



# BGC

ANNUAL  
REPORT 2018









# Message from the Board of Directors

Year 2018 was a year in which BG Container Glass Public Company Limited made great strides in its business. For the first time, it offered its common shares to the Initial Public Offering (IPO), and became a listed company on the Stock Exchange of Thailand (SET) on 18 October 2018. It opened a new production plant in Ratchaburi which began commercial operations in November 2018.

During the past few years, despite the economic situations which might have shaken a number of businesses, the company still maintained a successful growth rate, generating a net profit of 523.7 million baht compared to the net profit of 251.9 million baht in 2017 showing an increase of 107.9 percent. This success was the result of the dedication of our executives and employees, who have the competence, knowledge, and expertise required in this industry, as well as continued support from our customers, business allies, financial institutions, shareholders, and suppliers.

In 2019, our main business goals will continue to focus on achieving sustainable growth, expanding our customer base, applying technology to improve productivity, and emphasizing cost control, liquidity management, safety, environmental protection, and human resource development. In terms of financial performance, the company never stops seeking new opportunities for business and innovation in order to ensure its full potential in the future.

On behalf of the Board of Directors, executive team, and employees, I would like to thank our shareholders and business allies for their continued trust and support. The company is truly committed to driving business growth based on ethics, good corporate governance, and corporate social responsibility to become the best business alliance that effectively responds to demand for glass packaging products not only as a manufacturer but also as a contributor in research and development alongside our customers to continue creating new and continually moving forward.



(Mr. Pornwut Sarasin)

Chairman of the Board of Directors



**Invent to Inspire**

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# General Information of the Company and References

## General Information of Securities Issuer

Name of Securities:	BG Container Glass Public Company Limited
Symbol:	BGC
Registration Number:	0107561000099
Nature of Business:	Distribute, export and import glass containers as well as invest in production and distribution of glass containers through the Company's subsidiaries.
Registered Capital:	3,472,220,000.00 Baht
Paid-up Capital:	3,472,220,000.00 Baht
Industrial Group:	Industrial Products
Business Category:	Packaging
No. of shares issued and offered:	194,444,000 shares, or 28.0% of total paid-up ordinary shares of the Company
Par Value:	5.0 Baht
No. of shares registered with SET:	694,444,000 shares
Total No. of Shareholders:	3,307 (Record Date as of 28 December 2018 )
% of shareholding of minor shareholders (% Free float):	27.8 % of total shares (as of 12 October 2018)
Head Office Address:	47/1 Moo 2, Rangsit-Nakornnayok Rd., Km.7 Buengyeetho, Thanyaburi, Pathumthani 12130 Thailand





Telephone:	+662-834-7000
Fax:	+662-533-1140
Website	WWW.BGC.CO.TH

#### **Investor Relations**

Telephone:	+662-834-7004
E-mail	IR-BGC@bgc.co.th

#### **The Company Secretary Office**

Telephone:	+662-834-7110
E-mail	CS@bgc.co.th

#### **References**

Stock Registrar:	THAILAND SECURITIES DEPOSITORY Co., Ltd.
Address:	93, 14 <sup>th</sup> floor Rachadapisek Road, Din Daeng Subdistrict, Din Daeng District, Bangkok 10400 (BGC)
Telephone:	+662-009-9999
Website:	<a href="https://www.set.or.th/tsd">https://www.set.or.th/tsd</a>
Authorized Auditor:	Mrs. Poonnard Paocharoen
Certified Public Accountant Registration No.:	5238
Auditing Company:	EY OFFICE COMPANY LIMITED
Telephone:	+662-264-0777
Website	<a href="https://www.ey.com/th/en/home">https://www.ey.com/th/en/home</a>

A close-up photograph showing a hand placing a white puzzle piece with the word 'VISION' into a larger white puzzle piece that has the word 'MISSION' on a blue background. The puzzle pieces are interlocking, and the hand is visible on the right side, holding the 'VISION' piece. The 'MISSION' piece is partially visible, showing its blue interior and white border.

**VISION**

**MISSION**

# Vision and Missions

## Vision

BGC is committed to be the ASEAN leader in manufacturing and selling quality glass and packaging as well as other related products and services.

## Missions

The company aims to satisfy our stakeholders as below:

1. **Financial:** To maximize benefits and returns to all stakeholder.
2. **Customers:** To deliver quality products with world-class standards and services at a competitive price.
3. **Business partnership:** To work with our partners based on a long-term trust and relationship.
4. **Work Process:** To utilize modern technology in every work process with professional teams.
5. **Personnel:** To build people competency, promote team work and employee engagement with an entrepreneurial spirit.





# Summary of Financial Information

Significant Financial Information	Consolidated Financial Statements		
	2018	2017	2016
Total Assets	14,729.0	12,970.7	13,112.6
Total Liabilities	9,571.2	9,936.4	6,233.2
Shareholders' Equity <sup>1</sup>	5,157.7	3,034.3	6,879.4
Revenue from Sales	10,400.4	11,164.2	10,151.1
Total Revenues	10,521.8	11,221.8	10,194.5
Net Profit	523.7	251.9	617.9
Earnings per Share (Baht)	0.91	0.50	(1.252)
Dividend Yield (Baht)*	0.18*	-	-
Issued and Paid-Up Ordinary Shares (million shares)	694.4	25.0	1.0
<b>Financial Ratio</b>			
Liquidity Ratio (times)	0.5	0.5	0.7
Return on Total Assets (%)	3.8	1.9	4.6
Gross Profit Margin (%)	16.3	13.3	19.5
Operating Profit Margin (%)	7.0	3.7	11.1
Net Profit Margin (%)	5.0	2.2	6.1
Return on Equity (%)	12.8	5.1	8.9
Debt to Equity Ratio (times)	1.9	3.3	0.9
Interest Coverage Ratio (times)	10.4	7.9	16.0

Remark : \*Dividend for Year 2018 consisting of interim dividend for 0.06 Baht / share, has been paid from turnover of Quarter 3 according to the resolution of the Board of Directors' Meeting No. 5/2018 and amount of 0.12 Baht / share has been paid from turnover of second half year of the year according to the resolution of the Board of Directors's Meeting No. 1/2019 which is awaiting for approval from the Annual General Meeting of Shareholders for the year 2019.

<sup>1</sup> Including Shareholders' Equity of the subsidiary before merger under the same control and the subsidiary's portion of the stakeholders without controlling power (please additionally consider in part of financial statements).





# Nature of Business Operation

## 1. Overall Business Operations

The company operates its main business in selling, importing, and exporting glass containers as well as investing in its subsidiaries' glass manufacturing and selling business. Additionally, the company provides support and assistance to its subsidiaries in production planning, human resource management, procurement, production techniques, accounting and finance, legal affairs, and sales and marketing. The corporate group currently has a maximum total production capacity. The corporate group manufactures and sells a variety of glass containers including beer bottles, beverage bottles, sauce bottles, pesticide bottles, medicine bottles, and small food bottle. The company imports glass containers for sales in Thailand including medicine bottles, pesticide bottles, wine bottles, and beer bottles. These products are imported when the company is unable to produce the bottles and/or has insufficient capacity to fulfil diverse customer needs.

The company has customer base both in Thailand and overseas. Our sales and marketing team is responsible for contacting customers and responding to their various demands in a timely manner and with accuracy to ensure customer satisfaction. Apart from this, the company plans to continuously expand its exports, especially to ASEAN countries including Laos, Vietnam, and Myanmar as well as other countries including Switzerland, Spain, Australia, South Africa, Sri Lanka, South Korea, etc.

## 2. Revenue Structure

The corporate group's revenue structure as of 31 December in the year 2017 and 2018 are as follows:

Revenue Structure	As of 31 December	
	2017	2018
	% <sup>(1)</sup>	% <sup>(1)</sup>
<b>Revenue from sales of packaging containers</b>		
- Beer	45.8	43.4
- Non-alcoholic drinks (Soft Drinks)	30.2	34.3
- Food	8.6	8.6
- Pesticide and medicine	1.7	1.1
- Other types of bottle <sup>(2)</sup>	13.6	12.6
<b>Revenue from sales of packaging containers</b>	100.0	100.0

Note: <sup>(1)</sup> % of revenue from sales of packaging containers

<sup>(2)</sup> other types of bottle, mostly bottles for energy drinks, liquor, and wine

## **3. Type of Products or Services**

### **3.1 Corporate group's products**

Product categories of glass containers are as follows:

- (1) Customized design for specific customers
- (2) Standardized designs which are standard glass containers that can be sold to any customer

The corporate group manufactures glass containers for customers in various industries which can be divided into five main groups including:

- (1) Beer bottles
- (2) Non-alcoholic beverage bottles (Soft Drink)
- (3) Glass containers for food
- (4) Glass containers for pesticide and medicine
- (5) Glass containers for other products and exports

### **3.2 Marketing and Competition**

#### **3.2.1 Marketing and Sales**

The company conducts sales and marketing mainly in Thailand. The company plans and monitors its sales and marketing together with each plant's production department to ensure that the plan is fully implemented. Most of the group's products are manufactured based on the customer's request. Our sales and marketing focuses on expanding customer base and retaining existing customers with whom we have long-term relationship. The sales and marketing department will annually conduct customer feedback evaluation to ensure customer satisfaction and strengthen relationship with the company's major customers. The sales and marketing department will share the sales plan with each plant's production department on a weekly, monthly, and yearly basis. The sales plans are created based on production capacity and specifications of glass furnaces at each plant. The production department plans its production that is coordinated with the sales plan with a focus on maximizing each plant's production line to sufficiently meet customer demand. The sales and marketing department creates the sales and marketing plan five years in advance to correspond with the production expansion plan which is still in progress.

In addition, the company performs sales and marketing activities in other countries by directly contacting and selling to glass container users and partly through distributors. Most of the products sold are small glass containers, as they are more cost-competitive than the products locally available for customers. The corporate group also exports medium and large containers to neighboring countries.

#### **3.2.2 Pricing policy**

The price strategy of each glass container is reviewed every year to ensure its cost competitiveness. If the cost of production grows at an acceptable rate, the company will enter into negotiations with customers to discuss the cost increase. The company sets the price of glass containers using the cost plus method,

which is suitable for its business as the company manages its production using an aggregate approach by planning its production based on the furnaces and machines in each plant to efficiently manage cost of production and to maximize benefits for the company. The price determination of glass containers takes into account various factors including order quantity, design and types of packaging, and credit terms.

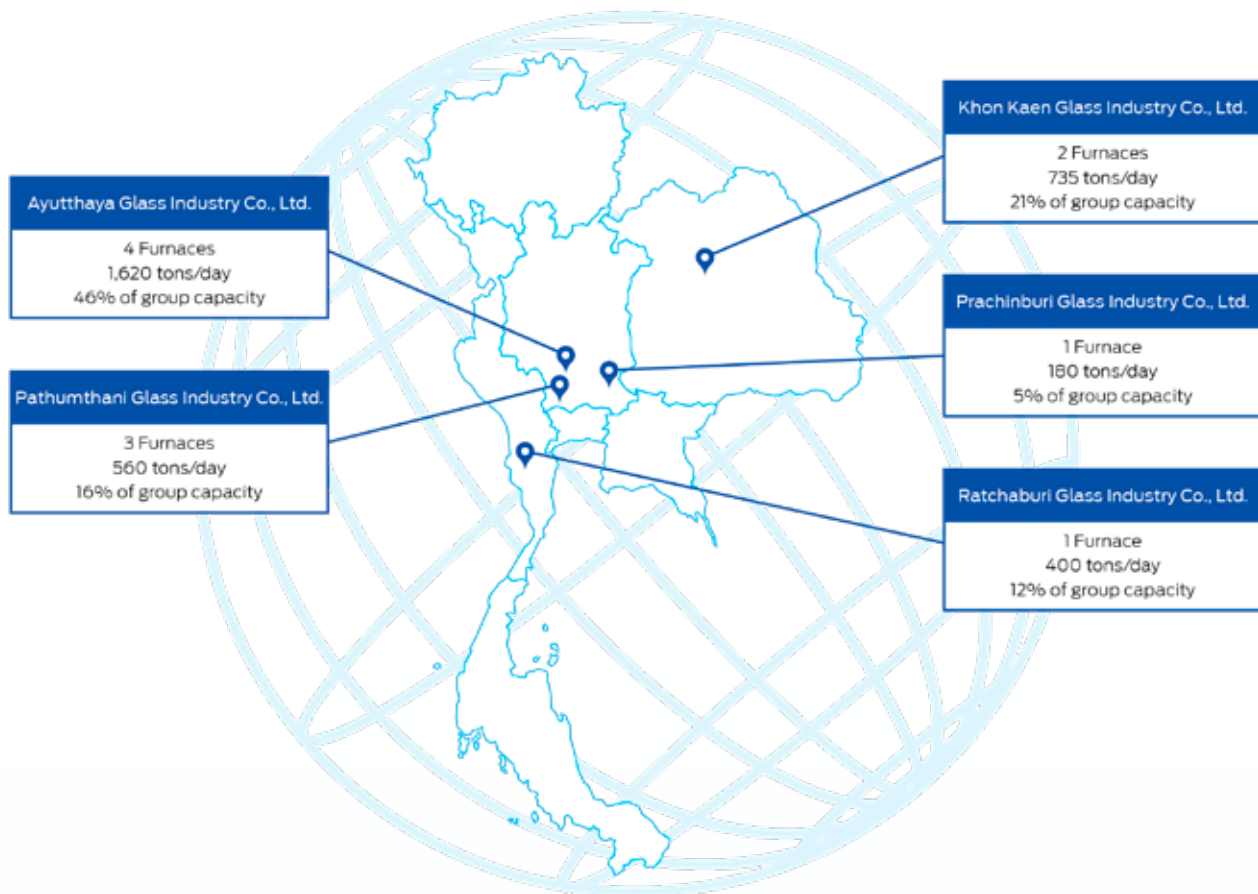
The pricing policy for glass containers is the pricing policy used for the Boonrawd Brewery and other customers.

### **3.3 Main suppliers**

#### **3.3.1 Production and Capacity**

As of 31 December 2018, the company has six subsidiaries manufacturing and selling glass packaging products including 1) Pathumthani Glass Industry Co., Ltd 2) Rayong Glass Industry Co., Ltd 3) Khon Kaen Glass Industry Co., Ltd 4) Prachinburi Glass Industry Co., Ltd 5) Ayutthaya Glass Industry Co., Ltd and 6) Ratchaburi Glass Industry Co., Ltd. These subsidiaries are manufacturers and sellers of glass packaging containers with 11 furnaces and total production capacity of 3,495 tons per day. The products are mostly sold to customers in the food and beverage industry.

In addition, the corporate group operates hotel business, sells food and drinks, and offers other related services including Wishing Tree Khon Kaen Resort, which under the management of Khon Kaen Glass Industry Co. Ltd. The resort's primary objective is to provide training facilities for the corporate group's and BG's employees but it is also available for the general public.



Remark: Rayong Glass Industry Company Limited is in the process of cease its operation due to the Company considered it's plant and equipment had long useful life, degeneration and not worth to repair.

### 3.3.2 Key Raw materials

#### Main Raw materials

The main raw materials in glass container production are glass scraps, soda ash, and silica sand. The company's procurement strategies focus on sourcing raw materials from reliable and high-quality suppliers and strengthening relationship with major suppliers. The company's policy also requires having at least two suppliers for each raw material to allow the company to compare prices and reduce the risk of supplier concentration in case of a shortage or a price increase.

#### Energy

The corporate group's plants require a high and consistent level of energy for glass production. Natural gas is the cheapest source of energy for the group's production. The production plants of Pathumthani Glass Industry Co. Ltd., Ayutthaya Glass Industry Co. Ltd., and Ratchaburi Glass Industry Co. Ltd. currently use natural gas in their production under purchase contracts with distributors. The production facilities of Prachinburi Glass Industry Co. Ltd. and Khon Kaen Glass Industry Co. Ltd. use alternative energy as the main source of energy including fuel oil, Pyrolysis oil, decant oil, and used oil.



In addition, Khon Kaen Glass Industry Co. Ltd. and Ayutthaya Glass Industry Co.Ltd. use waste heat discarded from electricity production and sell the heat to a related company, Khon Kaen Brewery Co., Ltd.

### **3.3.3 Quality control**

The company believes that high-quality production is important to the company's success. The corporate group has a strict quality control system in every step of its operations to ensure its glass containers meet the customers' standards and demand. All plants have implemented a quality control system for raw material quality assurance, mixing process, melting process, molding process, inspection, packaging, storage, and delivery. On top of this, the company has implemented a system designed to ensure that the company's products meet the quality requirements or the acceptable quality limit (AQL) which has been determined jointly with customers.

The corporate group strives for consistent quality control in all of production processes to maintain the product quality that meets customer demand. Equipment, tools, and machines are used in the production line to inspect glass containers to ensure quality standards in shape and strength. Inspections for product defects and other checks are also conducted. After being inspected by advanced machines, the products are randomly inspected again for quality by the QA staff before being packaged. The quality control and production departments coordinate in solving quality problems. Glass containers that are substandard will become glass scrap and be reused in production process.

All glass production plants are certified by ISO 9001:2015 ISO 14001:2015 GMP HACCP TIS 18001:2011 and Green Factory. For PTI and AGI are certified by FSSC 22000.



# Industry Overview and Competition

## Market Outlook of Glass Packaging Containers

The demand for glass packaging in Thailand stems from the food and beverage industry as well as the pharmaceutical industry. Glass container remains the preferred packaging choice for alcoholic and non-alcoholic beverages due to high demand for beverages. According to GlobalData Plc., in 2018, glass packaging market in Thailand was valued at 73.8 billion baht and the use of glass containers stood at 10,398.50 million units increasing from 57.8 billion baht in 2012 with glass container use of 9,541 million units, representing annual growth rates (CAGR) of 4.5 and 1.1 percent, respectively.

GlobalData Plc. speculated that the market value and use of glass containers in Thailand would rise to 84.5 billion baht and 11,826 million units in 2022, representing annual growth rates (CAGR) of 3.2 and 3.3 percent respectively. The market growth of glass containers will continue to result largely from rising consumption of alcoholic and non-alcoholic beverages.

Key trends affecting glass packaging market include:

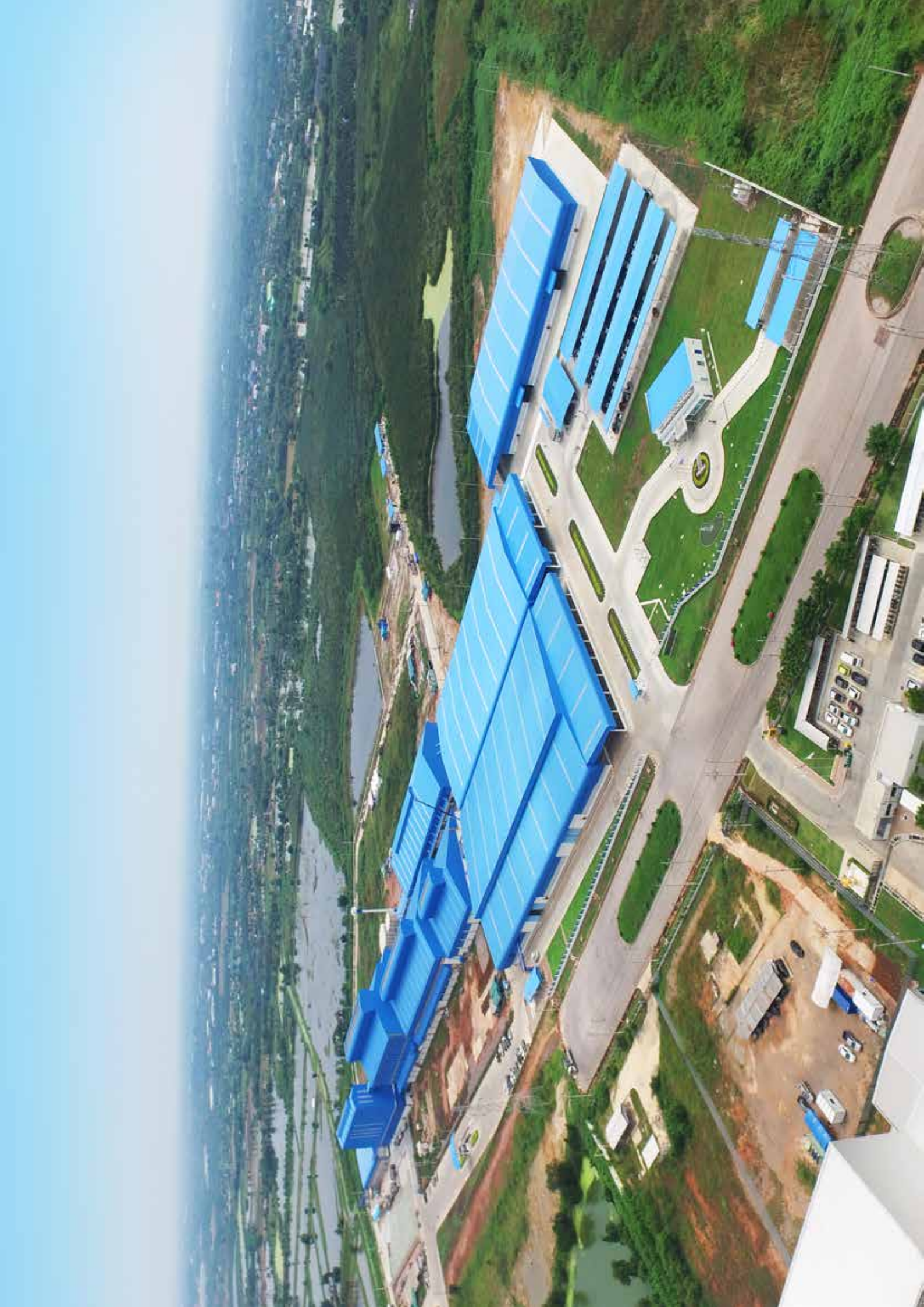
- 1) Premiumization: Thai consumers are choosing product quality that matches their income level such as beautifully designed and high-quality packaging is a key factor for consumer preference, especial in demand for personal care products and alcoholic beverages. As a result, producers are likely to use more glass containers in order to attract consumers.
- 2) Healthy product choice: This trend is a key factor for consumers' choice of food and beverages. As a result, the demand for glass containers has risen as glass packaging is a safe choice to use for containers and less likely to cause chemical reaction than other types of packaging.
- 3) Environmental protection: Consumers have increasingly chosen recyclable packaging; as a result, many producers have used more glass containers in order to attract environmentally conscious consumers.

## Market Competition of Glass Packaging

There are four major producers of glass packaging in Thailand. The four producers are large corporations with high level of investment and capability to access advanced technology and are subsidiaries of beverage and retail companies.

Glass packaging industry in Thailand is an industry with high barrier to entry for domestic and international new entrants as it requires high level of initial investment and experience, including there already has exist major players with large market shares.





# Strategies of Business Operation

## 1. Demand-side strategies

### 1.1 Increase the diversity of customer base and new market

The company plans to expand its customer base in Thailand primarily in the food and beverage industry which has a large market share in the country driven by high demand for drinks. The large customers in this segment are beer and non-alcoholic beverage producers. Moreover, the company plans to enlarge its customer base in other industries such as pharmaceutical and cosmetics industries. Additionally, the company places an emphasis on products with sophisticated design tailored to specific consumer segments as they offer higher profit margin than products with standardized design.

In terms of expanding customer base overseas, the company believes that the corporate group's focus on world-class quality control will allow the company to become the Supplier of Choice at a global level. As of 31 December 2018, the corporate group had customer base in several countries including Australia, New Zealand, Laos, Vietnam, Myanmar, Sri Lanka, India, and South Korea. Most of our customers are companies in the beverage industry. Apart from this, the company plans to increase its international sales partly through overseas distributors. This move will help expand the company's customer base and increase sales orders from the distributors' existing customers.

### 1.2 Raise profit margin by increasing share of high-value products in the product mix based on competitive pricing

The company plans to increase share of high-value-per-ton products in its product mix as these products have higher quality of cleanliness and safety as well as higher level of complexity. The new plant in Ratchaburi has been designed to provide high production flexibility which will accommodate diverse and complex production necessary to meet customer demand, especially in terms of price, look, and function, for instance, (1) production of lightweight bottle for customers who prefer different packaging (2) application of Narrow Neck Press and Blow (NNPB) technology used for glass forming which reduces the amount of glass forming and the number of bottles required per ton of production, and (3) design of packaging products which is unique and offers higher value. The company focuses on responding to consumer behavior and increasing customer engagement in product design that aims to solve customer problems and is environmentally friendly.

### 1.3 Increase customer confidence through branding and reputation

The company plans to increase customer confidence through many ways including staff training on product knowledge, production process, and corporate standards as well as plant visit and design meetings with an aim to create brand awareness among customers, especially when they think about glass packaging products,



“BGC” should be their Top of Mid Brand. The company believes in elevating customer experience that can increase customers’ trust and impression of the company’s product quality and standards which will allow the company to become the first choice for customers seeking glass packing products and to create higher value for its products. Further, the company aims to improve reputation marketing among customers and consumers who purchase from the company’s distributors.

### **1.4 Continuously improve quality and introduce new products and services**

The company aims to continuously maintain product and service quality at a high level. In terms of products, the company sets out to reduce customer claims to zero with a focus on delivering defect-free products to customers. In terms of service, the company aims to improve its services both in sales and logistics to ensure correct and on-time delivery. Given the company’s focus on industrial customers, the high quality of products and services will lead to efficient production and business operations for customers.

## **2. Supply-side strategies**

By implementing total quality management as the major tool and fulfilling the following tasks:

### **2.1 Quality assurance through One Quality Team**

As the quality of product and service depends on cooperation between departments, the company seeks to promote reliability throughout the organization. Every department should have a clear understanding that product quality depends on the quality of raw material procurement, standard of production, product warehousing, and on-time delivery that will not damage packages in transit.

### **2.2 Cost management through economies of scale and improvement of utilization rate and manufacturing efficiency rate**

The corporate group strives for efficient cost management by planning and managing production in every production line to achieve the production level that allows for economies of scale and meets market demand. As a result, the company continues to expand its production capacity which will allow the company to strengthen relationships and increase bargaining power with customers and suppliers, allowing for better trade deals. Furthermore, the company continues to focus on improving utilization rate and efficiency rate through production design configuration by increasing production lines that are connected to glass-melting furnaces, implementing Solution Information Online-SIL system, using robots to replace humans in lubrication process to reduce human errors, and applying industrial control system through computer software that connects and communicates with all machines.

## **2.3 Human resource development**

The company is committed to the mission concerning personnel development and believes that efficient operations begin at talented workforce. Our employees at every level and department must have the knowledge and expertise on glass packaging as well as an understanding of the production process and industry outlook in order for them to understand and engage with customers. Our employees must also complete training on glass packaging. At the executive level at every plant, the company prioritizes financial awareness among its executive to ensure operations that best deliver shareholder value.

## **3. Business alliance search and investment in glass packaging business and other related businesses in glass packaging supply chain**

With a goal to become a leading manufacturer and distributor of glass products and glass packaging as well as other related upstream and downstream products and services, the company always looks for growth opportunities, whether organic or inorganic, both in glass packaging industry and related industries in the supply chain such as raw material procurement and product distribution.



# Report of the Nomination and Remuneration Committee

The Board of Directors realizes on the significance of compliance with the Principles of Good Corporate Governance in nomination of the candidates to hold the director and top executive office, and payment of remuneration to directors, members of the Sub-Committees and top executives, under clear and transparent criteria to be appropriate for obligation and value acquired from function of each director and executive, resulting in confidence of the shareholders and investors. The resolution was passed on February 14, 2018 by the Nomination and Remuneration Committee consisting of three directors and two-third of them are non-executive directors as follows.

- |    |               |                 |                        |
|----|---------------|-----------------|------------------------|
| 1. | Mr. Somchai   | Sirivitchayakul | (Independent Director) |
| 2. | Mrs. Sansanee | Supatvanitch    | (Independent Director) |
| 3. | Mr. Pavin     | Bhirom Bhakdi   | (Executive Director)   |

Mr. Somchai Sirivitchyakul has been appointed to be independent director and Chairman of the Nomination and Remuneration Committee. The Charter has been established as operating guideline. In 2018, the Committee completely performed duties as stipulated in the Charter and as assigned by the Board of Directors, and held two meetings as per the following summary.

1. Considered structure, size and element of the Board of Directors and Sub-Committees by determining qualification, rule and procedure for nominating the candidates in appointing directors and top executives in the aspects of knowledge, competency, experiences, and expertise in business and duties and responsibilities; and gave precedence to the shareholders in exercise of their legal rights. In 2018, the shareholders were given the opportunities to nominate the candidates for election of the directors in replacement of the directors who must retire by rotation. In such period of time, none of any shareholders nominated the candidates for consideration of the Board of Directors. The Nomination and Remuneration Committee therefore considered and deemed appropriate to propose the shareholders for election of the directors who retired by rotation to resume the director office for another term.
2. Considered remuneration of the directors and members of the Sub-Committees in consistency with the requirements of supervisory unit by determining remuneration structure, form and criteria of working remuneration payment of the directors and the members of the Sub-Committees to be appropriate for obligation, and fair in accordance with the related laws, and proposing to the Shareholders' Meeting for exercise of the right to consider accordingly.



3. Considered establishing assessment criteria for the Managing Director in consistency with long-term strategies and goals of the Company, including obligation, and scope of roles and responsibilities. In 2018, the Managing Director was assessed for determining remuneration under the established criteria.
4. Determined the development guideline for directors and top executives in consistency with the Company's goals.
5. Considered preparing and reviewing Succession Plan of the Managing Director and top executives for readiness in case where the Managing Director or top executive in that office retires or is unable to perform his/her duties. Long-term plan has been prepared for continuous and sustainable management of the Company.
6. Considered reviewing and updating the Charter in consistency with the guideline of business operation of the Company.

The Nomination and Remuneration Committee prudently and carefully performed duties using knowledge and competency, and is adequately independent of providing opinions and suggestions for equality and maximum benefits for all parties of stakeholders in consistency with the Principles of Good Corporate Governance and continuous operating development for confidence and trust of all shareholders, resulting in sustainable business operation.



(Mr. Somchai Sirivitchayakul)

Chairman of the Nomination and Remuneration Committee





# Board of Directors





## Mr. Pornwut Sarasin

### Chairman of the Board of Directors

to be appointed on 21 September 2017

Age 59 years old

### Net ratio of shareholding<sup>1</sup>

as of the record date on 28 December 2018 : None

### Educational Background

- Master Degree: Business Administration, Pepperdine University, USA
- Bachelor Degree: Business Administration, Boston University, USA

### Training Courses organized by Thai Institute of Directors (IOD)

- Directors Accreditation Program (DAP) Class 45/2005

### Working Experience in the past 5 years:

#### Holding position in listed company

- Chairman of the Board of Directors/ Director, BG Container Glass Public Company Limited
- Director, Crown Seal Public Company Limited
- Director, Home Product Center Public Company Limited
- Director, AP (Thailand) Public Company Limited
- Director/ Chairman of Audit Committee, Charoong Thai Wire & Cable Public Company Limited

#### Holding position in public company limited which is non-listed company

- Director, Bangkok Glass Public Company Limited

#### Holding position in non-listed company

- Chairman of the Board of Directors, Bevpro Asia Co., Ltd.
- Chairman of the Board of Directors, Thai Namthip Company Limited
- Chairman of the Board of Directors, Thainamthip Commercial Company Limited
- Chairman of the Board of Directors, Thainamthip Corporation Company Limited
- Chairman of the Board of Directors, Thainamthip Manufacturing Company Limited
- Director, Pornwut Co., Ltd.
- Director, Sarasin Co., Ltd.
- Chairman of the Board of Directors, Logistics Asia Co., Ltd.
- Director, Pakoh Hotel Co., Ltd.
- Director, Thai Asia Pacific Brewery Co., Ltd.
- Director, Jibuhin (Thailand) Co., Ltd.
- Director, Denso (Thailand) Company Limited
- Director, Honda Automobile (Thailand) Company Limited
- Director, Isuzu Motors Co., (Thailand) Ltd.
- Director, Isuzu Engine Manufacturing Thailand Co., Ltd.
- Director, Thai Bridgestone Co., Ltd.
- Director, Thai Bridgestone Service Business Co., Ltd.
- Director, Thai-MC Co., Ltd.
- Director, Tri Petch Isuzu Sales Co., Ltd.
- Director, Tri Petch Isuzu Leasing Co., Ltd.



## Mr. Pavin Bhirom Bhakdi

### Director

to be appointed on 30 November 2016

### Chairman of Executive Committee

to be appointed on 15 November 2017

### Member of the Nomination and Remuneration Committee

to be appointed on 9 October 2017

### Authorized Director to sign on behalf of the Company as specified in the Business Certificate

Age 43 years old

### Net ratio of shareholding<sup>/1</sup>

as of the record date on 28 December 2018 : 700,020 shares, 0.10% of total shares

Holds the share in Pavin & Child Co., Ltd. (Juristic Person who issue the report spouse or cohabitation as husband-wife and having the child of under the sui juris age holds share of more than 30% of total votes, and having largest shareholding) 280,000 shares, accounted for 0.04%

### Educational Background

- Bachelor Degree: Management (General Management), University of Denver, USA

### Training Courses organized by Thai Institute of Directors (IOD)

- Corporate Governance for Executives (CGE) Class 11/2018
- Director Certificate Program (DCP) Class 122/2009
- Understanding the Fundamental of Financial Statements (UFS) Class 1/2006

### Working Experience in the past 5 years:

#### Holding position in listed company

- Director / Chairman of Executive Committee / Member of the Nomination and Remuneration Committee, BG Container Glass Public Company Limited

#### Holding position in public company limited which is non-listed company

- President, Bangkok Glass Public Company Limited

#### Holding position in non-listed company

- Director, BG Float Glass Co., Ltd.
- Director, BG Energy Solution Co., Ltd.
- Director, Pasu Sport Co., Ltd.
- Director, Air Chemicals Co., Ltd.
- Director, Pavin and Child Co., Ltd.
- Director, Kabinburi Glass Industry Co., Ltd.
- Director, Ratchaburi Glass Industry Co., Ltd.
- Director, Pathumthani Glass Industry Co., Ltd.
- Director, Rayong Glass Industry Co., Ltd.
- Director, BGFC Sport Co., Ltd.
- Director, Ayutthaya Glass Industry Co., Ltd.
- Director, Khon Kaen Glass Industry Co., Ltd.
- Director, Bangkok Visypak Co., Ltd.
- Director, BG Packaging Co., Ltd.
- Director, Prachinburi Glass Industry Co., Ltd.



