570,580). The Group has taken control and managed such asset since then.

Details of the provisional amount of total assets and total liabilities of Flexiglass Challenge Pty. Ltd. as at 31 January 2018, which was assessed by management to allocate purchase price of tangible and intangible assets, are as follows:

	31 January 2018	
	Australian Dollar	Equivalent to Baht
Cash and cash equivalents	6,614	164,861
Trade and other receivables	3,233,799	80,605,997
<u>Less</u> Allowance for doubtful account	(12,023)	(299,687)
Inventories	4,945,051	123,260,836
<u>Less</u> Provision for obsolete inventories	(1,353,980)	(33,749,441)
Building and equipment - cost	3,255,213	81,139,765
- accumulated depreciation	(2,728,594)	(68,013,207)
Deferred tax asset (net)	146,628	3,654,864
Trade and other payables	(1,499,871)	(38,544,885)
Employee benefits obligation	(252,176)	(6,480,621)
Net assets acquired	<u>5,740,661</u>	<u>141,738,482</u>
Cash payment for purchase of business acquisition	7,164,000	178,570,580
<u>Less</u> Net assets acquired	(5,740,661)	(141,738,482)
Exchange differences	-	(1,353,808)
Goodwill (Note 19)	<u>1,423,339</u>	<u>35,478,290</u>
Cash proceeds from purchase of business acquisition	6,614	164,861
<u>Less</u> Cash payment for purchase of business acquisition	(7,164,000)	(178,570,580)
Net cash payment from purchase of business acquisition (presented in statement of cash flows)	<u>(7,157,386)</u>	<u>(178,405,719)</u>

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14 Investments in subsidiaries (Cont'd)

14.4 Significant events (Cont'd)

Investments in subsidiaries (Cont'd)

Aeroklas Co., Ltd. (Cont'd)

3) Indirect subsidiaries of a subsidiary - Aeroklas Australia Pty. Ltd. (Cont'd)

3.3) Business acquisition (Cont'd)

The Company recognised the difference from investment in Flexiglass Challenge Pty. Ltd. amounting to Australian Dollar 1.42 million which is equivalent to Baht 35.48 million in goodwill and such amount cannot be deductible for tax purpose.

Net assets from the above acquisitions are stated at the net book value on the date of acquisition. As at 31 March 2018, the Group is in the process of appraising the net assets acquired. The adjustments to fair value and price considerations will be made upon the completion of the processes. The difference between acquisition cost and net fair value will be adjusted with goodwill or gain from bargain purchases.

Revenues and profit

The revenue included in the consolidated income statement from 31 January 2018 to 31 March 2018 contributed by the business acquisition from Flexiglass Challenge Pty. Ltd. was Australian Dollar 3,398,807 (equivalent to Baht 86,873,796). It also contributed profit of Australian Dollar 413,737 (equivalent to Baht 10,575,175) over the same period which included in the consolidated financial information for the period ended 31 March 2018.

If Flexiglass Challenge Pty. Ltd. had been consolidated from 1 April 2017, the consolidated income statement for the year ended 31 March 2018 would show revenue of Australian Dollar 20,429,959 (equivalent to Baht 522,191,477) and net loss of Australian Dollar 960,578 (equivalent to Baht 24,552,461)

4) Indirect subsidiary - TJM Products Pty. Ltd.

4.1) Business acquisition

At the Board of Directors' Meeting of Aeroklas Co., Ltd. No. 3 held on 16 February 2015, the meeting approved Aeroklas Australia Pty. Ltd. to enter into a Share Sale Agreement with TJM Products Pty. Ltd (Note 19).

4.2) Purchase of assets as business acquisition

The purpose of purchase of assets as business acquisition of TJM Brendale Pty. Ltd.

At the Board of Directors' Meeting No.5/2017 of Eastern Polymer Group Public Company Limited, on 10 November 2017, the board of directors approved TJM Products Pty. Ltd. - indirect subsidiary to enter into a Asset Sales Agreement with TJM Brendale Pty. Ltd. which is located in Australia with total amount of Australian dollar 1 million.

The Group has the following synergy and goodwill from the purchase of assets as business acquisition.

In alliance with growth strategy by TJM to increase number of corporate stores, as well as revenues and profits, the purchase will support Supplier Purchase Partner program and Fitting center, as well as boosting brand image and building TJM brand awareness.

On 13 November 2017, the Group acquired assets of TJM Brendale Pty. Ltd. with the contractual price amount of Australian Dollar 1 million which includes the purchase of assets as business acquisition for the amount of Australian Dollar 900,000 (equivalent to Baht 22,452,030) and prepaid employee remuneration for the amount of Australian Dollar 100,000 (equivalent to Baht 2,433,730). The Group has taken control and managed such asset since then.

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14 Investments in subsidiaries (Cont'd)

14.4 Significant events (Cont'd)

Investments in subsidiaries (Cont'd)

Aeroklas Co., Ltd. (Cont'd)

4) Indirect subsidiary - TJM Products Pty. Ltd. (Cont'd)

4.3) Purchase of asset as business acquisition (Cont'd)

Details of the provisional amount of total assets and total liabilities of TJM Brendale Pty. Ltd. as at 13 November 2017, which was assessed by management to allocate purchase price of tangible and intangible assets, are as follows:

	13 November 2017	
	Australian Dollar	Equivalent to Baht
Cash and cash equivalents	18,411	448,074
Inventories	226,096	5,502,566
Building and equipment		
- cost	178,232	4,337,686
- accumulated depreciation	(132,504)	(3,224,790)
Net asset acquired	<u>290,235</u>	<u>7,063,536</u>
Cash payment for purchase of asset as business acquisition	900,000	22,452,030
<u>Less</u> Net assets acquired	(290,235)	(7,063,536)
Exchange differences	-	(93,893)
Goodwill (Note 19)	<u>609,765</u>	<u>15,294,601</u>
Cash proceeds from purchase of assets as business acquisition	18,411	448,074
<u>Less</u> Cash payment for purchase of assets as business acquisition	<u>(900,000)</u>	<u>(22,452,030)</u>
Net cash payment from purchase of assets as business acquisition (presented in statement of cash flows)	<u>(881,589)</u>	<u>(22,003,956)</u>

The Company recognised the difference from investment in TJM Brendale Pty. Ltd. amounting to Australian Dollar 0.61 million which is equivalent to Baht 15.29 million in goodwill and such amount cannot be deductible for tax purpose.

Net assets from the above acquisitions are stated at the net book value on the date of acquisition. As at 31 March 2018, the Group is in the process of appraising the net assets acquired. The adjustments to fair value and price considerations will be made upon the completion of the processes. The difference between acquisition cost and net fair value will be adjusted with goodwill or gain from bargain purchases.

Revenues and profit

The revenue included in the consolidated income statement from 13 November 2017 to 31 March 2018 contributed by the business acquisition from TJM Brendale Pty. Ltd. was Australian Dollar 863,984 (equivalent to Baht 22,083,514). It also contributed profit of Australian Dollar 35,201 (equivalent to Baht 899,743) over the same period which included in the consolidated financial information for the period ended 31 March 2018.

If TJM Brendale Pty. Ltd. had been consolidated from 1 April 2017, the consolidated income statement for the year ended 31 March 2018 would show revenue of Australian Dollar 3,143,466 (equivalent to Baht 80,347,263) and profit of Australian Dollar 233,046 (equivalent to Baht 5,956,672)

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15 Other long-term investments (net)

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
<u>General investments in common share</u>				
<u>General investment - the Company</u>				
- GEC Engineering Company Limited	3,293,200	3,293,200	3,293,200	3,293,200
- EPI Japan Ltd.	529,223	529,223	529,223	529,223
- Chonnithi Company Limited	494,000	494,000	494,000	494,000
- Picnic Corporation Public Company Limited	2,940	2,940	2,940	2,940
	4,319,363	4,319,363	4,319,363	4,319,363
<u>Less</u> Allowance for impairment	(4,319,363)	(4,319,363)	(4,319,363)	(4,319,363)
	-	-	-	-
- Shanghai Aeroklas Auto Part Co., Ltd.	1,237,425	-	-	-
	1,237,425	-	-	-

As at 31 March 2018 and 2017 the Group's managements have reviewed about allowance for impairment of these other long-term investments, and agreed to remain the allowance for impairment of investments remained at Baht 4.32 million and Baht 4.32 million for the consolidated and separate financial statements respectively.

At the Board of Directors' Meeting of Aeroklas (Shanghai) Co., Ltd., the board of directors approved Aeroklas (Shanghai) Co., Ltd. to invest in Shanghai Aeroklas Auto Part Co., Ltd. The subsidiary will hold 5% interest of the total shares which is equal to Renminbi 500,000 and paid 50% of the registered share capital amounting to Renminbi 250,000 (equivalent to Baht 1,237,425).

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16 Investment properties (net)

	Separate financial statements			
	Land Baht	Plant buildings and building improvement Baht	Facility systems Baht	Total Baht
As at 31 March 2016				
Cost	74,889,500	338,633,362	23,449,030	436,971,892
Less Accumulated depreciation	-	(124,730,092)	(8,417,660)	(133,147,752)
Net book amount	74,889,500	213,903,270	15,031,370	303,824,140
For the year ended 31 March 2017				
Opening net book amount	74,889,500	213,903,270	15,031,370	303,824,140
Disposals - cost	-	(102,223)	(15,200)	(117,423)
- accumulated depreciation	-	102,220	3,622	105,842
Written-off - cost	-	(13,339,663)	(1,377,414)	(14,717,077)
- accumulated depreciation	-	7,694,060	338,074	8,032,134
Depreciation charge (Note 36)	-	(8,123,276)	(618,765)	(8,742,041)
Closing net book amount	74,889,500	200,134,388	13,361,687	288,385,575
As at 31 March 2017				
Cost	74,889,500	325,191,476	22,056,416	422,137,392
Less Accumulated depreciation	-	(125,057,088)	(8,694,729)	(133,751,817)
Net book amount	74,889,500	200,134,388	13,361,687	288,385,575
For the year ended 31 March 2018				
Opening net book amount	74,889,500	200,134,388	13,361,687	288,385,575
Disposals - cost	-	-	-	-
- accumulated depreciation	-	-	-	-
Written-off - cost	-	-	-	-
- accumulated depreciation	-	-	-	-
Depreciation charge (Note 36)	-	(7,905,520)	(551,970)	(8,457,490)
Closing net book amount	74,889,500	192,228,868	12,809,717	279,928,085
As at 31 March 2018				
Cost	74,889,500	325,191,476	22,056,416	422,137,392
Less Accumulated depreciation	-	(132,962,608)	(9,246,699)	(142,209,307)
Net book amount	74,889,500	192,228,868	12,809,717	279,928,085

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16 Investment properties (net) (Cont'd)

The Company mortgaged investment properties as securities for facilities of bank overdrafts short-term and long-term borrowings from financial institutions (Note 23 and 25).

Fair values of the investment properties as at 31 March 2018 and 2017 were assessed by independent professionally qualified valuer, Bangkok Property Appraisal Co., Ltd. who hold a recognised relevant professional qualification and have experience in the locations and type of the investment properties assessed using depreciated replacement cost approach. The fair values are within level 2 of the fair value hierarchy.

As at 31 March 2018, fair values of investment properties in the company financial statements assessed is Baht 522.56 million compare to net book value of Baht 267.32 million (2017 : Baht 533.71 million compare to net book value of Baht 275.24 million). The assets that were not assessed comprised of building improvement and facility systems in the company financial statements amounting to Baht 12.60 million (2017 : Baht 13.14 million).

Amounts recognised in profit and loss in the company financial statements that are related to investment properties for the year ended 31 March 2018 and 2017 are as follows:

	Separate financial statements	
	2018 Baht	2017 Baht
Revenue		
Rental income	21,880,000	22,880,000
Service income	71,728,000	55,537,000
	93,608,000	78,417,000
Direct operating expense arise from investment properties that generated rental income for the year	57,747,168	48,447,178
Direct operating expense arise from investment properties that did not generate rental income for the year	-	-

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17 Property, plant and equipment (net)

	Consolidated financial statements							
	Land Baht	Land improvement Baht	Plant buildings, building improvement and utilities systems Baht	Machinery, molds and equipment Baht	Factory equipment and tools Baht	Office equipment and tools Baht	Motor vehicles Baht	Assets under installation and construction in progress Baht
For the year ended 31 March 2017								
Opening net book amount	329,599,144	33,694,948	1,700,748,433	2,953,294,631	312,285,013	60,851,626	89,070,589	321,886,647
Additions	-	-	13,046,531	25,538,703	40,809,362	18,106,714	14,351,642	434,047,504
Transfer in (out)	-	3,342,333	77,883,721	406,857,935	33,219,458	2,539,258	2,906,185	(526,748,890)
Reclassification - cost	-	-	-	-	(49,956)	49,956	-	-
- accumulated depreciation	-	-	-	-	16,086	(16,086)	-	-
Disposals - cost	-	-	(2,445,824)	(87,647,609)	(12,575,478)	(1,608,730)	(15,833,325)	(120,110,966)
- accumulated depreciation	-	-	1,342,135	49,880,308	8,356,204	1,445,170	3,172,951	64,196,768
Written-off - cost	-	-	(14,752,077)	(650,047)	(1,555,865)	(1,523,566)	(500,000)	(18,981,555)
- accumulated depreciation	-	-	8,063,634	364,785	1,106,442	1,415,685	431,312	11,381,858
Depreciation charge (Note 36)	-	(1,842,574)	(96,583,597)	(338,726,009)	(84,454,526)	(19,619,390)	(19,671,051)	(560,897,147)
Exchange differences	(587,460)	-	(15,438,075)	6,938,554	342,809	(209,527)	86,271	(9,678,749)
Reversal of loss on impairment of assets	-	-	-	685,964	-	-	-	685,964
Closing net book amount	329,011,684	35,194,707	1,671,864,881	3,016,537,215	297,499,549	61,431,110	74,014,574	228,373,940
As at 31 March 2017								
Cost	329,011,684	58,816,172	2,450,477,294	5,079,791,550	761,573,243	257,748,985	129,950,886	9,295,743,754
Less Accumulated depreciation	-	(23,621,465)	(778,612,413)	(2,063,254,335)	(464,073,694)	(196,317,875)	(55,936,312)	(3,581,816,094)
Net book amount	329,011,684	35,194,707	1,671,864,881	3,016,537,215	297,499,549	61,431,110	74,014,574	5,713,927,660

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17 Property, plant and equipment (net) (Cont'd)