## Mrs. Suttharug Panya

### Independent Director/ Chairman of the Audit Committee

to be appointed on 21 September 2017

Age 64 years old

### Net ratio of shareholding <sup>/1</sup>

as of the record date on 28 December 2018 : None

### Educational Background

- Master Degree: Accounting, Chulalongkorn University
- Bachelor Degree: Accounting, Chulalongkorn University
- Advanced Auditing Certificate, Chulalongkorn University

### Training Courses organized by Thai Institute of Directors (IOD)

- Directors Accreditation Program (DAP) Class 45/2004
- Advanced Audit Committee Program (AACP)  
Class 23/2016

### Working Experience in the past 5 years

#### Holding position in listed company

- Independent Director / Chairman of the Audit Committee,  
BG Container Glass Public Company Limited

### Holding position in non-listed company

- Special Lecturer, Faculty of Commerce and Accountancy  
of Chulalongkorn University
- Lecturer, Risk Management Course, Thai Institute  
of Director





## Mr. Somchai Sirivichayakul

### Independent Director / Member of Audit Committee

to be appointed on 21 September 2017

### Chairman of Nomination and Remuneration Committee /

### Member of Corporate Governance Committee

to be appointed on 9 October 2017

Age 61 years old

### Net ratio of shareholding<sup>/1</sup>

as of the record date on 28 December 2018 : None

### Educational Background

- Master Degree: Engineering (Civil Engineering)  
Tokyo Institute of Technology, Japan
- Bachelor Degree: Engineering (Civil Engineering)  
Tokyo Institute of Technology, Japan
- Accredited Gemologist Gemology Diamond and Gemstone  
Grading, Gemstone Identification Asian Institute of  
Gemologist Sciences (AIGS)

### Training Courses organized by Thai Institute of Directors (IOD)

- Directors Accreditation Program (DAP) Class 9/2004
- Director Certification Program (DCP) Class 44/2004
- Audit Committee Program (ACP) Class 2/2005
- IT Governance: A Strategic Part Forward (2006)
- Audit Committee: Experience, Problem and Best practice (2007)
- Role of the Compensation Committee Class 8/2009

- Director Certification Program Refresher Course  
Class 2/2009
- Successful Formulation & Execution of Strategy  
Class 8/2010
- Monitoring the System of Internal Control and Risk  
Management (MIR) Class 10/2010
- How should the roles and authorities of Independent  
Director be established for effective performance? (2010)
- Monitoring Fraud Risk Management (MFM) Class 6/2011
- Monitoring the Internal Audit Function (MIA) Class 11/2011
- Monitoring the Quality of Financial Reporting (MFR)  
Class 13/2011

### Working Experience in the past 5 years

#### Holding position in listed company

- Independent Director / Member of the Audit Committee /  
Chairman of the Nomination and Remuneration Committee  
/ Member of the Corporate Governance Committee,  
BG Container Glass Public Company Limited
- Chairman of the Nomination and Remuneration Committee,  
SiS Distribution (Thailand) Public Company Limited
- Independent Director / Member of the Audit Committee,  
SiS Distribution (Thailand) Public Company Limited

#### Holding position in non-listed company

- General Manager, FCC (Thailand) Co Ltd.
- Director, Cyber Intrend Co., Ltd.
- Director/ Managing Director, Profit Center Group Co., Ltd.
- Managing Partner, Sirichoke Development Ltd., Part.



### Mrs. Sunsanee Supatravanij

**Independent Director / Member of the Audit Committee/  
Member of the Nomination and Remuneration Committee  
/ Chairman of the Corporate Governance Committee**  
to be appointed on 30 January 2018  
Age 60 years old

**Net ratio of shareholding<sup>/1</sup>**  
as of the record date on 28 December 2018 : None

#### Educational Background

- Bachelor Degree: Faculty of Arts (Honors), Chulalongkorn University
- Master Degree: Business Administration, Thammasat University

#### Training Courses organized by Thai Institute of Directors (IOD)

- Director Accreditation Program (DAP) Class 79/2009
- Director Certificate Program (DCP) Class 129/2010
- Advanced Audit Committee Program (AACP) Class 29/2017
- Corporate Governance for Executives (CGE) Class 12/2017

#### Working Experience in the past 5 years

##### Holding position in listed company

- Independent Director/Member of the Audit Committee/  
Member of the Nomination and Remuneration Committee/  
Chairman of the Corporate Governance Committee,  
BG Container Glass Public Company Limited

- Director/ Managing Director,  
Ocean Glass Public Company Limited

##### Holding position in non-listed company

- Director, Siranaree Co., Ltd.



## Mr. Kasom Chanawongse

### Director

to be appointed on 21 September 2017

### Member of the Corporate Governance Committee

to be appointed on 14 May 2018

Age 51 years old

### Net ratio of shareholding<sup>/1</sup>

as of the record date on 28 December 2018 : 500,000 shares,  
0.07% of total shares

### Educational Background

- Doctor Degree: Faculty of Humanities and Social Sciences Development Studies Program, Khon Kaen University
- Master Degree: Industrial Engineering the University of Texas at Arlington, USA
- Bachelor Degree: Faculty of Engineering-Industrial Program, Khon Kaen University

### Training Courses organized by Thai Institute of Directors (IOD)

- Directors Accreditation Program (DAP) Class 144/2017

### Working Experience in the past 5 years

#### Holding position in listed company

- Director/ Member of the Corporate Governance Committee, BG Container Glass Public Company Limited

#### Holding position in non-listed company

- Chancellor, College of Asian Scholars
- Executive Committee, Saint Gabriel's College
- Institute Director, Asian Institute of Technology, Thailand
- Advisor, Phon Commercial and Technical College Khon Kaen
- Manager, CASUBI (College of Asian Scholars) University Business Incubator
- Lecturer, FIFA REGIONAL INSTRUCTOR
- Assistant Manager, Thailand women's national U-19 football team



## Mrs. Amarat Puvaveeranin

### Director

to be appointed on 30 November 2017

### Executive Committee

to be appointed on 15 November 2017

**Authorized Director to sign on behalf of the Company as specified in the Business Certificate**

Age 61 years old

### Net ratio of shareholding<sup>/1</sup>

as of the record date on 28 December 2018 : 20 shares,  
0.00% of total shares

### Educational Background

- Master Degree : Business Administration, Chulalongkorn University
- Bachelor Degree : Accounting, Thammasat University

### Training Courses organized by Thai Institute of Directors (IOD)

- Directors Accreditation Program (DAP) Class 2012

### Working Experience in the past 5 years

#### Holding position in listed company

- Director / Executive Committee, BG Container Glass Public Company Limited

#### Holding position in public company limited which is non-listed company

- Senior Executive Vice President and Group CFO, Bangkok Glass Public Company Limited
- Vice President, Finance and Account Division, Bangkok Glass Public Company Limited

#### Holding position in non-listed company

- Director, BG Ensys Co., Ltd.
- Director, BG Float Glass Co., Ltd.
- Director, BG Energy Solution Co., Ltd.
- Director, Kabinburi Glass Industry Co., Ltd.
- Director, Ratchaburi Glass Industry Co., Ltd.
- Director, Pathumthani Glass Industry Co., Ltd.
- Director, Rayong Glass Industry Co., Ltd.
- Director, BGFC Sport Co., Ltd.
- Director, Ayutthaya Glass Industry Co., Ltd.
- Director, Prachinburi Glass Industry Co., Ltd.
- Director, Bangkok Visypak Co., Ltd.
- Director, BG Packaging Co., Ltd.
- Director, Khon Kaen Glass Industry Co., Ltd.





## Mr. Silparat Watthanakasetr

### Director/ Managing Director

to be appointed on 21 September 2017

### Executive Committee

to be appointed on 15 November 2017

### Member of the Corporate Governance Committee

to be appointed on 9 October 2017

### Authorized Director to sign on behalf of the Company as specified in the Business Certificate

Age 48 years old

### Net ratio of shareholding<sup>/1</sup>

as of the record date on 28 December 2018 : None

### Educational Background

- Master of International Management (MIM), University of Denver, USA
- Bachelor Degree : Faculty of Economics, Chulalongkorn University

### Training Courses organized by Thai Institute of Directors (IOD)

- Corporate Governance for Executives (CGE) Class 11/2018
- Director Certificate Program (DCP) Class 204/2015

### Working Experience in the past 5 years

#### Holding position in listed company

- Director/ Executive Director/ Managing Director/ Member of the Corporate Governance Committee, BG Container Glass Public Company Limited
- Managing Director, Ocean Glass Public Company Limited
- General Manager/ Managing Director (Acting), Ocean Glass Public Company Limited

#### Holding position in non-listed company

- Director, Khon Kaen Glass Industry Co., Ltd.
- Director, Pathumthani Glass Industry Co., Ltd.
- Director, Ratchaburi Glass Industry Co., Ltd.
- Director, Ayutthaya Glass Industry Co., Ltd.
- Director, Prachinburi Glass Industry Co., Ltd.
- Director, Ocean Glass Trading (India) Co., Ltd.
- Director, Ocean Glass Trading (Shanghai) Co., Ltd.
- General Manager for Laos, Cambodia and Myanmar, S. C. Johnson & Son Co., Ltd.
- General Manager for Vietnam, S. C. Johnson & Son Co., Ltd.

Remark<sup>/1</sup> Not including the shares held by spouse, minor children and a company which has the power to control the Company.





## 1. Mr. Wisal Laorsatiangul (Age 47 years old)

**Deputy Managing Director - Engineering and Technical (Holding position from 1 May 2018)**

Net ratio of shareholding<sup>/1</sup> (as of the record date on 28 December 2018) : 10,000 shares, 0.00% of total shares

**Educational Background/Training:**

- Master Degree: Business Administration, Finance Program, National Institute of Development Administration (NIDA)
- Bachelor Degree: Faculty of Engineering, Electric Power Program, King Mongkut's Institute of Technology Ladkrabang



## 2. Miss Sirikul Mangkornkanok (Age 35 years old)

**Assistant Managing Director - Financial and Accounting (Holding position from 1 September 2017)**

Net ratio of shareholding<sup>/1</sup> (as of the record date on 28 December 2018) : 56,000 shares, 0.01% of total shares

**Educational Background/Training:**

- Master Degree: Management in Finance University of Melbourne, Australia
- Bachelor Degree: Accounting, Chulalongkorn University

**Training Courses related to Accounting organized by Federation of Accounting Professions Under the Royal Patronage of His Majesty The King:**

- CFO Focus on Financial Reporting Class 3/60
- Beyond Treasury Management
- Corporate Finance Class 3/61

**Training Courses organized by Thai Institute of Directors (IOD):**

- Corporate Governance for Executives Class 12/2018



### 3. Mrs. Suratchanee Benjajinda (Age 47 years old)

**Assistant Managing Director - Internal Audit Office  
(Holding position from 1 September 2017)**

Net ratio of shareholding <sup>1</sup> (as of the record date on 28 December 2018) : 50,000 shares, 0.01% of total shares

**Educational Background/Training:**

- Bachelor Degree: Accounting, University of the Thai Chamber of Commerce
- Master Degree: Business Administration Southeastern University, USA

**Training Courses organized by Thai Institute of Directors (IOD):**

- Anti-Corruption the Practical Guide (ACPG)  
Class 44/2018
- Corporate Governance for Executives (CGE)  
Class 12/2018



### 4. Mrs. Siriporn Krailadsiri (Age 54 years old)

**Assistant Managing Director - Quality Control  
(Holding position from 1 September 2017)**

Net ratio of shareholding <sup>1</sup> (as of the record date on 28 December 2018) : 10,000 shares, 0.00% of total shares

**Educational Background/ Training:**

- Bachelor Degree: Faculty of Science, Chulalongkorn University





## 5. Mr. Chakraphan Jirathorn (Age 57 years old)

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**Senior Assistant Managing Director – Production and Technical (Holding position from 1 September 2017)**

Net ratio of shareholding <sup>/1</sup> (as of the record date on 28 December 2018) : - None -

**Educational Background/Training:**

- Bachelor Degree: Science in Industrial Technology, Valaya Alongkorn Rajabhat University under the Royal Patronage
- Master Degree: Business Administration, Ramkhamhaeng University



## 6. Miss Ruedee Eiamkuekool (Age 51 years old)

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**Assistant Managing Director – Purchasing (Holding position from 1 September 2017)**

Net ratio of shareholding <sup>/1</sup> (as of the record date on 28 December 2018) : - None -

**Educational Background/Training:**

- Bachelor Degree: Economics, University of the Thai Chamber of Commerce
- Master Degree: Business Administration, Assumption University



## 7. Mr. Surachai Srikasemwatcharakul (Age 56 years old)

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**Assistant Managing Director – Human Resource  
(Holding position from 28 December 2018)**

Net ratio of shareholding <sup>/1</sup> (as of the record date on  
28 December 2018) : - None -

**Educational Background/Training:**

- Bachelor Degree: Accounting, Ramkhamhaeng University
- Master Degree: Business Administration, Thammasat University



## 8. Mr. Kittisak Chokelarptawee (Age 40 years old)

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**Assistant Managing Director –Sale and Marketing  
(Holding position from 2 April 2018)**

Net ratio of shareholding <sup>/1</sup> (as of the record date on  
28 December 2018) : - None -

**Educational Background/Training:**

- Bachelor Degree: International Business Administration, Assumption University
- Master Degree: Marketing, University of Leicester, UK



## 9. Miss Kamolporn Suksawat (Age 54 years old)

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**General Accounting Department Manager  
(Holding position from 1 September 2017)**

Net ratio of shareholding <sup>/1</sup> (as of the record date  
on 28 December 2018) : - None -

**Educational Background/Training:**

- Bachelor Degree: Accounting, Krirk University



## 10. Mrs. Kallaya Unjai (Age 52 years old)

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**Cost Accounting Division Manager (Holding position  
from 1 September 2017)**

Net ratio of shareholding <sup>/1</sup> (as of the record date  
on 28 December 2018) : - None -

**Educational Background/Training:**

- Bachelor Degree: Business Administration,  
General Management, Petchburiwittayalongkorn  
Rajabhat University
- Bachelor Degree: Business Administration,  
Accounting, Sukhothai Thammathirat Open  
University



## 11. Miss Sutthida Thongjamrus

(Age 40 years old)

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**Finance Department Manager (Holding position from 1 September 2017)**

Net ratio of shareholding <sup>^1</sup> (as of the record date on 28 December 2018) : - None -

**Educational Background/Training:**

- Bachelor Degree: Business Administration- First Class Honor, University of the Thai Chamber of Commerce
- Master Degree: Business Administration, National Institute of Development Administration

Remark: <sup>^1</sup> Not including the shares held by spouse, minor children and a company which has the power to control the Company.





SET

ตลาดหลักทรัพย์แห่งประเทศไทย  
The Stock Exchange of Thailand

เปิดการซื้อขายหลักทรัพย์วันแรกในตลาดหลักทรัพย์แห่งประเทศไทย

1,892.56 -2.48 -0.15%

09:59:20

บริษัท บีจี คอนเทนเนอร์ กลาส จำกัด (มหาชน)  
BG Container Glass Public Company Limited

BGC

Last price

12.20

Change

+2.00

%Change

+19.61%

Volume

1,415,900  
3,306,100  
6,208,400  
1,068,000  
739,300

Bid

12.20  
12.10  
12.00  
11.90  
11.80

Offer

12.30  
12.40  
12.50  
12.60  
12.70

Volume

1,313,100  
1,276,700  
5,343,200  
3,687,700  
2,912,900

30,538,900

379.49 M

First Trading Day | October 18, 2018

BGC

1<sup>st</sup> TRADING DAY



# Shareholding Structure

The Company's total paid-up registered capital has currently been Baht 3,472,220,000, being classified into 694,444,000 shares at par value of Baht 5 per share.

Top ten shareholders as at Record Date of Register on date 28 December 2018

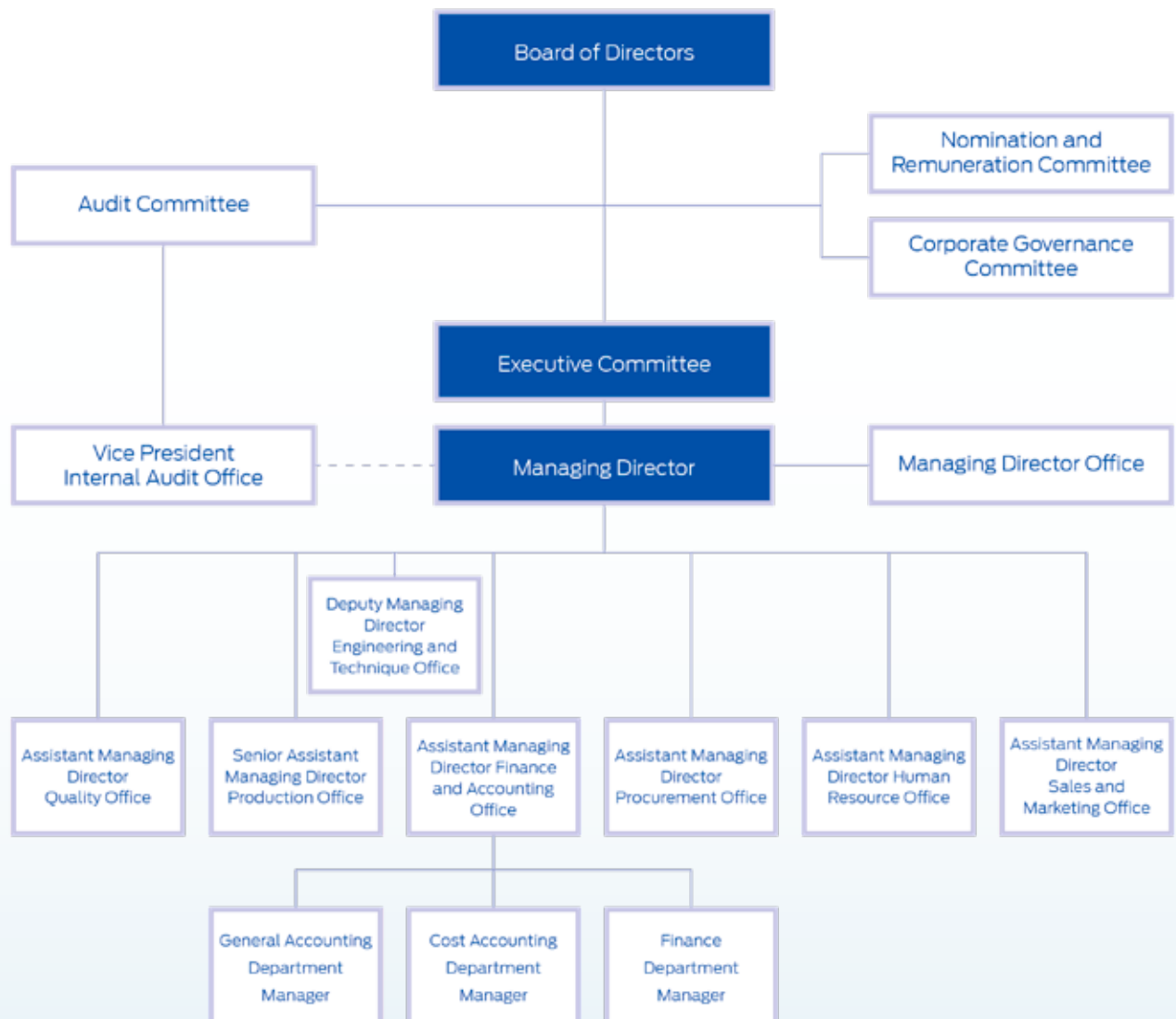
No.	Name of Person/Juristic Person	Number of Shares	% of Paid-Up Capital
1	BG Container Glass Public Company Limited	499,999,920	72.0%
2	Allianz Ayudhya Assurance Public Company Limited for My Double Plus (Equity)	13,790,000	2.0%
3	TISCO mid/small cap equity fund	12,122,500	1.7%
4	TISCO Master Pooled Fund (Registered Provident Fund)	11,087,300	1.6%
5	SCB dividend stock 70/30 long term equity fund	7,986,500	1.2%
6	Thanachart dividend stock fund	4,899,700	0.7%
7	SCB STOCK PLUS LONG TERM EQUITY FUND	4,538,300	0.7%
8	TISCO Strategic Fund	4,106,400	0.6%
9	Bangkok Insurance Public company limited	4,000,000	0.6%
10	UOB long term equity fund	3,813,600	0.5%





# Management Structure

## 1. Organization Chart



## 2. Structure of the Directors of the Company

The structure of the Directors of the Company consists of the Board of Directors and the Sub-Committees in total of four sets which include Audit Committee, Executive Board, Nomination and Remuneration Committee, and Corporate Governance Committee.

### 2.1 Board of Directors

The current Board of Directors consists of eight directors as per below details.

Name List	Type of Director	Position
1. Mr. Pornwut Sarasin	Director who is not a member of the executive management team	Chairman of the Board
2. Mrs. Suttharuk Panya	Independent Director	Chairman of the Audit Committee
3. Mr. Somchai Sirivitchayakul	Independent Director	Chairman of the Nomination and Remuneration Committee
4. Mrs. Sansanee Supatvanitch	Independent Director	Chairman of the Corporate Governance Committee
5. Dr. Kasom Chanawong	Director who is not a member of the executive management team	Director
6. Mr. Pavin Bhirom Bhakdi	Executive Director	Chairman of the Executive Committee
7. Mr. Pavin Bhirom Bhakdi	Executive Director	Director
8. Mr. Silparat Wattanakaset	Executive Director	Managing Director

Whereas Mr. Vorratap Taksaphan is the Secretary of the Board of Directors

For structure of Director types as follows:

Type of Director	No. (person)	%
Independent Director	3	37.50
Director who is not a member of the executive management team	2	25.00
Executive Director	3	37.50



In addition, Chairman of the Board is not an Independent Director. As such, the Board of Directors has appointed an independent director, namely, Mrs. Suttharuk Panya, to be Lead Independent Director to participate in designating the board meeting agenda

The signatory directors in binding the Company are Mr. Pavin Bhirom Bhakdi or Mrs. Amarat Puvaveeranin or Mr. Silparat Wattanakaset, two-third of the directors shall jointly affix the signature and seal of the Company for binding the Company.

### **Scope of Duties and Responsibilities of the Board of Directors**

The 2018 General Meeting of Shareholders on March 21, 2018 resolved to approve the scope of power, duties and responsibilities of the Board of Directors as follows.

- 1) The Board of Directors has power, duties and responsibilities in corporate governance of the Company in accordance with laws, objectives, Articles of Association of the Company, and resolution of the Shareholders' Meet-ing, with integrity and diligence to maintain the interest of the Company and all shareholders.
- 2) Formulate the main objectives and goals of the business, visions, missions, policies, targets, strategies, business plans, management structure, ap-proval power, and budgets of the Company and its subsidiaries; and moni-tor and supervise the allocation of important resources, and consider and approve policy and direction of the operation proposed by the Manage-ment.
- 3) Monitor and supervise the efficient and effective administration and man-agement of the Management and the Sub-Committees of the Company in accordance with the defined main objectives and goals of the business, visions, missions, policies, targets, strategies, work plans, and budgets to maximize value to the Company and the shareholders.
- 4) Consider reviewing, verifying and approving policies, directions, strategies and business plans of the Company and its subsidiaries proposed by the Management.
- 5) Monitor and supervise the ethical business engagement under right re-spect and responsibility to shareholders and stakeholders; and the opera-tion of the business that is useful for society and environment, and adapt-able under changing factors in accordance with Corporate Governance Code.
- 6) Continuously monitor the Company's operating performance in accord-ance with operating plans and budgets of the Company.
- 7) Arrange the preparation of financial statements of the Company and its subsidiaries at the ending date of the Company's accounting period, which are audited by the auditor, and proposed to the Shareholders' Meet-ing for consideration and approval.

- 8) Consider formulating the appropriate Risk Management Policy to cover the whole organization, and monitor and supervise to have appropriate risk management system or process under supporting measure and controlling method for abatement of impact toward the businesses of the Company and its subsidiaries.
- 9) Regularly carry out the Company and its subsidiaries to apply the proper and efficient accounting system, and establish adequate and effective in-ternal control system and internal audit system, and appropriate assess-ment process of internal control system of the Company and its subsidiar-ies.
- 10) Consider defining management structure to have power in appointing the Sub-Committees, Managing Director, and other set of the Sub-Committee as appropriate, and defining the scope of authority of such person.

However, the delegation under scope of authority defined shall not be in the manner of delegation that allows the said Sub-Committees, Managing Director, and other sets of the Sub-Committees to enable to consider and approve the transactions that may be in conflict with gain and loss or in conflict with any other interests performed with the Company or its subsid-iaries (if any) except the approval of transaction in accordance with poli-cies and rules already considered and approved by the Board of Directors.

- 11) Organize the Board of Directors' Meeting at least once a quarter.
- 12) Prepare Annual Report and take responsibility of preparation and disclo-sure of financial statements to show financial position and operating per-formance in last year, as well as monitor and supervise the adequacy of the financial liquidity and solvency of the Company, and propose to the Shareholders' Meeting for consideration and approval.
- 13) Consider giving consent on selection and nomination for appointing the auditor, and determination of appropriate remuneration as proposed by the Audit Committee to be proposed to the Meeting for consideration and approval.
- 14) Establish Corporate Governance Policy under Good Governance Code in writing, and efficiently adapt such Policy for ethical business engagement under right respect and responsibility to the shareholders and stakehold-ers, and the operation of business that is useful for society and environ-ment, and adaptable under changing factors in accordance with Corpo-rate Governance Code.
- 15) Determine Succession Plan for preparing the succession of the Managing Director and top executive. The Managing Director is assigned to report operation performance based on Succession Plan of the Board of Direc-tors for periodic acknowledgement at least once a year, and monitor and supervise the person that performs duty of personnel management and development to have suitable number, knowledge, skill, experience and motivation.

- 16) Monitor and supervise the formulation of the appropriate remuneration framework, policy and structure as proposed by the Nomination and Re-muneration Committee in order to motivate the executives and staffs of all levels to perform work to be consistent with the main corporate objectives and goals, and consistent with the business interests in long run. The followings shall be also monitored and supervised: (1) consideration on the suitability of the proportion of remuneration in salary, and remuneration in relation to short-term operating results and long-term operating results of the business, and (2) formulation of Remuneration Payment Policy.
- 17) Appoint the Sub-Committees such as Audit Committee, Nomination and Remuneration Committee, and/or any other Sub-Committees to assist and support the function of the Board of Directors as appropriate.
- 18) Evaluate the working performance of the directors for the whole Board, and evaluate working performance of the individual director for considering and reviewing performance, problems and obstacles in each year so that evaluation result can be applied for developing and improving the operations in various areas.
- 19) Monitor and supervise the administration and management, and operations of the Company and its subsidiaries in accordance with the Company's policies, securities laws, as well as relevant notifications, regulations and rules of the Capital Market Supervisory Board, Office of SEC, and Stock Exchange of Thailand, for instance, performing connected transaction, acquisition or disposition of the important assets to the extent that it is not in conflict or inconsistent with other laws. Adequate and appropriate internal control and internal audit system is also established.
- 20) Consider appointing the person to assume the office of director or executive of the subsidiaries at least in the proportion of shareholding in the subsidiaries; defining the clear scope of duties and responsibilities of the appointed director and executive of the subsidiaries; defining the framework of power to exercise the discretion to vote in the Board of Directors' Meeting of the subsidiaries in the important matters that must be firstly commented by the Board of Directors; and controlling the management of the subsidiaries in accordance with the Company's policies, and legally performing the transactions, and complete and proper disclosure of information of financial position, operating results, performing interrelated transactions, acquisition or disposition of the significant assets.
- 21) Consider approving the appointment of the qualified person without prohibited qualification as determined in Public Limited Companies Act B.E. 2535 (1992) (including Amendment), Securities and Exchange Act B.E. 2535 (1992) (including Amendment), including relevant notifications, regulations and/or rules, to assume the office in case of vacancy of the directorship office due to other reasons apart from retirement by rotation. In addition, the appointment of the director in replacement of the director who retires by rotation, and the determination of the directors' remuneration shall be considered and given consent, and proposed to the Meeting of Shareholders for consideration and approval.

- 22) Consider approving interim dividend payout to the Company's shareholders and report the said dividend payout to the Meeting of Shareholders for acknowledgement in the next Meeting of Shareholders.
- 23) Supervise and manage conflict of interests that may occur among the stakeholders of the Company and its subsidiaries, and protect the wrongful utilization of the property, information and opportunity of the Company, and performing transactions with the person that has connected relationship with the Company in improper manner. However, in case where any director has gain and loss in any transaction performed with the Company or has the increasing or decreasing proportion of the shareholding in the Company and/or its subsidiaries, the said director shall notify the Company for acknowledgement without delay.
- 24) Give precedence and support the creation of innovation that generate added value to the business in long run, at the same time of creating benefit to customers or related parties, under social and environmental responsibilities.
- 25) Set complaint receiving and action mechanism in case of whistleblowing.
- 26) Review Charter of the Board of Directors at least once a year.
- 27) The Board of Directors may authorize one director or several directors or any other persons to take any action on behalf of the Board of Directors subject to its control, or may authorize the said person to have power as deemed appropriate by the Board of Directors within the period deemed appropriate by the Board of Directors. The Board of Directors may cancel, withdraw, alter or revise such authorization upon being deemed appropriate.

However, that authorization shall not be in the manner of authorization that allows the said person to enable to consider and approve the transactions that he/she or the person may have conflict, gain and loss, or may have conflict of interests in any other manners performed with the Company or its subsidiaries (if any) as defined in the Notification of the Capital Market Supervisory Board and/or Stock Exchange of Thailand, and/or any other Notifications of the relevant agencies, except the approval of transaction in accordance with policies and rules already considered and approved by the Board of Directors.

## 2.2 Audit Committee

The current Audit Committee consists of three independent directors. Such directors have complete qualifications in the Notification of Capital Market Supervisory Board, and the relevant Notifications of the Stock Exchange of Thailand as per below de-tail.

Name List	Position
1. Mrs. Suttharuk Panya	Chairman of the Audit Committee
2. Mr. Somchai Sirivitchayakul	Member of the Audit Committee
3. Mrs. Sansanee Supatvanitch	Member of the Audit Committee

Mrs. Suttharuk Panya is the member of the Committee who has adequate knowledge and experience that can perform duty in reviewing reliability of the Company's financial statements.

Whereas Mrs. Suratchanee Benjajinda is the Secretary of the Audit Committee.

### Scope of Duties and Responsibilities of the Audit Committee

The 2018 General Meeting of Shareholders on March 21, 2018 resolved to ap-prove the scope of power, duties and responsibilities of the Audit Committee as follows.

- 1) Review the Company and its subsidiaries to ensure proper and adequate financial reporting.
- 2) Review the Company and its subsidiaries to ensure appropriate and effective internal control system and internal audit system; and consider the in-dependence of the Internal Audit Unit, as well as give consent on consid-ering the appointment, removal and dismissal of the Chief of the Internal Audit Unit or any other units in charge of internal audit.
- 3) Review the administration and management to ensure the compliance with the established Risk Management Policy.
- 4) Review the Company to ensure the compliance with securities and ex-change law, regulation of Stock Exchange of Thailand, and laws relating to the businesses of the Company and its subsidiaries.
- 5) Consider, select and propose the appointment of the person who is inde-pendent of function of the Company's auditor, and propose the remunera-tion of such person; and attend the meeting with the auditor without the meeting attendance of the Management at least once a year.
- 6) Consider the connected transactions or the transactions that may have conflict of interests in accordance with laws and regulations of the Stock Exchange of Thailand to ensure that the said transactions are reasonable and yield maximum benefits for the Company.



- 7) Prepare the Audit Committee's Report and disclose in the Company's Annual Report. The said Report shall be affixed with the signature of the Chairman of the Audit Committee and at least contain the following information.
  - (a) Opinion on the accuracy, completeness, and reliability of the Company's financial report
  - (b) Opinion on the adequacy of the Company's internal control system
  - (c) Opinion on the compliance with securities and exchange law, regulations of the Stock Exchange of Thailand, or laws relating to the businesses of the Company
  - (d) Opinion on the appropriateness of the auditor
  - (e) Opinion on the transactions that may have conflict of interests
  - (f) Number of the Audit Committee's Meetings, and meeting attendance of each member of the Audit Committee
  - (g) Overall opinion or observation obtained by the Audit Committee from its function under Charter
  - (h) Other lists deemed that the shareholders and general investors should be informed under scope of duties and responsibilities entrusted by the Board of Directors
- 8) The Audit Committee has power to ask for independent opinion from any other professional advisor when it is deemed as necessary at the Company's expense.
- 9) Take any actions entrusted by the Board of Directors under consent of the Audit Committee.

## 2.3 Nomination and Remuneration Committee

The current Nomination and Remuneration Committee consists of three members of the Nomination and Remuneration Committee as per below detail.

Name List	Position
1. Mr. Somchai Sirivitchayakul	Chairman of the Nomination and Remuneration Committee
2. Mrs. Sansanee Supatvanitch	Member of the Nomination and Remuneration Committee
3. Mr. Pavin Bhirom Bhakdi	Member of the Nomination and Remuneration Committee

Whereas Mr. Vorrapop Taksaphan is the Secretary of the Nomination and Remuneration Committee.

### **Scope of Duties and Responsibilities of the Nomination and Remuneration Committee**

The 2018 General Meeting of Shareholders on March 21, 2018 resolved to approve the scope of power, duties and responsibilities of the Nomination and Remuneration Committee as follows.

- 1) Suggest the structure, size and element of the Board of Directors and Sub-Committees that are appropriate for the nature of the Company's business.
- 2) Determine qualification, rule and procedure for nominating the directors, members of the sub-committees, and the Managing Director of the Company, and consider selecting the person who is proper in the aspects of knowledge, experiences, and expertise to be nominated to the Board of Directors for considering the appointment and/or presenting to the Meeting of Shareholders for further considering the appointment (as the case may be).
- 3) Consider the structure of remuneration, form and rule for paying working remuneration (either in form of cash, security or any other form) of the directors, members of the sub-committees, and the Managing Director of the Company to be appropriate and fair in accordance with the relevant laws, as well as determining wage rate, remuneration, pension and award, bonus, and salary increase for the directors, members of the sub-committees, and the Managing Director of the Company to be presented to the Board of Directors' Meeting and/or the Meeting of Shareholders for further consideration (as the case may be).
- 4) Consider the guideline for determining directors' remuneration to be consistent with long-term strategies and goals of the Company, experiences, obligations, scope of accountability and responsibility, including expected benefits gained from each director. Nevertheless, the directors' remuneration should be in the nature that can be compared with the practical level in the industry.
- 5) Consider the criteria of performance evaluation for the Managing Director of the Company and present to the Board of Directors for considering and giving consent.
- 6) Prepare and review development plan of the Managing Director and chief executive to be prepared for Succession Plan in case where the Managing Director or chief executive in the said position retires or is unable to perform his/her duty so that the Company's management can be continuously executed.
- 7) Perform any other works as entrusted by the Board of Directors.

## **2.4 Corporate Governance Committee**

The current Corporate Governance Committee consists of four members of the Corporate Governance Committee as per below detail.

Name List	Position
1. Mrs. Sansanee Supatvanitch	Chairman of the Corporate Governance Committee
2. Mr. Somchai Sirivitchayakul	Member of the Corporate Governance Committee
3. Mr. Silparat Wattanakaset	Member of the Corporate Governance Committee
4. Dr. Kasom Chanawong	Member of the Corporate Governance Committee

Whereas Mr. Vorrappop Taksaphan is the Secretary of the Corporate Governance Committee.

### Scope of Duties and Responsibilities of the Corporate Governance Committee

The 2018 General Meeting of Shareholders on March 21, 2018 resolved to ap-prove the scope of power, duties and responsibilities of the Corporate Governance Committee as follows.

- 1) Establish and review Good Corporate Governance Policy of the Company to be appropriate for the Company's business, to be presented to the Board of Directors, and oversee the Company's operations in accordance with Corporate Governance Code which is appropriate for the Company's business.
- 2) Review the Charter of the Board of Directors, and the Sub-Committees, Business Ethics and Code of Conduct of the Staffs, Significant Practice, Guideline of Practice to be updated and suitable for the Company's busi-ness, and consistent with the Guideline of Practice of the Stock Exchange of Thailand, Office of Securities and Exchange Commission, and Capital Market Supervisory Board, or any other laws applicable with the Compa-ny's business.
- 3) Report the operating performance under Corporate Governance Code to the Board of Directors, and determine the guideline for reporting the op-erating performance under Corporate Governance Code in Annual Regis-tration Statement Form (Form 56-1) and Annual Report.
- 4) Occasionally perform other duties entrusted by the Board of Directors.

## 2.5 Executive Board

The Executive Board has currently consisted of four executive directors as per below detail.

Name List	Position
1. Mr. Pavin Bhirom Bhakdi	Chairman of the Executive Board
2. Mrs. Amarat Puvaveerananin	Executive Director
3. Mr. Somporn Temudomsomboon	Executive Director
4. Mr. Silparat Wattanakaset	Executive Director

Whereas Mr. Vorrapop Taksaphan is the Secretary of the Executive Board.

### **Scope of Duties and Responsibilities of the Executive Board**

The 2018 General Meeting of Shareholders on March 21, 2018 resolved to ap-prove the scope of power, duties and responsibilities of the Executive Board as follows.

- 1) Consider screening the proposal of the Managing Director, and present goals, policies, and business plans, including annual budgets of the Com-pany for consideration and approval of the Board of Directors
- 2) Control, monitor and supervise, and follow up the operating results of the Company in accordance with the formulated policies, goals, business plans, business strategies, and budgets, and managerial powers as ap-proved by the Board of Directors to be efficient and effective for support-ing the business conditions; and give counsel, and advice on administra-tion and management to chief executives.
- 3) Follow up the operating results and progress of the investment structure of each business and report of occurred overall results including problems or obstacles, and guideline of improvement and correction for acknowl-edgement of the Board of Directors.
- 4) Consider approving the operation that is normal transaction of the Com-pany's business, for instance, investments based on investment budget or budget approved by the Board of Directors, etc. The financial limit for each transaction shall be in line with Table of Approval Power approved by the Board of Directors. The Executive Board has power to approve invest-ment expense in the excessive portion of the annual budget not more than 15.0% and in amount of not more than Baht 50.0 million, and has power to approve investment expense in the non-budgeting portion not more than Baht 20.0 million.
- 5) Consider profit and loss of the Company, and proposal of interim dividend or annual dividend payout to be proposed for approval of the Board of Di-rectors.
- 6) Present the Nomination and Remuneration Committee and/or the Board of Directors the organization chart which is appropriate for the Company's operation for consideration and approval.
- 7) Have power to consider approving annual salary increase budget or in-crease in salary level of staff, and annual gratuity payment (bonus) to the staffs of the Company and its subsidiaries.
- 8) Carry out to allow the executives, the Management or staffs to attend the Executive Board's Meeting or prepare and provide information relating to the matters of discussion in the Executive Board's Meeting.
- 9) Procure the advisor or the person with independent opinion to remark opinion or advice as necessary.

- 10) Appoint and/or assign the executive directors or any other one person or several persons to take any action subject to the control of the Executive Board, or may authorize such person to have power and within the period as deemed as appropriate by the Executive Board. The Executive Board may cancel, withdraw, alter or change the authorized person or that au-thorization as deemed as appropriate.
- 11) Occasionally perform other duties as entrusted by the Board of Directors.

Nevertheless, the delegation of power, duties and responsibilities of the said Executive Board shall not be in the manner of authorization or sub-authorization that allows the authorized person from the Executive Board to enable to approve the transactions that he/she or person may have conflict (as per definition stipulated in the Notification of the Capital Market Supervisory Board and/or Stock Exchange of Thailand, and/or relevant agencies), have gain and loss, or may have conflict of any other interests with the Company or its subsidiaries and/or the related company. The Ex-ecutive Board has no power to approve the operation of such matters whereas such matters must be proposed to the Board of Directors' Meet-ing and/or the Shareholders' Meeting (as the case may be) for further ap-proval, except the approval of transaction that takes place in accordance with ordinary course of business and normal trade condition as prescribed in the Notifications of the Capital Market Supervisory Board, and/or Stock Exchange of Thailand and/or relevant agencies.

### 3. The Meeting of the Board/Committee

#### 3.1 The Board of Directors' Meeting

Name List	Total Number of the Meeting Attendances / Meetings
	For the year ended December 31, 2018
1. Mr. Pornwut Sarasin	7 / 8
2. Mrs. Suttharuk Panya	8 / 8
3. Mr. Somchai Sirivitchayakul	7 / 8
4. Mrs. Sansanee Supatvanitch	7 / 7
5. Dr. Kasom Chanawong	8 / 8
6. Mr. Pavin Bhirom Bhakdi	7 / 8
7. Mrs. Amarat Puvaveeranin	8 / 8
8. Mr. Silparat Wattanakaset	8 / 8

Director has not attend the meeting due to the important tasks that have been set in advance.



### 3.2 The Sub-Committees's Meeting

Name List	Audit Committee	Nomination and Remuneration Committee	Corporate Governance Committee
Mrs. Suttharuk Panya	4/4		
Mr. Somchai Sirivitchayakul	4/4	2/2	2/2
Mrs. Sansanee Supatvanitch	4/4	2/2	2/2
Dr. Kasom Chanawong			2/2
Mr. Pavin Bhirom Bhakdi		2/2	
Mr. Silparat Wattanakaset			2/2

## 4. Executive Team

The current executive team of the Company consists of twelve executives as follows:

Name List	Position
1. Mr. Silparat Wattanakaset	Managing Director
2. Mr. Visal Laorsathienkul	Deputy Managing Director – Engineering and Technique Office
3. Mrs. Suratchanee Benjajinda	Assistant Managing Director – Internal Audit Office
4. Mrs. Siriporn Kailassiri	Assistant Managing Director – Quality Assurance Office
5. Mr. Jakkrapan Jirathorn	Senior Assistant Managing Director – Production Office
6. Ms. Sirikul Mangkornkanok	Assistant Managing Director – Finance and Accounting Office
7. Mrs. Ruedee Uiemkueakoon	Assistant Managing Director – Procurement Office
8. Mr. Surachai Srikasemwatcharakul	Assistant Managing Director – Human Resource Office
9. Mr. Kittisak Chokelaphawee	Assistant Managing Director – Sales and Marketing Office
10. Mrs. Kamolporn Suksawad	General Accounting Department Manager
11. Mrs. Kullaya Oonjai	Cost Accounting Department Manager
12. Ms. Sutthida Thongjamras	Finance Department Manager

Nevertheless, Ms. Sirikul Mangkornkanok has been entrusted to take highest re-sponsibility in accounting and finance field, and Mrs. Kullaya Oonjai has been entrusted to take direct responsibility in controlling the Company's accountancy.

### **Scope of Duties and Responsibilities of the Managing Director**

- 1) Control business operation and/or daily administration of the Company.
- 2) Prepare policy and formulate annual business plan, operating plan, and budget plan of the Company and its subsidiaries as proposed by the Management, and define structure and managerial power to be proposed to the Board of Directors for further consideration and approval.
- 3) Monitor and supervise the operation or duty performance for benefit of the Company in accordance with vision, direction of business operation, policy, business strategy, target, operating plan and budget approved by the Board of Directors; and audit, monitor and evaluate the operating performance of the Company in compliance with the formulated policy, and has duty in reporting the operating and managerial results, including operating progress to the Audit Committee and the Board of Directors.
- 4) Consider approving the operation that is normal transaction of the Company's business based on investment budget or budget approved by the Board of Directors. The financial limit for each transaction shall be in line with the one prescribed in Table of Approval Power approved by the Board of Directors, and entering into contracts relating to such matter. The Managing Director has power to approve investment expense in the excessive portion of the annual budget not more than 15.0% and in amount of not more than Baht 20.0 million, and has power to approve investment expense in the non-budgeting portion not more than Baht 5.0 million.
- 5) Have power to consider approving spending in accordance with the ordinary course of the Company's business, under budget approved by the Board of Directors, and in accordance with approval power already approved by the Board of Directors.
- 6) Have power to approve manpower, employment and placement of staff, determination of wage, remuneration and bonus, and appointment and removal of staff, and consider determination of duties and responsibilities of each work unit and position, for staff in the level of Deputy Managing Director and inferior.
- 7) Have power to issue orders, rules, notifications, and records for operation of the Company in accordance with the Company's policies and interests for maintenance of the organizational discipline.
- 8) Have power to appoint the advisor or different sets of working groups for benefit and efficiency of good and transparent management, and have power to authorize any one person or several persons to take any action under control of the Managing Director, or may authorize such person to have power as deemed appropriate by the Managing Director within period deemed appropriate. The Managing Director may cancel, withdraw, alter, or change the said authorized person or authorization as deemed appropriate.

- 9) Occasionally perform other duties as entrusted by the Board of Directors.

Nevertheless, in respect to the operation of any matters that the Managing Director or the authorized person of the Managing Director, or person that may have conflict (as per definition stipulated in the Notifications of the Capital Market Supervisory Board and/or Stock Exchange of Thailand, and/or relevant agencies), have gain and loss, or may have conflict of interests with the Company or its subsidiaries and/or the related company, the Managing Director has no power to approve the operation of such matters. Such matters must be proposed to the Board of Directors' Meeting and/or the Shareholders' Meeting (as the case may be) for further approval, except the approval of transaction that takes place in accordance with ordinary course of business and normal trade condition as prescribed in the Notifications of the Capital Market Supervisory Board, and/or Stock Exchange of Thailand and/or relevant agencies.

## 5. Company Secretary

The Board of Directors' Meeting No. 1/2018 on January 17, 2018 resolved to appoint Mr. Vorrappop Taksaphan to be the Company Secretary as the representative of Bangkok Glass Public Company Limited in providing the company secretary service, and having duties and responsibilities as prescribed in Section 89/15 and Section 89/16 of Securities and Exchange Act (No. 4) B.E. 2551 (2008) being effective on August 31, 2008, under responsibility, diligence and honesty, and compliance with laws, objectives, and articles of association of the Company, resolution of the Board of Directors' Meeting, as well as resolution of the Shareholders' Meeting. The qualification of the person who holds the position of the Company Secretary as presented in Enclosure 1, the Company Secretary shall have duties and responsibilities to perform the following.

- 1) Supervise and give advice to the directors and executives relating to compliance with laws, requirements, rules and regulations of the Company, and monitor for proper and regular practice.
- 2) Take responsibility in organizing the Board of Directors' Meeting, and Shareholders' Meeting, and oversee and coordinate for compliance with resolution of such meetings.
- 3) Oversee disclosure of information and information report in responsible part in accordance with rules and requirements of the Stock Exchange of Thailand, Office of the Securities and Exchange Commission, and other regulating agencies, including related laws.
- 4) Prepare and store the following documents.
  - 4.1) Directors' Register
  - 4.2) Appointment Notice of the Board of Directors' Meeting, and Minutes of the Board of Directors' Meeting
  - 4.3) Appointment Notice of the Shareholders' Meeting, and Minutes of the Shareholders' Meeting

4.4) Annual Report of the Company

4.5) Stakeholding Report of the Directors and Executives

## 6. Directors' Remuneration

### 6.1 Monetary Remuneration

2018 Annual General Meeting of Shareholders on March 21, 2018, resolved to approve the remuneration of the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Corporate Governance Committee, and Executive Board for the year 2018 as per below details.

Position	Monthly Remuneration (Baht/Month)	Meeting Allowance (Baht/Time)
<b>Board of Directors</b>		
- Chairman of the Board	100,000.0	-
- Director	80,000.0	-
<b>Audit Committee</b>		
- Chairman of the Audit Committee	-	30,000.0
- Member of the Audit Committee	-	20,000.0
<b>Nomination and Remuneration Committee</b>		
- Chairman of the Nomination and Remuneration Committee	-	30,000.0
- Member of the Nomination and Remuneration Committee	-	20,000.0
<b>Corporate Governance Committee</b>		
- Chairman of the Corporate Governance Committee	-	30,000.0
- Member of the Corporate Governance Committee	-	20,000.0
<b>Executive Board<sup>(1)</sup></b>		
- Chairman of the Executive Board	-	-
- Executive Director	-	-

Remark: <sup>(1)</sup> The executive director shall not receive additional remuneration from the Company.

For the accounting year ended December 31, 2017, and for the accounting year ended 31 December 2018, the Company paid remuneration to the directors as per below summary.

Name List of Directors	Position	Total Remuneration of Directors (Baht)	
		For the accounting year ended December 31, 2017	For the accounting year ended December 31, 2018
1. Mr. Pornwut Sarasin	Chairman of the Board	300,000.0	1,200,000.0
2. Mrs. Suttharuk Panya	Independent Director / Chairman of the Audit Committee	330,000.0	1,140,000.0
3. Mr. Somchai Sirivitchayakul	Independent Director / Member of the Audit Committee / Chairman of the Nomination and Remuneration Committee / Member of the Corporate Governance Committee	350,000.0	1,180,000.0
4. Mrs. Sansanee Supatvanitch <sup>(1)</sup>	Independent Director / Member of the Audit Committee / Member of the Nomination and Remuneration Committee / Chairman of the Corporate Governance Committee	-	1,080,000.0
5. Dr. Kasom Chanawong	Director / Member of the Corporate Governance Committee	350,000.0	1,000,000.0
6. Mr. Pavin Bhirom Bhakdi	Director / Chairman of the Executive Board / Member of the Nomination and Remuneration Committee	980,000.0	980,000.0
7. Mrs. Amarat Puvaveeranin	Director / Executive Director	960,000.0	960,000.0
8. Mr. Silparat Wattanakaset	Director / Executive Director / Member of the Corporate Governance Committee / Managing Director	260,000.0	1,000,000.0
<b>Total</b>		<b>3,530,000.0</b>	<b>8,540,000.0</b>



Remark: <sup>(1)</sup> She was appointed to assume the office of the director by the Extraordinary Meeting of Shareholders of the Company No. 1/2018 on January 30, 2018.

## 6.2 Other Remuneration

-None-

## 7. Executives' Remuneration

### 7.1 Monetary Remuneration

For the accounting year ended December 31, 2017 and for accounting year ended December 31, 2018, the Company paid remuneration to the executives as per be-low detail.

Type of Remuneration	Total Executives' Director (Baht)	
	For the accounting year ended December 31, 2017 <sup>(1)</sup>	For the accounting year ended December 31, 2018
Salary and Bonus (Baht)	18,835,500.0	39,730,500.0
Subsidy of Provident Fund and Other Benefits <sup>(1)</sup>	2,819,655.0	4,197,360.0
<b>Total</b>	<b>21,655,155.0</b>	<b>43,927,860.0</b>

Remark: <sup>(1)</sup> Other remunerations such as benefit after quitting (retirement) and other long-term benefits.

### 7.2 Other Remunerations

-None-

## 8. Personnel

### 8.1 Number of Personnel

As at December 31, 2017 and December 31, 2018, total personnel (excluding executives) of the Group of the Company has been 3,132 persons and 2,809 persons, respectively as per detail in the following table.

Department	Number of Staffs (Persons)	
	As at December 31, 2017	As at December 31, 2018
Production Department	2,299	1,386
Quality Assurance Department	234	848
Warehouse and Transportation Department	223	221
Administration and Service Activity Department	126	113
Finance and Accounting Department	88	87
Human Resource Department	65	61
Procurement Department	34	32
Management and Investor Relations Department	28	26
Sales and Marketing Department	25	24
Internal Audit Department	10	11
<b>Total</b>	<b>3,132</b>	<b>2,809</b>

The number of staffs of the Group of the Company as at December 31, 2018 decreased from the number of staffs as at December 31, 2017 for 323 persons as the main result of shutdown of Rayong Glass Industry Co., Ltd. factory on December 2017.

## 8.2 Significant Labor Dispute in the Past Three Years Period

The Company entered none of the collective bargaining agreement with any staff or any labor union, and the Company's staffs did not set up labor union. The Company has never confronted with the problem of strike of staff or personal problem of the staff that may affect the Company's business operation.

## 8.3 Staffs' Remuneration

The staffs' remuneration (excluding executives) of the Company and its subsidiaries for the year ended December 31, 2017 and for the year ended December 31, 2018, was Baht 1,054.9 million, and Baht 1,026.6 million, respectively. The said staffs' remuneration consists of salary, bonus, contribution of provident fund, and contribution of social security fund, etc.

## 8.4 Provident Fund

The Company has established provident fund in accordance with Provident Fund Act B.E. 2530 (1987) (including Amendment) since October 9, 2017. For subsidiaries such as Ayutthaya Glass Industry Co., Ltd., Khon Kaen Glass Industry Co., Ltd., Pathumthani Glass Industry Co., Ltd., Rayong Glass Industry Co., Ltd and

Prachinburi Glass Industry Co., Ltd., they have established provident fund in accordance with Provident Fund Act B.E. 2530 (1987) (including Amendment) since May 1, 2012. Ratchaburi Glass Industry Co., Ltd. has established provident fund in accordance with Provident Fund Act B.E. 2530 (1987) (including Amendment) since September 21, 2017. The Group of the Company shall contribute money into provident fund and staffs shall pay savings in-to provident fund in the rate of 4.0 – 7.0% based on service duration of each staff.

## **8.5 Personnel Development Policy**

The Company realizes that the personnel are considered as key factor in carry-ing forward the Company to enable to attain the setting target and business plan. Thus, the Company gives precedence to continuous supervision and development of the per-sonnel in every level to have knowledge and competence for supporting the Company's business operation and for supporting the Company's future growth. The Company or-ganizes internal trainings such as managerial level personnel training for development of management skill for staffs in supervisory level, and delivers staffs to attend external train-ings such as training with external agencies or institutions. Moreover, the Company ap-plies human resource management and development system in various fields.







# Report of the Corporate Governance Committee

The Board of Directors gives precedence to business operation under Corporate Governance Code of the Stock Exchange of Thailand in order to lead the organization toward sustainable success under fair, transparent and verifiable management, and reduction of conflict of corporate interests that will be useful and create confidence of all parties of the stakeholders. The Board of Directors therefore resolved the approval on February 14, 2018 to appoint the Corporate Governance Committee to perform its duty in formulating duty performance standard for the Board of Directors under the Principles of Good Corporate Governance. The Corporate Governance Committee consists of four directors whereas three-fourth of directors are non-executive directors as follows.

- |    |                   |                |                          |
|----|-------------------|----------------|--------------------------|
| 1. | Mrs. Sansanee     | Supatvanitch   | (Independent Director)   |
| 2. | Mr. Somchai       | Sirivitchayaku | (Independent Director)   |
| 3. | Prof. Asst. Kasom | Chanawong      | (Non-Executive Director) |
| 4. | Mr. Silparat      | Wattanakaset   | (Executive Director)     |

However, Mrs. Sansanee Supatvanitch as independent director has been appointed to be the Chairman of the Corporate Governance Committee. The Charter has been established as the operating guideline. In 2018, the Corporate Governance Committee completely performed its duties as stipulated in the Charter and as assigned by the Board of Directors, and held two meetings in total as per the following summary.

1. Established and reviewed Good Corporate Governance Policy of the Company and Business Ethics to be appropriate for the Company's business, and established the policies in consistency with Corporate Governance Code, and supervised the operation of the Company in accordance with the established policy being presented to the Board of Directors' Meeting and approved for application of such policy.

2. Established the policy for the Company's proper, complete and transparent disclosure of information for complete and timely acquisition of essential information which are accurate and reliable by shareholders and stakeholders of all parties through channels such as news notification system of the Stock Exchange of Thailand, website of the Company, and Annual Registration Statement Form.

3. Promoted the Company for equitable shareholder treatment, and granting the rights to shareholders, and encouraged the shareholders to fully exercise their rights by giving the shareholders the opportunity to propose meeting agenda in advance, and held the Shareholders' Meeting for 2019 under Corporate Governance Code as the first Shareholders' Meeting in the name of public limited company. The information related to time, date, venue, rule of the meeting, and decision supporting documents were informed in advance.

4. Established the policy for compliance of all directors with duties and responsibilities that emphasized on shareholders and stakeholders of all parties by disclosure of information related to their and the related parties' stakeholding, and disclosure of the Board of Directors' operation under the established Good Corporate Governance Policy.
5. Developed corporate governance, and carried forward sustainable operation by supervising the Management's operation under established policy framework, and monitoring the presentation of the operated information.
6. Reviewed and updated the Charter, Corporate Governance Policy and Business Ethics in consistency with the requirement of the supervisory unit, and guideline of the long-term business operation of the Company.

The Corporate Governance Committee intends to promote the directors, executives and employees of all levels to be confident that business is operated under Corporate Governance Code, creates the corporate strength, and lead the organization toward sustainable success and growth resulting in benefits of the stakeholders of all groups, and the valued organization for the society.



(Mrs. Sansanee Supatvanitch)

Chairman of the Corporate Governance Committee



[illegible]



# Corporate Governance

## Corporate Governance Policy

The Company realizes on the significance of good corporate governance that it is crucial for contributing to promotion of the Company's efficient operation and sustainable growth, leading to maximum benefit of all related parties from staffs, investors, shareholders and other stakeholders. Therefore, the Board of Directors has updated Corporate Governance Policy covering the content of the significant principle from structure, roles and duties, and responsibilities of the Board of Directors, and the principle of transparent, clear and auditable management of the executives to be the guideline of organizational management, in order to ensure the fair operations of the Company under concern on maximum benefit of the shareholders and all parties of the stakeholders.

The Board of Directors is confident that the compliance with the Principles of Good Corporate Governance is the key factor in enhancement of competitive potential. The organization can adapt itself for change in business, continuously create confidence and success as foundation of sustainable growth that will create value to the shareholders and the related parties of all groups. The Board of Directors therefore encourages the directors, executives and employees in all levels to realize on roles, duties and responsibilities on adaptation of practices which are established as policies to be appropriate for their responsibilities in the organization. Such practices are consistent in accordance with Corporate Governance Code of the Listed Companies 2017.

Practice of Corporate Governance of the Company emphasizes on right and equality of all shareholders, and supervision of the stakeholders of all groups under responsibility of the Board of Directors in compliance and disclosure of information on transparency, completeness, due course, and verifiability basis, and determination of visions, policies and practical guidelines to attain the objectives in the following areas.

### 1 Rights of Shareholders

Every shareholder has rights on behalf of the owner of the Company. The said rights include basic right as stipulated by law, and right in the matters that should be equally granted on behalf of each shareholder by appointing the director to perform duty in lieu of him/her. The Board of Directors shall be appointed by the shareholders under emphasis on granting the appropriate rights to the shareholders, and acquisition of the Company's accurate, complete, adequate, and timely information on equitable basis in order to support decision making in every matter. The Board of Directors therefore formulates the following policy.

- 1) Basic right as stipulated by law shall be granted to the shareholder as follows.
  - Right to purchase, sell or transfer securities held by the shareholder whereas the share registrar shall be standard and acceptable by the supervising agencies
  - Right to equally receive profit sharing / dividend from the Company



- Right to be equally treated in redemption of shares by the Company
  - Right to attend the Shareholders' Meeting
  - Right to annually approve the directors' remuneration in every form whereas the Board of Directors shall propose policy of remuneration determination and criteria of remuneration provision for director in each position.
  - Right to annually appoint the auditor and approve the auditor's remuneration
  - Right to appoint the director who retires by rotation and nominate the nominated director in advance and propose the shareholders to vote on individual basis.
  - Right to call the Shareholders' Meeting in accordance with rule as prescribed by law.
- 2) Right to acknowledge important information or news of the Company via most convenient and quickest channel of the Stock Exchange of Thailand, and website of the Company.
- 3) Right to propose agenda prior to attendance of the Shareholders' Meeting. The Company gives the shareholders the opportunity to propose agenda required for raising in the meeting or queries required for replies in the Shareholders' Meeting in advance via channels specified by the Company such as Website, Email, tele-phone, or letter, in advance. The Company Secretary shall primarily screen the proposal of the shareholder to be proposed to the Board of Directors for consideration and notify consideration result back to the said shareholder who proposed such matter for acknowledgement. In the event where the Board of Directors gives consent on the matter proposed by the shareholder, such matter will be filled as agenda of the Shareholders' Meeting accordingly.
- 4) Right to attend the Shareholders' Meeting and vote in the determined agenda so that the shareholder can consider the important matter as required by law, or the matter that may affect the Company's business operation. The Company shall issue meeting appointment notice that clearly determines meeting date, time, and venue, and meeting agenda, and prepare documentation of the meeting agenda, such as operating results, management policy in various fields, corporate governance, related party transactions of the Company, by notifying and disseminating all details via channel of the Company's Website in advance for the shareholder's acknowledgement and study on information in various matters prior to the meeting. In addition, the shareholders are allowed to conveniently and completely download information of meeting agenda, and deliver meeting appointment notice prior to the meeting at least 7 (seven) or 14 (fourteen) days in advance in the period specified by law in order to facilitate the shareholders who are not informed of the information from the Company's Website. The meeting appointment notice shall be publicized in newspaper for three consecutive days prior to the meeting at least 7 (seven) days, or if special resolution must be performed, the said notice must be publicized prior to the meeting at least 14 (fourteen) days.
- 5) Right to be independent and inspect voting whereas the Company shall arrange the independent inspector of vote counting who may be auditor, legal advisor, supervising agency or minor shareholder, and also establish E-Registration System for convenience and rapidity in registration, and use of

e-voting program for vote counting and result display as aided tool of vote counting that is quick for checking and counting votes, and announcing result once completion of consideration in each agenda. The shareholders can inspect after meeting. In respect to voting in each agenda, the Company shall use ballot method and collect only ballots that are voted in disagreement or abstention for calculating and deducting from all eligible persons in voting. The Meeting will be informed prior to commencement of the Shareholders' Meeting.

- 6) Right to acknowledge proper, complete, adequate and clear information prior to the Shareholders' Meeting for making decision and resolving in each agenda. The Company shall issue meeting appointment notice that clearly determines meeting agenda in each matter through screening from the Board of Directors in remarking the opinion in each agenda, and determines objective and reason of proposing the agenda to the shareholders for consideration. The main agenda stipulated by law shall completely specify the following information.
  - 6.1) Agenda of the director appointment shall specify name, age, educational background and working history, office holding in other company, type of nominated director, meeting attendance in previous year, and present criteria and procedure of nomination.
  - 6.2) Agenda of the auditor appointment shall specify the auditor's name, affiliated company, other histories or information which are useful for making resolution decision, and service fee of the auditor.
  - 6.3) Agenda of the approval on dividend payout shall disclose dividend payout policy, proposed dividend payout ratio, and reason and documentation for consideration. If dividend payout is suspended, reason of such suspension shall be clarified to the shareholders for acknowledgement.
  - 6.4) Agenda for other considerations whereas the Company shall propose objective and reason, together with documentation for consideration.
- 7) Right to be facilitated in meeting attendance whereas the Company shall arrange the venue of the Shareholders' Meeting at the place where the shareholders can conveniently travel to attend the meeting. The shareholder can authorize other person to attend the meeting in lieu of him/her. The meeting is proceeded in accordance with law and articles of association of the Company in considering and voting in determined order of agenda, without change in substantial information, or addition of unnecessary meeting agenda. If the agenda is added in the meeting, the Company shall avoid the consideration since all shareholders acquire inadequate information for consideration.
- 8) Right to inquire or express the opinion on the director or executive whereas the Company shall promote the Chairman of the Board, Chairman of the Sub-Committee for all sets, Managing Director, and Chief Financial Officer, to attend all Shareholders' Meetings in order to allow the shareholders to have equitable right in inquiry, opinion and suggestion expression.

- 9) Right to audit the correctness of the meeting whereas the Company shall disclose resolution of the meeting and voting result in the following day from the day of the Shareholders' Meeting via newsletter of the Stock Exchange of Thailand, and dis-close on the Company's website.
- 10) The minutes of the meeting shall be completely, accurately, rapidly, and transpar-ently recorded and include name list of the directors and executives who attend the meeting, voting and counting procedure, meeting resolution, voting result, and important interrogating issues and opinions. The minutes shall be completed within 14 (fourteen) days from the day of the Shareholders' Meeting, and delivered to the Stock Exchange of Thailand, or related agencies within deadline, and disseminate in the Company's website for consideration of the shareholders. In addition, the Company shall arrange meeting video recording for reference storage.

## 2 Equitable Treatment of Shareholders

The Board of Directors protects the rights of every shareholder, such as minor shareholders and foreign shareholders, they shall be fairly and equally treated and the opportunity to receive compensation shall be given in case of right violation. The Board of Directors establishes Cor-porate Governance Policy to make the shareholders confident that they will be fairly and equi-tably granted for basic rights according to law, and other rights of shareholders as follows.

- 1) Equality of the shareholders in concurrent acquisition of news information. The Company shall formulate Insider Trading Prevention Policy for non-public disclosure of the inside information by the person who is informed of information for exploita-tion; establish measures to ensure that such policy is acknowledged and complied by the directors, executives and staffs; and formulate Related Party Transaction Policy in justly performing at market price, and in the ordinary course of business. Such policies are disclosed in Annual Report or Form 56-1.
- 2) Equality of nominating the person who will be appointed as director. The Company shall give the minor shareholders the opportunity to nominate the person for re-cruitment and appointment as director in accordance with rule, process, regulation or any other requirement via the channel of the Company's website in advance. The Company Secretary shall primarily screen and present to the Board of Directors for consideration, and shall inform the consideration result back to the shareholder who propose such matter for acknowledgement together with reason.
- 3) Equality of the shareholders not to lose right to attend the meeting in the event where the shareholders are unable to attend the meeting by presence. The Com-pany shall give such shareholders the opportunity to authorize the independent di-rector or any person to attend the meeting in lieu of them using Proxy delivered by the Company together with meeting invitation notice. Proxy forms specify instruc-tion, procedure and documentary evidence which is simple in giving a proxy. In ad-dition, the Company shall prepare stamp duty to be affixed in Proxy of the share-holder.

- 4) Equality of language in the event where the shareholders are foreigners. The Company shall issue the whole issue of the meeting appointment notice, supplementary information of the meeting, and Proxy in English language, and deliver to the foreign shareholders together with delivery of Thai language issue.
- 5) Equality of voting. The same type of share has equal voting right whereas one share is equal to one vote. In the event where the Company has more than one type of shares, the Company shall disclose the right to vote each type of share for acknowledgement of the shareholders prior to voting.

### **3 Consideration on Roles of Stakeholders**

The Board of Directors emphasizes and recognizes the rights of stakeholders in all groups whether being internal stakeholders such as shareholders and staffs, and external stakeholders such as customers, business partners, creditors, trade competitors, society, and nearby communities. For protection of the shareholder's rights to be granted for rights as required by law, or right which is collective agreement through awareness on good relationship and inter-cooperation which are useful for business operation and creation of confidence, and enhancement of the Company's long-term competitiveness, and sustainable growth. The policy and guideline of practice therefore are established so that all parties of stakeholders are granted for legal rights and the disadvantageous agreement is entered as follows.

#### **1) Staffs**

The Company realizes on the significance of fair equitable treatment of all staffs, respect and non-violation of the principle of human right, non-exclusion or discrimination due to difference in race, sexuality and social status, adherence to freedom of religious profession, non-disclosure of the staff's secret to the non-related parties for acknowledgement, protection and supervision of occupational safety and sanitation, supervision of receiving fair and appropriate remuneration and welfare based on knowledge and competence of each staff, and turnover of the Company, as well as promotion and emphasis on development of the staff's knowledge and competence, and working skill to be efficient. The staff shall be given the opportunity of working skill development in various areas by determining to be clear and concrete policy and guideline of practice. Moreover, provident fund for staffs has been established, and Employee Stock Ownership Plan (ESOP) Policy has been formulated for long-term care of staff.

#### **2) Shareholders**

The Company realizes on the significance and will of transparent business operation, and focus on organizational development for sustainable and continual growth in order to generate appropriate return for shareholders and to add value of the Company, resulting in maximum return of the shareholders.

#### **3) Business Partners and/or Creditors**

The Company realizes on the significance of equitable, fair, and honest treatment to all parties of business partners and/or creditors, and determines the agreement which is disadvantageous against each party. The debt is repaid in accordance with the agreement. The guideline of business partner selection shall be determined by comparing key information prior to selection and complying with the contract, providing information which is true and based on the business relationship and fairness.

**4) Customers**

The Company realizes on the significance that the customer shall receive quality goods. Therefore, the policy and agreement on customer care in receiving quality goods in agreed schedule, under responsibility of goods damage, and confidentiality of customer information, are formulated. The Company has assigned work unit or person to perform the duty on care of customer relationship.