	Separate financial statements							
	Land Baht	Land improvement Baht	Plant buildings, building improvement and utilities systems Baht	Machinery, molds and equipment Baht	Office equipment and tools Baht	Motor vehicles Baht	Assets under installation and construction in progress Baht	Total Baht
For the year ended 31 March 2017								
Opening net book amount	36,206,500	9,754,008	51,589,123	1,932,149	5,767,264	13,083,017	-	118,332,061
Additions	-	-	-	-	716,571	-	-	716,571
Disposals - cost	-	-	-	(36,000)	(750,177)	(1,200,000)	-	(1,986,177)
- accumulated depreciation	-	-	-	35,999	733,335	501,304	-	1,270,638
Written-off - cost	-	-	-	(650,047)	(1,358,400)	-	-	(2,008,447)
- accumulated depreciation	-	-	-	364,785	1,261,835	-	-	1,626,620
Depreciation charge (Note 36)	-	-	(1,827,875)	(549,668)	(1,517,007)	(2,755,591)	-	(6,650,141)
Closing net book amount	36,206,500	9,754,008	49,761,248	1,097,218	4,853,421	9,628,730	-	111,301,125
As at 31 March 2017								
Cost	36,206,500	9,754,008	58,924,534	7,849,104	19,133,994	16,162,950	-	148,031,090
Less Accumulated depreciation	-	-	(9,163,286)	(6,751,886)	(14,280,573)	(6,534,220)	-	(36,729,965)
Net book amount	36,206,500	9,754,008	49,761,248	1,097,218	4,853,421	9,628,730	-	111,301,125
For the year ended 31 March 2018								
Opening net book amount	36,206,500	9,754,008	49,761,248	1,097,218	4,853,421	9,628,730	-	111,301,125
Additions	-	-	41,000	-	1,231,997	-	-	1,272,997
Disposals - cost	-	-	-	(180,617)	(55,000)	(550,000)	-	(785,617)
- accumulated depreciation	-	-	-	166,500	21,590	267,375	-	455,465
Written-off - cost	-	-	-	-	-	-	-	-
- accumulated depreciation	-	-	-	-	-	-	-	-
Depreciation charge (Note 36)	-	-	(1,818,675)	(96,385)	(1,536,437)	(2,541,254)	-	(5,992,751)
Closing net book amount	36,206,500	9,754,008	47,983,573	986,716	4,515,571	6,804,851	-	106,251,219
As at 31 March 2018								
Cost	36,206,500	9,754,008	58,965,534	7,668,487	20,310,991	15,612,950	-	148,518,470
Less Accumulated depreciation	-	-	(10,981,961)	(6,681,771)	(15,795,420)	(8,808,099)	-	(42,267,251)
Net book amount	36,206,500	9,754,008	47,983,573	986,716	4,515,571	6,804,851	-	106,251,219

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Notes to the Consolidated and Separate Financial Statements
For the year ended 31 March 2018

17 Property, plant and equipment (net) (Cont'd)

Leased assets included above, where the Group is a lessee under a finance lease, comprise motor vehicle:

	Consolidated financial statements	
	2018 Baht	2017 Baht
Cost - capitalised finance leases	13,940,248	13,507,594
<u>Less</u> Accumulated depreciation	<u>(2,487,181)</u>	<u>(1,559,434)</u>
Net book amount	<u>11,453,067</u>	<u>11,948,160</u>

As at 31 March 2018, the Group has pledged property, plant and equipment at the cost of Baht 2,098 million (2017 : Baht 2,334 million) as collateral against credit facilities, overdrafts, short-term and long-term borrowings from financial institutions (Notes 23 and 25).

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18 Intangible assets (net)

	Consolidated financial statements					
	Research and development Baht	License Baht	Computer software Baht	Trademark Baht	Customer relationship Baht	Total Baht
For the year ended 31 March 2017						
Opening net book amount	106,119,711	17,761,337	18,934,001	86,871,378	42,350,551	272,036,978
Additions	33,584,024	88,832	4,808,388	-	-	38,481,244
Disposals - cost	-	-	-	-	-	-
- accumulated amortisation	-	-	-	-	-	-
Written-off - cost	-	-	-	-	-	-
- accumulated amortisation	-	-	-	-	-	-
Amortisation charge (Note 36)	(38,112,418)	(2,471,435)	(3,162,796)	(6,208,294)	(7,114,852)	(57,069,795)
Exchange differences	(2,202,464)	(312,944)	(80,925)	(1,944,764)	(896,536)	(5,437,633)
Closing net book amount	99,388,853	15,065,790	20,498,668	78,718,320	34,339,163	248,010,794
As at 31 March 2017						
Cost	293,162,982	25,214,442	51,222,547	91,414,823	48,889,656	509,904,450
<u>Less</u> Accumulated amortisation	(193,774,129)	(10,148,652)	(30,723,879)	(12,696,503)	(14,550,493)	(261,893,656)
Net book amount	99,388,853	15,065,790	20,498,668	78,718,320	34,339,163	248,010,794

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18 Intangible assets (net) (Cont'd)

	Consolidated financial statements					
	Research and development Baht	License Baht	Computer software Baht	Trademark Baht	Customer relationship Baht	Total Baht
For the year ended 31 March 2018						
Opening net book amount	99,388,853	15,065,790	20,498,668	78,718,320	34,339,163	248,010,794
Additions	25,736,676	137,150	21,397,858	-	-	47,271,684
Disposals - cost	-	-	-	-	-	-
- accumulated amortisation	-	-	-	-	-	-
Written-off - cost	-	-	-	-	-	-
- accumulated amortisation	-	-	-	-	-	-
Amortisation charge (Note 36)	(35,309,754)	(1,418,796)	(5,206,531)	(5,996,399)	(6,872,015)	(54,803,495)
Exchange differences	(8,240,593)	(1,216,276)	(1,964,034)	(6,720,539)	(2,606,729)	(20,748,171)
Closing net book amount	81,575,182	12,567,868	34,725,961	66,001,382	24,860,419	219,730,812
As at 31 March 2018						
Cost	304,698,147	23,604,666	70,121,534	83,078,664	44,431,386	525,934,397
Less Accumulated amortisation	(223,122,965)	(11,036,798)	(35,395,573)	(17,077,282)	(19,570,967)	(306,203,585)
Net book amount	81,575,182	12,567,868	34,725,961	66,001,382	24,860,419	219,730,812

Research and development of a subsidiary - Aeroklas Co., Ltd.

Research and development is expense for developing plastic sheet for truck back cover and canopy which could generate economic benefits in the future to the subsidiary.

Research and development, license and trademark of indirect subsidiary - TJM Products Australia Pty. Ltd.

Intangible assets of the indirect subsidiaries from the acquisition of subsidiary are research and development, license and trademark which are for truck bull bars, nudge bars, tow bars, suspension, leaf springs, pro-lockers and snorkels.

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For the year ended 31 March 2018

18 Intangible assets (net) (Cont'd)

		Separate financial statements
		Computer software Baht
	Notes	
For the period ended 31 March 2017		
Opening net book amount		1,038,542
Additions		68,060
Written-off - cost		-
- accumulated amortisation		-
Amortisation charge	36	(52,460)
Closing net book value		<u>1,054,142</u>
As at 31 March 2017		
Cost		13,296,821
<u>Less</u> Accumulated amortisation		<u>(12,242,679)</u>
Net book value		<u>1,054,142</u>
For the period ended 31 March 2018		
Opening net book amount		1,054,142
Additions		62,500
Written-off - cost		-
- accumulated amortisation		-
Amortisation charge	36	(67,143)
Closing net book value		<u>1,049,499</u>
As at 31 March 2018		
Cost		13,359,321
<u>Less</u> Accumulated amortisation		<u>(12,309,822)</u>
Net book value		<u>1,049,499</u>

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19 Goodwill

	Consolidated financial statements Baht
As at 1 April 2016	
Cost	33,378,549
<u>Less</u> Allowance for impairment	-
Net book value	<u>33,378,549</u>
For the period ended 31 March 2017	
Opening net book amount	33,378,549
Translation adjustment	1,368,617
Closing net book value	<u>34,747,166</u>
As at 31 March 2017	
Cost	34,747,166
<u>Less</u> Allowance for impairment	-
Net book value	<u>34,747,166</u>
For the period ended 31 March 2018	
Opening net book amount	34,747,166
Addition from business acquisition - TJM Brendale Pty. Ltd.	15,294,601
- Flexiglass Challenge Pty. Ltd.	35,478,290
Translation adjustment	<u>(5,942,777)</u>
Closing net book value	<u>79,577,280</u>
As at 31 March 2018	
Cost	79,577,280
<u>Less</u> Allowance for impairment	-
Net book value	<u>79,577,280</u>

On 31 January 2018, the Group acquired Flexiglass Challenge Pty. Ltd. Goodwill incurred from business acquisition is Australian Dollar 1,423,339 (equivalent to Baht 35,478,290).

On 13 November 2017, the Group acquired assets as business acquisition of TJM Brendale Pty. Ltd. Goodwill incurred from business acquisition is Australian Dollar 609,765 (equivalent to Baht 15,294,601).

On 2 March 2015, the Group acquired TJM Products Pty. Ltd. Goodwill incurred from business acquisition is Australian Dollar 1,337,587 (equivalent to Baht 33,378,549).

19 Goodwill (Cont'd)

As at 31 March 2018 and 2017 Goodwill of the Group comprise the following:

	Date of acquisition	2018		2017	
		Australian Dollar	Equivalent to Baht	Australian Dollar	Equivalent to Baht
Business acquisition - TJM Product Pty. Ltd.	2 March 2015	1,337,587	33,378,549	1,337,587	33,378,549
Purchase assets as business acquisition - TJM Brendale Pty. Ltd.	13 November 2017	609,765	15,294,601	-	-
Business acquisition - Flexiglass Challenge Pty. Ltd.	31 January 2018	1,423,339	35,478,290	-	-
Exchange differences	-	-	(4,574,160)	-	1,368,617
		3,370,691	79,577,280	1,337,587	34,747,166

• Impairment tests for goodwill from business acquisition - TJM Group

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to business segment. The Group management review the business performance based on type of business.

As at 31 March 2018 and 2017, a segment-level summary of the goodwill allocation is presented below.

	2018 Baht	2017 Baht
Automotive products under TJM Brand	34,747,166	34,747,166

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

For each of the CGUs with significant amount of goodwill, the key assumptions used in the value-in-use calculations are as follows.

	Automotive products under TJM brand	
	2018	2017
Growth rate	3.00%	3.00%
Discount rate	8.10%	8.90%

These assumptions have been used for the analysis of each CGU within the business segment. Management determined the growth rates to be consistent with the forecasts in the industry. The discount rates used are pre-tax and reflect specific risks relating to the relevant segment.

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19 Goodwill (Cont'd)

After the business acquisition, the management had reorganised the management structure of the subsidiary, TJM Product Pty. Ltd., including distribution channel and alliance negotiation which accelerate the growth rate in the first year to 12.5%.

The Group does not prepare the sensitivity analysis for the growth rate because the rate applied to the discounted cash flows is lower than the actual growth rate and similar to the average growth rate of the industry.

If the estimated cost of capital used in determining the pre-tax discount rate applied to the discounted cash flows had been 5.9% higher than management's estimates, the Group would not have to recognise a further impairment against goodwill for the period ended 31 March 2018.

- **Impairment tests for goodwill from business acquisition of Flexiglass Challenge Pty. Ltd. and purchase of asset as business acquisition - TJM Brendale Pty. Ltd.**

As at 31 March 2018, the Group is in the process of appraising the net assets acquired. The adjustments to fair value and price considerations will be made upon the completion of the processes. The difference between acquisition cost and net fair value will be adjusted with goodwill or gain from bargain purchases (Note 14.4).

20 Land leasehold right (net)

Land leasehold right as at 31 March 2018 and 2017 were presented as the following:

	Consolidated financial statements	
	2018 Baht	2017 Baht
Current portion	216,611	218,069
Non-current portion	6,588,590	6,851,005
Total land leasehold right (net)	6,805,201	7,069,074

Land leasehold right of a subsidiary - Aeroflex Polymer Technologies (Shanghai) Co., Ltd.

The land leasehold right is for the period of 50 years commencing from 10 May 1999. The payments for the official registration fee for the long-term lease in year 1999 amounting to Renmibi 2,202,362 have been recorded as land leasehold rights and the subsidiary has to pay land rental annually. The rental rate is Renminbi 44,047 per annum. The subsidiary must comply with other conditions and restrictions in respect of the land leasehold right provided for in the agreement.

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21 Deferred income tax assets (net)

Deferred income taxes assets as at 31 March 2018 and 2017 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Deferred income tax assets:				
Deferred income tax assets to be recovered within 12 months	33,484,551	58,547,152	5,196,000	5,826,739
Deferred income tax assets to be recovered after more than 12 months	120,615,766	124,531,061	17,036,062	16,210,390
	<u>154,100,317</u>	<u>183,078,213</u>	<u>22,232,062</u>	<u>22,037,129</u>
Deferred income tax liabilities:				
Deferred income tax liabilities to be settled within 12 months	(35,204,598)	(25,569,728)	-	-
Deferred income tax liabilities to be settled after more than 12 months	(35,425,756)	(44,981,938)	-	-
	<u>(70,630,354)</u>	<u>(70,551,666)</u>	<u>-</u>	<u>-</u>
Deferred income tax assets (net)	<u>83,469,963</u>	<u>112,526,547</u>	<u>22,232,062</u>	<u>22,037,129</u>
	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Deferred tax assets (liabilities) (net) which presented in statement of financial position				
- Deferred tax assets (net)	144,788,794	158,338,488	22,232,062	22,037,129
- Deferred tax liabilities (net)	(61,318,831)	(45,811,941)	-	-
	<u>83,469,963</u>	<u>112,526,547</u>	<u>22,232,062</u>	<u>22,037,129</u>

The movements of deferred income taxes for the year ended 31 March 2018 and 2017 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Opening balance of the year	112,526,547	117,214,034	22,037,129	26,292,573
Increase (decrease) to profit or loss	(30,380,172)	(3,231,661)	84,361	(3,574,826)
Increase (decrease) to other comprehensive income	(657,543)	(1,012,931)	110,572	(680,618)
Exchange differences	1,981,131	(442,895)	-	-
Closing balance of the year	<u>83,469,963</u>	<u>112,526,547</u>	<u>22,232,062</u>	<u>22,037,129</u>

Eastern Polymer Group Public Company Limited
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For the year ended 31 March 2018

21 Deferred income tax (net) (Cont'd)

The movements of deferred income taxes for the year ended 31 March 2018 and 2017 comprise the following:
(Cont'd)

	Consolidated financial statements				31 March 2018 Baht
	1 April 2017 Baht	Increase (Decrease) to the statement of income Baht	Increase (Decrease) to the statement of other comprehensive income Baht	Exchange differences Baht	
Deferred income tax assets					
Allowance for doubtful accounts	6,810,888	(634,688)	-	(78,032)	6,098,168
Allowance for obsolete and slow-moving inventories	22,886,583	(1,080,149)	-	(1,599,554)	20,206,880
Allowance for inventories cost in excess of net realisable value	1,081,250	(65,896)	-	(1,317)	1,014,037
Unrealised gain from intercompany sales					
- Inventories	49,599,809	(9,242,803)	-	-	40,357,006
- Fixed assets	8,356,257	(1,221,656)	-	-	7,134,601
Allowance for impairment of investments	6,384,915	785,282	-	-	7,170,197
Accrued staff bonus	6,546,191	(1,300,974)	-	(317,959)	4,927,258
Accrued rebates	61,184	2,584,259	-	-	2,645,443
Employee benefit obligations	26,379,087	7,610,136	(657,543)	(1,548,172)	31,783,508
Tax deductible donation of an overseas subsidiary	229,703	(221,388)	-	(8,315)	-
Difference realisable charge and depreciation of assets between tax and accounting	836,824	196,568	-	-	1,033,392
Tax loss carried forward	53,905,522	(21,134,145)	-	(1,041,550)	31,729,827
	<u>183,078,213</u>	<u>(23,725,454)</u>	<u>(657,543)</u>	<u>(4,594,899)</u>	<u>154,100,317</u>
Deferred income tax liabilities					
Difference amortisation charge and depreciation of assets between tax and accounting	(1,880,941)	(7,743,240)	-	541,842	(9,082,339)
Allowance for doubtful accounts	(1,086,294)	1,038,959	-	47,335	-
Difference book value (net) of intangible asset in the consolidation and the Company	(65,563,276)	567,664	-	5,792,637	(59,202,975)
Prepayment	(2,021,155)	(518,101)	-	194,216	(2,345,040)
	<u>(70,551,666)</u>	<u>(6,654,718)</u>	<u>-</u>	<u>6,576,030</u>	<u>(70,630,354)</u>
Deferred income tax assets (net)	<u>112,526,547</u>	<u>(30,380,172)</u>	<u>(657,543)</u>	<u>1,981,131</u>	<u>83,469,963</u>

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21 Deferred income tax assets (net) (Cont'd)

The movements of deferred income taxes for the year ended 31 March 2018 and 2017 comprise the following:
(Cont'd)

	Consolidated financial statements				
	1 April 2016 Baht	Increase (Decrease) to the statement of income Baht	Increase (Decrease) to the statement of other comprehensive income Baht	Exchange differences Baht	31 March 2017 Baht
Deferred income tax assets					
Allowance for doubtful accounts	5,610,726	1,216,520	-	(16,358)	6,810,888
Allowance for obsolete and slow-moving inventories	26,882,280	(3,673,442)	-	(322,255)	22,886,583
Allowance for inventories cost in excess of net realisable value	627,948	468,676	-	(15,374)	1,081,250
Unrealised gain from intercompany sales					
- Inventories	27,168,261	22,431,548	-	-	49,599,809
- Fixed assets	7,289,196	1,067,061	-	-	8,356,257
Allowance for impairment of investments	-	6,384,915	-	-	6,384,915
Allowance for impairment of assets	68,596	(68,596)	-	-	-
Accrued staff bonus	8,233,022	(1,537,960)	-	(148,871)	6,546,191
Accrued rebates	87,635	(26,451)	-	-	61,184
Employee benefit obligations	28,763,299	(1,029,467)	(1,012,931)	(341,814)	26,379,087
Tax deductible donation of an overseas subsidiary	(190,129)	424,919	-	(5,087)	229,703
Difference realisable charge and depreciation of assets between tax and accounting	611,902	224,922	-	-	836,824
Tax loss carried forward	89,930,262	(34,764,007)	-	(1,260,733)	53,905,522
	<u>195,082,998</u>	<u>(8,881,362)</u>	<u>(1,012,931)</u>	<u>(2,110,492)</u>	<u>183,078,213</u>
Deferred income tax liabilities					
Difference amortisation charge and depreciation of assets between tax and accounting	(7,791,134)	5,881,736	-	28,457	(1,880,941)
Allowance for doubtful accounts	-	(1,075,673)	-	(10,621)	(1,086,294)
Difference book value (net) of intangible asset in the consolidation and the Company	(68,286,700)	1,120,640	-	1,602,784	(65,563,276)
Prepayment	(1,791,130)	(277,002)	-	46,977	(2,021,155)
	<u>(77,868,964)</u>	<u>5,649,701</u>	<u>-</u>	<u>1,667,597</u>	<u>(70,551,666)</u>
Deferred income tax assets (net)	<u>117,214,034</u>	<u>(3,231,661)</u>	<u>(1,012,931)</u>	<u>(442,895)</u>	<u>112,526,547</u>

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21 Deferred income tax (net) (Cont'd)

The movements of deferred income taxes for the year ended 31 March 2018 and 2017 comprise the following: (Cont'd)

	Separate financial statements			31 March 2018 Baht
	1 April 2017 Baht	Increase (Decrease) to the statement of income Baht	Increase (Decrease) to the statement of other comprehensive income Baht	
Deferred income tax assets				
Allowance for doubtful accounts	1,201,094	(241,256)	-	959,838
Accrued bonus of employee	420,000	60,000	-	480,000
Employee benefit obligations	2,356,026	229,417	110,572	2,696,015
Tax loss carried forward	18,060,009	36,200	-	18,096,209
	<u>22,037,129</u>	<u>84,361</u>	<u>110,572</u>	<u>22,232,062</u>
	Separate financial statements			31 March 2017 Baht
	1 April 2016 Baht	Increase (Decrease) to the statement of income Baht	Increase (Decrease) to the statement of other comprehensive income Baht	
Deferred income tax assets				
Allowance for doubtful accounts	1,245,963	(44,869)	-	1,201,094
Accrued bonus of employee	406,550	13,450	-	420,000
Employee benefit obligations	2,848,248	188,396	(680,618)	2,356,026
Tax loss carried forward	21,791,812	(3,731,803)	-	18,060,009
	<u>26,292,573</u>	<u>(3,574,826)</u>	<u>(680,618)</u>	<u>22,037,129</u>

As at 31 March 2018 and 2017, the Company and the Group did not recognise deferred tax assets which such amount can be deductible with tax expense in the future are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
• Unused tax losses within 5 years				
- 2018	-	129,638,237	-	-
- 2019	129,621,128	6,069,196	-	-
- 2020	4,880,553	34,935,290	-	-
- 2021	5,709,713	17,921,351	-	-
- 2022	13,795,350	13,773,954	-	-
- 2023	5,119,381	-	-	-
	<u>159,126,125</u>	<u>202,338,028</u>	<u>-</u>	<u>-</u>
• Usable within 20 years (USA)	<u>91,595,054</u>	<u>83,696,633</u>	<u>-</u>	<u>-</u>
• Without expiry date (Australia, Malaysia and Germany)	<u>367,491,632</u>	<u>292,952,505</u>	<u>-</u>	<u>-</u>

Deferred tax assets for accumulated deficit are only recognised to the future taxable profits, which is probable that the deferred tax assets can be utilised.

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22 Other non-current assets

		Consolidated financial statements		Separate financial statements	
		2018 Baht	2017 Baht	2018 Baht	2017 Baht
	Notes				
Prepaid corporate income tax		34,723,560	36,158,042	34,513,946	30,820,685
Tax coupon of overseas subsidiaries		3,679,326	5,645,963	-	-
Advance for shares subscription to associate	13, 40 a)	-	15,935,793	-	-
Deposits - other companies		3,396,026	1,986,327	71,500	51,500
- related companies	40 a)	5,492,280	4,032,000	-	-
		<u>47,291,192</u>	<u>63,758,125</u>	<u>34,585,446</u>	<u>30,872,185</u>

As at 31 March 2018, the separate financial statements has prepaid withholding tax amounting Baht 30.82 million (2017 : Baht 30.82 million). The refund was in process from Revenue Department.

23 Bank overdrafts and short-term loans from financial institutions

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Bank overdrafts	1,025,094	1,094,032	-	-
Bank promissory notes	365,059,946	173,806,213	-	-
Trust receipts	473,819,889	416,227,044	-	-
	<u>839,904,929</u>	<u>591,127,289</u>	<u>-</u>	<u>-</u>

	Consolidated financial statements		Separate financial statements	
	Interest rate (% per annum)		Interest rate (% per annum)	
	2018	2017	2018	2017
Bank overdrafts	7.20 - 7.70	7.25 - 7.70	-	-
Bank promissory notes	2.10 - 5.44	2.73 - 5.22	-	-
Trust receipts	1.00 - 2.64	1.00 - 3.74	-	-

Certain part of bank overdrafts and short-term loans from financial institutions are secured by the mortgage of the Group's and the Company's land and buildings and machinery, and guaranteed by related parties (Note 17 and 25).

As at 31 March 2018, bank promissory note are aged between 1 to 6 months and will be mature in 2018 (2017 : 1 to 6 months and will be mature in 2017).

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24 Trade and other accounts payable

	Notes	Consolidated financial statements		Separate financial statements	
		2018 Baht	2017 Baht	2018 Baht	2017 Baht
Trade accounts payable					
- other companies		783,418,369	654,689,530	309,410	303,292
- related companies	40 a)	27,713,175	26,125,220	-	22,149
Other accounts payable					
- other companies		90,658,019	104,122,891	1,489,947	1,524,345
- related companies	40 a)	8,691,927	10,159,633	3,163,000	2,965,000
Fixed assets payable					
- other companies		36,167,591	46,847,649	41,521	61,690
- related companies	40 a)	53,928	984,400	-	-
Interest payable					
- other companies		1,593,514	656,931	-	-
Accrued staff salary, wages and bonus		98,809,187	89,779,487	4,509,228	4,070,422
Accrued expenses		102,246,669	67,023,987	3,859,058	3,514,166
Advance received for goods		50,357,274	58,673,030	-	-
Retention payable		3,085,033	3,872,900	-	-
Accrued sales promotion and rebates		73,602,475	67,768,470	-	-
Deferred revenue		17,176,849	10,870,000	-	-
Others		256,446	843,065	-	-
		<u>1,293,830,456</u>	<u>1,142,417,193</u>	<u>13,372,164</u>	<u>12,461,064</u>

25 Long-term loans from financial institutions

The movements of long-term loans from financial institutions for the year ended 31 March 2018 and 2017 are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Opening balance of the year	843,625,908	1,150,565,596	-	-
Addition during the year	108,400,000	53,000,000	-	-
Repayment during the year	(332,632,130)	(357,071,540)	-	-
Realised (gain) loss on exchange rate	171,630	1,554,740	-	-
Unrealised (gain) loss on exchange rate	(7,284,158)	(4,422,888)	-	-
Closing balance of the year	<u>612,281,250</u>	<u>843,625,908</u>	<u>-</u>	<u>-</u>

Outstanding balances of long-term loans from financial institutions as at 31 March 2018 and 2017 are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Due within 1 year	280,352,500	329,754,408	-	-
Due within 1 to 5 years	331,928,750	513,871,500	-	-
	<u>612,281,250</u>	<u>843,625,908</u>	<u>-</u>	<u>-</u>

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25 Long-term loans from financial institutions (Cont'd)

Outstanding long-term loans from financial institutions as at 31 March 2018 and 2017 are as follows: (Cont'd)

Subsidiary - Aeroflex Co., Ltd.

Contract No.	Outstanding borrowings 2018 (Million Baht)	2017 (Million Baht)	Bank	Loan purpose	Facilities (Million Baht)	Interest rate	Repayment conditions	Mortgaged assets
1	-	39.90	Thailand	Purchase of fixed assets	480.00	MLR less fixed interest rate per annum.	Agreement dated 24 December 2012, repayments for principal and interest are based on monthly basis. The repayment of principal and interest were since July 2013 and January 2013 respectively. However, the repayment of principal and interest was totally paid on 27 August 2017.	a) Secured by mortgaged land and buildings of parent company. b) Secured by mortgaged machinery of Aeroflex Co., Ltd.
2	109.00	139.00	Thailand	Payment for construction and machinery	180.00	MLR less fixed interest rate per annum.	Agreement dated 27 November 2013, repayments for principal and interest are based on monthly basis. The repayment of principal and interest were since August 2014 and February 2014 respectively.	a) Secured by mortgaged land and buildings of Aeroflex Co., Ltd. b) Secured by mortgaged machinery of Aeroflex Co., Ltd.

Total 109.00 178.90

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25 Long-term loans from financial institutions (Cont'd)

Outstanding long-term loans from financial institutions as at 31 March 2018 and 2017 are as follows: (Cont'd)

Subsidiary - Aeroklas Co., Ltd.

Contract No.	Outstanding borrowings		Bank	Loan purpose	Facilities (Million Baht)	Interest rate	Repayment conditions	Mortgaged assets
	2018 (Million Baht)	2017 (Million Baht)						
1	-	6.75 (US dollar 0.195 million)	Thailand	Payment for machinery	60.00 (US dollar 2.00 million)	LIBOR plus fixed interest rate per annum.	Agreement dated 21 April 2011, repayments for principal and interest are based on monthly basis. The repayments of principal and interest were on the last working day of the fourth month since the first drawn-down date. However, the repayment of principal and interest was totally paid on 29 September 2017.	a) Secured by parent company. b) Secured by mortgaged land and buildings of Aeroklas Co., Ltd.
2	60.10	97.70	Thailand	Purchase of land, machinery, and payment for other expenses	190.00	MLR less fixed interest rate per annum.	Agreement dated 22 August 2012, repayments for principal and interest are based on monthly basis. The repayments of principal and interest were since the thirteenth month after the first drawn-down date and the first drawn-down date respectively.	a) Secured by mortgaged land and buildings of Aeroklas Co., Ltd. b) Secured by the parent company.
3	-	26.84	Thailand	Refinancing loans to reduce finance costs	200.00	MLR less fixed interest rate per annum.	Agreement dated 22 August 2012, repayments for principal and interest are based on monthly basis. The repayments of principal and interest were since the following month after the first drawn-down date. However, the repayment of principal and interest was totally paid on 29 September 2017.	
4	60.88 (Australian dollar 2.50 million)	93.54 (Australian dollar 3.50 million)	Thailand	Lending to Aeroklas Australia Pty. Ltd.	107.37 (Australian dollar 4.00 million)	Fixed interest rate per annum.	Agreement dated 5 June 2015, repayments for principal and interest are based on semi-annual and monthly basis respectively. The repayments of principal will be on the last working day of October 2016 and interest was since last working day of the first drawn-down month.	Unsecured loan
Total	120.98	224.83						

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25 Long-term loans from financial institutions (Cont'd)

Outstanding long-term loans from financial institutions as at 31 March 2018 and 2017 are as follows: (Cont'd)

Subsidiary - Eastern Polypack Co., Ltd.