**5) Trade Competitors**

The Company realizes on the significance of the conduct in accordance with the framework of rule of good competition. The company therefore formulates the policy and code of business conduct, and fair and transparent competition, non-seeking for confidential information of the trade competitor by dishonest, unfair or improper procedure, and non-discredit of trade competitor with any adverse accusation.

**6) Community and Society**

The Company realizes on the significance of the increase in quality of the society and community where the Company and its affiliated companies together with growth of the Company. The Company therefore formulates concrete policy and guideline of practice regarding to social responsibility in promotion and cooperation on organizing and supporting the activities relating to community development, business operation under concern on safety and quality of life of the community, and non-support of activities that are harmful for society or in conflict with morality, creation of commitment and dependence between the Company and society.

**7) Environment**

The Company realizes on the significance of the strict compliance with environment-related laws and rules, and emphasizes on continuous environmental impact control and efficient consumption. The Company therefore formulates the policy on constant supporting the activities that reinforce quality, occupational health, and environment, as well as maintaining working environment for safety of the staff's life and property, and promoting staffs to have knowledge and understanding on maintaining the environmental and community quality.

**8) Infringement of Intellectual Property**

The Company realizes on the significance of non-infringement of intellectual properties or copyrights of other persons, particularly in the matter of communication and information technology as well as



operating system or software system of computer which is the key factor for rapid and efficient business operation. The policy that allows the staffs to use operating system determined by the Company only is formulated. The Company encourages the staffs to have discipline on proper use of information system or communication equipment neither with negative impact nor downloading operating system that infringes intellectual property or copyright of other person. The disciplinary penalty or legal punishment is appropriate determined.

#### 9) **Anti-Corruption**

The Company realizes on the significance of transparent and moral business operation, and non-tolerance of any corruption at all covering all businesses, all work units, and all positions. The concreated Anti-Corruption Policy is established, and the related parties of all levels are trained to be the guideline of practice, omission to perform or abuse of position power, improper exploitation in any forms such as promise offering, giving, receiving, requesting, and demanding in property, money or any other benefits with the related parties, government officers, or political person and group of political persons. In addition, the Company also establishes the guideline of practice on giving or receiving gift, entertaining the business alliances, and donating, which are not acts to influence or persuade for corruption. The Company has joined Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) to declare its intention and will of anti-corruption in all forms, by promoting strict compliance of the Company's directors, executives and staffs. Penalty in the event of breach of compliance is clearly defined. Monitoring, controlling and supervising system is established to prevent corruption. Moreover, potential corruption risk is regularly assessed to find appropriate and timely corrective method.

#### 10) **Channel of Communication, Compliant or Whistleblowing**

The Company realizes on the significance of communication with stakeholders of all groups, and therefore formulates Whistleblowing Policy for Offence and Corruption in order to allow the executives, staffs and stakeholders of all groups to report or provide information relating to abnormality of the Company's business operation in various matters or sharing of information, and hearing of advices, opinions, and complaints via channel determined by the Company.

The Company establishes the process of complaint management by assigning the reliable person or work unit to oversee and verify fact, and complete the said execution within 45 (forty five) days from the received date of complaint. If the complaint is true, the Company shall take action in accordance with the determined penalty, or find damage relief procedure which is appropriate and fair for victim. The complainant is entitled to be fully protected and any information of the said complainant that can identify the informant shall not be disclosed.

## **4 Disclosure of Information and Transparency**

The Board of Directors gives precedence that all shareholders shall be equally aware of important news

information of the Company. The data and information of the Company shall be disclosed to the shareholders and public via channel and media of information dissemination of the Stock Exchange of Thailand, and Website of the Company in accordance with the requirement of the supervising agencies. For the shareholder's awareness of the Company's important information or news, covering financial information and general non-financial information on accuracy, completeness, in due course, transparency and reliability basis as follows.

#### 1) Reporting of the Company's Data and Information

The Company emphasizes on the disclosure of information which is the Company's important information both in part of financial information and other information in accordance with the criteria prescribed by the Stock Exchange of Thailand and the Office of the Securities and Exchange, on correctness, clearness, completeness, transparency and easy understanding basis. The disclosure of both positive and negative aspects shall be considered and screened in accordance with the determined procedure for equitable acquisition of information by the shareholders and stakeholders of all groups via different channels as follows.

##### 1.1) Annual Registration Statement Form (Form 56-1), and Annual Report (Form 56-2)

The Board of Directors is responsible for preparing Annual Report and Form 56-1 for reporting financial information and other data and information of the Company. The financial information appeared in Annual Report must be prepared in accordance with Generally Accepted Accounting Standards under selection for use of the appropriate accounting policies, regular observance, and careful exercise of discretion in preparation, and determination of adequate disclosure of key information in notes to financial statements. The Board of Directors assigns the Audit Committee to supervise quality of financial report, and remark the opinions to the Board of Directors. The Board of Directors must prepare the Report of the Board of Directors' Responsibility toward Financial Report presented in Annual Report.

Moreover, Annual Report is the document showing the corporate overview, past operations of the Company, and future operating plan, consisting of visions, missions, details of the directors and executives, and securities' holding, remuneration of the directors, risk management policies, stakeholding, related party transactions, name list and remuneration of the auditors, and other necessary information. The information shall be disclosed within 120 (one hundred and twenty) days from the ending date of the year.

##### 1.2) Website of the Stock Exchange of Thailand

This website is the center where the shareholders can be informed of and study the important data and information of the Company that are proper, clear and analyzable. The Company gives precedence to proper, complete, and transparent disclosure, and present news via SET Portal System of the Stock Exchange of Thailand both in Thai and English language under timeframe scheduled by Corporate Governance Unit for the following undertakings.

- Financial information such as reporting of quarterly operating results, interim financial

statements, annual financial statements, and summary of quarterly operating results

- Information of investment in various matters, establishment of new sub-sidiary company, purchase of land or asset
- Information of operation or significant change such as entry to hold se-curities for business takeover, opinion of the independent financial ad-visor, qualified tender offer for purchase of shares
- Other general information which should be acknowledged by the shareholders

### 1.3) Website of the Company

Website of the Company is the source of rapid, accurate, easily accessible information communication for the shareholders, investors and any those in-terested to access for studying or perceiving publicly disclosed information, and information of investor relations which are prepared both in Thai and English language and contained the information as per the following details.

- History and background of the Company, including organizational structure, business structure, shareholding structure, and nature of business operation of the Company
- Profiles and details of the Board of Directors and the Executive Board of the Company
- Financial information consisting of financial statements under retroac-tive comparison
- Newsroom or documentary news presented to supervising agency, mass media, and printing media
- Corporate governance including articles of association of the Com-pany, policies, Code of Business Conduct
- Annual Registration Statement Form (Form 56-1), Appointment Notice of the Shareholders' Meeting, and Minutes of Shareholders' Meeting whereas the aforesaid can be downloaded as information to be kept for studying
- Report of Social Responsibilities under the formulated policy for sus-tainable development

## 2) Investor Relations

The Company realizes the significance on management of relationship with the shareholders, investors, and analysts, including any those interested, and therefore appoints Investor Relations Unit and assigns the said Unit to coordinate with re-sponsibility of information communication so that all groups can acquire adequate, proper, complete, transparent and equitable information. The said Unit shall be the efficient center of operation in investor relations with the related parties such as factory visit, participation of Opportunity Day Event in order to allow the sharehold-ers, analysts, mass media or those interested in investment in general, to inquire in-formation and enhance the understanding of the Company's business operation. Moreover, those interested can inquire additional information by contacting via the following channels.

- 2.1) Tel. 02-834-7004 Fax. 02-533-1140
- 2.2) E-mail address at IR-BGC@bgc.co.th
- 2.3) Sending letter to Investor Relations Department at BG Container Glass Public Company Limited, No. 47/1 Village No. 2, Rangsit-Nakhon Nayok KM 7 Road, Bueng Yitho Sub-district, Thanyaburi District, Pathum Thani Province 12130.

## **5 Responsibility of the Board of Directors**

The Board of Directors is responsible for duty performance in accordance with laws, objectives, regulations, and resolutions of the Shareholders' Meeting, and performance of duties with honesty and diligence in maintenance of interests of the shareholders and stakeholders both in short-term and long-term to ensure that the Company's operation takes place in direction that causes maximum benefits of the shareholders and stakeholders of all parties. In 2018, The Board of Directors formulates the policy as follows.

- 1) The Board of Directors shall supervise to prepare visions, missions, goals, policies, operating directions, strategic plans, work plans and annual budget of the Company, and promote the creation of innovation, and application of the innovation and technology in the business. The compliance of such policy shall be promoted and monitored under regular annual review.
- 2) The Board of Directors shall establish the policy and guideline of corporate governance, including code of business conduct, and promote the directors, executives and staffs to comply with the formulated policy, and monitor such compliance for concrete and clear practice.
- 3) The Board of Directors shall hold the director office in not more than five listed companies for efficiency in performance of duties as director, and prohibit the Managing Director to hold the director or executive office in other companies apart from subsidiary company or affiliated company only.
- 4) The independent committee shall have complete qualifications as stipulated by the related laws or rules, and its office term shall not exceed 9 (nine) years.
- 5) The Board of Directors shall mutually express the opinion for mutual understanding on business overview prior to consideration, approval and monitoring the management in accordance with setting goals by adhering to the guideline of the Stock Exchange of Thailand, and the Office of the Securities and Exchange Commission.
- 6) Each director can perform his/her duties and exercise discretion independently in considering and making decision on the matters. He/she can pose queries, express opinion or objection in the event of contradictory opinion on the matter that affects the interest of the shareholders or stakeholders.
- 7) Qualification, structure and composition of the Board of Directors are determined as follows.

#### 7.1) Composition of the Board of Directors

The Board of Directors consists of the directors who have knowledge, competence and experience in business operation, and perform duties in formulating policies, visions, strategies, goals, missions, business plans and budget of the Company, and monitor and supervise the executive team to efficiently and effectively manage in accordance with the formulated policies under the framework of laws, objectives, regulations, resolutions of the Shareholders' Meeting, and resolutions of the Board of Directors' Meeting, with responsibility, honesty and diligence, under the principle of best practice for addition of maximum economic value for business and maximum security for shareholders.

The Board of Directors consists of not more than twelve directors who are executive directors and non-executive directors in the number on suitable balance basis. There shall be the number of independent directors as stipulated in accordance with the rule of the Office of the Securities and Exchange Commission, and Stock Exchange of Thailand. The said independent directors shall have qualifications as stipulated by the related rule.

Furthermore, the Board of Directors establishes the policy that the Chairman of the Board, and Managing Director shall not be the same person for clarity of the responsibility between formulation of regular monitoring, supervision and management policy. However, the Company clearly segregates roles, duties and responsibilities between the Board of Directors and executives under check and balance of the duty performance. The Board of Directors is responsible for formulating policy and monitoring and supervising the duty performance of the executives in policy level. In meantime, the executives are responsible for managing various tasks of the Company in different areas in accordance with the formulated policy.

#### 7.2) Office Term of the Director

In every Annual General Meeting of Shareholders, one-third of directors shall proportionally vacate the office. If the number of directors is identically indivisible into three portions, the directors shall vacate in nearest number of one-third portion. The director who vacates the office in the first year and the second year after company transformation shall draw lots. In the following years, the director who has been in the position for longest term shall vacate the office. The director who retires from the office may be elected to assume the office by the Shareholders' Meeting.

Apart from retirement by rotation, the director can retire his/her office upon:

- 1) Death
- 2) Resignation
- 3) Disqualification or having legal prohibited characteristics
- 4) Resolution of the Shareholders' Meeting to vacate with votes of not less than three-fourth



of total number of shareholders who attend the meeting and have voting rights, and counted shares of not less than half of the number of shares held by the shareholders who attend the meeting and have voting rights.

5) Order of the court to vacate

The Company establishes the policy that the office term of the Company's independent director shall not exceed 9 (nine) years from the appointment date for holding the independent director office in the first time. If the Company needs to appoint any independent director to continuously hold the office more than 9 (nine) years, the Company shall show the reason and necessity in considering the appointment of such independent director.

7.3) Nomination of the Director

In nomination of the director, the Company shall emphasize on the person who has knowledge, competence, experience, keen working history, leadership, wide vision, virtue and ethics, as well as good attitude toward the organization, and can devote adequate time which is useful for the business operation of the Company. In addition, the suitable qualification in consistency with the composition and structure of the director shall be taken into account in accordance with the business strategy of the Company under transparent process, use of Board Skill Matrix System in nomination of the director to create confidence of the shareholders. Moreover, the Board of Directors shall appoint the Nomination and Remuneration Committee to nominate, consider and screen the qualifications of the person who will be appointed to hold the director or key executive office of the Company.

7.4) Directors' Remuneration

The Board of Directors shall appoint the Nomination and Remuneration Committee to consider and propose the guideline and rule of determination of directors' remuneration, and propose the opinion to the Board of Directors and shareholders. The policy and rule of determination of remuneration are as follows.

- 1) Turnover of the Company and business size by considering in comparison with the directors' remuneration of the listed companies in Stock Exchange of Thailand in similar type and business size.
- 2) Experience, role, obligation, and scope of responsibilities of each director
- 3) Expected benefit acquired by the Company from each director
- 4) Determined remuneration can motivate the director who has qualification suitable for necessity and situation of the Company to be the director or executive.

7.5) Roles and Duties of the Board of Directors

In monitoring and supervising the Company's business apart from business operation in

accordance with laws, objectives and articles of associations of the Company, including resolution of the Shareholders' Meeting, the Board of Directors has not yet defined authorities and responsibilities of the Board of Directors as presented in the Charter of the Board of Directors. The Board of Directors has also determined that the Chairman of the Board shall not hold the top executive office of the Company.

#### 7.6) Sub-Committees, and Duties and Responsibilities

The Board of Directors has currently appointed four sets of Sub-Committees consisting of the Audit Committee, Executive Board, Nomination and Remuneration Committee, and Corporate Governance Committee. The scope of power, duties and responsibilities of each set of the Sub-Committee is clearly determined as follows.

##### 1) Audit Committee

The Audit Committee consists of not less than 3 (three) independent directors who have qualifications as stipulated by the rule of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand; and has power, duties and responsibilities as entrusted by the Board of Directors and determined in the Charter of the Audit Committee. The Audit Committee shall appoint Internal Audit Unit which directly reports to the Audit Committee, to perform duty in auditing work system, internal control process, and risk management to be adequate and appropriate for the Company's business. The Audit Committee is responsible for compliance with the Charter of the Audit Committee, and approval of the risk management policy, review and monitoring risk management tasks, and assessment and review of internal control system on regular and annual basis. The operating results shall be reported for acknowledgement in Annual Report.

##### 2) Executive Board

The Executive Board consists of directors and/or executives of the Company not less than 3 (three) members, and has power, duties and responsibilities in controlling, supervising, and monitoring the operating results of the Company in accordance with the formulated policies, goals, business plans, business strategies and budgets, and administrative power as approved by the Board of Directors and as determined in the Charter of the Executive Board.

##### 3) Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of not less than 3 (three) members that must consist of independent directors not less than half of total members of the Nomination and Remuneration Committee. The independent director shall be appointed as the person who holds the office of the Chairman of the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee has main power, duties and responsibilities in determining the qualification, rule and procedure for nomination of the director, member of the Sub-Committee, and Managing Director of the Company, and considering and selecting the qualified candidate to be proposed to the Board of Directors' Meeting and/or the Shareholders' Meeting for considering the approval of the appointment to be the director, and considering remuneration structure, form and rule of remuneration payment for directors, members of the Sub-Committee, and Managing Director of the Company both in monetary and non-monetary term. The detail of scope of power, duties and responsibilities shall be in accordance with the Charter of the Nomination and Remuneration Committee, and the office term of the Nomination and Remuneration Committee shall be 3 (three) years per term from the appointment date or equal to the office term of the director. However, the retired member of the Nomination and Remuneration Committee can be selected to resume the office.

#### 4) Corporate Governance Committee

The Corporate Governance Committee consists of not less than 3 (three) members that must consist of independent directors not less than half of total directors. The independent director shall be appointed to hold the office of the Chairman of the Corporate Governance Committee to have power, duties and responsibilities in determining the framework of the policy and guideline, and provide suggestion to the Board of Directors in good corporate governance of the Company as stipulated in the Charter of the Corporate Governance Committee. The office term of the member of the Corporate Governance Committee shall be 3 (three) years per term from the appointment date or equal to the office term of the director. The retired member of the Corporate Governance Committee can be selected to resume the office.

#### 7.7) Roles and Duties of the Company Secretary

The Company Secretary shall be appointed by the Board of Directors and pass the training in the related courses, and have duties and responsibilities of the following duty performance.

- 1) Supervise and give advice to the directors and executives regarding the compliance with laws, requirements, rules and articles of association of the Company, and monitor and supervise for proper and regular compliance.
- 2) Being responsible for organizing the Board of Directors' Meeting and the Shareholders' Meeting, and coordinating for compliance with the resolution of such Meetings.
- 3) Supervise the disclosure of information and reporting of information in responsible part, in accordance with rule and requirement of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission, as well as related laws.
- 4) Prepare and file the following documents.

- 4.1) Directors' Register
  - 4.2) Appointment Notice of the Board of Directors' Meeting and Minutes of the Board of Directors' Meeting
  - 4.3) Appointment Notice of the Shareholders' Meeting and Minutes of the Shareholders' Meeting
  - 4.4) Annual Report of the Company
  - 4.5) Stakeholding Report of the Directors and Executives
- 5) Perform any other duties as occasionally entrusted by the Board of Directors.

7.8) Board of Directors' Meeting

The Company determines the rule of the Board of Directors' Meeting as follows.

- 1) The Board of Directors schedules the meeting at least 6 (six) times per year in advance, and organizes additional special meeting as necessary and appropriate under advance notice of at least 7 (seven) days. No less than half of total directors shall convene the meeting for constituted quorum. The meeting between non-executive directors shall be held for independent discussion of the independent directors.
- 2) The Company has a policy to encourage each director to attend the meeting at least 75% of total meetings of the Board of Directors held in that year.
- 3) The meeting agenda shall be clearly determined in advance. The Chairman of the Board independent director who is Lead Independent Director, and the Managing Director shall mutually consider the matters which will be entered as meeting agenda. The Company Secretary is responsible for overseeing the directors to receive meeting documents in advance prior to the meeting in order to have adequate time for studying the information, and considering the matters for commenting and voting. In addition, for efficient meeting appointment, the Company Secretary shall schedule meeting timetable in advance every year.
- 4) Allocate adequate time for the Management and the Board of Directors to propose information for discussion on important issues, and give the opportunity and support each director to express his/her opinion prior to conclusion of opinions acquired from the meeting.
- 5) In considering several agenda, the director with gain and loss in the matter for consideration shall have no right to vote. If considering the connected transaction, the director with gain and loss shall not be present in the meeting in such agenda.
- 6) The minutes of every meeting shall be recorded and filed after such minutes are certified by the Board of Directors, and shall be ready for verifiability of the Board of Directors and related parties.

7.9) Annual Report of the Board of Directors

The Board of Directors shall be responsible for preparing Annual Report and Form 56-1 for reporting financial information and other data and information of the Company. The financial information presented in Annual Report shall be prepared in accordance with Generally Accepted Accounting Standards under selection of the appropriate accounting policy for regular application and observance, and careful exercise of discretion for preparation, including determination of disclosure of key and adequate information in notes to financial statements. The Board of Directors shall entrust the Audit Committee to supervise the quality of financial report and remark the opinions to the Board of Directors. The Board of Directors shall also prepare the Report of the Board of Directors' Responsibility toward Financial Report presented in Annual Report.

7.10) Enhancement of Knowledge and Business Viewpoint to the Directors

The Board of Directors aims at enhancement of knowledge to the directors and members of the Sub-Committees. Each director/member of the Sub-Committees shall participate in trainings organized by the agencies in order to enhance new knowledge and viewpoint every director/member. The executive development project shall be organized for benefit in considering as support of the prepared Succession Plan.

The Board of Directors also formulates a policy that the Management shall provide documents and information which are useful for performance of duties of new director, and advise the nature of business and guideline of business operation for new director upon every change of the director.

7.11) Performance Assessment of the Board of Directors

The Board of Directors shall regularly and annually conduct performance assessment of the Board of Directors on the whole set of the Board and individual basis in accordance with the rule stipulated by the Corporate Governance Unit for development of working process of the Board of Directors and each director. Assessment process and procedure shall be disclosed in Annual Report.

## **2. Nomination of the Directors and Executives**

### **2.1 Nomination of The Board of Directors**

The Board of Directors shall consist of at least 5 (five) directors and not less than half of total directors must have domicile in the country. The director must be natural person and has complete qualification without prohibited characteristics under Section 68 of Public Limited Companies Act B.E. 2535 (1992), including without prohibited characteristics and characteristics that show inappropriateness to be trusted for management of the business of which public is the shareholder under Section 89/3 and Section 89/6 of Securities



and Exchange Act B.E. 2535 (1992), and under the related Notifications of the Capital Supervisory Board. The Nomination and Remuneration is responsible for considering nomination of the appropriate expert by considering from the person who has knowledge, competence, and experience which are useful for the Company, has leadership and wide vision, with virtue and ethics, and transparent working history. The Shareholders' Meeting shall approve the election of the director of the Company as per the following rule and procedure.

1. One shareholder can have vote equaling to number of shares held by him/her.
2. Each shareholder shall use the existing votes for electing one person or several persons to be the director(s). In the event of election of several persons to be the directors, votes are unable to be more or less divided to any persons.
3. The person who earned highest vote in order shall be the person who is elected to be the directors in the number equaling to the number which should be available or should be elected in that time. In the event where the elected persons in descending order who earn a tie are more than the number of directors that should be available or should be elected in that time, drawing method shall be selected to acquire the number of directors that should be available.

Any director who resigns from the office shall submit resignation form to the Company. The resignation shall be effective from arrival date of the resignation form to the Company. The director who resigns in paragraph one shall notify the Registrar of Public Limited Companies regarding his/her resignation for acknowledgement.

In the event of vacancy of the director office due to other reason besides it comes to the time of retirement by rotation, the directors shall select any person who has qualification as stipulated by Public Limited Companies Law to be the director in re-placement in the next Board of Directors' Meeting unless the remaining term of the director is less than 2 (two) months. Such replacing person who assumes the director office shall be in the director office just equaling to the remaining agenda of the replaced director.

## **2.2 Nomination of Independent Director**

The Company formulates a policy to appoint the independent directors for not less than one-third of total directors or at least 3 (three) persons.

In respect to nomination process of the independent directors of the Company, the same procedure as nomination process of the directors shall be applied. The qualification of the independent director of the Company shall include the following.

1. Hold shares not exceeding 1 (one) percent of total voting shares of the Company, holding company, subsidiaries, associated companies, major shareholders or regulator of the Company. The shareholding of the related parties of the said independent director shall be counted.

2. Never or ever been the director who is involved in management, employee, staff, regular salary earning advisor, or regulator of the Company, holding company, subsidiaries, associated companies, subsidiaries in the same level, major shareholders, or regulator of the Company unless such director is free from the aforesaid characteristic not less than 2 (two) years. Such prohibited characteristics exclude the event where the independent director has ever been the government officer, or advisor of the administrative agency that is the major shareholder, or regulator of the Company.
3. Not being the person who has relationship by consanguinity or by lawful registration in the nature of parents, spouse, kinsfolk, and child, including spouse of the child of other director, executive, major shareholder, regulator, or person who is nominated to be the director, executive or regulator of the Company or its subsidiaries.
4. Not having or ever had business relationship with the Company, holding company, subsidiaries, associated companies, major shareholders, or regulators of the Company in the manner that may obstruct the independent exercise of judgment; and not being or ever been the significant shareholder or regulator of the person who has business relationship with the Company, holding company, subsidiaries, associated companies, major shareholders or regulator of the Company unless he/she is free from the aforesaid characteristic not less than 2 (two) years prior to submission date of the application of permission to the Office of the SEC.

Business relationship under paragraph one including trade transaction in ordinary course of business operation, lease or renting out of immovable properties, transaction relating to assets or services or giving or receiving financial assistance by receiving or lending, guaranty, providing assets as liability security, and other circumstance in the same vein, resulting in the incurrence of the Company or the contractual party in obligation for re-payment to the other party from 3 (three) percent of net tangible assets of the Company or from Baht 20 (twenty) million and more, in whichever amount is lower. Such obligation shall be calculated in accordance with calculation method of value of the connected transactions under the Notification of Capital Market Supervisory Board on rule of related party transactions mutatis mutandis. However, in considering such obligation, the obligation incurred during 1 (one) year prior to the date of which business relationship is attached with the same person, shall be counted.

5. Not being or ever been the auditor of the Company, holding company, subsidiaries, associated companies, major shareholders, or regulator of the Company; and not being the significant shareholder, regulator or partner of the audit firm which is affiliated by the auditor of the Company, holding company, subsidiaries, associated companies, major shareholders, or regulator of the Company, unless such auditor is free from the aforesaid characteristic not less than 2 (two) years prior to submission date of the application of permission to the Office of the SEC.
6. Not being or ever been any professional service provider, including the service provider as legal advisor or financial advisor that earns service fee exceeding Baht 2 (two) million per year from the Company,

holding company, subsidiaries, associated companies, major shareholders, or regulator of the Company; and not being the significant shareholder, regulator or partner of such professional service provider, unless the said service provider is free from the aforesaid characteristic not less than 2 (two) years prior to submission date of the application of permission to the Office of the SEC.

7. Not being the director who is appointed to be the representative of the director of the Company, the major shareholder or the shareholder who is the related party of the major shareholder.
8. Not engage in the business with the condition which is similar and significantly competitive with the business of the Company or its subsidiaries; or not being the significant shareholder in partnership or being the director who is involved in management, employee, staff, regular salary earning advisor, or hold shares exceeding 1.0 (one point zero) percent of total voting shares of other company that engages in the business with the condition which is similar and significantly competitive with the business of the Company or its subsidiaries.
9. Not having any other characteristic that disallows remarking the independent opinions on the Company's operation.

## **2.3 Nomination of Audit Committee**

The Audit Committee shall be appointed from at least 3 (three) independent directors of the Company. The said independent directors shall have qualifications as stipulated by Securities and Exchange Law, including notifications, regulations and/or rules of the Stock Exchange of Thailand. At least 1 (one) member of the Audit Committee must have knowledge and experience in reviewing reliability of financial statements. The office term of the Audit Committee shall be 3 (three) years from the appointment date or equal to the office term of the director of the Company. The Company can select the re-tired member of the Audit Committee to resume office for another term as deemed appropriate by the Board of Directors or the Shareholders' Meeting. However, total consecutive office term of the said retired member shall not exceed 9 (nine) years unless deemed appropriate by the Board of Directors' Meeting or the Shareholders' Meeting to hold the office in total term exceeding 9 (nine) years under declaration of reason in such matter.

## **2.4 Nomination of Nomination and Remuneration Committee**

In nomination process of the Nomination and Remuneration Committee, the same process of nomination of directors shall be applied. The Board of Directors shall consider the appointment of the Nomination and Remuneration Committee consisting of at least 3 (three) members that must consist of independent directors not less than half of total members of the Nomination and Remuneration Committee. The office term shall be 3 (three) years per term from the appointment date or equal to the term of the director of the Company. The Company can select the retired member of the Nomination and Remuneration Committee to resume office for another term.

## **2.5 Nomination of Corporate Governance Committee**

In nomination process of the Corporate Governance Committee, the same process of nomination of directors shall be applied. The Board of Directors shall consider the appointment of the Corporate Governance Committee consisting of at least 3 (three) members that must consist of independent directors not less than half of total members of the Corporate Governance Committee. The office term shall be 3 (three) years per term from the appointment date or equal to the term of the director of the Company. The Company can select the retired member of the Corporate Governance Committee to re-sume office for another term.

## **2.6 Nomination of Executive Board**

In nomination process of the Executive Board, the same process of nomination of directors shall be applied. The Board of Directors shall consider the appointment of the Executive Board consisting of at least 3 (three) directors and/or executives (who do not hold the director office).

## **3. Governance of the Operation of the Subsidiaries and Associated Companies**

For maintenance of investment interest of the Company, the Company therefore formulates Corporate Governance and Management Policy of the subsidiaries and both direct and indirect associated companies, and formulates Measure of Management Monitoring of the subsidiaries and associated companies as follows.

1. The Board of Directors shall appoint or nominate the persons to be appointed as the directors of the subsidiaries at least in the proportion of the shareholding in such subsidiaries, unless there are restrictions of other laws, or any other event as stipulated by Securities and Exchange Law, notifications of the Capital Supervisory Board, or regulations of the Stock Exchange of Thailand, to be the representatives in managing the business, formulating crucial policies, and controlling business operation of the said subsidiaries in accordance with the formulated policy. The representatives to be the directors of the associated companies shall be delivered in accordance with the agreement of investment in the said associated companies. The delivery of the Company's representatives to be the directors in each subsidiary and associated company shall be considered and approved by the Board of Directors' Meeting by taking the suitability of each company into account.
2. The Board of Directors shall monitor and supervise the directors of the subsidiaries and/or associated companies to comply with duties and responsibilities under laws, regulations and policies of the Company; and assign the directors in the subsidiaries and associated companies who are appointed by the Company to attend the meetings and vote in every Board of Directors' Meetings of the subsidiaries and/or associated companies in considering material agenda of the business operations of the subsidiaries and/or associated companies.

3. Such directors who are appointed by the Company must exercise their discretions in voting in the Board of Directors' Meeting of the subsidiaries and/or associated companies in the matter relating to general management, and ordinary course of business operation of the subsidiaries and/or associated companies as deemed appropriate by such directors for maximum benefit of the Company and its subsidiaries and/or associated companies (as the case may be), unless the said matters are approved by the Board of Directors' Meeting and/or the Shareholders' Meeting prior to execution as follows.
  - (1) In the event where the subsidiaries agrees to enter into transaction with the related party of the Company or its subsidiaries, or transaction relating to acquisition or disposal of the assets of its subsidiaries, it must be the event where upon calculation of the size of transaction entered by its subsidiaries in comparison with the nature and/or size of the Company (by applying rule for calculation of the transaction size prescribed in the notification of related party transaction or notification of acquisition or disposal of assets (as the case may be) for enforcement mutatis mutandis), it is within the criteria requiring the consideration and approval of the Board of Directors' Meeting and/or the Shareholders' Meeting of the Company, or request for approval of the related agencies according to law prior to entry into transaction. The subsidiaries shall enter into transactions or execute only if upon approval of the Board of Directors' Meeting and/or the Shareholders' Meeting of the Company, and/or related agencies (as the case may be).
  - (2) Revision of the Articles of Association of the subsidiaries in the matter that may significantly affect financial position and operating results of the subsidiaries, including but not limited to revision of the Article of Association of the subsidiaries that affect the right of voting of the Company in the Board of Directors' Meeting of the subsidiaries and/or the Shareholders' Meeting of the subsidiaries or dividend payout of the subsidiaries, etc.
  - (3) If the entry into transaction significantly affects financial position and operating results of the subsidiaries, the director who is appointed by the Company to hold the office in subsidiaries shall vote in the following matters. Such director shall be firstly given consent from the Board of Directors on such matters.
    - (a) Transfer or waiver of privilege and waiver of the right to claim against the person who causes damage to the subsidiary
    - (b) Sale or transfer of the business of the subsidiary in whole or in important part to other person
    - (c) Purchase or acceptance on transfer of the business of other companies to be owned by the subsidiary
    - (d) Entry into, revision or cancellation of the contract relating to letting the business of the subsidiary in whole or in important part, delegating other person to manage the business of the subsidiary or merger of the subsidiary with other person under profit and loss sharing purpose.



- (e) Lease or letting for hire-purchase of business or assets of the subsidiary in whole or in material part
  - (f) Winding-up of the subsidiary
  - (g) Borrowing, lending, granting of credit facility, guaranty, performing juristic act in binding subsidiaries to bear extra financial burden or giving financial assistance in any other nature to other person in the amount which is significant and not the ordinary course of the business of the subsidiary.
  - (h) Capital increase by issuance of shares for capital increase of the subsidiary, and share allocation, decrease of registered capital and/or paid-up capital of the subsidiary which is not in the primary shareholding proportion of the shareholders or any other execution that will result in decrease in the proportion of both direct or indirect exercise of voting rights of the Company in the Shareholders' Meeting of the subsidiary whether in any period exceeding 10 (ten) percent of total votes of that subsidiary.
  - (i) Any other transaction which is not transaction of the ordinary course of business of the subsidiary, and transaction that significantly affects the subsidiary.
4. Entrust the director who is the representative of the subsidiary and appointed by the Company to have the following duties.
- (1) Disclose the complete and proper information relating to financial position and operating results, related party transaction of the Company and its subsidiaries, and acquisition or disposal of the significant assets for acknowledgement of the Company within suitable deadline scheduled by the Company.
  - (2) Disclose and deliver to the Board of Directors the information his/her either direct or indirect gain and loss, and his/her related parties in part relating to performing any transactions in other businesses that may be expected to cause any conflict of interest with the Company and its subsidiaries within deadline scheduled by the Company to be the supporting information for consideration on any decision making or approval. The overall benefit of the Company and its subsidiaries shall be mainly taken in account.

The directors of the subsidiaries who are appointed by the Company shall not participate in approving the matters that they have gain and loss or conflict of interest.

Furthermore, the following acts resulting in acquisition of other financial benefit by the directors who are appointed by the Company or the related parties of the directors who are appointed by the Company, apart from what should be acquired as usual, or causing damage to the subsidiaries or the Company, are assumed to be the acts which are significantly in conflict or contradictory with the benefits of the subsidiaries.