Contract No.	Outstanding borrowings		Bank	Loan purpose	Facilities (Million Baht)	Interest rate	Repayment conditions	Mortgaged assets
	2018 (Million Baht)	2017 (Million Baht)						
1	119.00	170.00	Thailand	Payment for machinery and equipment to expand production capacity project	256.00	MLR less fixed interest rate per annum.	Agreement dated 21 September 2012, repayments for principal and interest are based on monthly basis. The repayment of principal and interest were since the thirteenth and the first month after the first drawn-down date respectively.	
2	-	26.00	Thailand	Payment for warehouse construction and machinery	120.00	MLR less fixed interest rate per annum.	Agreement dated 4 April 2012, repayments for principal and interest are based on monthly basis. The repayments of principal and interest were since the sixth month and first month after the first drawn-down date respectively.	
3	-	10.10	Thailand	Payment for machinery, equipment and substation construction	32.00	MLR less fixed interest rate per annum.	Agreement dated 21 September 2012, repayments for principal and interest are based on monthly basis. The repayments of principal and interest were since the thirteenth month and first month after the first drawn-down date respectively.	Secured by mortgaged land, buildings and machinery of Eastern Polypack Co., Ltd.
4	49.90	76.30	Thailand	Payment for warehouse construction and machinery	115.00	MLR less fixed interest rate per annum.	Agreement dated 24 April 2013, repayments for principal and interest are based on monthly basis. The repayments of principal and interest were since the thirteenth month and first month after the first drawn-down date respectively.	
5	84.40	-	Thailand	Payment for machinery	84.40	MLR less fixed interest rate per annum.	Agreement dated 18 September 2015, repayments for principal and interest are based on monthly basis. The repayments of principal and interest were since the thirteenth month and first month after the first drawn-down date respectively. The Company makes the first drawn-down on 15 August 2017.	

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25 Long-term loans from financial institutions (Cont'd)

Outstanding long-term loans from financial institutions as at 31 March 2018 and 2017 are as follows: (Cont'd)

Subsidiary - Eastern Polypack Co., Ltd. (Cont'd)

Contract No.	Outstanding borrowings		Bank	Loan purpose	Facilities (Million Baht)	Interest rate	Repayment conditions	Mortgaged assets
	2018 (Million Baht)	2017 (Million Baht)						
6	45.00	67.50	Thailand	Payment for machinery	90.00	Fixed interest rate per annum.	Agreement dated 29 October 2015, repayments for principal based on three-month basis and interest are based on monthly basis. The repayments of principal and interest were since the ninth month and first month after the first drawn-down date respectively.	Secured by mortgaged machinery of Eastern Polypack Co., Ltd.
7	60.00	90.00	Thailand	Payment for machinery	120.00	Fixed interest rate per annum.	Agreement dated 29 October 2015, repayments for principal based on three-month basis and interest are based on monthly basis. The repayments of principal and interest were since the ninth month and first month after the first drawn-down date respectively.	
Total	358.30	439.90						

Subsidiary - APS Co., Ltd.

Contract No.	Outstanding borrowings		Bank	Loan purpose	Facilities (Million Baht)	Interest rate	Repayment conditions	Mortgaged assets
	2018 (Million Baht)	2017 (Million Baht)						
1	24.00	-	Thailand	Payment for machinery	24.00	Fixed interest rate per annum.	Agreement dated 8 October 2017, repayments for principal and interest are based on monthly basis. The repayments of principal and interest were since the seventh month and first month respectively after the first drawn-down date on 23 November 2017	Secured by mortgaged machinery of APS Co., Ltd.
Total	24.00	-						
Grand total	612.28	843.63						

The Group is under the debt covenant criteria as stipulated in the loan agreements which require the Group to maintain the financial ratio, proportion of management shareholders and other requirements in accordance with each loan agreement.

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25 Long-term loans from financial institutions (Cont'd)

The carrying amounts and fair values of certain long-term borrowings are as follows:

	Consolidated financial statements			
	2018		2017	
	Carrying amounts Baht	Fair values Baht	Carrying amounts Baht	Fair values Baht
Borrowings from financial institutions	612,281,250	610,875,563	843,625,908	843,206,899
	Separate financial statements			
	2018		2017	
	Carrying amounts Baht	Fair values Baht	Carrying amounts Baht	Fair values Baht
Borrowings from financial institutions	-	-	-	-

The fair values are based on discounted cash flows using a discount rate based upon the borrowing rate which the management expects would be available to the Group and the Company at the statement of financial position date. The fair values are within level 2 of the fair value hierarchy.

As a result of borrowing at floating interest rates and mainly in Thai currency the carrying amounts of borrowings approximate their fair values.

The Group's interest rate risks from borrowings are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Borrowings at fixed rates	189,881,250	251,036,100	-	-
Borrowings at floating rates	422,400,000	592,589,808	-	-
	612,281,250	843,625,908	-	-

The effective interest rates as at 31 March 2018 and 2017 are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 % per annum	2017 % per annum	2018 % per annum	2017 % per annum
Borrowings from financial institutions	3.94 - 4.86	3.87 - 5.00	-	-

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25 Long-term loans from financial institutions (Cont'd)

Unused credit facilities

Unused credit facilities as at 31 March 2018 and 2017 are as follows;

	Consolidated financial statements					
	31 March 2018			31 March 2017		
	Overdrafts	Long-term loans	Working capital	Overdrafts	Long-term loans	Working capital
Floating interest rate						
- Unlimited period (Baht)	401,974,906	-	930,150,000	396,905,968	84,400,000	1,002,650,000
- Unlimited period (US Dollar)	-	-	6,920,060	-	-	6,146,879
- Unlimited period (Australian Dollar)	100,000	-	70,993	100,000	-	2,988,054
Fixed interest rate/fee						
- Unlimited period (Baht)	-	-	4,825,906,724	-	-	4,913,076,873
- Unlimited period (US Dollar)	-	-	42,239,309	-	-	39,584,074
- Unlimited period (Australian Dollar)	-	-	9,629,107	-	-	4,806,332
	Separate financial statements					
	31 March 2018			31 March 2017		
	Overdrafts	Long-term loans	Working capital	Overdrafts	Long-term loans	Working capital
Floating interest rate						
- Unlimited period (Baht)	25,000,000	-	-	25,000,000	-	-
Fixed interest rate/fee						
- Unlimited period (Baht)	-	-	3,652,000	-	-	3,652,000

26 Debenture

At the Ordinary Shareholders' Meeting 1/2017 of Eastern Polymer Group Public Company Limited, on 27 July 2017, the shareholders approved to issue and offer debenture of the Company for the amount not exceeding Baht 2,000 million for operating and investing activities.

However, as at 31 March 2018 and 2017, the Company has not issued the debenture yet.

27 Finance lease liabilities (net)

The Group has entered into the finance lease agreements for motor vehicles for using in its operations, whereby it is committed to pay rental fee on a monthly basis.

As at 31 March 2018 and 2017, finance lease liabilities are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Finance lease liabilities	10,726,296	12,366,644	-	-
<u>Less</u> Deferred interest expenses	(538,509)	(656,638)	-	-
Present value of finance lease liabilities	10,187,787	11,710,006	-	-
<u>Less</u> Current portion	(5,822,878)	(5,812,965)	-	-
	4,364,909	5,897,041	-	-

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27 Finance lease liabilities (net) (Cont'd)

As at 31 March 2018 and 2017, minimum finance lease liabilities payments are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Due of finance lease liabilities payment				
- Not later than 1 year	6,361,387	6,469,603	-	-
- Later than 1 year but not later than 5 years	4,364,909	5,897,041	-	-
	10,726,296	12,366,644	-	-

28 Other current liabilities

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Withholding tax payable	5,092,972	17,174,462	463,310	418,877
Accrued social security fund	3,998,942	3,869,645	94,792	92,092
Others	2,132,467	2,211,869	-	-
	11,224,381	23,255,976	558,102	510,969

29 Employee benefit obligations

The amounts recognised in the statements of financial position as at 31 March 2018 and 2017 are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Present value of unfunded obligations	163,983,284	151,109,035	13,480,083	11,780,138

The movements of employee benefit obligations for the year ended 31 March 2018 and 2017 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Beginning balance of the year	151,109,035	147,119,558	11,780,138	14,241,248
Increase (decrease) from business combination (Note 14.4)	6,480,621	-	-	-
Current service cost	12,507,743	9,410,670	792,176	686,713
Interest cost	4,053,920	3,373,796	354,906	255,268
Remeasurements of employee benefit obligations				
Amount of (gain) loss that changed from				
- Discount rate	107,122	(12,347,997)	-	(1,005,551)
- Salary growth rate	(1,467,316)	735,416	(247,773)	446,140
- Staff turnover rate	(3,972,674)	1,837,549	1,701,508	(3,373,593)
- Mortality rate	1,865,062	-	110,668	-
Past service cost (income)	(307,965)	4,710,376	(1,011,540)	529,913
Employee benefit paid	(4,722,940)	(2,765,364)	-	-
Exchange differences	(1,669,324)	(964,969)	-	-
Ending balance of the year	163,983,284	151,109,035	13,480,083	11,780,138

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29 Employee benefit obligations (Cont'd)

Employee benefit obligations recognised in the statement of income for the year ended 31 March 2018 and 2017 are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Current service cost	12,507,743	9,410,670	792,176	686,713
Interest cost	4,053,920	3,373,796	354,906	255,268
Total	16,561,663	12,784,466	1,147,082	941,981

The amount recognised in cost of sales, selling expenses and administrative expenses are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Cost of sales	7,113,696	6,493,229	458,833	529,354
Selling expenses	1,802,269	975,537	-	-
Administrative expenses	7,645,698	5,315,700	688,249	412,627
Total	16,561,663	12,784,466	1,147,082	941,981

The principal actuarial assumptions are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 %	2017 %	2018 %	2017 %
Discount rate	2.26 to 4.41	2.35 to 4.42	2.68	2.68
Expected future salary increase	1.88 to 9.57	4.22 to 10.86	5.32	5.72
Staff turnover rate	0.00 to 63.00	0.00 to 56.00	0.00 to 24.00	0.00 to 22.00
Retirement age	55, 60, 65 year	55 years	55, 60 year	55 years

Sensitivity analysis for principal actuarial assumptions are as follows:

		Increase (Decrease) on employee benefit obligation			
		Consolidated financial statements		Separate financial statements	
	Change in assumption	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Discount rate	Increase by 0.50%	(6,031,658)	(5,896,353)	(419,900)	(352,418)
Discount rate	Decrease by 0.50%	6,447,886	6,304,323	443,709	370,487
Salary growth rate	Increase by 0.50%	5,871,156	5,756,591	406,770	347,374
Salary growth rate	Decrease by 0.50%	(5,551,168)	(5,442,997)	(388,978)	(333,979)
Turnover rate	Increase by 0.50%	(5,917,115)	(5,896,364)	(344,759)	(263,311)
Turnover rate	Decrease by 0.50%	6,115,164	6,281,241	365,314	279,087

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to principal actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The weighted average duration of the defined benefit obligation of the Group is 10 - 22 years (2017 : 9 - 19 years) and the Company is 10 years. (2017 : 9 years)

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29 Employee benefit obligations (Cont'd)

Expected maturity analysis of retirement benefits as at 31 March 2018 and 2017 comprise the following:

	Post-employment benefits (Baht)			
	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Less than 1 year	5,775,643	6,114,831	1,437,060	1,922,210
Between 1 - 5 years	42,460,597	44,380,529	6,254,881	9,286,312
Between 5 - 10 years	89,711,882	80,798,385	8,145,884	5,015,109
Between 10 - 15 years	96,417,884	96,466,630	5,897,572	3,813,446

30 Share capital

	Consolidated and Separate financial statements				
	Registered shares	Issued and paid-up shares	Registered capital Baht	Issued and paid-up Baht	Share premium on ordinary share Baht
As at 31 March 2016	2,800,000,000	2,800,000,000	2,800,000,000	2,800,000,000	3,274,182,000
Issue of shares	-	-	-	-	-
As at 31 March 2017	2,800,000,000	2,800,000,000	2,800,000,000	2,800,000,000	3,274,182,000
Issue of shares	-	-	-	-	-
As at 31 March 2018	2,800,000,000	2,800,000,000	2,800,000,000	2,800,000,000	3,274,182,000

31 Legal reserve

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Opening balance of the year	119,132,280	85,058,393	119,132,280	85,058,393
Appropriation during the year (Note 32)	35,313,768	34,073,887	35,313,768	34,073,887
Closing balance of the year	154,446,048	119,132,280	154,446,048	119,132,280

Under the Public Limited Companies Act, the Company is required to set aside as a legal reserve at least 5 percent of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10 percent of the registered capital. The legal reserve is not distributable as a dividend. The legal reserve has to be approved from annual general shareholders' meeting.

As at 31 March 2018 and 2017, retained earnings-unappropriated in the consolidated financial statements included legal reserves of 4 subsidiaries in the amount of Baht 246.11 million and Baht 201.85 million, respectively.

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32 Dividend payment

Parent company - Eastern Polymer Group Public Company Limited

In 2018

The Board of Directors' meeting No.5/2017 held on 10 November 2017, the Board approved the payment interim dividend from net profit after tax for the six-month period ended 30 September 2017 to shareholders at Baht 0.10 per share, totalling Baht 280 million and appropriation of its net income to legal reserve amounting to Baht 14.78 million.

The Ordinary of Shareholders' Meeting no. 1/2017 held on 27 July 2017, the shareholders approved the dividend payment for the year ended 31 March 2017 to shareholders at Baht 0.15 per share, totalling Baht 420 million and appropriation of its net income to legal reserve amounting to Baht 20.53 million.

During the year ended 31 March 2018, the Company paid dividend totalling Baht 700 million and appropriation of its net income to legal reserve amounting to Baht 35.31 million (Note 31).

In 2017

The Board of Directors' Meeting No.5/2016 held on 11 November 2016, the Board approved the payment interim dividend from net profit after tax for the six-month period ended 30 September 2016 to shareholders at Baht 0.10 per share, totalling Baht 279.98 million and appropriation of its net income to legal reserve amounting to Baht 15.99 million.

The Ordinary of Shareholders' Meeting no. 1/2016 held on 25 July 2016, the shareholders approved the dividend payment for the year ended 31 March 2016 to shareholders at Baht 0.12 per share, totalling Baht 336 million and appropriation of its net income to legal reserve amounting to Baht 18.08 million.

During the period ended 31 March 2017, the Company paid dividend totalling Baht 615.98 million and appropriation of its net income to legal reserve amounting to Baht 34.07 million (Note 31).

Dividend payment of a subsidiary - Eastern Polypack Co., Ltd.

In 2018

At the Board of Directors' Meeting of the Company held on 20 March 2018, the meeting has approved the payment of interim dividend from retained earnings as at 31 March 2017 for 100 million shares at Baht 0.87 per share, totalling of Baht 87 million and approved an appropriation of legal reserve totalling Baht 4.35 million. As at 31 March 2018, there is outstanding dividend payable in amounting to Baht 87 million in statement of financial position.

At the Board of Directors' Meeting of the Company held on 10 February 2018, the meeting has approved the payment of interim dividend from current net profit after tax for nine-month period ended 31 December 2017 for 100 million shares at Baht 0.65 per share, totalling of Baht 65 million and approved an appropriation of legal reserve totalling Baht 6.59 million. The Company paid the dividend on July 2018.

During the period ended 31 March 2018, the Company paid dividend totalling Baht 152 million and appropriation of its net income to legal reserve amounting to Baht 10.94 million.

In 2017

At the Board of Directors' Meeting of the Company held on 10 February 2017, the meeting has approved the payment of interim dividend from current net profit after tax for nine-month period ended 31 December 2016 for 100 million shares at Baht 1.40 per share, totalling of Baht 140 million and approved an appropriation of legal reserve totalling Baht 11.72 million. As at 31 March 2017, there is outstanding dividend payable in amounting to Baht 140 million in statement of financial position.

At the Board of Directors' Meeting of the Company held on 11 August 2016, the meeting has approved the payment of interim dividend from current net profit after tax for three-month period ended 30 June 2016 for 100 million shares at Baht 0.80 per share, totalling of Baht 80 million and approved an appropriation of legal reserve totalling Baht 6.39 million. The Company paid the dividend on December 2016.

During the period ended 31 March 2017, the Company paid dividend totalling Baht 220 million and appropriation of its net income to legal reserve amounting to Baht 18.11 million.

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32 Dividend payment (Cont'd)

Dividend payment of a subsidiary - Aeroflex Co., Ltd.

In 2018

At the Board of Directors' Meeting of the Company held on 20 March 2018, the meeting has approved the payment of interim dividend from retained earnings as at 31 March 2017 for 6 million shares at Baht 25 per share, totalling of Baht 150 million. As at 31 March 2018, there is outstanding dividend payable in amounting to Baht 150 million in statement of financial position.

At the Board of Directors' Meeting of the Company held on 10 February 2018, the meeting has approved the payment of interim dividend from current net profit after tax for nine-month period ended 31 December 2017 for 6 million shares at Baht 40 per share, totalling of Baht 240 million and approved an appropriation of legal reserve totalling Baht 14.25 million. The Company paid the dividend on July 2018.

At the Board of Directors' Meeting of the Company held on 11 August 2017, the meeting has approved the payment of interim dividend from current net profit after tax for the year ended 31 March 2017 for 6 million shares at Baht 40 per share, totalling of Baht 240 million and approved an appropriation of legal reserve totalling Baht 6.98 million.

During the period ended 31 March 2018, the Company paid dividend totalling Baht 630 million and appropriation of its net income to legal reserve amounting to Baht 21.23 million.

In 2017

At the Board of Directors' Meeting of the Company held on 10 February 2017, the meeting has approved the payment of interim dividend from current net profit after tax for nine-month period ended 31 December 2016 for 6 million shares at Baht 25 per share, totalling of Baht 150 million and approved an appropriation of legal reserve totalling Baht 10.44 million. As at 31 March 2017, there is outstanding dividend payable in amounting to Baht 150 million in statement of financial position.

At the Board of Directors' Meeting of the Company held on 11 August 2016, the meeting has approved the payment of interim dividend from current net profit after tax for three-month period ended 30 June 2016 for 6 million shares at Baht 12.50 per share, totalling of Baht 75 million and approved an appropriation of legal reserve totalling Baht 5.83 million. The Company paid the dividend on December 2016.

During the period ended 31 March 2017, the Company paid dividend totalling Baht 225 million and appropriation of its net income to legal reserve amounting to Baht 16.27 million.

Dividend payment of a subsidiary - Aeroklas Co., Ltd.

In 2018

At the Board of Directors' Meeting of the Company held on 20 March 2018, the meeting has approved the payment of interim dividend from retained earnings as at 31 March 2017 for 180 million shares at Baht 0.35 per share, totalling of Baht 63 million and approved an appropriation of legal reserve totalling Baht 3.15 million. As at 31 March 2018, there is outstanding dividend payable in amounting to Baht 63 million in statement of financial position.

At the Board of Directors' Meeting of the Company held on 10 February 2018, the meeting has approved the payment of interim dividend from current net profit after tax for nine-month period ended 31 December 2017 for 180 million shares at Baht 0.65 per share, totalling of Baht 117 million and approved an appropriation of legal reserve totalling Baht 8.98 million. The Company paid the dividend on July 2018.

During the period ended 31 March 2018, the Company paid dividend totalling Baht 180 million and appropriation of its net income to legal reserve amounting to Baht 12.13 million.

In 2017

At the Board of Directors' Meeting of the Company held on 10 February 2017, the meeting has approved the payment of interim dividend from current net profit after tax for nine-month period ended 31 December 2016 for 180 million shares at Baht 0.42 per share, totalling of Baht 75.60 million and approved an appropriation of legal reserve totalling Baht 7.81 million. As at 31 March 2017, there is outstanding dividend payable in amounting to Baht 75.60 million in statement of financial position.

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32 Dividend payment (Cont'd)

Dividend payment of a subsidiary - Aeroklas Co., Ltd. (Cont'd)

In 2017 (Cont'd)

At the Board of Directors' Meeting of the Company held on 11 August 2016, the meeting has approved the payment of interim dividend from current net profit after tax for three-month period ended 30 June 2016 for 180 million shares at Baht 0.28 per share, totalling of Baht 50.40 million and approved an appropriation of legal reserve totalling Baht 3.90 million. The Company paid the dividend on December 2016.

During the period ended 31 March 2017, the Company paid dividend totalling Baht 126 million and appropriation of its net income to legal reserve amounting to Baht 11.71 million.

33 Other components of equity and non-controlling interest

Other components of equity

Movements for other components of equity for the year ended 31 March 2018 and 2017 comprise of the following :

	Consolidated financial statements					
	2018			2017		
	Translation differences Baht	Share of other comprehensive income (loss) of associates Baht	Total Baht	Translation differences Baht	Share of other comprehensive income (loss) of associates Baht	Total Baht
Beginning balance of the year	52,960,368	(33,307,862)	19,652,506	97,561,717	(11,353,035)	86,208,682
Increasing during the year	(96,318,867)	(9,978,060)	(106,296,927)	(44,601,349)	(21,954,827)	(66,556,176)
Ending balance of the year	<u>(43,358,499)</u>	<u>(43,285,922)</u>	<u>(86,644,421)</u>	<u>52,960,368</u>	<u>(33,307,862)</u>	<u>19,652,506</u>

Non-controlling interest

	Consolidated financial statements	
	2018 Baht	2017 Baht
Opening balance of the year	13,546,086	3,195,705
Share of net profit of subsidiaries	2,539,760	1,143,381
Increase (decrease) in non-controlling interest during the year	<u>8,000,000</u>	<u>9,207,000</u>
Closing balance of the year	<u>24,085,846</u>	<u>13,546,086</u>

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34 Other income

		Consolidated financial statements		Separate financial statements	
		2018 Baht	2017 Baht	2018 Baht	2017 Baht
Interest income					
- other companies		6,165,024	6,550,658	2,506,928	2,691,655
- related companies	40 b)	-	-	35,874,207	42,952,740
Rental income					
- other companies		431,670	188,501	-	-
Net gain on disposals of					
- property, plant and equipment (net)		4,892,958	8,887,144	-	-
- investment properties		-	-	-	-
Net gain from fire insurance claim		-	10,590,604	-	10,590,604
Compensate income insurance from temporary stop operation		15,196,183	1,599,705	-	-
Income from scrap sale		3,818,628	4,972,604	90,000	7,944
Service income					
- other companies		5,789,637	3,271,492	-	-
Income from write-off trade accounts payable		-	822,496	-	-
Utility income					
- other companies		228,069	132,701	-	-
- related companies		-	2,500	-	-
Management fee					
- other companies		2,450	14,725	-	-
- related companies	40 b)	4,280,262	392,559	-	-
Others		8,662,566	9,957,992	266,074	132,925
		<u>49,467,447</u>	<u>47,383,681</u>	<u>38,737,209</u>	<u>56,375,868</u>

35 Other expenses

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Loss on written-off of property, plant and equipment	(683,498)	(17,248)	-	-
Loss from fire damage	-	(1,723,155)	-	-
	<u>(683,498)</u>	<u>(1,740,403)</u>	<u>-</u>	<u>-</u>

Eastern Polymer Group Public Company Limited
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36 Expense by nature

The expenditure items for the years ended 31 March 2018 and 2017 are classified by nature as follows:

	Notes	Consolidated financial statements		Separate financial statements	
		2018 Baht	2017 Baht	2018 Baht	2017 Baht
Purchase and changes in work in process and finished goods and raw materials	9	4,276,782,695	3,836,025,089	-	-
Staff costs and other benefits		1,432,817,281	1,318,243,683	68,656,880	55,272,324
Employee benefit obligations	29	16,561,663	12,784,466	1,147,082	941,981
Depreciation charges					
- Investment property	16	-	-	8,457,490	8,742,041
- Property plant and equipment	17	588,614,817	560,897,147	5,992,751	6,650,141
Amortisation charges	18	54,803,495	57,069,795	67,143	52,460
Repair and maintenance expenses		164,693,006	158,575,448	803,383	508,078
Utilities expenses		387,521,613	343,748,672	3,407,186	3,472,421
Transportation expenses		299,920,342	271,523,989	-	-
Sales promotion and commission expenses		151,448,422	163,077,355	-	-
Research and development expenses		28,595,859	30,303,864	-	-
Allowance for obsolete and slow-moving inventories (reversal)	9	(2,335,635)	(27,175,756)	-	-
Allowance for inventories cost in excess of net realisable value	9	1,398,017	3,669,177	-	-

37 Finance costs

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Interest expense from borrowings from				
- financial institutions	(48,412,147)	(63,731,496)	(14,731)	(36,555)
Interest expense from financial lease liabilities	(928,634)	(558,194)	-	(10,359)
Bank charge	-	(11,155)	-	-
Gain (loss) on exchange rate from				
- Realised	42,588,702	11,941,131	-	-
- Unrealised	18,724,411	(2,846,206)	-	-
	<u>11,972,332</u>	<u>(55,205,920)</u>	<u>(14,731)</u>	<u>(46,914)</u>

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38 Income tax

Reconciliations of income tax for the year ended 31 March 2018 and 2017 are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Current income tax:				
Current income tax on taxable profit for the year	(34,046,821)	(57,941,536)	-	-
Adjustments over (under) recorded income tax for the prior year	(2,222,126)	(94,145)	-	-
Total current income tax	(36,268,947)	(58,035,681)	-	-
Deferred income tax:				
Origination and reversal of temporary differences (Note 21)	(30,380,172)	(3,231,661)	84,361	(3,574,826)
Business acquisition (Note 14.4)	(3,654,864)	-	-	-
Total tax expense	(70,303,983)	(61,267,342)	84,361	(3,574,826)
	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Profit before tax accounting base	1,063,514,134	1,443,969,598	1,058,959,370	734,065,102
Tax calculated at a tax rate of 20% (2017 : 20%)	(212,702,827)	(288,793,920)	(211,791,874)	(146,813,020)
Tax effect of:				
Income not subject to tax	96,390,394	152,196,202	211,911,957	143,413,984
Expenses not deductible for tax purpose	(19,769,152)	(8,076,705)	350,974	(551,575)
Expenses additional deductible for tax purpose	54,035,202	50,478,247	(386,696)	375,785
Tax losses for which no deferred income tax asset was recognised	(37,413,028)	(34,503,769)	-	-
Share of profit from associates in equity method	49,023,941	49,266,468	-	-
Utilisation of previously unrecognised tax losses	13,320	31,359	-	-
Adjustments over record income tax of prior year	(2,222,126)	(94,145)	-	-
Remeasurement from derived BOI promotion	(436,383)	-	-	-
Effect of different tax rates in countries in which group operates	2,776,676	18,228,921	-	-
Income tax	(70,303,983)	(61,267,342)	84,361	(3,574,826)

39 Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to common stock shareholders by the weighted average number of ordinary shares held during the year.

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Profit attributable to shareholders of the parent for the year (Baht)	990,960,751	1,380,978,029	1,059,043,731	730,490,276
Weighted average number of ordinary shares (Shares)	2,800,000,000	2,800,000,000	2,800,000,000	2,800,000,000
Basic earnings per share (Baht per share)	0.354	0.493	0.378	0.261

There are no potential dilutive ordinary shares in issue during the report date. The dilutive earning per share figure is not presented.

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40 Related-party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

As at 31 March 2018 and 2017, Vitoorapakorn Holding Co., Ltd. Vitoorapakorn family and Teeracharuwat family together held 75% of shares of the Company. The remaining 25% of the shares are widely held.

In considering each possible related-party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The significant investments in subsidiaries and associates are disclosed in Notes 13 and 14.