- (a) Related party transactions between the subsidiaries and the directors who are appointed by the Company or the related parties of the directors who are appointed by the Company not in accordance with the rule of the connected transactions.
  - (b) Use of the perceived information of the Company and its subsidiaries unless the information which has been publicly disclosed.
  - (c) Use of assets or business opportunities of the Company and its subsidiaries in the manner that violates rule or general practice as stipulated by the Capital Supervisory Board.
- (3) Report the Company regarding business operation plan, business expansion, large scale investment structure, as well as participation on investment with other entrepreneurs via report of monthly or quarterly operating results, and clarify or submit documentation of the consideration on such event in case of the Company's request.
- (4) Clarify and/or submit to the Company the information or documents relating to duty performance or any documents upon request as appropriate.
- (5) Supervise and take responsibility to establish the appropriate, efficient and circumspect internal control system, risk management system and corruption prevention system of the subsidiaries to be adequate to really ensure the operations of the subsidiaries in accordance with the policies of the Company, any related laws, notifications regulations and rules of the Capital Market Supervisory Board, the Office of the Securities and Exchange Commission, the Stock Exchange of Thailand, and organizing clear work systems to show that the subsidiaries have adequate system for continuous and reliable disclosure of information of significant transactions in accordance with the stipulated rules. There is channel where the directors of the Company can perceive information of the subsidiaries in order to efficiently monitor and supervise the operating results and financial position, related party transactions between the subsidiaries and the directors of the subsidiaries, and significant transactions of the subsidiaries. Moreover, the auditing mechanism for such work systems in the subsidiaries shall be established by allowing the team of internal auditor and independent directors of the Company to directly access information, and report the directors of the Company the auditing result of such work systems to ensure the regular duty performance of the subsidiaries in accordance with the established system.

## 4. Supervision on Use of Inside Information

The Board of Directors realizes on the significance of corporate governance and therefore establishes the policy on prevention of both direct and indirect exploitation of the directors, executives, staffs, employees and related parties from use of inside information of the Company and its subsidiaries which has not yet publicly disclosed. The purpose of the said policy is for transparency of business operation and promote such group of persons to perform their duties with honesty, virtue and ethics, in accordance with any other laws or requirements of Compliance Unit as per below details.

- 1) The Company defines degree of secrecy and practice for confidentiality of information which has not yet been disclosed or is prohibited for disclosure. The right to access information and the person who can disclose information are based on significance of information. The use of inside information shall be within the entrusted power, duties and responsibilities only unless it is determined that the disclosure can be performed by legal regulations under consent of the Managing Director or under approval of the Board of Directors such as financial information, information system information, staff information.
- 2) Customer or business partner information, including information that affect the change of security price
- 3) The person who accesses the inside information is prohibited to disclose or exploit from the perceived secret, business information, material information for change in price or value of securities which have not been disclosed to public or Stock Exchange of Thailand, for personal benefit or any other person's benefit either directly or indirectly, and compensation receiving. Such person is also prohibited to use the said information for doing the business which is competitive with the Company or its subsidiaries even though he/she is free from the status of the Company's director, executive, staff or employee, unless being free from the status more than 2 (two) years.
- 4) The persons who access inside information and are informed of material inside information that affects the change in price of securities, and both quarterly and annually financial statements, shall suspend or shall be prohibited to persuade other person to purchase, sell, offer for purchase, offer of sale of the Company's securities for at least 30 (thirty) days in advance prior to disclosure, and in the period of at least 24 (twenty four) hours after disclosure of information. The Company shall notify the aforesaid group of persons for advance acknowledgement.
- 5) The persons who accesses inside information, and juristic persons of which the said group of persons are their shareholders exceeding 30.0 (thirty) percent of total voting rights in such juristic persons, and the auditor shall prepare and submit the report of securities holding in First Securities Holding Report Form (Form 59-1), to the Company Secretary prior to submission to the Office of the SEC within 30 (thirty) days from the appointment date for holding the office, and every change. In the event of purchase, sale, transfer or acceptance of transfer of securities, Change of the Management's Securities Holding Form (Form 59-2) shall be prepared and reported to the Office of the SEC within 3 (three) working days after transaction, and its copy shall be delivered to the Company Secretary.
- 6) The Company Secretary is determined to summarize the report of securities holding and change of securities holding of the director and executive to the Board of Directors for acknowledgement on regular basis every 6 (six) months.
- 7) The Company Secretary is determined to give counsel and advice relating to duty that must prepare and deliver Securities Holding Report to the Office of the SEC under Section 59, to the persons who

accesses inside information, including juristic persons of which such group of persons are their shareholders exceeding 30.0 (thirty) percent of total voting rights in such juristic persons.

- 8) Disciplinary penalty in the event of violation on use of inside information for exploitation is determined, starting from written warning, wage reduction, temporary suspension from job without pay, or dismissal. The intention of act and gravity of such offence shall be considered in punishment.

## 5. Auditor's Remuneration

### 5.1 Auditing Remuneration (Audit Fee)

The Group of the Company paid auditing remuneration (Audit Fee) to the auditor of the Company and its subsidiaries which is EY Office Limited ("the Auditor") as per the following detail.

Auditor's Remuneration	Accounting year period ended December 31, 2017 (Baht)	Accounting year period ended December 31, 2018 (Baht)
The Company	2,000,000	1,210,000
Subsidiaries	2,635,000	3,205,000
<b>Total</b>	<b>4,635,000</b>	<b>4,415,000</b>

### 5.2 Other Remuneration (Non-Audit Fee)

Other consultancy service fee of the Company and its subsidiaries that had to pay the auditor for the accounting year ended December 31, 2017 was Baht 420,000 and there is no other consultancy service fee for the accounting year ended December 31, 2018 .

The related person or business of the auditor and audit firm shall not be the related person or business of the Company and have no relationship or transaction that may cause conflict of interest with the Company at all.

## 6. Compliance with Corporate Governance Code in Other Matters

-None-







# Corporate Social Responsibility

## 1. Policy and Guideline of Practice for Social Responsibility

The Company operates the business by taking stakeholders, economy, society and environment into consideration under virtue, ethics and code of conduct, and good governance as the regulatory tool for the Company and its affiliated companies to operate their businesses with honesty, transparency, and fairness. The Company also realizes on negative impact of economy, society, natural resources and environment for creation of confidence of the shareholders, investors, staffs, customers, stakeholders and all related parties. The Company therefore establishes Social Responsibility Policy as follows.

### 1.1 Fair Business Operation

The Group of the Company realizes on the honest and fair business operation under the framework of rule of competition, and related laws, rules and regulations, by taking into account the interest and impact from the operations of the Group of the Company toward the stakeholders, such as shareholders, staffs, customers, business partners, investors, creditors, and community around the location of the business, etc. The guideline of practice is determined as follows.

- 1.1.1 Strictly operate the business in the manner which is consistent with the related laws, regulations and rules, and cooperate with the government officers.
- 1.1.2 Encourage staffs to be aware of the significance of compliance with laws and fair competition.

### 1.2 Anti-Corruption

The Company and its subsidiaries realize on the significance of management and business operation under Corporate Governance Code, by adhering to honest and transparent business operation. The Company has joined Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) Project. The Committee of Thai Institute of Directors (Thai IOD) considered and approved the Company to join the Project on January 10, 2018. Moreover, the Company formulates Anti-Corruption Policy so that directors, executives, staffs and employees of the Company and its subsidiaries shall avoid any acts that may be related to all forms of corruptions either being direct or indirect benefit for themselves, families, friends or any of their related parties.

#### Policy and Guideline of Practice on Anti-Corruption

The Company and its subsidiaries are not tolerant to all forms of corruptions both directly and indirectly, and stipulate that the directors, executives, staffs, employees of the Company shall strictly comply with Anti-Corruption Policy, and shall not involve in corruption either directly or indirectly, and seriously comply with



Anti-Corruption Policy as follows.

1. The director, executive, staff and employee of the Company shall not perform any act having behavior or participating in any manner that indicates as giving or re-ceiving bribe to the stakeholders in the matter under both his/her direct or indirect duty and responsibility for acquisition of wrongful interest, or demanding or receiving any interest from business partner or the person who deals the business with the Company. Giving or receiving gift and present, and entertainment, can be executed as stipulated in Code of Business Conduct Policy.
2. Use of money or assets of the Company for charitable donation or provision of subsidy shall be performed in the name of the Company only. Charitable donation shall be given to foundation, educational institution, public charity organization, temple, hospital, clinic or organization for social interest, with verifiable evidence and carried out via procedure under the rule of the Company.
3. Regularly implement efficient and appropriate internal control and risk management system for corruption prevention, and review and assess operating risks that may cause corruption at least once a year.
4. Establish mechanism of transparent and proper financial reporting under international accepted accounting standards.
5. Establish human resource management process reflecting commitment toward anti-corruption measure.
6. Arrange communication channel for the personnel to perform whistleblowing, providing suggestion and complaint relating to corruption, under whistleblower protection measure.
7. Carry out to be consistent with laws relating to anti-corruption in every country where the Company and its subsidiaries operate their businesses.

Any act that violates or breaches this issue of policy either directly or indirectly shall be disciplinarily considered in accordance with rule prescribed by the Company, or legally punished.

### **1.3 Human Right Respect**

The Group of the Company operates business with human right respect and realizes on the significance of equitable and fair treatment to every staff under respect and non-violation of the principle of human rights, non-obstruction or discrimination from difference in race, sexuality, and social status, and adherence to freedom of religious profession, non-disclosure of the staff's secret to any non-related parties for acknowledgment, protection and care of occupational safety and sanitation, supervision of fair emolument and suitable welfare based on knowledge and competence of each staff, and turnover of the Group of the Company. The Company also promotes and emphasizes on development of knowledge and competence of the staffs, and

working skill for efficiency and allow the staffs to develop working skills in various fields by formulating as clear and concrete policy and guideline of practice. Moreover, provident fund for staffs has been set up. The promotion and protection of liberty and rights, and mutual equitable treatment are foundation of management and development of human resource. The Group of the Company has no policy on discrimination against the persons with racial difference, women, children, and disabled persons whereas the disabled persons are employed to work with the Group of the Company. This can be seen that it is mutual equitable treatment which will create jobs and generate incomes to the group of such disabled persons.

## **1.4 Fair Treatment of Staffs**

The Group of the Company is confident that the personnel are the key for sustainable development and they therefore are mindful for quality of life of their staffs by arranging good working environment, and human resource management system on fairness basis, promoting personnel progress development with on-the-job training and learning management based on need and appropriateness of each personnel for enhancement of working efficiency and creation of the opportunity in career advancement. The guideline of practice is formulated as follows.

- 1.4.1 The Group of the Company shall respect the rights of staffs under the principle of human rights and compliance with labor law.
- 1.4.2 The Group of the Company shall fairly execute for employment of new staffs, transfer or change of duty, and determine remuneration of the staffs under main concern on qualification, suitability of position, nature of job, and performance.
- 1.4.3 The Group of the Company shall promote personnel development by organizing educating, seminars, and trainings, and delivering personnel to attend seminars and trainings on various fields of the related technical matters for development of knowledge, competence and potential of the personnel, and cultivation of good attitude, virtue, ethics, and teamwork to the personnel.
- 1.4.4 The Group of the Company shall provide various welfares for staffs as required by law such as social security, and apart from law requirement such health insurance, and accident insurance as well as several types of contributions to the staffs.
- 1.4.5 The Group of the Company shall arrange annual medical examination service for personnel in all levels by considering from risk factors based on level, age, sex and working environment of each person.
- 1.4.6 The Group of the Company aims at organizing working environment for work safety and systemize hygienic canteen service, and arrange clean toilets, safe and sufficient shuttle bus service, as well as efficient and legal nursing rooms.

## **1.5 Consumer Responsibility**

The Group of the Company emphasizes on production and development of quality products to fulfill need and satisfaction of the consumers, starting from selection of quality raw materials through clean and safe production process with world-class modern and standard technology, and under certification of Good Manufacturing Practice (GMP) and certification of hazard analysis and critical control system in food manufacturing of HACCP, FSSC22000, and OHSAS18001, and approval of International Food and Drug Administration.

## **1.6 Environmental Maintenance**

The Group of the Company shall strictly comply with laws and regulations relating to environmental management, and formulate preventive and corrective measure upon occurrence of environmental impact as the result of operations of the Group of the Company. The Group of the Company shall efficiently and worthily consume resources, and establish quality and standard treatment system for wastes from production process under environmental management system assessment. The guideline of practice is formulated as follows.

- 1.6.1 The Group of the Company shall establish the business operation policy by mainly taking into account environment, and strictly comply with the applicable laws and regulations relating to environment. Treatment system for different types of wastes, and control shall be carried out to be within standard criteria as stipulated by law.
- 1.6.2 The Group of the Company shall rapidly and efficiently respond the events that affect environment as the result of the Company's operation through full cooperation with government officers and related agencies.
- 1.6.3 The Group of the Company shall regularly execute environmental activities whether by self-execution, and cooperation with government sector and private sector agencies, and community

## **1.7 Creation of Innovation and Dissemination of Innovation**

The Group of the Company shall support creation of innovation both organizational working process level and inter-organizational cooperation level. This means that execution of anything with new methods and change of idea and production for value addition. The innovation target is positive change so that anything can be improvingly changed and generate increasing output for maximum social benefit. The dissemination of innovation is regarded as social responsibility through communication and dissemination to the group of stakeholders for acknowledgement both directly and indirectly via variety of communication channels to ensure thorough access of news information by every party of the group of stakeholders.

## 1.8 Participation for Sustainable Community and Social Development

The group of companies recognizes the importance of participation in social responsibility. Therefore, there are many projects to help and develop society continuously by supporting the activities to improve the quality of life of people in community, schools, temples as well as promoting the implementation of volunteer activities and building awareness of social, community and environmental responsibility for employees at all levels. Therefore, the company has the following projects in 2018.

### 1.8.1 BGC Rak Nam Project

BG Container Glass PCL. or BGC recognizes and places importance on water resources, which is important for our life and represents the abundance of nature and the environment of our country.

This project is based on the company's water conservation policy by having the water circulation process for reuse to create the value and to be effective in organization. Therefore, the company has implemented this concept to work with the surrounding communities to solve the community waste water problem with sub-projects as follows.

#### a. BGC Water For Life Concert

BGC Water For Life Concert is organized by BG Container Glass PCL. or BGC to promote the conservation and restoration of the natural resources and the environment in concrete. And then, the company will donate the net income to the Utoakat Foundation Under Royal Patronage of H.M. the King to be used in the development of water management in the community and the restoration of the watershed forests in accordance with the royal initiated project.





#### **b. Phuttharaksa Rak Nam**

This activity is held under the BGC Rak Nam Project to improve water quality and scenery in communities that are near to the Pathumthani Plant to be pleasant and also making the merit to Her Majesty Queen Sirikit in late king. In this project, there are the volunteer staffs from BGC and people in Soi Wat Khien Khet to plant Phuttharaksa (Indian Shot) about 1,000 plants together along the way about 1.34 km.



#### **c. Ban Rak Nam Contest**

This activity is held under the BGC Rak Nam Project to preserve and improve the environment along the canal at Soi Wat Khien Khet (Buengyeetho Sub-district, Thanyaburi, District, Pathumthani Province). In addition, the company has installed a grease trap and helped to build awareness the importance of water to people in the community, according to the Sufficiency Economy Philosophy of King Rama 9. From this activity, there are more than 100 households who are interested and participated this activity to be the leader community of conserving the water.



#### **d. Installing the solar water turbines**

This is an activity that BGC has helped to develop and solve the waste water problem in the community under the BGC Rak Nam Project at Soi Wat Khien Khet multi-purpose building. The company has installed the solar water turbines and has also delivered rowboats to the community in order to be utilized in the preservation and improvement of the environment of water resources. Moreover, BGC also has built and educated people to realize the importance of water according to the Sufficiency Economy, Philosophy of King Rama 9.





### 1.8.2 1 Factory and 1 School Project

This project aims to enhance the quality of life and good relations between the company and schools in nearby areas. In 2018, BGC Prachinburi Glass that is the subsidiary company of BG Container Glass PCL. has conducted to survey and improve the playground, classrooms and restrooms for kindergarten students at Wat Nong Hu Chang School (Hua Wa Sub-district, Si Maha Phot District, Prachinburi Province) to provide the basic hygienic public utility.



### 1.8.3 Supporting various projects and government affairs

#### Sport

#### Supporting Air Force Volleyball Club

BG Container Glass PCL. or BGC has contributed to support women and men volleyball players under the Air Force Volleyball Club throughout the season in 2018, because the company has seen the potential of volleyball Thai. Therefore, the company is ready to drive Thai volleyball team to win the international competition.



### Supporting Thailand women's national football team

BG Container Glass PCL. or BGC has supported Thailand women's national football team to participate in the Asian Women's Football Championship or AFC Asian Cup in 2018. In addition, the company has promoted Thai women love to play sports and create self-esteem to themselves, family and nation and to develop the women's ability to be equivalent to men. Therefore, the company is ready to drive Thai women's football team to win the international competition.



### Supporting international powerboat competition "BG POWERBOAT GRAND PRIX 2018"

BG Container Glass PCL. or BGC has sponsored "SINGHA WATERSPORTS" competition of "BG POWERBOAT GRAND PRIX" in 4<sup>th</sup> field that is closed field for the season in 2018 at Bueng Nong Khot , Khon Kaen Province to provide Khon Kaen people to experience the powerboat sport and to enhance the level of powerboat competition in Thailand to be well known and ready to step into the international competition.





### Supporting Thailand Rugby King's Cup between King's College and Vajiravudh College

BG Container Glass PCL. or BGC has supported Thailand Rugby King's Cup between King's College and Vajiravudh College, which is the annual tradition sport to compete the royal cup and also to encourage youth to spend their free time effectively and to promote good health for Thai youth.



### Supporting MAT Golf Charity in 2018

BG Container Glass PCL. or BGC has sponsored MAT Golf Charity in 2018 with the Marketing Association of Thailand at Flora Ville Golf & the Country Club (Chuan Chuen) that aims to promote Thai people love to play sport and their health.



### **Supporting the youth golf tournament of Watermill Junior Golf**

BG Container Glass PCL. or BGC has sponsored the youth golf tournament of Watermill Junior Golf at Watermill Golf Club & Resort to encourage youth to spend their free time effectively and pay attention to their health by playing outdoor sports.



### **Education**

#### **Providing the computers and electronic equipment**

BG Container Glass PCL. or BGC has supported and delivered computers and electronic equipment to Thanyaburi man-aid center in Pathumthani Province in order to be used effectively and to train vocational skills in order to generate income in the future.



### Supporting the scholarship for children of the Economic Reporters Association's Member

BG Container Glass PCL. or BGC has supported the scholarship for children of the Economic Reporters Association's Member to be another way to help youth and students.



### Environment

#### Kuad Kaew Laek Boon

BG Container Glass PCL. or BGC has organized a Kuad Kaew Laek Boon with the Public Health and Environment Division of Muang Bueng Yitho Municipality in order to invite the employees and people to donate the glass bottles to make money in the waste recycling. Moreover, the participants made merit, they also reduced the waste in community as well by donating glass bottles to return to the recycling process.





### **Providing the knowledge about waste segregation**

BG Container Glass PCL. or BGC has organized activities to provide the knowledge on how to sort the waste correctly and also provides equipment for sorting waste to communities and various agencies continuously, such as Suan Luang Rama IX Public Park Foundation, Ban Wat Khien Khet etc., in order to build awareness to youths and people in society to be aware of environmental problems and resource utilization. It also promotes the campaign to recycle glass bottles to help preserve the environment to be more pleasant.







1	10	15	20	25
2	12	18	22	28
3	14	20	24	30
4	16	22	26	32
5	18	24	28	34
6	20	26	30	36
7	22	28	32	38
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9	26	32	36	42
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11	30	36	40	46
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13	34	40	44	50
14	36	42	46	52
15	38	44	48	54
16	40	46	50	56
17	42	48	52	58
18	44	50	54	60
19	46	52	56	62
20	48	54	58	64
21	50	56	60	66
22	52	58	62	68
23	54	60	64	70
24	56	62	66	72
25	58	64	68	74
26	60	66	70	76
27	62	68	72	78
28	64	70	74	80
29	66	72	76	82
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36	80	86	90	96
37	82	88	92	98
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39	86	92	96	102
40	88	94	98	104
41	90	96	100	106
42	92	98	102	108
43	94	100	104	110
44	96	102	106	112
45	98	104	108	114
46	100	106	110	116
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72	152	158	162	168
73	154	160	164	170
74	156	162	166	172
75	158	164	168	174
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77	162	168	172	178
78	164	170	174	180
79	166	172	176	182
80	168	174	178	184
81	170	176	180	186
82	172	178	182	188
83	174	180	184	190
84	176	182	186	192
85	178	184	188	194
86	180	186	190	196
87	182	188	192	198
88	184	190	194	200
89	186	192	196	202
90	188	194	198	204
91	190	196	200	206
92	192	198	202	208
93	194	200	204	210
94	196	202	206	212
95	198	204	208	214
96	200	206	210	216
97	202	208	212	218
98	204	210	214	220
99	206	212	216	222
100	208	214	218	224

# Report of the Audit Committee

Attention The Shareholders

The Board of Directors has appointed the Audit Committee consisting of three independent directors, Mrs. Suttharuk Panya as the Chairman of the Audit Committee, Mr. Somchai Sirivitchayakul, and Mrs. Sansanee Supatvanitch, as the committee members. All of three committee members are qualified in various fields, and have adequate knowledge and experiences in accounting and finance to perform duty in reviewing reliability of financial statements in accordance with the requirement of the Office of the Securities and Exchange Commission (SEC), and the Stock Exchange of Thailand (SET).

The Audit Committee independently performs duty under the scope, duties and responsibilities entrusted by the Board of Directors and under Charter of the Audit Committee in consistency with the requirement and best practical guideline for the Audit Committee of the SEC and SET. In 2018, total of four Audit Committee Meeting were held for mutual discussion and exchange of opinions with the Management, internal auditor and auditor. The essence for performance of duties can be summarized as follows.

## 1. Review of Financial Report

The Audit Committee reviewed significant information of quarterly financial report and financial statements for 2018 of the Company and its subsidiaries, and disclosure of information in notes to financial statements in accordance with Thai Financial Reporting Standards in consistency with International Financial Report Standards. Essential issues, special transactions, disclosure of information on presentation of Key Audit Matters (KAM) appeared in Report of the Auditor were reviewed and clarified by the auditor and the Management until being satisfied that financial statements have been prepared in accordance with requirements, laws, and Financial Reporting Standards, and reported unqualified opinion. Moreover, the Audit Committee convened the meeting with the auditor without the Management to independently consult and discuss on duty performance of the auditor, internal control system relating to financial audit, and related information technology system audit, and obstacles and problems during audit and collaboration with the Company's Internal Audit Department.

## 2. Review of the Connected Transactions

The Audit Committee reviewed related party transactions or transactions that may have conflict of interests within scope of connected transactions in accordance with the Notification of the SEC and SET. The finding of the review result of the related party transactions executed by the Company with the related parties indicated that the Company has fairly and reasonably executed in accordance with general commercial conditions without transfer of interest, and completely and adequately disclosed data and information by adhering to compliance with Good Corporate Governance Policy, and in accordance with the Notification of the Stock Exchange of Thailand.

3. Review of Risk Management

The Audit Committee regularly acknowledged risk management policy, work plan and profile of Corporate Risk Management that might affect the Company's operation on quarterly basis, and suggested for improvement. With realization of the Company on the significance and necessity of preparedness to cope with and alleviate contingent critical impact, Business Continuity Management Policy therefore has been established so that the Company can continue the Company's business operation, and attain the Company's growth target.

In 2018, the Company declared its intention to be Thailand's Private Sector Collective Action Coalition Against Corruption. The Company has assessed risks relating to corruption inside the Company, and implementation of Anti-Corruption Policy and Practical Guideline for Prevention and Anti-Corruption.

4. Adequacy of Internal Control System

The Audit Committee regularly reviewed the adequacy of internal control system, and internal control in information technology system by considering from the report on internal audit result, assessment of internal control result, and monitoring of internal audit result, together with the Management, the auditor, and Internal Audit Department on quarterly basis. In the opinion of the Audit Committee, internal control system of the Company is adequate and proper without material issue in internal control.

5. Supervision of Internal Audit

The Audit Committee supervised Internal Audit Committee to be independent and directly report to the Audit Committee as specified in the Charter of Internal Audit Office, and supervised audit to have international standard and suggested on execution of Internal Audit Unit for duty performance in accordance with approved work plan prepared from risk base of the Company in consistency with the Company's strategy and direction for value addition to the Company, good corporate governance, and good internal control. The suitability of structural chart of Internal Audit Unit, audit process and manpower were considered for efficient and effective duty performance.

6. Consideration Appointing Auditor for 2018

The Audit Committee considered and selected the auditor by considering from performance, independence, qualification, skill, knowledge and competency, and experience in auditing business and financial statements of the Company in last year, and audit fee. In 2018, the Audit Committee proposed the Board of Directors to consider requesting the approval of the Shareholders' Meeting to appoint Miss Vissuta Jariyathanakorn, CPA No. 3853, or Mrs. Poonnart Phaocharoen, CPA No. 5238 of EY Office Limited, to be the Company's auditor for 2018, and approved audit fee for 2018.

In conclusion, the Audit Committee performed duties and responsibilities as specified in the Charter of the Audit Committee approved by the Board of Directors using knowledge, competency, diligence and prudence under adequate independence for equitable benefit of all parties of stakeholders. In the opinion of the Audit Committee, the Company's management and operation demonstrated



establishment of risk management system, formulation of proper, adequate and efficient internal control system and audit system, proper and fair reporting of financial information of the Company in materiality in conformity with Generally Accepted Accounting Standards under adequate information disclosure. The Company has also operated in consistency with the related laws, regulations and rules of business operation.

On behalf of the Audit Committee



(Mrs. Suttharuk Panya)

Chairman of the Audit Committee



BALANCE SHEETS			
ASSETS			
Current Assets			
Cash	1,000,000	1,000,000	1,000,000
Accounts Receivable	2,000,000	2,000,000	2,000,000
Inventory	3,000,000	3,000,000	3,000,000
Prepaid Expenses	4,000,000	4,000,000	4,000,000
Other Current Assets	5,000,000	5,000,000	5,000,000
Total Current Assets	15,000,000	15,000,000	15,000,000
Non-Current Assets			
Property, Plant, and Equipment	10,000,000	10,000,000	10,000,000
Intangible Assets	2,000,000	2,000,000	2,000,000
Other Non-Current Assets	3,000,000	3,000,000	3,000,000
Total Non-Current Assets	15,000,000	15,000,000	15,000,000
Total Assets	30,000,000	30,000,000	30,000,000
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Accounts Payable	1,000,000	1,000,000	1,000,000
Short-Term Debt	2,000,000	2,000,000	2,000,000
Other Current Liabilities	3,000,000	3,000,000	3,000,000
Total Current Liabilities	6,000,000	6,000,000	6,000,000
Non-Current Liabilities			
Long-Term Debt	10,000,000	10,000,000	10,000,000
Other Non-Current Liabilities	2,000,000	2,000,000	2,000,000
Total Non-Current Liabilities	12,000,000	12,000,000	12,000,000
Total Liabilities	18,000,000	18,000,000	18,000,000
Shareholders' Equity			
Common Stock	10,000,000	10,000,000	10,000,000
Retained Earnings	2,000,000	2,000,000	2,000,000
Total Shareholders' Equity	12,000,000	12,000,000	12,000,000
Total Liabilities and Shareholders' Equity	30,000,000	30,000,000	30,000,000

# Internal Control and Risk Management

## 1. The Board of Directors' opinions on the internal control

The Board of Directors recognizes the importance of having a good internal control system and considers it is an important function to ensure that the Company has an appropriate and adequate internal control system in effectively supervising the operations to achieve the targets, objectives under relevant laws and regulations, it can help to prevent management risks or damages that may occur to the Company and stakeholders, to take care of the properties and to prevent damage from corruptions as well as to prepare the accounting and financial reports that are accurate and reliable with the complete and adequate disclosure of information within the appropriate timeframe.

In the Meeting of the Board of Directors No. 1/2019 on 28 February 28, 2019, attended by 3 members of the Audit Committee who are independent directors, the Board of Directors concluded the opinions about the Company's internal control system in terms of the adequacy, appropriateness, deficiencies and the correction of such deficiencies in the internal control system by asking information from the Company's Management and the Internal Audit Office, the Board of Directors gave opinions that the Company's internal control system is sufficient and appropriate according to 5 elements of the internal control as per the guidelines of the Committee of Sponsoring Organizations of Treadway Commission ("COSO"). The Company has provided sufficient personnel to efficiently operate the system and has the internal control system in respect of monitoring and supervising the operations of the Company and its subsidiaries to protect the assets of the Company and its subsidiaries from misuse or without authorization, as well as to adequately control the transactions with persons who may have the conflicts and with connected persons. The Board of Directors also agreed that the Company has the sufficient internal control on other aspects.

## 2. The Company's Internal Control

The Company has provided the internal control system that is adequate for the business operations and regularly monitored and evaluated the results to ensure that the established system can be appropriately operated to suit the changing environment and be in line with the acceptable risk level with all 5 elements of the internal control structure based on the standard of the Committee of Sponsoring Organization of The Treadway Commission: COSO 2013 as follows:

## **2.1 The controlling environment**

- 2.1.1 The policies and regulations were established and documented in accordance with the corporate governance principles and the ethics of the Board of Directors, executives and employees, the business ethics were also established with the focus on honesty based on the good business practices. The Company requires the Board of Directors, all executives and employees to comply with such policies and requirements as their duties and responsibilities.
- 2.1.2 The Code of Conduct was established and documented as a guideline for good business operation, the Company also prepared a guideline to prevent against the corruption on giving or receiving gifts or properties or any other benefits to emphasize all executives and employees to behave in accordance with the given guideline and Code of Conduct.
- 2.1.3 The Board of Directors is independent from the executives by clearly separating duties and responsibilities between directors and executives, the Board of Directors has roles, duties and responsibilities in reviewing and approving important strategies and policies as well as setting objectives, financial targets, risks, plans and budgets, and also supervising, controlling and taking care of executives to efficiently and effectively operate works in accordance with the given policies and plans.
- 2.1.4 The organizational structure was established with the focus on the effective internal control and internal power balance by dividing important work lines from each other, the authorities and responsibilities of all work lines are independent to each other, each work line will have its own top executive to take responsibility. In addition, the organization structure is regularly reviewed to comply with the strategies and operational plans.
- 2.1.5 The Human Resources Policy was established to systematically and sustainably enhance employees' knowledge and skills, covering the dimensions of Attracting, Developing, appropriately Retaining and Engaging personnel. The process of fair performance management is in place to reflect the ability in performing works according to different targets and key performance indicators (KPI). In addition, the employee recruitment is also based on recruitment policies by reviewing the recruitment strategies to suit the changing environment and business needs, the readiness of employees who are successors of executives is also completely assessed.

## **2.2 Risk Assessment**

The Company gives an importance on the risk management for entire organization and prepares its readiness to any situations under changes caused by both internal and external factors that will affect the process and organization activities. The Company has established a policy on risk management guideline as well as supervised and followed the important risk management in the organization's overview for risk

assessment, all executives and employees from all departments seriously engage in the factor assessment and monitor the risks with the risk assessment in all aspects including strategic risk, operational risk, financial risk, compliance and corruption risk, covering all risks caused by both internal and external factors, for example, domestic political situation, world economic situation, laws, regulations and government policies, stakeholder's expectations, etc. In addition, the opportunities of potential impacts and severity are forecasted. The Risk Management and Internal Control Unit performs its duty in continuously monitoring the progress of risk mitigation measures, plans and quarterly reports the risk management situations to the Audit Committee and the Board of Directors.

## 2.3 Control Activities

The Company requires the effective and efficient control activities which help to reduce the risks that cause the Company failed to achieve the objectives to be in an acceptable level with following important control measures:

- 2.3.1 The internal control policy including regulation, manual and procedure are clearly established, the Table of Authority (TOA) is also determined to set the limit of financial amount and hierarchy of authorized persons, covering the budget, human resource management, procurement and finance & accounting as well as asset transfer and disposal.
- 2.3.2 The internal control measures that cover important key processes such as segregation of duties, approval, verification and document storage, etc., are in place to ensure that all operations are efficient and effective, the reports are reliable and comply with relevant laws and regulations.
- 2.3.3 The preventive and monitoring control activities are in place for both manual and automated systems that are hidden or inserted in the work process, these activities require all executives in all levels to have duties and responsibilities in overseeing and inspecting the work system in their units to be efficient and accurate according to the operational regulations, besides, the internal control system is also established with appropriateness, conciseness, and verifiability.
- 2.3.4 The management policies for companies in the group are established to allow the operation management of the Company and other companies in the group to be in the same direction, all important matters will be jointly considered and decided as well as regularly monitored the operations of subsidiaries or associated companies, resulting in the Company's participation in the policy formulation, periodically acknowledgement and monitoring of the performance in accordance with the key performance indicators of subsidiaries and associated companies.



## **2.4 Information and communication**

The Company gives importance to the information and communication systems that systematically support the operation, implementation, management and financial reporting which assists the decision of the Board of Directors and executives; and support the internal control to be effectively and efficiently conducted. The Company appropriately established the policies and procedures for the use of information and communication technologies.

The Company has the adequate and effective information and communication systems for internal information so that employees and executives are notified and can quickly access the operational information via various channels such as meetings, emails, voice announcements, public relations through various activities, internal journals and group communications via specific social media, etc., to enable the internal communication to be timely and accessible to all groups of employees, the important information is also appropriately communicated as the reference for the consideration of the Board of Directors by sending the meeting documents to the Board of Directors at least 7 days in advance before each meeting.

In term of the external communication, the Company has the Investor Relations Department and Corporate Communications Department to be responsible in thoroughly and equally disclosing the Company's information and communicating to all stakeholders through the Company's website and related organizations such as SEC, to allow external stakeholders to equally, conveniently and quickly access the important information.