Relationships between the Company and related parties are as follows:

<u>List of related parties</u>	<u>Country/Nationality</u>	<u>Relationship</u>
Vitoorapakorn Holding Co., Ltd.	Thailand	Shareholder
Aeroklas Co., Ltd.	Thailand	Subsidiary
Eastern Polypack Co., Ltd.	Thailand	Subsidiary
Aeroflex Co., Ltd.	Thailand	Subsidiary
EPG Innovation Center Co., Ltd.	Thailand	Subsidiary
Aeroflex Polymer Technologies (Shanghai) Co., Ltd.	China	Subsidiary
Aeroklas USA Inc.	USA	Subsidiary of Aeroklas Co., Ltd.
Aeroklas Australia Pty Ltd.	Australia	Subsidiary of Aeroklas Co., Ltd.
Aeroklas (Shanghai) Co., Ltd.	China	Subsidiary of Aeroklas Co., Ltd.
Aeroklas Europe GmbH	Germany	Subsidiary of Aeroklas Co., Ltd.
Aeroklas Malaysia Sdn. Bhd.	Malaysia	Subsidiary of Aeroklas Co., Ltd. (Starting from 1 November 2016)
APS Co., Ltd	Thailand	Subsidiary of Aeroflex Co., Ltd.
Aeroflex USA Inc.	USA	Subsidiary of Aeroflex Co., Ltd.
TJM Products Pty. Ltd.	Australia	Subsidiary of Aeroklas Australia Pty. Ltd.
TJM Off-Road Products Inc.	USA	Subsidiary of TJM Products Pty. Ltd.
TJM Shenzhen Ltd.	China	Subsidiary of TJM Products Pty. Ltd.
TJM Products MEA DMCC	United Arab Emirates	Subsidiary of TJM Products Pty. Ltd.
Flexiglass Challenge Pty. Ltd.	Australia	Subsidiary of Aeroklas Australia Pty. Ltd. (Starting from 31 January 2018)
Tokai Eastern Rubber (Thailand) Ltd.	Thailand	Associate
Zeon Advance Polymix Co., Ltd.	Thailand	Associate
Aerocel Construction Materials(Jiangsu) Co., Ltd.	China	Associate of Aeroflex Co., Ltd.
ALP Aeroflex India Private Ltd.	India	Associate of Aeroflex Co., Ltd.
Faraero Otomotiv Sanayi Ve Ticaret A.S.	Turkey	Common shareholders and directors
Eastern Syntech Co., Ltd.	Thailand	Common shareholders and directors
Eastern Polytech Co., Ltd.	Thailand	Common shareholders and directors
I.P.P. (Thailand) Co., Ltd.	Thailand	Common shareholders and directors
Four-S (2007) Co., Ltd.	Thailand	Common shareholders and directors
Siam Inter Air Supply Co., Ltd.	Thailand	Common shareholders and directors
Siam BR Service Co., Ltd.	Thailand	Common shareholders and directors
Dynamic Eastern Garment Co., Ltd.	Thailand	Common shareholders and directors
Sanki Eastern (Thailand) Co., Ltd.	Thailand	Common shareholders and directors
Aeroflex Europe GmbH	Germany	Common shareholders and directors
Talomsin Plastics Co., Ltd.	Thailand	Shareholders are members of directors' family
Hayakawa Eastern Rubber Co., Ltd.	Thailand	Common shareholders and directors
Best Architectural Lighting Co., Ltd.	Thailand	Common shareholders and directors
Esco Service Co., Ltd.	Thailand	Common shareholders and directors
Ekwadee Co., Ltd.	Thailand	Common shareholders and directors (Starting from 29 March 2017)
VTH Australia Pty. Ltd.	Australia	Common shareholders and directors (Starting from 29 March 2018)
B.N.C.4 Ordinary Partnership	Thailand	Partners are the Company's directors and shareholders
S.S. Trading Ordinary Partnership	Thailand	Partners are the Company's directors and shareholders

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40 Related-party transactions (Cont'd)

<u>List of related parties</u>	<u>Country/Nationality</u>	<u>Relationship</u>
<u>Related body of person</u>		
T and C Land and House Body of Person	Thailand	Body of Person whose member is director or shareholder or close member of the shareholder's family
P and C Land and House Body of Person	Thailand	
P and T Land and House Body of Person	Thailand	
PRV Body of Person	Thailand	
B.N.C.1 Body of Person	Thailand	
<u>Directors and shareholders</u>		Individual who is a director or shareholder of the Company or subsidiaries
<u>Shareholders and close members of the family</u>		Shareholders and close members of the shareholders' family who is not be a director of the Company or subsidiaries.

Management benefit expenses represent benefits which management has received from the Company. The definition of "management" is in accordance with the laws on securities and stock exchange.

Management benefit obligation represent retirement benefits, for management which is calculated by independent actuary.

Directors' remuneration is approved at the Annual General Meeting of the Company's shareholders.

Related-party transactions are as follows:

- a) Outstanding balances as at 31 March 2018 and 2017 arising from purchase/sales of goods and services and others are as follows:

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2018 Baht</u>	<u>2017 Baht</u>	<u>2018 Baht</u>	<u>2017 Baht</u>
Trade accounts receivable				
<u>Associates</u>				
ALP Aeroflex India Private Ltd.	5,091,228	7,784,621	-	-
Tokai Eastern Rubber (Thailand) Ltd.	4,601	6,902	-	-
	<u>5,095,829</u>	<u>7,791,523</u>	<u>-</u>	<u>-</u>
<u>Subsidiary</u>				
Aeroklas Co., Ltd.	-	-	-	620,600
<u>Related companies</u>				
Eastern Syntech Co., Ltd.	5,487,499	3,912,316	-	227,268
I.P.P. (Thailand) Co., Ltd.	1,147,049	-	-	-
Esco Service Co., Ltd.	-	5,136	-	-
Siam Inter Air Supply Co., Ltd.	56,284	221,732	-	-
Hayakawa Eastern Rubber Co., Ltd.	13,610	4,194	-	-
Vitoorapakorn Holding Co., Ltd.	-	86,285	-	-
Aeroflex Europe GmbH	-	8,241,131	-	-
	<u>6,704,442</u>	<u>12,470,794</u>	<u>-</u>	<u>227,268</u>
	<u>11,800,271</u>	<u>20,262,317</u>	<u>-</u>	<u>847,868</u>

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40 Related-party transactions (Cont'd)

- a) Outstanding balances as at 31 March 2018 and 2017 arising from purchase/sales of goods and services and others are as follows: (Cont'd)

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Dividend receivable				
<u>Associates</u>				
Aerocel Construction Materials (Jiangsu) Co., Ltd.	-	22,585,473	-	-
Zeon Advance Polymix Co., Ltd.	11,610,000	11,070,000	11,610,000	11,070,000
	<u>11,610,000</u>	<u>33,655,473</u>	<u>11,610,000</u>	<u>11,070,000</u>
<u>Subsidiaries</u>				
Aeroflex Co., Ltd.	-	-	389,999,870	149,999,950
Eastern Polypack Co., Ltd.	-	-	151,999,997	139,999,997
Aeroklas Co., Ltd.	-	-	179,999,998	75,599,999
	<u>-</u>	<u>-</u>	<u>721,999,865</u>	<u>365,599,946</u>
	<u>11,610,000</u>	<u>33,655,473</u>	<u>733,609,865</u>	<u>376,669,946</u>
Fixed assets receivable				
<u>Associate</u>				
ALP Aeroflex India Private Ltd.	4,073,075	2,091,342	-	-
	<u>4,073,075</u>	<u>2,091,342</u>	<u>-</u>	<u>-</u>
Interest receivable				
<u>Subsidiaries</u>				
Aeroflex Co., Ltd.	-	-	822,893	605,469
Eastern Polypack Co., Ltd.	-	-	878,175	1,019,341
Aeroklas Co., Ltd.	-	-	1,899,205	1,348,466
EPG Innovation Center Co., Ltd.	-	-	14,275	3,014
	<u>-</u>	<u>-</u>	<u>3,614,548</u>	<u>2,976,290</u>
Advance for shares subscription				
<u>Associate</u>				
ALP Aeroflex India Private Ltd.	-	15,935,793	-	-
	<u>-</u>	<u>15,935,793</u>	<u>-</u>	<u>-</u>
Advance for share subscription represents advance for share subscription from Aeroflex Co., Ltd. to ALP Aeroflex India Private Ltd. amounting to USD 459,258 (equivalent to Baht 15,935,793).				
Deposit				
<u>Related Company</u>				
I.P.P.(Thailand) Co., Ltd.	5,492,280	4,032,000	-	-
	<u>5,492,280</u>	<u>4,032,000</u>	<u>-</u>	<u>-</u>
Deposit to related company represents a land rental deposit from Eastern Polypack Co., Ltd. to I.P.P. (Thailand) Co., Ltd. for rental period of 8 years.				

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40 Related-party transactions (Cont'd)

- a) Outstanding balances as at 31 March 2018 and 2017 arising from purchase/sales of goods and services and others are as follows: (Cont'd)

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Trade accounts payable				
<u>Associate</u>				
Aerocel Construction Materials (Jiangsu) Co., Ltd.	2,792,243	4,250,378	-	-
<u>Related companies</u>				
Talomsin Plastics Co., Ltd.	15,372,829	21,852,693	-	-
Siam Inter Air Supply Co., Ltd.	-	22,149	-	22,149
Dynamic Eastern Garment Co., Ltd.	10,000	-	-	-
Eastern Syntech Co., Ltd.	9,538,103	-	-	-
	24,920,932	21,874,842	-	22,149
	27,713,175	26,125,220	-	22,149
Other accounts payable				
<u>Associate</u>				
Zeon Advance Polymix Co., Ltd.	53,875	-	-	-
<u>Related companies</u>				
Eastern Syntech Co., Ltd.	1,616,555	4,641,043	-	-
I.P.P. (Thailand) Co., Ltd.	3,820,497	2,502,657	-	-
Siam Inter Air Supply Co., Ltd.	-	-	-	-
Siam BR Service Co., Ltd.	-	5,993	-	-
Hayakawa Eastern Rubber Co., Ltd.	-	44,940	-	-
Ekwadee Co., Ltd.	38,000	-	-	-
	5,475,052	7,194,633	-	-
<u>Board of director</u>				
Accrued meeting allowance	3,163,000	2,965,000	3,163,000	2,965,000
	8,691,927	10,159,633	3,163,000	2,965,000
Fixed assets payable				
<u>Related body of person and related company</u>				
Eastern Syntech Co., Ltd.	53,928	984,400	-	-

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40 Related-party transactions (Cont'd)

- b) Significant revenue and expense transactions with related parties for the years ended 31 March 2018 and 2017 are as follows:

	For the year ended 31 March 2018							
	Consolidated financial statements				Separate financial statements			
	Subsidiaries Baht	Associates Baht	Related parties Baht	Total Baht	Subsidiaries Baht	Associates Baht	Related parties Baht	Total Baht
Revenue from sales/services	-	131,435,169	14,773,029	146,208,198	-	-	-	-
- inventories	-	-	180,000	180,000	15,196,000	-	180,000	15,376,000
- utilities	-	-	-	-	21,880,000	-	-	21,880,000
- investment property rental	-	-	-	-	17,400,000	-	792,000	18,192,000
- information system service	-	-	792,000	792,000	38,160,000	-	-	38,160,000
- consulting	-	-	-	-	46,177	-	-	46,177
- machinery and equipment	-	4,064,238	-	4,064,238	-	-	-	-
- managing	-	-	4,280,262	4,280,262	-	-	-	-
Other income	-	489,093	406,917	896,010	-	-	-	-
Dividend income	-	-	-	-	961,999,785	97,560,000	-	1,059,559,785
Interest income	-	-	-	-	35,874,207	-	-	35,874,207
Purchase of inventories	-	123,803,549	87,273,909	211,077,458	-	-	-	-
Purchase of property, plant and equipment	-	-	1,178,334	1,178,334	-	-	-	-
Expenses - utility	-	-	28,232,844	28,232,844	-	-	-	-
- staff transportation	-	-	79,544	79,544	-	-	-	-
- medical	-	-	1,680,514	1,680,514	-	-	-	-
- others	-	31,850	2,088,826	2,120,676	255,573	-	37,903	293,476
- motor vehicle rental	-	-	300,000	300,000	-	-	-	-
- land and building rental	-	-	21,419,280	21,419,280	-	-	9,000,000	9,000,000
- loss on sale of property, plant and equipment	-	2,715,960	-	2,715,960	-	-	-	-

40 **Related-party transactions (Cont'd)**

b) Significant revenue and expense transactions with related parties for the years ended 31 March 2018 and 2017 are as follows: (Cont'd)

For the year ended 31 March 2017								
Consolidated financial statements					Separate financial statements			
	Subsidiaries Baht	Associates Baht	Related parties Baht	Total Baht	Subsidiaries Baht	Associates Baht	Related parties Baht	Total Baht
Revenue from sales/services	-	73,270,686	48,065,943	121,336,629	-	-	-	-
- utilities	-	-	180,000	180,000	15,796,000	-	180,000	15,976,000
- investment property rental	-	-	-	-	22,880,000	-	-	22,880,000
- information system service	-	-	801,000	801,000	16,200,000	-	801,000	17,001,000
- consulting	-	-	-	-	22,560,000	-	-	22,560,000
- machinery and equipment	-	9,630,093	1,532,776	11,162,869	-	-	1,000	1,000
- managing	-	-	392,559	392,559	-	-	-	-
	-	553,890	305,805	859,695	-	-	-	-
Other income	-	-	-	-	-	-	-	-
Dividend income	-	-	-	-	570,999,919	146,070,000	-	717,069,919
Interest income	-	-	-	-	42,952,740	-	-	42,952,740
Purchase of inventories	-	67,295,564	91,656,711	158,952,275	-	-	-	-
Purchase of property, plant and equipment	-	-	43,678,615	43,678,615	-	-	114,400	114,400
Expenses - utility	-	-	21,122,763	21,122,763	-	-	-	-
- staff transportation	-	-	4,766,872	4,766,872	-	-	-	-
- medical	-	-	1,680,674	1,680,674	-	-	-	-
- others	-	2,776	3,366,039	3,368,815	-	-	-	-
- motor vehicle rental	-	-	600,000	600,000	157,110	-	-	-
- land and building rental	-	-	18,010,800	18,010,800	-	-	63,452	220,562
	-	-	-	-	-	-	9,000,000	9,000,000

Eastern Polymer Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 March 2018

40 Related-party transactions (Cont'd)

- b) Significant revenue and expense transactions with related parties for the years ended 31 March 2018 and 2017 are as follows: (Cont'd)

Managements and directors' remuneration

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Managements' and directors' remuneration				
- Short-term	112,519,772	120,186,419	21,177,548	17,907,685
- Post employment benefit	6,957,419	1,773,913	1,149,599	(706,283)
	<u>119,477,191</u>	<u>121,960,332</u>	<u>22,327,147</u>	<u>17,201,402</u>

- c) Short-term loans to related companies

The movements of short-term loans to related companies for the years ended 31 March 2018 and 2017 are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
<u>Short-term loans to</u>				
Beginning balance of the year	-	-	1,731,800,000	1,698,800,000
Additional during the year	-	-	2,253,700,100	1,592,200,200
Repayment during the year	-	-	(2,316,300,100)	(1,559,200,200)
Reclassify to long-term loans	-	-	(900,000,000)	-
Ending balance of the year	<u>-</u>	<u>-</u>	<u>769,200,000</u>	<u>1,731,800,000</u>

At the Board of Directors' Meeting No. 3/2017 of Eastern Polymer Group Public Company Limited, on 29 May 2017, the board of directors approved to reclassify short-term loans to long term loans to 3 subsidiaries, Aeroklas Co., Ltd. amount of Baht 400 million, Eastern Polypack Co., Ltd. amount of Baht 300 million and Aeroflex Co., Ltd amount of 200 million , totalling to Baht 900 million.

Outstanding balances of short-term loans to related companies as at 31 March 2018 and 2017 are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
<u>Short-term loans to</u>				
<u>Subsidiaries</u>				
Aeroflex Co., Ltd.	-	-	161,000,000	333,300,000
Eastern Polypack Co., Ltd.	-	-	91,700,000	598,000,000
Aeroklas Co., Ltd.	-	-	508,000,000	795,000,000
EPG Innovation Center Co., Ltd.	-	-	8,500,000	5,500,000
Total short-term loans to	<u>-</u>	<u>-</u>	<u>769,200,000</u>	<u>1,731,800,000</u>

As at 31 March 2018, the Company's short-term loans to subsidiaries are unsecured loans and bear interest at the rate of 2.00% per annum (2017 : 2.00% to 3.00% per annum). The loans are due for repayment at call.

Eastern Polymer Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 March 2018

40 Related-party transactions (Cont'd)

d) Long-term loans to related companies

The movements of long-term loans to related companies for the year ended 31 March 2018 and 2017 are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
<u>Long-term loans to</u>				
Beginning balance of the year	-	-	34,285,700	-
Additional during the year	-	-	-	35,190,000
Reclassify from short-term to long-term loan	-	-	900,000,000	-
Repayment during the year	-	-	-	-
Gain (loss) on exchange rate				
- Realised	-	-	-	-
- Unrealised	-	-	(3,228,400)	(904,300)
Ending balance of the year	-	-	931,057,300	34,285,700

Long-term loan to related companies as at 31 March 2018 and 2017 are due for repayments as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
<u>Long-term loans to</u>				
<u>subsidiaries</u>				
Aeroflex Co., Ltd.	-	-	200,000,000	-
Eastern Polypack Co., Ltd.	-	-	300,000,000	-
Aeroklas Co., Ltd.	-	-	400,000,000	-
Aeroflex Polymer Technologies (Shanghai) Co., Ltd.	-	-	31,057,300	34,285,700
Total long-term loans to	-	-	931,057,300	34,285,700

As at 31 March 2018, the Company's long-term loan to subsidiaries are unsecured loans and bear interest at the rate on 3.00% - 4.00% per annum (2017 : 4.00% per annum). The outstanding long-term loan to Aeroflex Polymer Technologies (Shanghai) Co., Ltd. denominated in US Dollar amounting to US Dollar 1,000,000 or equivalent to Baht 31,057,300 (2017 : US Dollar 1,000,000 or equivalent to Baht 34,285,400).

e) Short-term loans from related parties

The movements of short-term loans from related parties for the year ended 31 March 2018 and 2017 are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
<u>Short-term loans from</u>				
Beginning balance of the year	18,277,069	24,538,635	-	-
Additional during the year	-	5,230,900	-	-
Repayment during the year	(4,641,816)	(9,624,856)	-	-
Translation adjustment	(131,269)	(1,867,610)	-	-
Ending balance of the year	13,503,984	18,277,069	-	-

Eastern Polymer Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 March 2018

40 Related-party transactions (Cont'd)

e) Short-term loans from related parties (Cont'd)

Outstanding balances of short-term loans from related companies as at 31 March 2018 and 2017 are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Short-term loans from				
Related person	13,503,984	18,277,069	-	-

As at 31 March 2018 and 2017, short-term loans from related parties is an interest free note payable denominated in Renminbi. The loan is unsecured and due for repayment at call.

41 Commitments

41.1 Operating lease commitments

The Group and the Company have entered into non-cancellable lease agreements in respect of the lease of land and buildings, and transportation vehicles with related parties and others.

As at 31 March 2018 and 2017, the Group and the Company had future lease and service payments required under these contracts as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Due payment				
Within 1 year	128,740,872	104,153,478	6,750,000	10,000,000
Later than 1 year but not later than 5 years	212,808,114	177,414,590	-	-
Later 5 years	73,593,785	84,840,138	-	-
	415,142,771	366,408,206	6,750,000	10,000,000

41.2 Capital commitments

As at 31 March 2018 and 2017, the Group and the Company had capital commitments, relating to the construction of factory buildings and acquisition of equipment as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Million Baht	2017 Million Baht	2018 Million Baht	2017 Million Baht
Buildings	82.45	5.49	-	-
Machinery and equipment	55.61	90.31	-	-
Furniture and fixtures	-	0.35	-	-
Total	138.06	96.15	-	-

Eastern Polymer Group Public Company Limited
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For the year ended 31 March 2018

41 Commitments (Cont'd)

41.3 Bank guarantees

As at 31 March 2018 and 2017, the Group had outstanding bank guarantees for the normal course of business, issued by banks as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Guarantee for electricity	52,236,700	52,131,700	348,000	348,000
Guarantee for sale and purchase transactions	661,630	704,698	-	-
Guarantee for industrial waste transportation	100,000	100,000	-	-
	<u>52,998,330</u>	<u>52,936,398</u>	<u>348,000</u>	<u>348,000</u>
	Australian dollar	Equivalents to Baht	Australian dollar	Equivalents to Baht
Guarantee for property lease				
- TJM Products Pty. Ltd.	515,427	12,551,936	455,532	12,173,910
- Aeroklas Australia Pty. Ltd.	124,080	3,021,658	-	-
	<u>639,507</u>	<u>15,573,594</u>	<u>455,532</u>	<u>12,173,910</u>

41.4 Standby letter of credit

As at 31 March 2018 and 2017 the Group had standby letter of credit issued by local commercial bank for guarantee as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Guarantee for an indirect subsidiary's loans				
- Aeroflex USA Inc.	-	51,921,600	-	-
- TJM Products Pty. Ltd.	64,261,008	70,520,471	-	-
	<u>64,261,008</u>	<u>122,442,071</u>	<u>-</u>	<u>-</u>

41.5 Other commitments

As at 31 March 2018 and 2017, the Company had commitments but didn't recognise in the financial statement as follows:

	Consolidated financial statements			
	2018		2017	
	Currency	Equivalents to Baht	Currency	Equivalents to Baht
Letter of credit for goods commitments				
- US dollar	2,219,492	69,674,102	1,123,967	38,809,365

Eastern Polymer Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
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41 Commitments (Cont'd)

41.6 Forward contracts

As at 31 March 2018 and 2017, the Group has an outstanding balance of foreign currency forward contracts with having the settlement dates on open forward contracts are not later than 6 months. The amounts to be received under contractual exchange rates of the outstanding contracts were:

	Consolidated financial statements	
	2018 Baht	2017 Baht
EUR 0.57 million at the exchange rate of Baht 36.63 per EUR	-	21,319,896
	Australian Dollar	Australian Dollar
USD 2.46 million at the exchange rate of AUD 0.77 per USD	3,194,592	-
USD 3.00 million at the exchange rate of AUD 0.76 per USD	-	3,946,125

The net fair values of the financial instruments as at 31 March 2018 and 2017 were as follow;

	Consolidated financial statements	
	2018	2017
Favourable/(Unfavourable) forward foreign exchange (Baht)	-	345,583
Favourable/(Unfavourable) forward foreign exchange (Australian dollar)	5,585	71,537

The fair values of forward foreign exchange contracts have been calculated using rates quoted by the Company's banker to terminate the contracts at the statement of financial position date. The fair values are within level 2 of the fair value hierarchy.

41.7 Guarantees of related companies

As at 31 March 2018 and 2017, the Group had guarantees as follows:

Guarantee	Guarantee on behalf of	List of guarantee	2018		2017	
			Currency	Amount (Million Baht)	Currency	Amount (Million Baht)
The Company	Subsidiaries	Loans and bank credit facilities	Baht	3,281.80	Baht	3,956.80
The Company	Subsidiaries	Loans and bank credit facilities	US dollar	13.75	US dollar	15.75
The Company	Subsidiaries	Loans and bank credit facilities	Australian dollar	6.00	Australian dollar	6.00
Subsidiaries	Subsidiaries	Loans and bank credit facilities	US dollar	3.00	US dollar	3.00

Eastern Polymer Group Public Company Limited
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42 Promotional privileges

The Group received the following promotional privileges from the Board of Investment as table below:

Subsidiary - Aeroklas Co., Ltd.

BOI Certificate No.	Date of approval	Products	Income first derived date	Privilege expired date	Significant privileges *										
					1	2.1	2.2	3	4	5	6	7	8.1	8.2	9
1389/2542	3 September 1999	The manufacture of plastic sheet and product plastic sheet forming	12 January 2001	11 January 2014	✓	-	-	-	✓	✓	✓	✓	✓	-	✓
2083(2)/2548	28 September 2005	The manufacture of plastic sheet and plastic forming	7 January 2010	6 January 2018	✓	-	✓	-	-	✓	✓	✓	✓	-	✓
1786(2)/2549	13 September 2006	The manufacture of mould & Die, Jig and repair mold	Not yet start generating revenue	-	✓	-	✓	-	-	-	-	-	-	✓	✓
1014(2)/2554	2 December 2011	The manufacture of plastic sheet and plastic sheet forming	1 April 2014	31 March 2022	✓	-	✓	-	-	✓	✓	✓	✓	-	✓
1902(2)/2556	22 January 2013	The manufacture of product of plastic and plastic parts for automotive industry	Not yet start generating revenue	-	✓	-	✓	-	-	✓	✓	✓	✓	-	✓

Subsidiary - Aeroflex Co., Ltd.

BOI Certificate No.	Date of approval	Products	Income first derived date	Privilege expired date	Significant privileges *										
					1	2.1	2.2	3	4	5	6	7	8.1	8.2	9
1232(2)/0./2556	19 February 2013	The manufacture of insulation rubber plastic product	9 June 2014	8 June 2022	✓	-	✓	-	-	✓	✓	✓	✓	-	✓

Eastern Polymer Group Public Company Limited
Notes to the Consolidated and Separate Financial Statements
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42 Promotional privileges (Cont'd)

The Group received the following promotional privileges from the Board of Investment as table below: (Cont'd)

Subsidiary - Eastern Polypack Co., Ltd.

BOI Certificate no.	Date of approval	Products	Income first derived date	Privilege expired date	Significant privileges *												
					1	2.1	2.2	3	4	5	6	7	8.1	8.2	9		
1139(2)/2552	13 October 2008	The manufacture of plastic package type 6.18 clean and green plastic package/plastic sheet	26 October 2011	25 October 2019	✓	✓	-	-	✓	✓	✓	✓	-	✓	✓		
1652(2)/2554	5 April 2011	The manufacture of plastic package type 6.12 The manufacture of plastic coating	8 April 2014	7 April 2017	✓	✓	-	-	-	-	-	-	-	✓	✓		
1626(2)/2556	22 January 2013	The manufacture of plastic package type 6.12 The manufacture of plastic coating	3 November 2016	2 November 2023	✓	-	✓	-	-	✓	✓	✓	✓	-	✓		
60-0162-0-001-0	30 March 2015	The manufacture of plastic package type 6.12. The manufacture of plastic coating	Not start to generate income yet	-	✓	-	✓	-	-	✓	✓	✓	✓	-	✓		
60-0163-0-001-0	2 March 2015	The manufacture of plastic package type 6.12. The manufacture of plastic coating	Not start to generate income yet	-	✓	-	✓	-	-	✓	✓	✓	✓	-	✓		
60-0171-0-001-0	30 March 2015	The manufacture of plastic package type 6.12. The manufacture of plastic coating	Not start to generate income yet	-	✓	-	✓	-	-	✓	✓	✓	✓	-	✓		
60-0324-1-041-0	30 January 2017	The manufacture of recycling plastic package type 6.8. The manufacture of recycle plastic.	1 April 2017	31 March 2020	✓	-	-	✓	-	-	-	-	-	-	✓		

Eastern Polymer Group Public Company Limited
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42 Promotional privileges (Cont'd)

The Group received the following promotional privileges from the Board of Investment as table below: (Cont'd)

Subsidiary - EPG Innovation Center Co., Ltd.

BOI Certificate No.	Date of approval	Products	Income first derived date	Privilege expired date	Significant privilege *										
					1	2.1	2.2	3	4	5	6	7	8.1	8.2	9
2023(4)/2549	25 May 2005	Research and development, for industrial products, testing and analysis for industrial supplies and calibration testing of tools and equipment	17 September 2010	16 September 2018	✓	-	-	-	✓	-	-	-	-	-	-

* Significant privileges consist of:

- 1) Exemption from import duty on approved machinery.
- 2) Exemption from payment of corporate income tax not in excess of 100% of the investment amount excluding cost of land and working capital. This privilege is due for expiration.
 - 2.1) Within a period of three years from the date income is first derived.
 - 2.2) Within a period of eight years from the date income is first derived.
- 3) Exemption from payment of corporate income tax not in excess of 50% of the investment amount excluding cost of land and working capital. This privilege is due for expiration within a period of three years from the date income is first derived.
- 4) Exemption from corporate income tax for the promoted activities for a period of eight years from the date income is first derived.
- 5) 50% reduction of corporate income tax for five years after the termination of normal income tax holiday.
- 6) Allowance to double the actual cost of transportation, electricity and water supply for a period of ten years from the date income is first derived.
- 7) Allowance to deduct from the taxable corporate income up to 25% of the capital investment in the costs of installing infrastructural facilities apart from normal depreciation.
- 8) Exemption from payment of import duty on imported raw material and supplies to be used in the manufacturing of goods for export sales.
 - 8.1) For a period of five years from the first import date.
 - 8.2) For a period of one year from the first import date.
- 9) The Company does not need to include dividend received from a BOI-promoted entity to calculate the income tax expense during the exemption period.