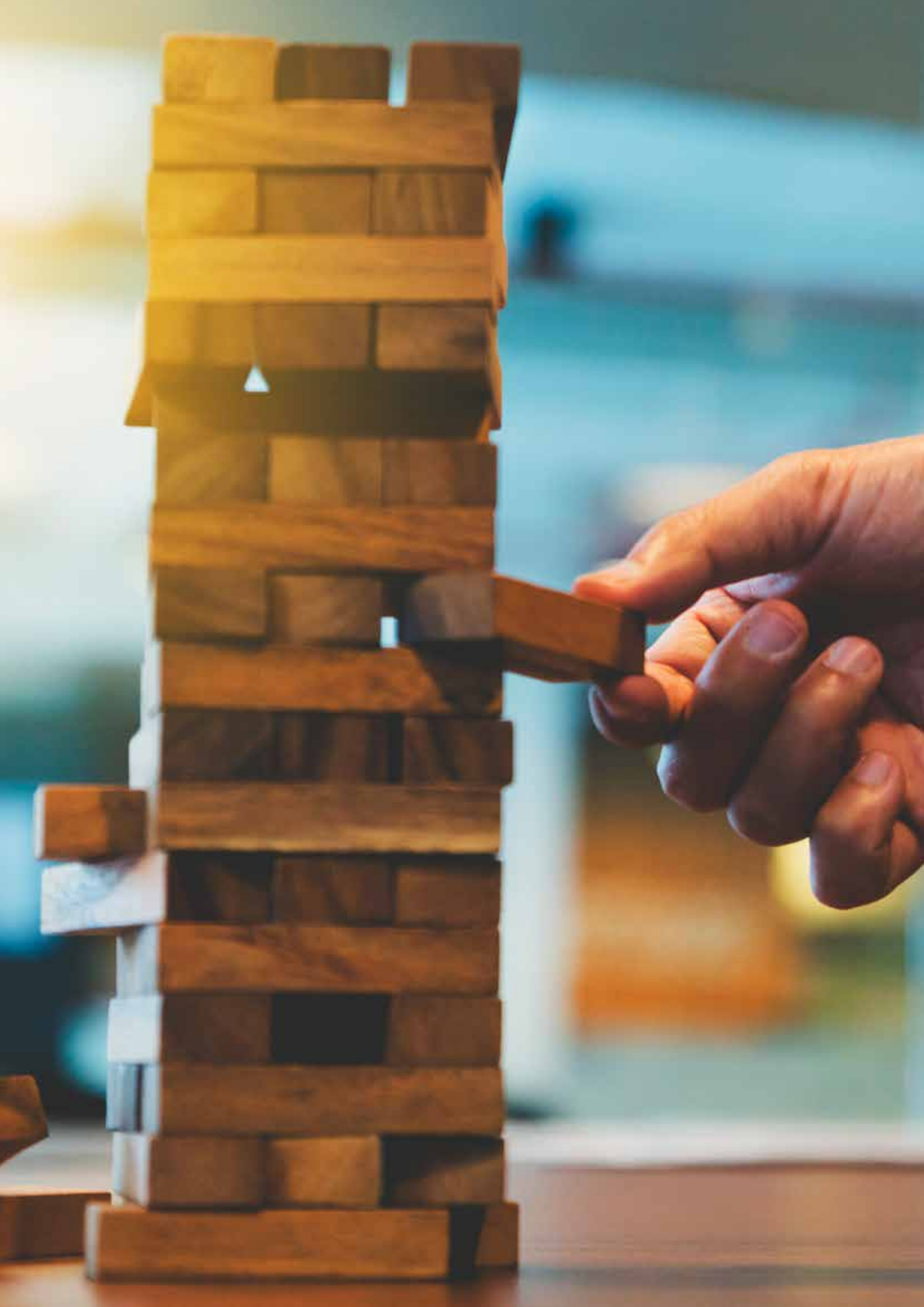
The Company established and documented the measures of complaints and whistleblowing including the protection of whistleblowers and related persons to enable employees and external parties to report or provide the information related to the offences or the violations of rules, dishonesty and any actions that seek for unlawful benefits.

## **2.5 Monitoring Activities**

The Company has monitored and evaluated the internal controls and set the guideline for improvement and development to ensure that the Company's internal control system is carried out with efficiency and effectiveness, the Company requires executives in all levels to have duties and responsibilities in overseeing and inspecting the internal work system within their own controls for the effectiveness and correctness according to the policies, requirements and operational regulations as well as achieving the given plan or target, for example, holding the departmental meetings to monitor the performance to achieve the target according to the key performance index (KPI). The performance report is regularly prepared by comparing the result with the target as planned or the budget proposed to the executives for consideration on the improvement and the correction to be in line with the target, etc.

The Internal Audit Unit has set an annual audit plan by considering the major risks, changes or increase of processes/work systems, requests from executives and the Audit Committee (if any), to review the adequacy, appropriateness of the internal control system in each activity and provide suggestions for correction and

improvement as well as monitor the results after getting suggestions and propose to the executives of the Audit Unit and relevant top executives for acknowledgement and operation as per suggestions. The Internal Audit Unit has quarterly monitored the progress of the actions according to the suggestions in the audit report of all issues until all actions are completed, summarized the progress results and proposed to executives and the Audit Committee to ensure that all suggestions are effectively implemented.



# Risk Factors

The Board of Directors recognizes the importance of corporate risk management and has assigned the Audit Committee to review the corporate risk management process. The internal audit department together with all administrative units are responsible for developing risk management plan, assigning responsible persons for each risk, monitoring and reviewing risks, and reporting to the Audit Committee to ensure that the company has performed adequate and proper risk management. Despite this measure, there remain some risks worth considering that might occur and affect the company and its stakeholders including:

## 1. Operational risks

### 1.1 Risk of customer concentration

Most of the company's income is derived from sales to a few large customer groups, of which some are the company's shareholders. However, sales to Boonrawd Brewery are completed through a 5-year contract ending on 31 December 2022 which also specifies minimum order quantity. The company entered into new contracts with additional large customers and expanded its customer base locally and internationally to mitigate risk of customer concentration.

### 1.2 Risk of changing customer behavior resorting to alternative packaging

Despite intense competition in the packaging industry, glass packaging remains the safe choice for container, as it causes no chemical reaction with the product contained inside and is able to preserve the taste and temperature of the beverages. Moreover, glass packaging is an entirely recyclable product which offers cost savings for its users.

### 1.3 Risk of failure to obtain raw materials at a reasonable price and volume

Variable cost is the main cost component in cost of goods sold. The cost of primary raw material depends on the market as well as the overall economy. To mitigate the risk of shortages, the corporate group has entered into contracts with its suppliers to purchase scrap glass, and most importantly, if there is material shortage, the group can alter its manufacturing formula to use the remaining material in order to maintain its production at the same quality.

### 1.4 Risk of machine breakdown or malfunction and loss resulting from weather condition, natural disaster, or uncontrollable situation

The company acquires advanced technologies and has regular repair and maintenance schedule. If there is a problem with the machines used in production, corrective measures will immediately be taken by an

experienced team of experts. Additionally, as the company operates production facilities in various locations, it is able to efficiently manage production capacity to ensure on-time delivery to its customers. For the past years, the company has never experienced significant machine breakdown or malfunction.

### **1.5 Effect from subsidiaries' failure to maintain utilization rate and efficiency rate at a high level**

Thanks to the experience and expertise of our production and engineering departments, continued technical trainings, support from international business partners, and efficient management through advanced machinery, the company is able to maintain our productivity and utilization rate at a high level which provides the company with efficiency and competitiveness in its cost of production.

### **1.6 Risk of wage hike**

The corporate group applies automated system in its production process to help reduce labor intensity. Additionally, if overall wage rises, the company might raise the price of its glass packaging products and implement cost control in other areas to maintain its target profit margin.

### **1.7 The company leases important operating assets (such as land) from the company's major shareholders. If the contract is terminated or fails to be renewed, the company might face operational difficulties.**

The company and/or its subsidiaries have entered into a lease contract with BG, the company's major shareholder such as leased land of PTI and some area regarding Energy zone of AGI. However, the land lease contract is a long-term contract with a 10-year period and the company can exercise its right to extend the contract duration for another 10 years under the same terms and conditions. Additionally, the company has the right of first offer if the leased land becomes available for sales as well as the right to extend the contract after the 20-years period. The lessor has given promise to extend the contract duration following the company's rights. The current contract duration together with its existing rights to further extend the contract, after the 20-years period, provides a sufficient guarantee for the company's business continuity.

### **1.8 Without insurance coverage, the company might not be sufficiently protected against loss or physical damage resulting from natural disaster or accident caused by the company's business operation or product liability.**

Currently, the company acquires all-risk insurance policy for its corporate group's production plants, insurance against any loss or damage caused by natural disaster and factory-related accidents, product liability insurance. Applicable to all firms, the insurance coverage is 70 million baht per claim throughout the insured period while the insurance coverage for loss and damage caused by flood is 300 million baht per claim.



However, the Company is unable to guarantee existing corporate group's insurance that will be adequately protected in the future, but will help reduce the impact that may occur resulting from corporate group have subsidiaries which spread across area and management has confident that the amount of insurance coverage is adequate amount for the company's operations

In addition, with our production department's experience and expertise, the company creates a plan for production efficiency and uses advanced machinery to reduce the probability of production errors. Until 31 December 2018, the company has never experienced problems regarding significant product liability.

## **2. Administrative risks**

The Company has the policy and operational that be system, good control and can be audited. Moreover, the Company has development of business strategies, investment plan and dividend payment policy in order to major shareholders will not enter into any conflict with the company or other shareholders in the future.

## **3. Regulatory risks**

### **3.1 Risk of failure to fulfil the requirements of permits received**

The company needs to obtain permits for its operations and fulfil the conditions specified in the permits. Nonetheless, the company has continuously provided trainings and knowledge for its employees on industrial standards. Furthermore, due to regular contact with government agencies, the company always keeps itself up to date on the regulations and has a clear understanding of its duties related to those agencies. Until 31 December 2018, the company has never failed to fulfil the requirements under its permits



# Related Party Transactions

## 1. Parties with Potential Conflicts

Parties with Potential Conflicts	Nature of Business Operation	Nature of Relationship with the Company
<b>BG Group</b>		
1. Bangkok Glass Public Company Limited ("BG")	Holding company	<ul style="list-style-type: none"> <li>Major shareholder of the Company, holding shares at 72.0% of paid-up registered capital after public offering for sales of ordinary shares</li> <li>There are two common directors including Mr. Pornwut Sarasin and Mr. Pavin Bhirom Bhakdi.</li> </ul>
2. BG Float Glass Company Limited	Buy, wholesale, retail, import and export glass sheets, including glass products and glass for buildings	<ul style="list-style-type: none"> <li>BG, the Company's major shareholder, holds shares at 100.0% of paid-up registered capital.</li> <li>There are two common directors including Mr. Pavin Bhirom Bhakdi and Mrs. Amarat Puvaveeranin.</li> </ul>
3. Kabinburi Glass Industry Company Limited	Manufacture and sell glass sheets, including glass products and glass for buildings	<ul style="list-style-type: none"> <li>BG, the Company's major shareholder, holds shares at 95.6% of paid-up registered capital.</li> <li>There are two common directors including Mr. Pavin Bhirom Bhakdi and Mrs. Amarat Puvaveeranin.</li> </ul>
4. BG Packaging Company Limited (former name was Petpak Company Limited)	Manufacture and sell preform plastic tubes and PET containers	<ul style="list-style-type: none"> <li>BG, the Company's major shareholder, holds shares at 100.0% of paid-up registered capital.</li> <li>There are two common directors including Mr. Pavin Bhirom Bhakdi and Mrs. Amarat Puvaveeranin.</li> </ul>

Parties with Potential Conflicts	Nature of Business Operation	Nature of Relationship with the Company
5. Bangkok Visypak Company Limited	Manufacture and sell various types of corrugated cartons	<ul style="list-style-type: none"> <li>▪ BG, the Company's major shareholder, holds shares at 100.0% of paid-up registered capital.</li> <li>▪ There are two common directors including Mr. Pavin Bhirom Bhakdi and Mrs. Amarat Puvaveeranin.</li> </ul>
6. BG Pak Company Limited (the merger of BG Pak Company Limited and BG Packaging Company Limited is effective from January 1, 2018. The related party transaction for 2018 of BG Pak Company Limited was combined under BG Packaging Company Limited.)	Manufacture and sell plastic closures, crown cap and plastic crate containers	<ul style="list-style-type: none"> <li>▪ BG, the Company's major shareholder, holds shares at 100.0% of paid-up registered capital.</li> <li>▪ There are two common directors including Mr. Pavin Bhirom Bhakdi and Mrs. Amarat Puvaveeranin.</li> </ul>
7. BGFC Sport Company Limited	Sport management business	<ul style="list-style-type: none"> <li>▪ BG, the Company's major shareholder, holds shares at 100.0% of paid-up registered capital.</li> <li>▪ There are two common directors including Mr. Pavin Bhirom Bhakdi and Mrs. Amarat Puvaveeranin.</li> </ul>
8. BG Energy Solution Company Limited	Generate and sell electricity	<ul style="list-style-type: none"> <li>▪ BG, the Company's major shareholder, holds shares at 100.0% of paid-up registered capital.</li> <li>▪ There are two common directors including Mr. Pavin Bhirom Bhakdi and Mrs. Amarat Puvaveeranin.</li> </ul>
9. Taweessup (Chew Ja Heng) Company Limited	Wholesale waste and scrap for recycle	<ul style="list-style-type: none"> <li>▪ BG, the Company's major shareholder, holds shares at 25.0% of paid-up registered capital</li> </ul>

Parties with Potential Conflicts	Nature of Business Operation	Nature of Relationship with the Company
<b>Other Groups</b>		
10. Khon Kaen Sport Management Company Limited	Sport management business	<ul style="list-style-type: none"> <li>Mr. Kasom Chanawong, the Company's director, holds shares at 40.0% of paid-up registered capital.</li> <li>There is one common director including Mr. Kasom Chanawong.</li> </ul>
11. ThaiNamthip Manufacturing Company Limited	Manufacture and sell soft drinks	<ul style="list-style-type: none"> <li>There is one common director including Mr. Pornwut Sarasin.</li> </ul>
12. Thai Asia Pacific Brewery Company Limited	Manufacture and sell beers	<ul style="list-style-type: none"> <li>There is one common director including Mr. Pornwut Sarasin.</li> </ul>
<b>Boonrawd Group</b>		
13. Boonrawd Brewery Company Limited	Manufacture and sell alcohol and soft drinks	<ul style="list-style-type: none"> <li>Major shareholder of the Company by indirect shareholding through BG in the proportion of 67.5% of paid-up registered capital</li> </ul>
14. Pathumthani Brewery Company Limited	Manufacture and sell alcohol and soft drinks	<ul style="list-style-type: none"> <li>Boonrawd Brewery Company Limited, the Company's shareholder, holds share at 100.0% of paid-up registered capital through Singha Corporation Company Limited.</li> <li>Mr. Santi Bhirom Bhakdi and Mr. Piya Bhirom Bhakdi, the shareholders of Boonrawd Brewery Company Limited, act as directors.</li> </ul>
15. Chiangmai Beverage Company Limited	Manufacture and sell alcohol and soft drinks	<ul style="list-style-type: none"> <li>Boonrawd Brewery Company Limited, the Company's major shareholder, holds shares at 100.0% of paid-up registered capital by indirect shareholding through Singha Corporation Company Limited.</li> <li>Mr. Santi Bhirom Bhakdi, the major shareholder of Boonrawd Brewery Company Limited, acts as director.</li> </ul>



Parties with Potential Conflicts	Nature of Business Operation	Nature of Relationship with the Company
16. Boonrawd Trading International Company Limited	Import and export alcohol and soft drinks	<ul style="list-style-type: none"> <li>Boonrawd Brewery Company Limited, the Company's major shareholder, holds shares at 100.0% of paid-up registered capital by indirect shareholding through Singha Corporation Company Limited.</li> </ul>
17. Wang Noi Beverage Company Limited	Manufacture and sell alcohol and soft drinks	<ul style="list-style-type: none"> <li>Boonrawd Brewery Company Limited, the Company's major shareholder, holds shares at 100.0% of paid-up registered capital by indirect shareholding through Singha Corporation Company Limited.</li> <li>Mr. Santi Bhirom Bhakdi, the major shareholder of Boonrawd Brewery Company Limited, acts as director.</li> </ul>
18. Sam Sen Brewery Company Limited	Manufacture and sell alcohol and soft drinks	<ul style="list-style-type: none"> <li>Boonrawd Brewery Company Limited, the Company's major shareholder, holds shares at 100.0% of paid-up registered capital by indirect shareholding through Singha Corporation Company Limited.</li> <li>Mr. Santi Bhirom Bhakdi, the major shareholder of Boonrawd Brewery Company Limited, acts as director.</li> </ul>
19. Suratthani Beverage Company Limited	Manufacture and sell alcohol and soft drinks	<ul style="list-style-type: none"> <li>Boonrawd Brewery Company Limited, the Company's major shareholder, holds shares at 100.0% of paid-up registered capital by indirect shareholding through Singha Corporation Company Limited.</li> <li>Mr. Santi Bhirom Bhakdi, the major shareholder of Boonrawd Brewery Company Limited, acts as director.</li> </ul>
20. Singha Beverage Company Limited	Manufacture and sell alcohol and soft drinks	<ul style="list-style-type: none"> <li>Boonrawd Brewery Company Limited, the Company's major shareholder, holds shares at 100.0% of paid-up registered capital by indirect shareholding through Singha Corporation Company Limited.</li> <li>Mr. Santi Bhirom Bhakdi, the major shareholder of Boonrawd Brewery Company Limited, acts as director.</li> </ul>

Parties with Potential Conflicts	Nature of Business Operation	Nature of Relationship with the Company
21. Boonrawd Trading Company Limited	Distribute alcohol and soft drinks	<ul style="list-style-type: none"> <li>Boonrawd Brewery Company Limited, the Company's major shareholder, holds shares at 100.0% of paid-up registered capital.</li> </ul>
22. Khon Kaen Brewery Company Limited	Manufacture and sell alcohol and soft drinks	<ul style="list-style-type: none"> <li>Boonrawd Brewery Company Limited, the Company's major shareholder, holds shares at 81.7% of paid-up registered capital by indirect shareholding through Singha Corporation Company Limited.</li> <li>Mr. Santi Bhirom Bhakdi, the major shareholder of Boonrawd Brewery Company Limited, acts as director.</li> </ul>
23. Leo Links Company Limited	Logistics service	<ul style="list-style-type: none"> <li>Boonrawd Brewery Company Limited, the Company's major shareholder, holds shares at 100.0% of paid-up registered capital by indirect shareholding through Singha Corporation Company Limited.</li> </ul>
24. Singha Parks Chiangrai Company Limited	Agro-tourism location	<ul style="list-style-type: none"> <li>Boonrawd Brewery Company Limited, the Company's major shareholder, holds shares at 100.0% of paid-up registered capital.</li> <li>Mr. Santi Bhirom Bhakdi, the major shareholder of Boonrawd Brewery Company Limited, acts as director.</li> </ul>
25. Mahasarakham Beverage Company Limited	Manufacture and sell alcohol and soft drink	<ul style="list-style-type: none"> <li>Boonrawd Brewery Company Limited, the Company's major shareholder, holds shares at 100.0% of paid-up registered capital by indirect shareholding through Singha Corporation Company Limited.</li> </ul>
26. Hesco Solution Company Limited	Manufacture food	<ul style="list-style-type: none"> <li>Boonrawd Brewery Company Limited, the Company's major shareholder, holds shares at 100.0% of paid-up registered capital by indirect shareholding through Singha Corporation Company Limited.</li> </ul>

Parties with Potential Conflicts	Nature of Business Operation	Nature of Relationship with the Company
27. Singha Beer Company Limited	Manufacture and sell alcohol drink	<ul style="list-style-type: none"> <li>Mr. Piya Bhirom Bhakdi, the Company's major shareholder, directly and indirectly holds shares approximately 58.2% of paid-up registered capital.</li> <li>Mr. Piti Bhirom Bhakdi, the major shareholder of Boonrawd Brewery Company Limited, acts as director.</li> </ul>
28. Khao Yai Winery Company Limited	Manufacture and sell alcohol drink	<ul style="list-style-type: none"> <li>Mr. Santi Bhirom Bhakdi, the Company's major shareholder, holds shares at 54.0% of paid-up registered capital.</li> <li>Mr. Santi Bhirom Bhakdi, the major shareholder of Boonrawd Brewery Company Limited, acts as director.</li> </ul>
29. Santiburi Development And Resort Company Limited	Integrated office management service	<ul style="list-style-type: none"> <li>Boonrawd Brewery Company Limited, the Company's major shareholder, holds shares at 100.0% of paid-up registered capital.</li> <li>Mr. Santi Bhirom Bhakdi and Mr. Piti Bhirom Bhakdi, the major shareholders of Boonrawd Brewery Company Limited, act as directors.</li> </ul>
30. Boonrawd Supply Chain Company Limited	Supply chain service and related asset leasing	<ul style="list-style-type: none"> <li>Boonrawd Brewery Company Limited, the Company's major shareholder, holds shares at 100.0% of paid-up registered capital.</li> <li>Mr. Santi Bhirom Bhakdi and Mr. Piti Bhirom Bhakdi, the major shareholders of Boonrawd Brewery Company Limited, act as directors.</li> </ul>
31. BRF Logistics Company Limited	Supply chain service	<ul style="list-style-type: none"> <li>Boonrawd Brewery Company Limited, the major shareholder of the Company, holds shares at 50.0% of paid-up registered capital by indirect shareholding through Boonrawd Supply Chain Company Limited.</li> <li>Mr. Piti Bhirom Bhakdi, the major shareholder of Boonrawd Brewery Company Limited, acts as director.</li> </ul>

## 2. Related Party Transactions

The related party transactions of the Group and the parties with potential conflicts in the accounting year ended December 31, 2018 can be summarized as follows.

Person/Juristic Person with Potential Conflicts	Nature of Related Party Transactions	Transaction Value for the Accounting Year Ended December 31, 2017 (Baht)	Transaction Value for the Accounting Year Ended December 31, 2018 (Baht)	Necessity and Reasonableness of the Transactions	Opinions of the Audit Committee
<b>1. BG Group</b>					
- BG	1.1 <u>Transaction of purchase of mould and related equipment</u> - Asset - Payable	4,784,168.5 374,996.54	- -	<p>- With reference to the former structure in pre-restructuring of the Company, BG was the owner of mould purchased to be prepared for use in manufacture for customers, and the Group purchased mould and related equipment from BG as part of the restructuring process of the Company.</p> <p>- Purchasing price of mould is net book value of such asset, and purchasing price of related equipment is replacement cost estimated by an internal engineer.</p> <p>- Such transaction is transaction of the Company's restructuring that occurred for one time only.</p>	<p>- Such transaction is related to restructuring of the Group, and it is the past occurred transaction. Pricing is based on net book value, not resulting in loss of the Group's benefit. The transaction is therefore considered and deemed proper and reasonable.</p>

Person/Juristic Person with Potential Conflicts	Nature of Related Party Transactions	Transaction Value for the Accounting Year Ended December 31, 2017 (Baht)	Transaction Value for the Accounting Year Ended December 31, 2018 (Baht)	Necessity and Reasonableness of the Transactions	Opinions of the Audit Committee
- BG	1.2 <u>Loan</u> - Beginning period - Additional borrowing during the period - Repayment during the period - Ending balance  - Interest expenses - Accrued interest	512,000,000.0 8,430,183,800.0 <u>(6,702,633,800.0)</u>  <u>2,239,550,000.0</u>  75,232,526.5 6,313,255.5	2,239,550,000.0 1,260,000,000.0 <u>(3,499,550,000.0)</u>  -  13,905,292.4 -	- BG lent money to the Group for using in restructuring and as working capital in the business and charged interest rate of 1.80 - 2.85% per annum based on financial cost of BG borrowed from the commercial bank. - However, the Company was founded on November 2016. At that time, the Company had none of loan line with any commercial banks. Borrowing from BG was required for using in restructuring based on the plan of the Group and using as working capital of the business. - The Company borrowed additional money from BG for using in purchase of land as factory location as temporary lending since the Company has been waiting for consideration on credit line from the commercial bank. The commercial bank has currently granted credit line to the Group by pricing interest rate based on financial cost of the Company in borrowing money from the commercial bank. The Company repaid all outstanding loan and interest to BG on last June 2018.	- Such transaction is the financial assistance acquisition at the rate of interest expense based on average actual financial cost of BG Group in accordance with the past liquidity management policy of the Group. The transaction is therefore considered and deemed proper and reasonable.



Person/Juristic Person with Potential Conflicts	Nature of Related Party Transactions	Transaction Value for the Accounting Year Ended December 31, 2017 (Baht)	Transaction Value for the Accounting Year Ended December 31, 2018 (Baht)	Necessity and Reasonableness of the Transactions	Opinions of the Audit Committee
- BG	1.3 <u>Transaction of purchase of land</u> - Asset - Payable	- -	1,026,000,000.0 -	<p>- The Group entered into the following transactions of land purchase from BG: (1) land purchase cost for using as Ayutthaya Glass Industry factory location, (2) land purchase cost for using as Ratchaburi Glass Industry factory location, and (3) land purchase cost for using as Khon Kaen Glass Industry warehouse and factory location. BG was formerly the titleholder of factory lands of the whole group, and for clearness of assets for glass packaging business and for creation of stability of ongoing business operation, the Group therefore purchased such lands from BG.</p> <p>- The purchase price of land is based on appraised price of an independent valuation company approved by the Office of the SEC (kindly see detail of the appraised land price of an independent valuation company approved by the Office of the SEC in Annual Registration Statement Form (Form 56-1), Part of Enclosure 5 – Details of List of Asset Appraisal)</p>	<p>- Such transaction is related to purchase of asset for creation of ongoing business operation stability under price and general commercial condition similar to a transaction entered with a third party. The transaction is therefore considered and deemed proper and reasonable.</p>

Person/Juristic Person with Potential Conflicts	Nature of Related Party Transactions	Transaction Value for the Accounting Year Ended December 31, 2017 (Baht)	Transaction Value for the Accounting Year Ended December 31, 2018 (Baht)	Necessity and Reasonableness of the Transactions	Opinions of the Audit Committee
– BG  – Kabinburi Glass Industry Company Limited	1.4 <u>Transaction of purchase of machines and equipment</u>			– The Group entered into transaction of purchase of machine and equipment from BG such as transfer of backhoe for using in gentrification of area in Pathumthani Factory.	– The price of such transaction is estimated based on net book value, not resulting in loss of the Group's benefit. The transaction is therefore considered and deemed proper and reasonable.
	– Asset	-	410,000.0		
	– Payable	-	-	– The Group entered into transaction of purchase of machine and equipment remained from construction from Kabinburi Glass Industry Co., Ltd. such as furnace laying bricks, containers and factory equipment, etc.	
	– Asset	-	975,135.0	– Purchase prices of such machines and equipment are based on net book value of such assets, and purchase prices of related equipment are replacement cost estimated by an internal engineer.	
	– Payable	-	-		

Person/Juristic Person with Potential Conflicts	Nature of Related Party Transactions	Transaction Value for the Accounting Year Ended December 31, 2017 (Baht)	Transaction Value for the Accounting Year Ended December 31, 2018 (Baht)	Necessity and Reasonableness of the Transactions	Opinions of the Audit Committee
1.5 – BG Packaging Company Limited – Bangkok Visypak Company Limited	<u>Revenue from wage under workforce outsourcing contract</u> – Revenue – Receivable  – Revenue – Receivable	1,833,935.0 153,451.0  669,400.3 –	644,471.3 –  286,887.3 –	– In the past, the Group has entered into the workforce outsourcing contract with the external company on supply of temporary employees to support the Group's business operation. Sometimes, the Group has not used the said temporary employees. The Group has allocated part of temporary employees to the companies in BG Group and charged for wage under workforce outsourcing contract – Wage under workforce outsourcing contract is charged based on number of temporary employees actually allocated to the companies in BG Group in the rate specified in the aforesaid contract. – The workforce outsourcing contract has been separated whereas the external company of the employee supply has directly charged wage under workforce outsourcing contract with the companies that use workforce services.	– Such transaction supports the Group's normal business under price and general commercial condition similar to a transaction entered with a third party. The transaction is therefore considered and deemed proper and reasonable.

Person/Juristic Person with Potential Conflicts	Nature of Related Party Transactions	Transaction Value for the Accounting Year Ended December 31, 2017 (Baht)	Transaction Value for the Accounting Year Ended December 31, 2018 (Baht)	Necessity and Reasonableness of the Transactions	Opinions of the Audit Committee
- BG	1.6 <u>Expense of wage under workforce outsourcing contract</u> - Cost and expense - Payable	4,480,971.6 98,052.5	176,646.3 -	<p>- In the past, BG has entered into the workforce outsourcing contract with the external company on supply of temporary employees to support business operation, for instance, machine cleaning employees, etc. BG has allocated part of temporary employees to the Group and charged for wage under workforce outsourcing contract from the Group.</p> <p>- Wage under workforce outsourcing contract is charged based on the number of temporary employees actually allocated to the Group in the rate specified in the aforesaid contract.</p> <p>- The workforce outsourcing contract has been separated whereas the external company of the employee supply has directly charged wage under workforce outsourcing contract with the Group.</p>	<p>- Such transaction supports the Group's normal business under price and general commercial condition similar to a transaction entered with a third party. The transaction is therefore considered and deemed proper and reasonable.</p>

Person/Juristic Person with Potential Conflicts	Nature of Related Party Transactions	Transaction Value for the Accounting Year Ended December 31, 2017 (Baht)	Transaction Value for the Accounting Year Ended December 31, 2018 (Baht)	Necessity and Reasonableness of the Transactions	Opinions of the Audit Committee
	1.7 <u>Revenue from oil expense</u>				
– BG	– Revenue	455,408.4	106,444.3	– In the past, the Group has entered into the contract of oil supply station with the external company that provides oil supply services to vehicles of the Group. The companies in BG Group have occasionally used such service and have been charged for oil expense by the Group.	– Such transaction supports the Group's normal business under price and general commercial condition similar to a transaction entered with a third party. The transaction is therefore considered and deemed proper and reasonable.
– BG Float Glass Company Limited	– Receivable	22,343.7	-		
	– Revenue	13,705.6	65,003.8		
– BG Float Glass Company Limited	– Receivable	-	-		
– Kabinburi Glass Industry Company Limited	– Revenue	44,435.8	2,112.2	– Oil expense is charged based on oil quantity actually used by the companies in BG Group in the rate specified in the aforesaid contract.	
	– Receivable	-	-	– However, the Group and the companies in BG Group have directly entered into contract of oil supply station with the external company.	
– BG Packaging Company Limited	– Revenue	102,345.7	53,392.5		
	– Receivable	6,720.0	-		



Person/Juristic Person with Potential Conflicts	Nature of Related Party Transactions	Transaction Value for the Accounting Year Ended December 31, 2017 (Baht)	Transaction Value for the Accounting Year Ended December 31, 2018 (Baht)	Necessity and Reasonableness of the Transactions	Opinions of the Audit Committee
– BG Packaging Company Limited	1.18 Revenue from <u>employee shuttle bus expense</u>			<p>– In the past, the Group has entered into outsourcing contract with the external company in supply of employee shuttle buses. The employees of BG Packaging Company Limited have used such service, and charged by the Group for employee shuttle bus expense.</p> <p>– Employee shuttle bus expense is charged based on the number of the employees of BG Packaging Company Limited that actually use employee shuttle bus service in the rate specified in the aforesaid contract.</p> <p>– Upon expiration of such outsourcing contract, the Group and BG Packaging Company Limited have separately and directly entered into the contract of employee shuttle bus supply service with the service providing company.</p>	<p>– Such transaction supports the Group's normal business under price and general commercial condition similar to a transaction entered with a third party. The transaction is therefore considered and deemed proper and reasonable.</p>
	– Revenue	2,159,284.3	1,523,740.0		
	– Receivable	-	-		

Person/Juristic Person with Potential Conflicts	Nature of Related Party Transactions	Transaction Value for the Accounting Year Ended December 31, 2017 (Baht)	Transaction Value for the Accounting Year Ended December 31, 2018 (Baht)	Necessity and Reasonableness of the Transactions	Opinions of the Audit Committee
	1.1 <u>Revenue from cost of spare parts, mechanical consumables and other materials</u>				
– BG	– Revenue	817,867.8	989,183.9	– The Group sold spare parts, mechanical consumables and other materials available in warehouse of the companies in BG Group due to quantity in excess of use.	– Such transaction supports the Group's normal business. Pricing is based on cost, not resulting in loss of the Group's benefit.
	– Receivable	61,616.8	114,997.5	– Selling price of spare parts, mechanical consumables and other materials is cost price of such assets.	The transaction is therefore considered and deemed proper and reasonable.
– BG Float Glass Company Limited	– Revenue	-	39,841.5		
	– Receivable	-	-		
– Kabinburi Glass Industry Company Limited	– Revenue	430,790.0	1,006,244.3		
	– Receivable	-	-		
– BG Packaging Company Limited	– Revenue	470,811.3	252,439.5		
	– Receivable	73,343.4	-		

Person/Juristic Person with Potential Conflicts	Nature of Related Party Transactions	Transaction Value for the Accounting Year Ended December 31, 2017 (Baht)	Transaction Value for the Accounting Year Ended December 31, 2018 (Baht)	Necessity and Reasonableness of the Transactions	Opinions of the Audit Committee
- BG	1.10 <u>Expenditure from cost of spare parts, mechanical consumables and other materials</u> - Cost - Payable	1,908,149.6 1,412,400.0	405,789.6 -	- The Group occasionally purchased spare parts, mechanical consumables and other materials from BG due to BG's inventory in type of spare parts, mechanical consumables, and other materials under common use with the Group. - Purchase price of spare parts, mechanical consumables and other materials is cost price of such assets.	- Such transaction supports the Group's normal business. Pricing is based on cost, not resulting in loss of the Group's benefit. The transaction is therefore considered and deemed proper and reasonable.
- BG	1.11 <u>Expenditure of training fee</u> - Expense - Payable	146,214.9 -	68,972.0 -	- BG organized trainings and seminars for the employees to support its business operation. The employees of the Group occasionally attended trainings and seminars in the related course, and BG charged training expense from the Group. - Training fee is charged at actual expense based on the number of the attending employees of the Group in training.	- Such transaction supports the Group's normal business. Pricing is based on actual expense, not resulting in loss of the Group's benefit. The transaction is therefore considered and deemed proper and reasonable.

Person/Juristic Person with Potential Conflicts	Nature of Related Party Transactions	Transaction Value for the Accounting Year Ended December 31, 2017 (Baht)	Transaction Value for the Accounting Year Ended December 31, 2018 (Baht)	Necessity and Reasonableness of the Transactions	Opinions of the Audit Committee
– BG	1.12 <u>Revenue from room, food and beverage charge</u>			– In organizing trainings and seminars for the Group's employees, the Group occasionally accommodated room, food and beverage to facilitate the employees attending in trainings and seminars. The Group charged room, foods and beverage charge from the companies in BG Group for the occasional attendance of their employees in trainings and seminars. – Wishing Tree Khon Kaen Resort is the hotel under the Group with main purpose of use as training and seminar venue for the employees of the Group and the companies in BG Group. – For the accounting year ended December 31, 2017, room, food and beverage charge is the discounted price from the price offered by the Group to the third parties in accordance with the BG Group's policy.	– Such transaction supports the Group's normal business. Pricing is based on market rate by discounting from the price offered by the Group to the third party, not resulting in loss of the Group's benefit due to operating profitability after discount offer and as the overall former policy of GP Group. The transaction is therefore considered and deemed proper and reasonable.
	– Revenue	197,717.0	83,743.9		
– Kabinburi Glass Industry Company Limited	– Receivable	-	4,597.9		
	– Revenue	418,980.9	716.19		
– BG Packaging Company Limited	– Receivable	-	716.19		
	– Revenue	23,102.9	24,455.87		
– Bangkok Visypak Company Limited	– Receivable	-	-		
	– Revenue	17,869.2	26,235.4		
	– Receivable	-	716.19		
	– Revenue				

Person/Juristic Person with Potential Conflicts	Nature of Related Party Transactions	Transaction Value for the Accounting Year Ended December 31, 2017 (Baht)	Transaction Value for the Accounting Year Ended December 31, 2018 (Baht)	Necessity and Reasonableness of the Transactions	Opinions of the Audit Committee
<ul style="list-style-type: none"> <li>- BG Float Glass Company Limited</li> </ul>	<ul style="list-style-type: none"> <li>- Revenue</li> <li>- Receivable</li> </ul>	<ul style="list-style-type: none"> <li>-</li> <li>-</li> </ul>	<ul style="list-style-type: none"> <li>87,543.2</li> <li>-</li> </ul>	<ul style="list-style-type: none"> <li>- However, since 2018 onwards, room, food and beverage charge from 2018 onwards has been the same price offered by the Group to the third parties.</li> </ul>	<ul style="list-style-type: none"> <li>- In 2018 onwards, the Group has entered into such transaction under price and general commercial condition similar to a transaction entered with a third party. The transaction is therefore considered and deemed proper and reasonable.</li> </ul>



Person/Juristic Person with Potential Conflicts	Nature of Related Party Transactions	Transaction Value for the Accounting Year Ended December 31, 2017 (Baht)	Transaction Value for the Accounting Year Ended December 31, 2018 (Baht)	Necessity and Reasonableness of the Transactions	Opinions of the Audit Committee
– BGFC Sport Company Limited	1.13 <u>Revenue from room, food and beverage charges</u> – Revenue – Receivable	822,056.4 -	155,274.6 -	<p>– BGFC Sport Company Limited isolated the athletes for training at Wishing Tree Khon Kaen Resort whereas the Group accommodated room, food and beverage, and provided laundry service to facilitate the athletes. Thus, the Group charged room, food and beverage, and laundry service charges from BGFC Sport Company Limited. According to the isolation of athletes for training, room, food and beverage, and laundry service charges are the discounted prices from the prices offered by the Group to the third parties in accordance with the BG Group's policy. However, from 2018 onwards, room, food and beverage charges will be the same prices offered by the Group to the third parties.</p> <p>– In addition, Wishing Tree Khon Kaen Resort sold room and food package to BGFC Sport Company Limited for use of service at Wishing Tree Khon Kaen Resort. Room, food and beverage, laundry charges under room and food package are the comparative prices offered by the Group to the third parties.</p>	<p>– In 2018 onwards, the Group has entered into such transaction under price and general commercial condition similar to a transaction entered with a third party. The transaction is therefore considered and deemed proper and reasonable.</p> <p>– The transaction for sales of room and food packages supports the Group's normal business. Pricing of such packages are based on price and general commercial condition similar to a transaction entered with a third party. The transaction is therefore deemed proper and reasonable.</p>

Person/Juristic Person with Potential Conflicts	Nature of Related Party Transactions	Transaction Value for the Accounting Year Ended December 31, 2017 (Baht)	Transaction Value for the Accounting Year Ended December 31, 2018 (Baht)	Necessity and Reasonableness of the Transactions	Opinions of the Audit Committee
– BG	1.14 <u>Revenue from utility charge</u>			– The Group applied for using utility services with the related agencies whereas some companies in BG Group are located in the same area of the Group and use utility services in such area. The Group therefore charged the companies in BG Group for such utility charges. – Utility charges are charged based on actual expenses.	– Such transaction supports the Group's normal business under price and general commercial condition similar to a transaction entered with a third party. The transaction is therefore considered and deemed proper and reasonable.
	– Revenue – Receivable	5,185,424.0 447,892.8	8,869,780.8 1,213,688.2		
– BG Float Glass Company Limited	– Revenue – Receivable	18,873.5 4,232.3	77,873.7 5,865.7		
– BG Packaging Company Limited	– Revenue – Receivable	13,100,655.8 1,160,589.0	2,989,749.8 -		

Person/Juristic Person with Potential Conflicts	Nature of Related Party Transactions	Transaction Value for the Accounting Year Ended December 31, 2017 (Baht)	Transaction Value for the Accounting Year Ended December 31, 2018 (Baht)	Necessity and Reasonableness of the Transactions	Opinions of the Audit Committee
– BG Packaging Company Limited	1.15 Revenue from electricity bill and wastewater treatment fee – Revenue – Receivable	40,263,414.5 3,952,407.7	51,181,921.9 -	– The factory of BG Packaging Co., Ltd. is located in the same area as the Ayutthaya Glass Industry factory, and the Group applied for use of electricity and installation of electric meter, as well as use of wastewater treatment service from the industrial estate. BG Packaging Company Limited also used the electricity and wastewater treatment services, the Group therefore charged BG Packaging Co., Ltd. for such services. – Electricity bill and wastewater treatment fee are charged based on actual expenses.	– Such transaction supports the Group's normal business under price and general commercial condition. The transaction is therefore considered and deemed proper and reasonable.
	1.16 Expenditure for magazine cost – Cost and expense – Payable	394,920.5 -	175,080.0 -	– BG Group published magazines to publicize relevant activities of all companies under BG Group. The Group is also under BG Group and therefore bought magazines from BG in accordance with the Group's policy on public relations. – Purchase price is a cost price of BG's magazine purchase from the publisher.	– Such transaction supports the Group's normal business under price and general commercial condition similar to a transaction entered with a third party. The transaction is therefore considered and deemed proper and reasonable.

Person/Juristic Person with Potential Conflicts	Nature of Related Party Transactions	Transaction Value for the Accounting Year Ended December 31, 2017 (Baht)	Transaction Value for the Accounting Year Ended December 31, 2018 (Baht)	Necessity and Reasonableness of the Transactions	Opinions of the Audit Committee
- BG	1.17 <u>Expenditure for office rental and service fees</u> - Expense - Payable	10,423,200.0 895,981.2	7,397,620.6 1,231,486.9	<p>- The Group has entered into lease and service agreements with BG for a suite on 32nd Fl. at Ocean Tower 1 Building with approximate total area of 1,109 Sq.m. and lease an office building area of approximately 2,500 Sq.m. in total at Thanyaburi District, Pathum Thani Province, to be used as the Group's offices.</p> <p>- The office rental and service fees (for Ocean Tower 1 Building) are comparable with the rate of nearby area. The rental fee of office building space (in Pathumthani Province) is a price estimated by an independent valuation company approved by the Office of the SEC. The lease agreement for space is effective from January 1, 2018 (kindly consider detail of the lease agreement for area in Form 56-1 Part 1 Clause 6 – Other Key Information).</p> <p>- On December 1, 2018, the Group relocated its office from Ocean Tower 1 Building to Singha Complex Building at 38th Fl.</p>	<p>- Such transaction is the Group's real estate lease under price and general commercial condition similar to a transaction entered with a third party. The transaction is therefore considered and deemed proper and reasonable.</p>

Person/Juristic Person with Potential Conflicts	Nature of Related Party Transactions	Transaction Value for the Accounting Year Ended December 31, 2017 (Baht)	Transaction Value for the Accounting Year Ended December 31, 2018 (Baht)	Necessity and Reasonableness of the Transactions	Opinions of the Audit Committee
- BG	1.18 <u>Expenditure for land and building space lease fees</u> - Cost - Payable	35,880,000.0 2,990,000.0	27,443,114.9 1,904,133.3	- The Group has entered into land lease agreements with BG to use as locations of Pathumthani Glass Industry Co., Ltd., Rayong Glass Industry Co., Ltd., Khon Kaen Glass Industry Co., Ltd., and Ayutthaya Glass Industry Co., Ltd. factories. - Land lease fee for 2017 was based on a rate specified in the past agreement. In Q1/2018, the Group purchased lands where RBl and AGI factories are located from BG; and in early April 2018 also purchased from BG a land where Khon Kaen Glass Industry Co., Ltd. warehouse is located.	- Such transaction is the Group's real estate lease in the past for its business operation and incurred for necessity. - From January 1, 2018, the Group entered into a new real estate lease agreement in which a lease fee is based on a rate estimated by an independent valuation company approved by the Office of the SEC.



Person/Juristic Person with Potential Conflicts	Nature of Related Party Transactions	Transaction Value for the Accounting Year Ended December 31, 2017 (Baht)	Transaction Value for the Accounting Year Ended December 31, 2018 (Baht)	Necessity and Reasonableness of the Transactions	Opinions of the Audit Committee
				<p>– Consequently, after Q1/2018, the Group has entered into (1) transaction of land lease for a location of Pathumthani Glass Industry Co., Ltd. factory, (2) transaction of land lease for a location of Ayutthaya Glass Industry Co., Ltd. energy zone, and (3) transaction of space lease for the Mould Center and ISC in Ayutthaya Province. The purchase prices and rate of land and space lease fees are based on estimated prices by an independent valuation company approved by the Office of SEC. Such land and space lease agreements are entered by the Group and effective from January 1, 2018 (kindly consider the detail of land and space lease agreements in Form 56-1 Part 1 Clause 6 – Other Key Information).</p>	

Person/Juristic Person with Potential Conflicts	Nature of Related Party Transactions	Transaction Value for the Accounting Year Ended December 31, 2017 (Baht)	Transaction Value for the Accounting Year Ended December 31, 2018 (Baht)	Necessity and Reasonableness of the Transactions	Opinions of the Audit Committee
- BG	1.19 Administration expenses/service fees - Administration expenses are classified into:- - Administration Expenses - Marketing Expense - Management Fee and Management Service Fee) - Payable - Service Fees - Payable	378,821,142.0  69,770,965.0 151,489,885.0 157,560,292.0  16,586,517.3 - -	-  - - -  - 59,218,272.0 4,886,813.0	- In 2017, with reference to former structure in pre-restructuring of the Company, BG manages the overall operation of the subsidiaries of the Group, and general daily administration, provision of technical assistance and advice, public relations and marketing. - Administration expenses are based on the rate agreed in the contract by pricing method as follows. - Administration Expenses: is charged based on actual expense, and allocated based on sales volume of each company. - Marketing Expense: is charged based on actual expense, and allocated based on sales volume of each company. - Management Fee and Management Service Fee: is charged based on the percent rate of packaging sales volume	- Such transaction supports the Group's normal business and it is the past occurred transaction. Pricing is based on market rate and actual expense, not resulting in loss of the Group's benefit. The transaction is therefore considered and deemed proper and reasonable.

Person/Juristic Person with Potential Conflicts	Nature of Related Party Transactions	Transaction Value for the Accounting Year Ended December 31, 2017 (Baht)	Transaction Value for the Accounting Year Ended December 31, 2018 (Baht)	Necessity and Reasonableness of the Transactions	Opinions of the Audit Committee
				<p>– In post-restructuring of the Company, such transaction will not occur again in the future since the Company manages marketing, supporting work for the Group and some parts in accordance with service agreement with BG (kindly consider the details in Form 56-1 Part 1 Clause 6 – Other Key Information, and notes to consolidated financial statements of the Company).</p> <p>– Additional details related to administration expenses and service fees collected by BG in 2018 can be considered in details in Part 2 Clause 12 – Related Party Transactions, Sub-Clause 12.3 – Additional Explanation on Transactions of Administration Expenses Collected by BG.</p>	<p>– The transaction for service fees and software service fee in Q1/2018 was regarded as transaction that supports the Group's normal business. The pricing for service fee is based on a market rate and actual expenses, and the service fee related to the software system is based on actual costs plus financial cost, not resulting in the Group's loss of benefits. The transaction is therefore deemed proper and reasonable.</p>

Person/Juristic Person with Potential Conflicts	Nature of Related Party Transactions	Transaction Value for the Accounting Year Ended December 31, 2017 (Baht)	Transaction Value for the Accounting Year Ended December 31, 2018 (Baht)	Necessity and Reasonableness of the Transactions	Opinions of the Audit Committee
- BG	1.20 Expenditure for factory equipment purchase cost - Asset - Payable	2,750,000.0 - -	600,000.0 -	<ul style="list-style-type: none"> <li>- Research and Development Department of BG invented equipment used in factory such as bottle quality detector, internal production process tester, etc. to enhance efficiency of production process. The Group purchased such factory equipment for using in production process.</li> <li>- Factory equipment cost is estimated based on cost and expense used in research and development of such equipment plus profit, and lower than market price.</li> </ul>	<ul style="list-style-type: none"> <li>- Such transaction supports the Group's normal business and it is the past occurred transaction. Pricing is based on cost and expense plus profit but not higher than market price, not resulting in loss of the Group's benefit. The transaction is therefore considered and deemed proper and reasonable.</li> </ul>
- BG	1.21 Other expenditures - Expense - Payable	9,546,036.9 252,520.0	1,776,207.1 -	<ul style="list-style-type: none"> <li>- Other expenditures include (1) expenditure for annual maintenance cost of Software System of Warehouse Management System, which was shared with BG that is the copyright owner, (2) insurance premium of Public &amp; Products Liability, and Product Recall Insurance, and (3) expenditure for internet charges that BG already advanced and charged to the Group.</li> <li>- Expenses are estimated based on actual cost and expense</li> </ul>	<ul style="list-style-type: none"> <li>- Such transaction supports the Group's normal business. Pricing is based on actual cost and expense, not resulting in loss of the Group's benefit. The transaction is therefore considered and deemed proper and reasonable.</li> </ul>

Person/Juristic Person with Potential Conflicts	Nature of Related Party Transactions	Transaction Value for the Accounting Year Ended December 31, 2017 (Baht)	Transaction Value for the Accounting Year Ended December 31, 2018 (Baht)	Necessity and Reasonableness of the Transactions	Opinions of the Audit Committee
– BG Packaging Company Limited  – Bangkok Visypak Company Limited	1.22 Revenue from pallet rental fee – Revenue – Receivable	954,313.0 115,350.3	1,055,520.4 -	– The companies in BG Group rented some pallets from the Group because at that time the Group had some pallets not in use and so rent them out. – Pallet rental fee is estimated based on actual cost of pallets.	– Such transactions support the Group's normal business. Pricing is based on actual cost, not resulting in loss of the Group's benefit. The transaction is therefore considered and deemed proper and reasonable.
	– Revenue – Receivable	239,247.6 59,881.7	509,025.4 96,419.54		
– Bangkok Visypak Company Limited	1.23 <u>Expenditure for packaging purchase</u> – Cost of sales – Account payable	182,726,070.5 39,283,882.5	209,188,933.0 25,199,387.3	– The Group purchased cartons and paper trays from Bangkok Visypak Company Limited for using as packaging material for the Group's glass packaging products. – Purchase price is comparable with that of the third party by considering on attribute and property of product and usability.	– Such transactions support the Group's normal business under price and general commercial condition similar to a transaction entered with a third party. The transaction is therefore considered and deemed proper and reasonable.



Person/Juristic Person with Potential Conflicts	Nature of Related Party Transactions	Transaction Value for the Accounting Year Ended December 31, 2017 (Baht)	Transaction Value for the Accounting Year Ended December 31, 2018 (Baht)	Necessity and Reasonableness of the Transactions	Opinions of the Audit Committee
- BG Packaging Company Limited	1.24 Revenue from water sample analysis fee			- BG Packaging Company Limited used the Group's service for water sample analysis because the Group has a work section to analyze water quality under the industrial standard. - Water sample analysis fee is comparable with a market price.	- Such transaction supports the Group's normal business under price and general commercial condition similar to a transaction entered with a third party. The transaction is therefore considered and deemed proper and reasonable.
	- Revenue - Receivable	14,400.0 1,284.0	13,200.0 -		
- BG Packaging Company Limited  - BG Float Glass Company Limited  - BG-	1.25 Other revenues	219,760.3	109,601.4	- Most of other revenues included revenue from sale of office supplies and equipment. The Group sold office supplies to companies in BG Group due to their urgent need for use. - The price of such office supplies is cost price of such assets.	- Such transaction supports the Group's normal business. Pricing is based on cost, not resulting in loss of the Group's benefit. The transaction is therefore considered and deemed proper and reasonable.
	- Revenue	-	-		
	- Receivable	-	-		
	- Revenue - Receivable	- -	82,943.9 20,623.4		
	- Revenue - Receivable	- -	378,241.1 13,223.7		

Person/Juristic Person with Potential Conflicts	Nature of Related Party Transactions	Transaction Value for the Accounting Year Ended December 31, 2017 (Baht)	Transaction Value for the Accounting Year Ended December 31, 2018 (Baht)	Necessity and Reasonableness of the Transactions	Opinions of the Audit Committee
- BG Packaging Company Limited	1.26 Other expenditures – Cost of goods sold – Payable	- -	41,730.0 -	<ul style="list-style-type: none"> <li>Most of other expenditures are the expenditures for buying equipment used as support for the Group's business operation.</li> <li>The purchase price of such equipment is comparable to a market price.</li> </ul>	<ul style="list-style-type: none"> <li>Such transaction supports the Group's normal business under price and general commercial condition similar to a transaction entered with a third party. The transaction is therefore considered and deemed proper and reasonable.</li> </ul>
- BGFC Sport Company Limited	1.27 <u>Expenditure for premium cost</u> – Expense – Payable	3,421,453.6 28,709.0	4,475,509.6 47,790.0	<ul style="list-style-type: none"> <li>The Group purchased premiums from BGFC Sport Company Limited as entertainment and gifts for customers, as well as support the Group's business operation such as giving sport shirts to employees for internal activities.</li> <li>The price of premiums is comparable with the price that BGFC Sport Company Limited sells to a third party.</li> </ul>	<ul style="list-style-type: none"> <li>Such transaction supports the Group's normal business under price and general commercial condition similar to a transaction entered with a third party. The transaction is therefore considered and deemed proper and reasonable.</li> </ul>

Person/Juristic Person with Potential Conflicts	Nature of Related Party Transactions	Transaction Value for the Accounting Year Ended December 31, 2017 (Baht)	Transaction Value for the Accounting Year Ended December 31, 2018 (Baht)	Necessity and Reasonableness of the Transactions	Opinions of the Audit Committee
– BG Energy Solution Company Limited	1.28 <u>Revenue from rooftop rental fee</u> – Revenue – Receivable	- -	1,542,600.0 122,000.0	– The Group rented out the rooftop area of Ayutthaya Glass Industry's warehouse building to BG Energy Solution Company Limited for installing solar PV rooftop panel and equipment. The Group has entered into a long-term lease agreement with BG Energy Solution Company Limited that is effective from January 1, 2018. – Rental fee is based on a market rate (kindly consider the detail of lease agreement for the rooftop area of warehouse building in Form 56-1 Part 1 Clause 6 - Other Key Information).	– Such transaction supports the Group's normal business under price and general commercial condition similar to a transaction entered with a third party. The transaction is therefore considered and deemed proper and reasonable.

Person/Juristic Person with Potential Conflicts	Nature of Related Party Transactions	Transaction Value for the Accounting Year Ended December 31, 2017 (Baht)	Transaction Value for the Accounting Year Ended December 31, 2018 (Baht)	Necessity and Reasonableness of the Transactions	Opinions of the Audit Committee
– BG Energy Solution Company Limited	1.29 <u>Expenditure for electricity bill</u> – Revenue – Receivable	- -	11,776,147.7 2,065,559.1	– The Group purchased electricity from BG Energy Solution Company Limited for use inside factory as follows. – Ayutthaya Glass Industry Co., Ltd. purchased electricity from Solar PV Rooftop. – Prachinburi Glass Industry Co., Ltd. purchases electricity from Floating Solar. – The price of electricity bill is comparable with purchase of electricity from PEA (kindly consider the detail of lease agreement for the rooftop area of warehouse building in Form 56-1 Part 1 Clause 6 – Other Key Information).	– Such transaction supports the Group's normal business under price and general commercial condition similar to a transaction entered with a third party. The transaction is therefore considered and deemed proper and reasonable.

Person/Juristic Person with Potential Conflicts	Nature of Related Party Transactions	Transaction Value for the Accounting Year Ended December 31, 2017 (Baht)	Transaction Value for the Accounting Year Ended December 31, 2018 (Baht)	Necessity and Reasonableness of the Transactions	Opinions of the Audit Committee
– BG Energy Solution Company Limited	1.30 <u>Expenditure for advisory fee</u> – Expense – Payable	- -	1,010,221.7 82,258.9	<p>– The Group has 2 types of electric generation units from waste heat at Ayutthaya Glass Industry's factory and from solar rooftop at Khon Kaen Glass Industry's factory. There is also waste heat recovery at Khon Kaen Glass Industry Co., Ltd to be used within the Company's factory and for sale to the outsiders (only KGI that sells to the outsiders). However, BG incorporated BG Energy Solution Company Limited to operate business of electricity generation and sale, resulting in restructuring within the group and employees so as to be consistent with such business.</p> <p>– Therefore, the Group engaged BG Energy Solution Company Limited to provide advice and oversee projects related to electricity generation of the Group at Khon Kaen Glass Industry Co., Ltd. and Ayutthaya Glass Industry Co., Ltd. factories. The Group entered into an advisory service agreement with BG Energy Solution Company Limited for a period of 10 years and is effective from March 1, 2018.</p>	<p>– Such transaction supports the Group's normal business under reasonable price and general commercial condition. The transaction is therefore considered and deemed proper and reasonable.</p>



Person/Juristic Person with Potential Conflicts	Nature of Related Party Transactions	Transaction Value for the Accounting Year Ended December 31, 2017 (Baht)	Transaction Value for the Accounting Year Ended December 31, 2018 (Baht)	Necessity and Reasonableness of the Transactions	Opinions of the Audit Committee
				<ul style="list-style-type: none"> <li>Advisory fee is charged at 2% of total revenue from the above electricity generating units, which is comparable with actual cost of service (kindly consider the detail of advisory service agreement in Form 56-1 Part 1 Clause 6 – Other Key Information).</li> </ul>	
<ul style="list-style-type: none"> <li>Taweesup (Chew Ja Heng) Company Limited</li> </ul>	1.31 Expenditure for purchase of cullet – Cost Payable	921,469,225.0 22,319,910.6	1,011,830,154.7 50,615,294.1	<ul style="list-style-type: none"> <li>Taweesup (Chew Ja Heng) Company Limited is a major seller of cullet. The Group purchased cullet from this company as raw materials for manufacturing the Company's glass packaging products.</li> <li>Purchase price is comparable with cullet purchased from a third party</li> </ul>	<ul style="list-style-type: none"> <li>Such transaction is the Group's normal business transaction under price and general commercial condition as if entry into the transaction with the third party. The transaction is therefore considered and deemed proper and reasonable.</li> </ul>

Person/Juristic Person with Potential Conflicts	Nature of Related Party Transactions	Transaction Value for the Accounting Year Ended December 31, 2017 (Baht)	Transaction Value for the Accounting Year Ended December 31, 2018 (Baht)	Necessity and Reasonableness of the Transactions	Opinions of the Audit Committee
– Taweessup (Chew Ja Heng) Company Limited	1.32 <u>Other revenues</u> – Revenue – Receivable	23,000.0 -	325,000.0 -	– Most of other revenues included transaction for the Group's sale of scraps such as conveyer machine, deteriorated pallets to Taweessup (Chew Ja Heng) Company Limited due to disuse. – The sale price is net book value of such assets plus profit.	– Such transaction supports the Group's normal business. Pricing is based on net book value plus profit, not resulting in loss of the Group's benefit. The transaction is therefore considered and deemed proper and reasonable.

Person/Juristic Person with Potential Conflicts	Nature of Related Party Transactions	Transaction Value for the Accounting Year Ended December 31, 2017 (Baht)	Transaction Value for the Accounting Year Ended December 31, 2018 (Baht)	Necessity and Reasonableness of the Transactions	Opinions of the Audit Committee
– Taweessup (Chew Ja Heng) Company Limited	1.33 <u>Other expenditures</u> – Expense – Receivable	- -	79,784.4 10,492.2	– Most of other expenditures included cullet lading service fee for loading on transportation vehicle, and the related workforce wage. – The rate of service fee is a rate comparable with service provided to third party.	– Such transaction supports the Group's normal business – Under reasonable price and general commercial condition as if entry into the transaction with the third party. The transaction is therefore considered and deemed proper and reasonable.

Person/Juristic Person with Potential Conflicts	Nature of Related Party Transactions	Transaction Value for the Accounting Year Ended December 31, 2017 (Baht)	Transaction Value for the Accounting Year Ended December 31, 2018 (Baht)	Necessity and Reasonableness of the Transactions	Opinions of the Audit Committee
– BGFC Sport Company Limited	1.34 Expenditure for sport sponsorship money – Expense – Payable	42,333,333.3 –	70,000,000.0 –	<p>– The Group provided sponsorship money to BGFC Sport Company Limited (Football and Volleyball Team). Such sponsorship is part of the Group's corporate social responsibility project and received advertisement right in return.</p> <p>– In 2018, the Company entered into sport sponsorship agreement of 70 million Baht.</p> <p>– The Board of Directors' Meeting held on August 14, 2018 resolved not to provide sponsorship to football club that may have relationship or related to the Group to create confidence to all parties of shareholders particularly the shareholders and investors that the management of the Company related to entry into transactions with potential conflict of interest of the Company transparently and accountably takes place.</p>	<p>– Such transaction supports the Group's normal business in accordance with sport support policy (CSR). The transaction is therefore considered and deemed reasonable.</p>
<b>– Other Groups</b>					

Person/Juristic Person with Potential Conflicts	Nature of Related Party Transactions	Transaction Value for the Accounting Year Ended December 31, 2017 (Baht)	Transaction Value for the Accounting Year Ended December 31, 2018 (Baht)	Necessity and Reasonableness of the Transactions	Opinions of the Audit Committee
– Khon Kaen Sport Management Company Limited	2.1 <u>Expenditure for sport sponsorship money</u> – Expense – Payable	35,000,000.0 -	19,600,000.0 -	– The Group provided sponsorship to Khon Kaen Football Club, a football club under the supervision of Khon Kaen Sport Management Company Limited, and received advertisement right in return. Such sponsorship was a part of the Group's corporate social responsibility project. – In 2018, the Company entered into an agreement to provide sport sponsorship of 30 million Baht which was ended in Q2/2018 since the Board of Directors' Meeting held on August 14, 2018 resolved not to provide sponsorship to football club that may have relationship or related to the Group in order to create confidence to all parties of shareholders particularly the shareholders and investors that the management of the Company related to entry into transactions with potential conflict of interest of the Company transparently and accountably takes place.	– Such transaction supports the Group's normal business in accordance with sport support policy (CSR). The transaction is therefore considered and deemed reasonable.

Person/Juristic Person with Potential Conflicts	Nature of Related Party Transactions	Transaction Value for the Accounting Year Ended December 31, 2017 (Baht)	Transaction Value for the Accounting Year Ended December 31, 2018 (Baht)	Necessity and Reasonableness of the Transactions	Opinions of the Audit Committee
– ThaiNamthip Manufacturing Company Limited	2.2 <u>Revenue from packaging sales</u>			– The Group sold glass packaging to ThaiNamthip Manufacturing Company Limited and Thai Asia Pacific Brewery Company Limited, as normal business operation of the Group. – Sale prices are in accordance with the Group's price policy comparable with other customers.	– Such transaction is the Group's normal business transaction under price and general commercial condition. The transaction is therefore considered and deemed proper and reasonable.
	– Revenue	33,215,465.3	33,476,601.6		
	– Receivable	11,789,482.6	7,707,204.9		
– Thai Asia Pacific Brewery Company Limited	– Revenue	66,290,213.7	84,143,895.1		
	– Receivable	-	9,040,638.2		
– Boon Rawd Group					
– Boonrawd Brewery Company Limited	3.1 <u>Revenue from packaging sales</u>			– The Group sold glass packaging to Boonrawd Brewery Company Limited that operates normal business of the Group. – Sale prices are comparable with the prices offered for sale by the Group to the third party.	– Such transaction is the Group's normal business transaction under reasonable price and general commercial condition similar to a transaction entered with a third party. The transaction is therefore considered and deemed proper and reasonable.
	– Revenue	752,770.6	804,923.0		
	– Receivable	-	4,940.34		



Person/Juristic Person with Potential Conflicts	Nature of Related Party Transactions	Transaction Value for the Accounting Year Ended December 31, 2017 (Baht)	Transaction Value for the Accounting Year Ended December 31, 2018 (Baht)	Necessity and Reasonableness of the Transactions	Opinions of the Audit Committee
– Pathumthani Brewery Company Limited	3.2 <u>Revenue from packaging sales</u>			– The Group sold glass packaging to the companies in Boon Rawd Group, as normal business operation of the Group. Sale prices are in accordance with the prices specified in the packaging sale contracts (kindly see the detail of packaging sale contracts with Boon Rawd Group in Form 56-1 Part 1 Clause 6 – General Information and Other Key Information) in accordance with the Group's price policy comparable with other customers.	– Such transaction is the Group's normal business transaction under reasonable price and general commercial condition. The transaction is therefore considered and deemed proper.
	– Revenue	1,741,829,825.1	1,367,484,331.3		
– Chiangmai Beverage Company Limited	– Receivable	170,007,451.9	-		
	– Revenue	78,861,510.4	160,535,087.2		
– Wang Noi Beverage Company Limited	– Receivable	26,610,225.5	15,568,632.7		
	– Revenue	339,769,561.6	1,192,313,787.2		
– Sam Sen Brewery Company Limited	– Receivable	34,423,680.5	95,848,228.9		
	– Revenue	12,751,257.6	16,343,347.20		
	– Receivable	1,568,086.7	-		

Person/Juristic Person with Potential Conflicts	Nature of Related Party Transactions	Transaction Value for the Accounting Year Ended December 31, 2017 (Baht)	Transaction Value for the Accounting Year Ended December 31, 2018 (Baht)	Necessity and Reasonableness of the Transactions	Opinions of the Audit Committee
– Suratthani Beverage Company Limited	– Revenue	83,253,275.4	230,088,492.4		
	– Receivable	9,992,338.0	10,196,808.9		
– Singha Beverage Company Limited	– Revenue	879,787,462.0	879,433,597.4		
	– Receivable	35,555,855.7	58,681,307.7		
– Boonrawd Trading Company Limited	– Revenue	1,167,352,360.8	12,196.80		
	– Receivable	-	-		
– Khon Kaen Brewery Company Limited	– Revenue	2,112,973,077.3	1,813,908,824.1		
	– Receivable	567,500,101.1	222,376,347.6		
– Mahasarakham Beverage Company Limited	– Revenue	165,462,736.0	428,247,250.0		
	– Receivable	51,621,936.0	58,406,953.7		

Person/Juristic Person with Potential Conflicts	Nature of Related Party Transactions	Transaction Value for the Accounting Year Ended December 31, 2017 (Baht)	Transaction Value for the Accounting Year Ended December 31, 2018 (Baht)	Necessity and Reasonableness of the Transactions	Opinions of the Audit Committee
– Pathumthani Brewery Company Limited	3.3 <u>Revenue for packaging transportation fee</u>			<ul style="list-style-type: none"> <li>Transportation service is the supporting activity for sale of the Group. However, the Group charged transportation fee to companies in Boon Rawd Group for transporting glass packaging.</li> <li>Transportation fee is charged at a rate similar to hiring a third party.</li> </ul>	<ul style="list-style-type: none"> <li>Such transaction supports the Group's normal business under price and general commercial condition similar to a transaction entered with a third party. The transaction is therefore considered and deemed proper.</li> </ul>
	– Revenue	30,719,143.8	24,262,764.09		
– Wang Noi Beverage Company Limited	– Receivable	-	-		
	– Revenue	184,116.0	155,292.00		
– Sam Sen Brewery Company Limited	– Receivable	-	-		
	– Revenue	241,392.0	309,636.00		
– Singha Beverage Company Limited	– Receivable	-	-		
	– Revenue	12,870,729.0	3,259,312.05		
	– Receivable	83,190.0	-		

Person/Juristic Person with Potential Conflicts	Nature of Related Party Transactions	Transaction Value for the Accounting Year Ended December 31, 2017 (Baht)	Transaction Value for the Accounting Year Ended December 31, 2018 (Baht)	Necessity and Reasonableness of the Transactions	Opinions of the Audit Committee
– Boonrawd Trading Company Limited  – Khao Yai Winery Company Limited	– Revenue – Receivable	1,052,925.3 -	3,000.0 -		
	– Revenue – Receivable	7,000.0 -	14,000.00 -		
– Pathumthani Brewery Company Limited  – Singha Beverage Company Limited  – Khon Kaen Brewery Company Limited	3.4 Revenue from bottle storage service fee – Revenue – Receivable	- -	6,521,720.9 986,742.2	– The Group earned revenue from goods storage management for customers because its customers are unable to receive all goods as ordered for production in some period of time. The Group therefore provides storage service of such goods to be gradually feed into the customer factories. – The rate of goods storage management fee is comparable with the rate offered for sale by the Group to the third party.	– Such transaction supports the Group's normal business under price and general commercial condition similar to a transaction entered with a third party. The transaction is therefore considered and deemed proper and reasonable.
	– Revenue – Receivable	- -	4,015,938.4 -		
	– Revenue – Receivable	- -	16,587,269.0 2,703,955.2		

Person/Juristic Person with Potential Conflicts	Nature of Related Party Transactions	Transaction Value for the Accounting Year Ended December 31, 2017 (Baht)	Transaction Value for the Accounting Year Ended December 31, 2018 (Baht)	Necessity and Reasonableness of the Transactions	Opinions of the Audit Committee
– Boonrawd Trading Company Limited	3.5 <u>Expenditure for godown rental fee</u> – Expense – Payable	- -	1,600,000.0 -	– The Group rented godown in Khon Kaen Province from Boonrawd Trading Company Limited for using as goods storage. – The rate of godown rental fee was similar to the rate of godown rental fee in nearby area of the third party.	– Such transaction supports the Group's normal business under price and general commercial condition similar to a transaction entered with a third party. The transaction is therefore considered and deemed proper and reasonable.
– Pathumthani Brewery Company Limited  – Chiangmai Beverage Company Limited	3.6 <u>Revenue for insurance premium</u> – Revenue – Receivable  – Revenue – Receivable	43,864.9 1,811.2  2,741.6 1,546.8	71,573.6 6,642.9  7,055.0 802.7	– The companies in Boon Rawd Group purchased glass packaging from the Group and sometimes deposited in godown of goods, and insured for goods protection. However, as the Group has already insured warehouse, insurance premium was therefore charged to the companies in Boon Rawd Group. Insurance premium is estimated based on actual expense.	– Such transaction supports the Group's normal business under price and general commercial condition similar to a transaction entered with a third party. The transaction is therefore considered and deemed proper and reasonable.