In February 2013, Aeroflex Co., Ltd. received a transferred of Promotion Certificate No. 1232(2)/0./2556 and 1233/0./2556 from Eastern Polymer Group Public Company Limited on the condition that the subsidiary receives remaining rights and privileges provided in the existing Promotion Certificate No. 1568(2)/2554 dated 18 May 2011 and 1319/2543 dated 23 June 2000.

As a promoted entity, the Group must comply with certain conditions and restrictions provided for in the promotional certificates.

Eastern Polymer Group Public Company Limited
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42 Promotional privileges (Cont'd)

The operating results for the year ended 31 March 2018 and 2017 classified as sales under BOI and non-BOI promoted activities are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Revenue from activities				
BOI Promoted				
- Sales of goods	4,270,648,295	4,541,129,114	-	-
- Revenue from services	5,763,664	4,220,253	-	-
Total	4,276,411,959	4,545,349,367	-	-
Non-BOI promoted				
- Sales of goods	5,336,468,059	4,738,652,364	-	-
- Revenue from services	1,418,800	981,000	93,608,000	78,417,000
Total	5,337,886,859	4,739,633,364	93,608,000	78,417,000
	9,614,298,818	9,284,982,731	93,608,000	78,417,000

43 Events after the reporting period

At the Board of Directors' meeting 3/2561 of Eastern Polymer Group Public Company Limited, on 28 May 2018, the Board of Directors pass a resolution

- Approved the dividend payment of Eastern Polymer Group Public Company Limited and its subsidiaries from the operation result from 1 April 2017 to 31 March 2018 to shareholders as followed:
 - Eastern Polymer Group Public Company Limited 2,800 million shares at Baht 0.15 per share, totalling Baht 420 million and appropriation of it net income to legal reserve amounting to Baht 38.17 million.
 - Eastern Polypack Co., Ltd. 100 million shares at Baht 1 per share, totalling Baht 100 million.
 - Aeroflex Co., Ltd. 6 million shares at Baht 17 per share, totalling Baht 102 million.
- Approved the closure of Aeroklas Europe GmbH and utilise agents who are specialised in assembling and distributing molded plastic parts in Eurozone.
- Approved a subsidiary of Aeroklas Co., Ltd. - Aeroklas Australia Pty. Ltd. to terminate the co-investment with Spinks Holdings Pty. Ltd. in Australia due to the return on investment is not viable.

General Information

Company General Information

Company Name	:	Eastern Polymer Group Public Company Limited
Stock symbol	:	EPG
Registered No.	:	0107556000540
Typed of business	:	Holding Company Investing in Polymer and Plastic Product and Manufacture business
Website	:	www.epg.co.th
Registered capital	:	2,800,000,000 Baht
Paid in Capital	:	2,800,000,000 Baht Consists of 2,800,000,000 ordinary shares (as of 12 June 2018)
Group of Industry	:	Real Estate and Construction
Business sector	:	Construction materials
Market Value	:	22,820 Million Baht (as of 12 June 2018)
Number of shareholders	:	10,096 (as of 12 June 2018) the closing date of registration book for participating right in the ordinary shareholder's meeting 2018
% of shares held by minorities	:	25.31%
Head Office Location	:	770 Moo 6 Theparak Rd., Theparak Sub-District, Mueang District Samutprakan 10270 Thailand
Phone	:	+662 383 6599
Fax	:	+662 383 6533
Investor Relation		
Phone	:	+662 249 3976
E-mail	:	ir@epg.co.th
Company Secretary		
Phone	:	+662 383 6599
E-mail	:	cs@epg.co.th

Reference

Registrar	:	The Thailand Securities Depository Co., Ltd. (TSD) 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400, Thailand
Telephone	:	+662 009 9000
Fax	:	+662 009 9911
Website	:	www.tsd.co.th
Auditor	:	Mr. Sudwin Panyawongkhanti Certified Public Accountant (Thailand) 3534 PricewaterhouseCoopers ABAS Ltd. 179/74-80 Bangkok City Tower 15th Floor, South Sathorn Rd., Sathorn Bangkok 10120
Telephone	:	+662 334 1000
Fax	:	+662 344 1130
Website	:	www.pwc.com

General Information of the subsidiaries

Name of Company	Business / Main Product	Place of Business Engagement	Type of share	Paid in Capital (Number of shares: Million)	Paid In capital (Million Baht)	Paid In capital (Million Foreign Currency)	Direct and Indirect share holding ratio of the company and subsidiary (%)	Major Shareholder	Number of ordinary share	Ratio (%)
Susidiaries of Eastern Polymer Group Public Co., Ltd										
1. Aeroklas Co., Ltd. 111/1,111/10, Mu 2, Tumbon Makamku, Nikom Pattana, Rayong Phone: +662 744 3020-30 Fax: +662 744 3032	Bed liner, Canopy, Car accessories	Thailand	Ordinary Share	180	1,800		100	Eastern Polymer Group Public Co., Ltd Mr. Pawat Vitoorapakorn Mr. Teerawat Vitoorapakorn	179,999,998 1 1	100 0 0
2. Eastern Polypack Co., Ltd. 770 Mu 6 , Teparak road, Teparak, Muang, Samutprakarn Phone +662 744 3139 Fax: +662 361 8854	Plastic packaging	Thailand	Ordinary Share	100	1,000		100	Eastern Polymer Group Public Co., Ltd Mr. Pawat Vitoorapakorn Mr. Teerawat Vitoorapakorn	99,999,998 1 1	100 0 0
3. Aeroflex Co., Ltd. 770 Mu 6 , Teparak road, Teparak, Muang, Samutprakarn Phone: +662 383 6599 Fax: +662 759 7147	Rubber Insulation	Thailand	Ordinary Share	6	600		100	Eastern Polymer Group Public Co., Ltd Mr. Pawat Vitoorapakorn Mr. Teerawat Vitoorapakorn	5,999,998 1 1	100 0 0
4. EPG Innovation Center Co., Ltd. 111/1,Mu 2, Tumbon Makamku, Nikom Pattana, Rayong Phone +6638 893 599 Fax: +6638 893 611	Research and development, and standard testing	Thailand	Ordinary Share	5	50		100	Eastern Polymer Group Public Co., Ltd Mr. Pawat Vitoorapakorn Mr. Teerawat Vitoorapakorn	4,999,998 1 1	100 0 0

Name of Company	Business / Main Product	Place of Business Engagement	Type of share	Paid In Capital (Number of shares: Million)	Paid In capital (Million Baht)	Paid In capital (Million Foreign Currency)	Direct and Indirect share holding ratio of the company and subsidiary (%)	Major Shareholder	Number of ordinary share	Ratio (%)
5. Aeroflex Polymer Technologies (Shanghai) Co., Ltd No.251-5 Min Yi Rd., Song Jiang Industrial District, Shanghai, P.R.China Phone 862 157-680-860 Fax: 862 157-680-876	Insulation, import & export of machineries and chemical materials	China	Ordinary Share	No Par Value		USD8.1	100	Eastern Polymer Group Public Co., Ltd	No Par Value	100
Associate of Eastern Polymer Group Public Co., Ltd										
6. Tokai Eastern Rubber (Thailand) Co., Ltd 111/3 Mu 2, Soi Nikom, Tumbon Makamku, Nikom Pattana, Rayong * Ratio not including preferred stock Phone +6638-893565 Fax: +6638-893167	Anti-vibration rubber parts for automobile and Automotive Fuel Resin Hose	Thailand	Ordinary Share	1.525 (Ordinary share 1.5 Preferred Shared 0.025)	152.5		20	Sumitomoriko Co., Ltd. Eastern Polymer Group Public Co., Ltd. Sumipol Corporation Co., Ltd. Toyota Tsusho (Thailand) Co., Ltd. S.E.I. Thai Holding Co., Ltd	735,000 25,000 ¹ 450,000 135,000 120,000 60,000	49 30* 9 8 4
7. Zeon Advance Polymix Co., Ltd. 111/2 Soi Nikom 13, Mu 2, Tumbon Makamku, Nikom Pattana, Rayong Phone +6638 893 565 Fax: +6638 893 167	Rubber compound	Thailand	Ordinary Share	10	100		27	Eastern Polymer Group Public Co., Ltd. Toyota Tsusho (Thailand) Co., Ltd. Zeon Polymix Incorporation Zeon Corporation Co., Ltd. Toyotsu Chemiplas Corporation Co., Ltd.	2,700,000 2,400,000 2,000,000 2,000,000 900,000	27 24 20 20 9

Name of Company	Business / Main Product	Place of Business Engagement	Type of share	Paid In Capital (Number of shares: Million)	Paid In capital (Million Baht)	Paid In capital (Million Foreign Currency)	Direct and Indirect share holding ratio of the company and subsidiary (%)	Major Shareholder	Number of ordinary share	Ratio (%)
Subsidiaries of Aeroflex Co., Ltd										
8. Aeroflex USA Inc. No.282 Industrial Park Rd., Sweetwater, TN37874 USA	Rubber insulation	USA	Ordinary Share	0.02891		USD12.0925	100	Aeroflex Co., Ltd.	28,910	100
9. APS Co., Ltd. 770 Mu 6 , Teparak road, Teparak, Muang, Samutprakarn Phone +662 383 6599 Fax: +662 759 7147	Rubber profile for automobile, machine, building and other application	Thailand	Ordinary Share	0.3	30		60	Aeroflex Co., Ltd. ALP OVERSEAS Private Limited Mr.Chumnan Vitoorapakorn Mr.Tanawat Vitoorapakorn	179,998 120,000 1 1	60 40 0 0
Associate of Aeroflex Co., Ltd										
10. Aerocel Construction Materials (Jiangsu) Co., Ltd. No.8, Wenhua Rd., Taixing City, Jiangsu, P.R.China	Rubber insulation	China	Ordinary Share	No Par Value		RMB50	40	Wincell Insulation Co.,Ltd. Aeroflex Co., Ltd.	No Par Value No Par Value	60 40
11. ALP Aeroflex India Private Ltd. 25/31, Anbros House, East Patel Nagar, Delhi-DL, INDIA 110008	Rubber insulation	India	Ordinary Share	29		INR290	40	ALP OVERSEAS Private Limited Aeroflex Co., Ltd.	17,400,000 11,600,000	60 40
Subsidiaries of Aeroklas Co., Ltd										
12. Aeroklas USA Inc. 282 Industrial Park Rd., Sweetwater, TN37874 USA	Assemble and sales of thermoforming plastic products	USA	Ordinary Share	0.001		USD1.0	100	Aeroklas Co., Ltd.	1,000	100



Name of Company	Business / Main Product	Place of Business Engagement	Type of share	Paid In Capital (Number of shares: Million)	Paid In capital (Million Baht)	Paid In capital (Million Foreign Currency)	Direct and Indirect share holding ratio of the company and subsidiary (%)	Major Shareholder	Number of ordinary share	Ratio (%)
13. Aeroklas Australia Pty Ltd. 1831-1833 Sydney Rd., Campbellfield VIC3061, AUSTRALIA	Assemble and sales of thermoforming plastic products	Australia	Ordinary Share	36		AUD36	100	Aeroklas Co., Ltd	36,000,000	100
14. Aeroklas (Shanghai) Co., Ltd. No.251-5 Min Yi Rd., Song Jiang Industrial District, Shanghai, P.R.China	Manufacturing thermoforming plastic products	China	Ordinary Share	No Par Value		USD4	100	Aeroklas Co., Ltd	No Par Value	100
15. Aeroklas Europe GmbH IM LEHRER 30 89081 ULM DEUTSCHLAND/GERMANY	Assemble and sales of thermoforming plastic products	Germany	Ordinary Share	No Par Value		EUR0.2	74.9	Aeroklas Co., Ltd Mr. Roland Baumann	No Par Value No Par Value	74.9 25.1
16. Aeroklas Malaysia Sdn. Bhd. 5747, Kidamai Industrial Park, Bukit Angkat, 43000 Kaang, Selangor Darul Ehsan	Manufacturing thermoforming plastic products	Malaysia	Ordinary Share	3		MYR3	70	Aeroklas Co., Ltd LSF Technology Sdn. Bhd.	2,100,000 900,000	70 30
Subidiaries of Aeroklas Australia Pty. Ltd.										
17. TJM Products Pty. Ltd.	Design and sales of automobile accessories for 4x4 and trucks	Australia	Ordinary Share	0.445		AUD0.44532	100	Aeroklas Australia Pty. Ltd.	445,320	100

Name of Company	Business / Main Product	Place of Business Engagement	Type of share	Paid In Capital (Number of shares: Million)	Paid In capital (Million Baht)	Paid In capital (Million Foreign Currency)	Direct and Indirect share holding ratio of the company and subsidiary (%)	Major Shareholder	Number of ordinary share	Ratio (%)
18. Flexiglass Challenge Pty. Ltd.	sales of automobile accessories for 4x4 and trucks	Australia	Ordinary Share	0.000002		AUD2	100	Aeroklas Australia Pty. Ltd	2	100
Subsidiaries of TJM Products Pty. Ltd.										
19. TJM Off-Road Products Inc.	Design and sales of automobile accessories for 4x4 and trucks	USA	Ordinary Share	0.1		USD0.1	100	TJM Products Pty. Ltd.	100,000	100
20. TJM Products MEA DMCC	Design and sales of automobile accessories for 4x4 and trucks	UAE	Ordinary Share	No Par Value		AED0.05	100	TJM Products Pty. Ltd.	No Par Value	100

^{/1} Have the right to vote and receive dividend 30 times of the ordinary share, the important agenda need to receive the vote from the shareholder at least 81.0%

WELL-ESTABLISHED GLOBAL PLATFORMS FOR INTERNATIONAL EXPANSION





 Main Production facilities of Aeroflex, Aeroklas and EPP

 Thailand

 Aeroflex facilities
  
 China* India Switzerland
 (joint venture) (Licensing)
 
 Russia USA
 (Licensing)

Distribution channel more than
120 countries around the world.

 Aeroklas facilities
 
 China Malaysia

 TER and ZAP facilities

 Thailand
 (Joint Venture)

**Remark: Two production bases in China are consisting 1) Aeroflex Polymer Technologies (Shanghai) Co., Ltd. (APT) which is the subsidiaries of EPG and 2) Aerocel Construction Material (Jiangsu) Co., Ltd. (ACM) which is the joint venture of Aeroflex*



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