Person/Juristic Person with Potential Conflicts	Nature of Related Party Transactions	Transaction Value for the Accounting Year Ended December 31, 2017 (Baht)	Transaction Value for the Accounting Year Ended December 31, 2018 (Baht)	Necessity and Reasonableness of the Transactions	Opinions of the Audit Committee
– Wang Noi Beverage Company Limited	– Revenue	20,237.0	43,023.9		
	– Receivable	8,722.1	3,203.3		
– Suratthani Beverage Company Limited	– Revenue	353.7	5,654.9		
	– Receivable	297.7	275.7		
– Khon Kaen Brewery Company Limited	– Revenue	93,078.1	93,866.4		
	– Receivable	24,890.3	6,611.9		
– Maharakham Beverage Company Limited	– Revenue	8,461.7	13,037.6		
	– Receivable	2,085.4	908.7		



Person/Juristic Person with Potential Conflicts	Nature of Related Party Transactions	Transaction Value for the Accounting Year Ended December 31, 2017 (Baht)	Transaction Value for the Accounting Year Ended December 31, 2018 (Baht)	Necessity and Reasonableness of the Transactions	Opinions of the Audit Committee
– Khao Yai Winery Company Limited	3.7 Revenue from packaging sales – Revenue – Receivable	95,200.0 –	190,400.0 –	– The Group sold glass packaging to Khao Yai Winery Company Limited as the Group's normal business operation. – Sale price is cost plus profit. The glass packaging sold to Khao Yai Winery Company Limited is the packaging purchased for distribution and fulfillment of overall customer needs.	– Such transaction supports the Group's normal business. Pricing is based on cost plus profit, not resulting in loss of the Group's business. The transaction is therefore considered and deemed proper and reasonable.
	3.8 Expenditure for claim charge of poor standard goods – Expense – Payable  – Expense – Payable	51,697.2 –  – –	2,099,219.1 –  921,208.1 –	– The Group accepted to buy poor standard goods back as stipulated in the agreements of packaging buyback from Singha Beverage Company Limited and Pathumthani Brewery Company Limited. Purchase price was cost price purchased Singha Beverage Company Limited and Pathumthani Brewery Company Limited purchased from the Group.	– Such transaction supports the Group's normal business under price and general commercial condition. The transaction is therefore considered and deemed proper.

Person/Juristic Person with Potential Conflicts	Nature of Related Party Transactions	Transaction Value for the Accounting Year Ended December 31, 2017 (Baht)	Transaction Value for the Accounting Year Ended December 31, 2018 (Baht)	Necessity and Reasonableness of the Transactions	Opinions of the Audit Committee
– Khon Kaen Brewery Company Limited	3.9 <u>Revenue from steam sales</u> – Revenue – Receivable	17,620,708.4 4,186,514.0	15,237,079.8 1,299,033.3	– Khon Kaen Glass Industry's factory generates Waste Heat Stream acquired from glass melting in the manufacturing process of glass packaging. The quantity is sufficient for selling to Khon Kaen Brewery Company Limited. Price of steam is based on a price formula agreed upon. Profit is earned from such steam sales.	– Such transaction supports the Group's normal business. Pricing is based on agreed price formula whereas profit is earned from sales of steam, not resulting in loss of the Group's business. The transaction is therefore considered and deemed proper and reasonable.
– Khon Kaen Brewery Company Limited	3.10 Expenditure for service fee for water quality analysis and price of feed water for steam generation – Cost – Payable	638,390.0 101,724.9	510,936.0 67,800.6	– For Khon Kaen Glass Industry's steam generation, water used as steam feed water must have specific property; so feed water must undergo property analysis and purification process. Since Khon Kaen Brewery Company Limited has a unit responsible for water analysis and reverse osmosis process for manufacturing its beers, Khon Kaen Glass Industry Co., Ltd. uses the service of such unit to analyze and produce water for steam generation in order to reduce a cost of establishing a new unit.	– Such transaction supports the Group's normal business. Pricing is based on cost, not resulting in loss of the Group's business. The transaction is therefore considered and deemed proper and reasonable.

Person/Juristic Person with Potential Conflicts	Nature of Related Party Transactions	Transaction Value for the Accounting Year Ended December 31, 2017 (Baht)	Transaction Value for the Accounting Year Ended December 31, 2018 (Baht)	Necessity and Reasonableness of the Transactions	Opinions of the Audit Committee
				<ul style="list-style-type: none"> <li>Service fee for water quality analysis and price of feed water for steam generation are estimated based on cost price.</li> </ul>	
<ul style="list-style-type: none"> <li>Khon Kaen Brewery Company Limited</li> </ul>	3.11 Expenditure for water supply bill <ul style="list-style-type: none"> <li>Expense</li> <li>Payable</li> </ul>	2,350,310.5 443,770.6	3,355,884.1 496,940.53	<ul style="list-style-type: none"> <li>Khon Kaen Brewery Company Limited built a generation unit of water from natural water sources for use in production process. Due to insufficiency of water supply in the area, Khon Kaen Glass Industry Co., Ltd. made an agreement to use such water in its business as the two companies are in nearby area. As a result, Khon Kaen Brewery Company Limited charges Khon Kaen Glass Industry Co., Ltd. for water supply.</li> <li>Water supply bill is charged based on a cost plus small operational charge.</li> </ul>	<ul style="list-style-type: none"> <li>Such transactions supports the Group's normal business under price and general commercial condition similar to a transaction entered with a third party. The transaction is therefore considered and deemed proper and reasonable.</li> </ul>

Person/Juristic Person with Potential Conflicts	Nature of Related Party Transactions	Transaction Value for the Accounting Year Ended December 31, 2017 (Baht)	Transaction Value for the Accounting Year Ended December 31, 2018 (Baht)	Necessity and Reasonableness of the Transactions	Opinions of the Audit Committee
– Leo Links Company Limited	3.12 Expenditure for packaging transportation fee			– The Group engaged Leo Links Company Limited and BRF Logistics Company Limited to transport some of its glass packaging products of the Group to customers. Transportation fee is a rate similar to hiring a third person for contracting of transporting glass packaging products.	– Such transaction supports the Group's normal business under price and general commercial condition similar to a transaction entered with a third party. The transaction is therefore deemed proper and reasonable.
	– Cost	29,282,690.0	22,174,344.8		
	– Payable	414,323.0	661,866.0		
– BRF Logistics Company Limited	– Cost	-	2,666,603.1		
	– Payable	-	981,432.0		
– Leo Links Company Limited	3.13 Revenue from claim of damaged goods during transportation			– The Group engaged Leo Links Company Limited to transport some of its glass packaging products of the Group to customers. Compensation fee was charged once goods were damaged during transportation. – Claim charge of goods is a rate that the Company sells glass packaging to its customers.	– Such transaction supports the Group's normal business under price and general commercial condition similar to a transaction entered with a third party. The transaction is therefore deemed proper and reasonable.
	– Revenue	-	216,623.4		
	– Receivable	-	-		

Person/Juristic Person with Potential Conflicts	Nature of Related Party Transactions	Transaction Value for the Accounting Year Ended December 31, 2017 (Baht)	Transaction Value for the Accounting Year Ended December 31, 2018 (Baht)	Necessity and Reasonableness of the Transactions	Opinions of the Audit Committee
– Singha Parks Chiangrai Company Limited	3.14 Expenditure for product purchase			– The Group purchased food & beverage products from Singha Parks Chiangrai Company Limited to use in its business. Purchase price is comparable with a price offered for sale by Singha Parks Chiangrai Company Limited to a third party.	– Such transaction supports the Group's normal business under price and general commercial condition similar to a transaction entered with a third party. The transaction is therefore deemed proper and reasonable.
	– Expense – Payable	27,903.6 –	21,432.0 950.2		
– Singha Beer Company Limited – Boonrawd Trading Company Limited	3.15 <u>Expenditure for purchase of food/ beverage</u>			– The Group purchased food and beverage from Singha Beer Company Limited and Boonrawd Trading Company Limited for employee welfare during duty performance in the Group. Purchase price is comparable with the sale price of the Company offered to the third party.	– Such transaction supports the Group's normal business under price and general commercial condition similar to a transaction entered with a third party. The transaction is therefore deemed proper and reasonable.
	– Expense – Payable  – Expense – Payable	3,299,756.4 360,236.9  – –	3,477,391.9 742,772.1  26,056.3 –		

Person/Juristic Person with Potential Conflicts	Nature of Related Party Transactions	Transaction Value for the Accounting Year Ended December 31, 2017 (Baht)	Transaction Value for the Accounting Year Ended December 31, 2018 (Baht)	Necessity and Reasonableness of the Transactions	Opinions of the Audit Committee
- Santiburi Development And Resort Company Limited	3.16 <u>Expenditure for lawn mowing employee wage</u> - Expense - Payable	- -	45,320.0 -	- The Group engaged the employees of Santiburi Development And Resort Company Limited for lawn mowing of the provincial football field to support corporate social responsibility activity of the Group. - Service charge is comparable with market price.	- Such transaction supports the Group's normal business under reasonable price and general commercial condition. The transaction is therefore considered and deemed proper.
- Pathumthani Brewery Company Limited	3.17 <u>Expenditure for workforce wage in lading poor standard bottles</u> - Expense - Payable	- -	9,896.0 -	- In case of the Group's transportation of poor standard or damaged glass packaging to its customers, the customers shall notified the Company to arranged vehicle to take back such glass packaging. However, the customers will employ workers to move glass packaging inside the factory to its customers and the Group will pay this part of workforce employment expense for its customers. - Expense is charged based on actual expense.	- Such transaction supports the Group's normal business under reasonable price and general commercial condition. The transaction is therefore considered and deemed proper.



### **3. Additional Explanation on Transactions of Administration Expenses Collected by BG**

In pre-restructuring of the Group, the Company prepared consolidated financial statements under common control for the years 2015, 2016, and Q1/2017, and after completion of the Group's restructuring on April 1, 2017, the Company prepared consolidated financial statements based on current structure. In 2015, 2016 and 2017, the Company's transactions of service fees collected in the Group in accordance with the rule of consolidated financial statements preparation both such pre-restructuring and post-restructuring can classified explanation on service fees collected by the Group as per the following summary.

- 1) Pre-restructuring: In 2015, 2016, and Q1/2017, BG collected BGC for administration expenses such as Administration Expenses, Marketing Expenses, and Management Fee. In preparing consolidated financial statements under common control of the Company, it was considered as if BGC that accepted the transfer of glass packaging administrative section collected this service fee, and eliminated the related party transaction since it was deemed that it was the transaction in the same group and then was not presented in notes to consolidated financial statements.
- 2) Post-restructuring: In Q2-Q4/2017, BG collected BGC for administration expenses such as Administration Expenses, Marketing Expenses, and Management Service Fee. In the period of Q2-Q4/2017, the part of the related party transactions was not eliminated for preparing consolidated financial statements of BGC since BG is not part of BGC Group, resulting in presentation of this portion of expenses in consolidated financial statements of the Company in such period of time.
- 3) For 2018, the Group paid service fee to BG in accordance with service contract with BG and the said contract is effective from January 1, 2018 under the following scope of service and Pricing method as follows: (1) administration service: is charged based on the rate of actual cost, (2) technology, information and communication service: is charged based on the rate of actual cost comparable with market rate, (3) logistics management service: is charged based on the rate of actual cost, and (4) company secretary service: is charged based on the rate of actual cost comparable with the market rate. In addition, the Company has entered into the agreement with BG for services related to software system and maintenance fee of such software system, and the agreement is effective from March 1, 2018. However, the rate of service fees is based on the rate of actual cost plus financial cost of BG (kindly consider the details in Form 56-1 Part 1 Clause 6 – Other Key Information and notes to consolidated financial statements of the Company and its subsidiaries for year ended December 31, 2018).

## **4. Necessity and Reasonableness of Related Party Transactions**

The Audit Committee's Meeting of the Company No. 1/2019 held on February 25, 2019 considered the information of the related party transactions of the Group for the accounting year ended December 31, 2018, in accompany with inquiry of information from the Company's Management, and review information as specified in notes to consolidated financial statements audited and/or reviewed by the Company's auditor, and the Meeting deemed that the related party transactions of the Group for the accounting year ended December 31, 2018 are the necessary and useful transactions for the Group's business operation and/or transactions taken place for the Group's normal business operation, and in accordance with the general commercial conditions similar to the act which should be performed by a reasonable man with the general contractual party in the same situation under the commercial bargaining power at free of influence on the status of the other contractual party as the party with potential conflict on Arm's Length Basis.

## **5. Measure and Procedure for Approval of Entry into Related Party Transactions or Connected Transactions**

The Board of Directors' Meeting No. 8/2017 being held on November 15, 2017 considered and approved the policy for entry into related party transactions or connected transactions for transparency and maintenance of benefits of the Group from entry into the related party transaction between the Company and/or its subsidiaries of the Company, with the person or juristic person with potential conflict. The following could be summarized.

For investor protection in case of entry into related party transactions or connected transactions of the Company and its subsidiaries, with the party with potential conflict of interest, the Company shall execute by mainly taking into account maximum benefits of the Company to ensure that all related party transactions or connected transactions of the Company are transparently entered without conflict of interest. The Board of Directors shall therefore approve the entry into related party transactions or connected transactions in accordance with the rule of the Securities and Exchange Act B.E. 2535 (1992) (including amendment), and the related rules of the Capital Market Supervisory Board and/or the Securities and Exchange Commission, and the Stock Exchange of Thailand, as well as complied with the requirements related to disclosure of the related party transactions in notes to financial statements audited by the auditor of the Company, and Annual Registration Statement Form (56-1). In entry into such transactions, the Company shall audit and supervise the occurred transactions without participation of the stakeholders who are related to such interests in decision making on the occurred related party transactions.

The Board of Directors resolved to approve the procedure for entry into the related transactions or connected transactions under the framework of good ethics through screening by the Audit Committee

under major concern on the benefits of the Company and the shareholders, and supervising the compliance with the rule of the Capital Market Supervisory Board, the Securities and Exchange Commission, and Stock Exchange of Thailand, and considering the public disclosure of the information on entry into related party transactions or connected transactions to be proper and complete.

In case of the Company's normal business transaction or normal business supporting transaction, and transaction that may continuously occur in the future, the Company establishes a policy for determining the framework of such transactions that the commercial agreement is required in the nature which is similar to the act of the reasonable man performed with the general contractual party in the same situation with commercial bargaining power at free of influence from the status of the director, executive or related party, and without transfer of interest; and/or can indicate that the reasonable or fair prices or conditions on the entry into such transactions are determined.

The Management of the Company can immediately enter into transactions with nature as determined in the framework without requirement to re-propose such transactions for request of approval from the Board of Directors. The Company shall prepare the quarterly summary report of related party transactions or connected transactions to report in the Audit Committee's Meeting of the Company and the Board of Directors' Meeting in accordance with securities and exchange law, regulations, notifications, orders or requirements of the Office of the Securities and Exchange Commission, Capital Market Supervisory Board, and Stock Exchange of Thailand.

If the related party transaction or connected transaction which is other transaction is entered, the Company shall propose the Audit Committee to remark the opinions related to the appropriateness of price and reasonableness of such transaction. In case where the Audit Committee is not expert in considering the occurred connected transaction, the Audit Committee can hire or assign the person who has knowledge and specialization such as the auditor, or independent valuator of assets to remark the opinion on such connected transaction to support the consideration of the Board of Directors or the shareholders as the case may be. The person with potential conflict of interest or stakeholding in entry into the transaction is not entitled to vote in considering and approving the entry into the connected transaction in order to ensure that the entry into such transaction is not removal or transfer of the Company's benefits but is the entry into the transaction under main concern on maximum benefits of the Company and all shareholders.

However, the Company shall disclose the related party transactions in notes to financial statements audited by the auditor of the Company, Annual Registration Statement Form (Form 56-1), and Annual Report (Form 56-2) as prescribed in securities and exchange law.

## **6. Policy and Trend of Future Entry into Related Party Transactions**

In the future, in case of necessity of the Company and/or its subsidiaries to enter into related party transactions or connected transactions, the Company shall execute in accordance with measure and procedure for approval of entry into related party transactions or connected transactions as prescribed by the Company. The stakeholding directors are unable to participate in approval of such transactions to make decision on entry into such transactions without conflict of interest and for maximum benefits of all shareholders. If the related party transactions of the Company or its subsidiaries with the party with potential conflict of interest, the Company shall formulate criteria and practical guideline in accordance with nature of general business by referring to proper, fair, reasonable and accountable prices and conditions, and propose to the Audit Committee to remark the opinions. In case where the Audit Committee is not expert in considering the potential related party transactions, the Company shall assign an independent expert or an auditor of the Company to remark the opinions related to such related party transactions for using in decision support of the Board of Directors and/or Audit Committee and/or shareholders as the case may be. After the Company is listed in the Stock Exchange of Thailand, the Board of Directors shall supervise to ensure the Company's compliance with law on securities and exchange supervision, notifications, orders or requirements of the Stock Exchange of Thailand, any requirements related to disclosure of information on entry into related party transactions, and acquisition or disposal of the core assets of the Company or its subsidiaries, as well as accounting standards prescribed by the Institute of Certified Public Accountants.

Nevertheless, the Company shall transparently enter into the aforesaid transactions and strictly comply with Related Party Transaction Policy of the Company in consistency with the requirements of the Office of the SEC and other related agencies.



# Analysis and explanation of the management sector

## 1. Overview of the past performance

The Company's main business is distribution of glass packaging, importing glass packaging products for sale domestically, the export of glass packaging of the Group, and the investment in the production and distribution of glass packaging through the Company's subsidiaries, including supporting and providing assistance in the management of production planning, Human Resource Management, procurement, production techniques finance, accounting, law, sales and marketing to the Company's subsidiaries. At present, the Company has a maximum production capacity of 3,495 tons per day, increased by 400 tons from the start of commercial production at the Ratchaburi Plant in the fourth quarter. The Group is producing and selling a variety of glass packaging such as beer bottles, beverage bottles, sauce bottles, pesticide bottles, medicine bottles and small food jars, etc. In addition, the Company also imports glass packaging for sale in the country, such as medicine bottles, pesticide bottles, wine bottles, and beer bottles, etc. The Company imports some types of glass bottles for sale to customers which cannot be produced and/or having insufficient capacity to meet the packaging requirements and various needs of customers.

The Company has customers based both domestically and internationally. There are sale and marketing teams who coordinate with customers and respond to the need to use a variety of packaging. This helps distributing quick sales and quick usage of customer on the packaging. Additionally, it correctly meets the requirements in order to provide customers with the highest satisfaction. Moreover, the Company has planned to continuously expand exports, especially selling products to countries in the ASEAN Economic Community (AEC), such as Laos, Vietnam, Myanmar, etc., as well as selling products in other countries such as Switzerland, Spain, Australia, South Africa, India, Sri Lanka, and South Korea etc.



## 2. Analysis of operating results for the accounting year ended 31 December 2017 and 2018

### 2.1 Incomes

Incomes	Consolidated financial statements of the Group for the accounting year ended on 31 December			
	2017		2018	
	Value (Million Baht)	% <sup>(1)</sup>	Value (Million Baht)	% <sup>(1)</sup>
Incomes from sales	11,164.2	99.5	10,400.5	98.8
Received dividend	-	-	-	-
Received interest	0.7	0.0	0.1	0.0
Others <sup>(2)</sup>	56.9	0.5	121.2	1.2
<b>Total incomes</b>	<b>11,221.8</b>	<b>100.0</b>	<b>10,521.8</b>	<b>100.0</b>

NOTE: <sup>(1)</sup> Percentage of total incomes

<sup>(2)</sup> Other income mainly consists of incomes from sales of scrap, profit from the sale of spare parts, and machines that are no longer used, including income from renting rooms and Wishing Tree Services.

In 2018, the Group total incomes decreased by 700.0 million or 6.2%, mainly due to lower sales in the beer segment, which is the main income of the Group from lower domestic consumption of beer.

For the accounting year ended on 31 December, 2017 and 2018, the Group had revenue from sales of packaging produced by the Group equal to 10,995.1 million baht and 10,295.9 million baht, respectively, decreased to 699.2 million baht or 6.4 % decreased, comparing the previous year as the sales from beer groups decreased due to lower domestic consumption which is the main product of the Group.

### 2.2 The cost of sale

The cost of sales from the glass packaging business accounted for a large proportion of cost of sales which corresponds to the revenue from the sale of glass packaging that is a large proportion of total revenue as well.

For the accounting year ended on 31 December, 2017 and 2018, the Group had cost of sales of 9,681.6 million baht and 8,708.3 million baht, respectively. In 2018, the Group had total cost of sales decreased by 973.3 million baht or 10.1 %, by which the cost reduced for 427.0 million baht or 6.7 %, and it was consistent with the decrease in sales volume of packaging.

However, during 2018, the price of glass scraps material declined; whereas, the energy price has increased according to the increasing world market price, causing the average variable cost to be reduced slightly from the price of the scrap glass and fixed costs decreased due to the overall production efficiency rate increased by 1.6 % from the relocation of production bases from factories in Rayong to more efficient factories.

## **2.3 Gross profit and gross profit margin**

For the accounting year ended on 31 December 2017 and 2018, the Group had gross profit of 1,482.6 million baht and 1,692.2 million baht respectively, or equivalent to gross profit of 13.3 % and 16.3 % respectively. In 2018, the Group had gross profit increased by 209.5 million baht or 14.1 % or equivalent to a gross profit margin of 16.3 %, which is increased for 3.0 % from the previous year. This is mainly due to lower cost of sales which comes from the lower fixed costs due to the increase of production efficiency and the closure of factories in Rayong as well as the price of the main raw material, such as the scrap glass, resulting in increased gross margin even though the Company have lower sales income.

## **2.4 Sales expenditure**

For the accounting year ended on 31 December 2017 and 2018, the Group had sales expenses of 379.9 million baht and 312.2 million baht respectively. In 2018, the Group had selling expenses decreased by 67.7 million baht or it was decreased by 17.8 % due to a decrease in transportation costs, marketing expenses, and advertising expenses.

## **2.5 Expenses on administration**

In 2018, the Group had administrative expenses of 648.4 million baht, which is decreased for 36.4 million baht or 5.3 % due to a decrease in expenses related to CSR projects. However, the Group has recorded provision for impairment in inventory and assets that were not used in 2018 according to the increased inventory.

## **2.6 Other expenses**

Other expenses are list of expenses that do not occur continuously and are not the expense caused by business operations. For the accounting year ended on 31 December, 2017 and 2018, the Group had other expenses of 22.9 million baht and 48.8 million baht respectively. For 2017 and 2018, the Group had other expenses from recognition of impairment losses of fixed assets derived from the provision for impairment of machinery parts that have a long life and deteriorated.

## **2.7 Financial expenses**

Most financial expenses consist of interest paid to financial institutions for short-term and long-term loans, including various bank fees for the accounting year ending on 31 December, 2017 and 2018. The Group financial expenses were 186.1 million baht and 192.5 million baht respectively. In 2018, the Group had financial expenses of 192.5 million Baht increased by 6.4 million baht or 3.4 %, mainly due to increased loans to be

used to restructure the group of companies and used as capital for the construction of Ratchaburi factory as well as improving the production efficiency. After the IPO, the Company paid some loans; therefore, the amount of borrowings ended on 31 December 2018 was 7,986.5 million baht, and it was decreased for 264.6 million baht or 3.3 %.

## **2.8 Income tax expense**

The Group has received certain benefits from obtaining tax benefits for the glass packaging business, including the production of steam and solar power of Khon Kaen Glass Industry under the investment promotion certificate of the Board of Investment ("BOI").

In 2018, the Group had corporate income tax expenses for the year 87.8 million baht, which was increased for 73.2 million baht in line with the increased net profit. In addition, the company's tax privilege under BOI's investment promotion has been expired gradually. Therefore, the Company has increasing income tax expenses.

## **2.9 Net profit and net profit margin**

For the accounting year ended on 31 December, 2017 and 2018, the Group had a net profit of 251.9 million baht and 523.7 million baht respectively, or it was equivalent to a net profit margin of 2.3 % and 5.0 %, respectively. In 2018, the Group had increasing of the net profit for 271.9 million baht or 107.9 %, mainly due to the cost of sales for the fixed cost decreased from the closure of the factory in Rayong to move the production base to a more efficient factory and the cost of the average price of the main raw material and glass scraps decreased as well as there are better control of sales and administrative expenses. Hence, it is resulting in the increasing of net profit and net profit margin.

# **3. Financial status analysis**

## **3.1 Asset overview**

The main assets of the Group are land, buildings, and equipment, consisting of assets related to the production and distribution of glass packaging. On 31 December 2017 and 2018, the property, plant, and equipment accounted for 69.4% and 73.7% of total assets, respectively.

On 31 December, 2017 and 2018, the Group had total assets of 12,970.7 million baht and 14,729.0 million baht, respectively. In 2018, the Group had total assets increased by 1,758.3 million baht or 13.6% compared to 2017, and it is mainly due to the increase in property, plant, and equipment which increased from the purchase of land from BG to be the location of the Ayutthaya Plant, Khon Kaen Plant and Ratchaburi Plant as well as the increasing of Ratchaburi Plants.

### 3.2 Trade account receivable and other receivables

Most of the trade accounts receivable consist of trade accounts receivable from the sale of glass packaging and other receivables, most of which are provision for long-term employee benefits that have to be returned from BG due to the transfer of employees of the glass packaging business group to Group.

On 31 December, 2017 and 2018, the Group has accounts receivable and other receivables of 1,593.7 million baht and 1,351.3 million baht, respectively, which was decreased by 242.4 million baht or 15.2 % compared to 2017, mainly due to the reason that the Company has already received payment for the provision of long-term employee benefits arising from the restructuring from BG.

However, on 31 December, 2017 and 2018, the Group has accounts receivable and other receivables of 12.3% and 9.2% of total assets, respectively. The average collection period of the Group is 41.5 days and 46.7 days, respectively

### 3.3 Inventories

On 31 December, 2017 and 2018, the Group had net inventories equal to 1,993.1 million baht and 2,110.3 million baht respectively. In 2018, the Group had inventories increased by 117.2 million baht or 5.9 %, mainly due to the increasing in finished goods because there is the decreasing in demand for domestic beers, resulted in a decrease in sales volume, increasing inventory levels with 15.4% of inventories and 14.3% of total assets, respectively. The average selling period of the Group is 32.2 days and 38.0 days, respectively.

### 3.4 VAT pending to be refunded

Refundable Vat is mostly VAT items waiting to be refunded from the construction according to the Group capacity expansion project and VAT waiting to be refunded from the export of goods to foreign countries.

On 31 December, 2017 and 2018, the Group had VAT refund of 46.6 million baht and 87.6 million baht, respectively. In 2018, the Group had VAT refunded up by 40.9 million baht or 88.0%, comparing to the year. 2017, mainly due to the increase in sales of products in foreign countries and the construction of glass furnaces in Ratchaburi Province, which was completed and commercial production in the quarter 4. In addition, the Company is still pending for a refund of VAT.

### 3.5 Other current assets

Other current assets of the Group, mainly consisting of VAT which is not yet due for payment, the prepaid expenses, and withholding tax. On 31 December, 2017 and 2018, the Group has other current assets of 49.5 million baht and 75.5 million baht, respectively. In 2018, the Group has other current assets increased for 26.0 million baht or 52.5 %, mainly due to an increase in pending import duties on machinery and equipment at the Ratchaburi plant and the withholding tax.

### **3.6 Property, plant, and equipment**

Property, building, and equipment are mostly consisting of machinery and equipment used in production plants, and most of which are glass furnaces and glass packaging equipment. On 31 December, 2017 and 2018, the Group has property, building, and equipment equal to 8,999.1 million baht and 10,851.3 million baht, respectively. On 31 December, 2018, the Group had property, building, and equipment increased by 1,852.2 million baht or 20.6% compared to 2017. This was caused by a land purchase from BG to be used as a factory and warehouse in Ayutthaya, Khon Kaen and Ratchaburai.

### **3.7 Intangible assets**

On 31 December, 2017 and 2018, the Group had intangible assets such as computer programs which were 2.6 million baht and 12.2 million baht, respectively. On 31 December, 2018, the Group had intangible assets increased by 9.6 million baht or 369.2% when compared to 2017, mainly due to investment in additional machine software systems at the Khon Kaen Plant.

### **3.8 Equipment deposit**

Equipment deposit are mostly a deposit for the purchase of machinery and factory equipment for the Group production facilities. On 31 December, 2017 and 2018, the Group had equipment deposit of 109.0 million Baht and 31.2 million Baht, respectively. On 31 December, 2018, the Group had a deposit for equipment decreased by 77.8 million Baht or 71.4% compared to 2017, mainly due to the transfer of equipment deposit to PPE items for the swabbing robot project as well as the transfer of equipment deposit to PPE of the Ratchaburi Plant

### **3.9 Deferred tax assets**

On 31 December, 2017 and 2018, the Group had deferred tax assets of 64.9 million baht and 61.2 million baht, respectively. On 31 December, 2018, the Group had deferred tax assets decreased by 3.7 million Baht or 5.7% compared to 2017.

### **3.10 Other non-current assets.**

On 31 December, 2017 and 2018, the Group has other non-current assets of 8.2 million baht and 3.5 million baht, respectively. On 31 December, 2018, the Group had other non-current assets decreased by 4.7 million baht or 57.3 % when it is compared with 2017, mainly due to the repayment of long-term loans from employees which is based on welfare and general conditions of the Group.

### **3.11 Overview of debts**

The Group main debts are bank overdrafts, short-term and long-term loans from banks. On 31 December, 2017 and 2018, the Group has bank overdrafts, short-term loans and long-term loans from banks accounted

for a large proportion of the total debts of the Group, which accounted for 83.1 % and 83.4 % of total debts, respectively

On 31 December, 2017 and 2018, the Group had total debts of 9,936.4 million baht and 9,571.2 million baht, respectively. On 31 December, 2018, the Group had total debts decreasing by 365.2 million baht or 3.7 % compared to 2017, mainly due to the decrease in short-term loans from related parties, which are short-term loans from the increasing of financial institutions to repay short-term loans from related businesses.

### **3.12 Bank overdrafts and short-term loans from banks**

The Company uses bank overdrafts and short-term loans from banks for use as working capital and for general corporate purposes, including loans used for the import and export of the Company such as letter of credit, etc. The overdraft and short-term loans from the bank of the Company are unsecured loans from many banks in the country and it is a loan in baht currency.

On 31 December, 2017 and 2018, the Group had overdraft and short-term loans from banks outstanding at 3,007.0 million baht and 5,044.4 million baht, respectively, representing 30.3 % and 52.7 % of total debts. It is a loan for use as working capital in business operations. On 31 December, 2018, the Company has short-term loans from a bank to use for payment Repay short-term loans from related businesses and for working capital for business operations.

### **3.13 Trade payables and other payables**

On 31 December, 2017 and 2018, the Group had trade payables and other payables of 1,115.2 million baht and 1,025.3 million baht, respectively. On 31 December, 2018, the Group had trade and other payables decreased by 89.9 million baht or 8.1% when compared to 2017. The main reason for the decrease in trade and other payables is the decrease in line with the purchase of raw materials according to the decreasing sales of the Company in 2018, together with the cost of key raw materials such as glass scraps, are decreased.

On 31 December, 2017 and 2018, the Group had trade payables and other payables representing 11.2% and 10.7% of total debts, respectively. The average repayment period of the Group is 39.5 days and 44.2 days, respectively. However, the average debt payment term for the domestic and foreign trade creditors, the Group has a repayment period between 30-90 days.

### **3.14 Short-term loans from related businesses**

On 31 December, 2017 and 31 December, 2018, the Group had outstanding short-term loans from related parties equal to 2,239.6 million baht and 0 baht, respectively, or it was calculated 22.5 % and 0.0 % of total debts, respectively. In 2018, the Company had fully repaid such loan to BG.



### **3.15 Accrued income tax**

On 31 December, 2017 and 31 December, 2018, the Group had accrued income tax of 21.1 and 39.2 million baht, respectively. On 31 December, 2018, the Group had accrued income tax increased by 18.1 million baht or 85.8 % when it was compared to 2017, which was in line with the increased net profit of the Group. In addition, the company's tax privilege under BOI's investment promotion has been expired gradually. Therefore, the company has increasing income for expenses.

### **3.16 Other current liabilities**

On 31 December, 2017 and 2018, other current liabilities were 53.3 million baht and 51.7 million baht, respectively. On 31 December, 2018, other current liabilities decreased by 1.6 million baht or 3.0 % compared to Year 2017, mainly due to the decrease of withholding tax and the decrease in advance income for product purchases and mould orders from domestic customers.

### **3.17 Long-term loans from banks**

Long-term loans of the Company are mainly used for supporting capacity expansion projects and increasing production efficiency of the Group.

On 31 December, 2017 and 2018, the Group had outstanding long-term loans from banks in the amount of 3,003.5 million Baht and 2,941.5 million Baht, respectively. On 31 December, 2018, the Group had long-term loans from banks reduced to 62.0 million baht or 2.1 %, compared to 2017 because it has the main cause from the repayment of loans in accordance with the terms of the loan agreement.

### **3.18 Reserving long-term employee benefits**

On 31 December, 2017 and 2018, the Group has set aside provision for long-term employee benefits of 476.3 million Baht and 453.3 million Baht, respectively. On 31 December, 2018, the Group has decreasingly set up provision for long-term employee benefits to 23.0 million baht or 4.8 % compared to 2017, which was in line with the decreased in number of employee due to the closure of factories in Rayong.

### **3.19 Other non-current liabilities**

On 31 December, 2018, the Group had other non-current liabilities equal to 16.2 million baht or 0.2 % of total liabilities, and there were no significant changes.

### **3.20 Shareholders' equity**

On 31 December, 2017 and 2018, the Group has shareholders' equity equal to 3,034.3 million baht and 5,157.7 million baht respectively. On 31 December, 2018, the Company had shareholders' equity of 5,157.7 million baht with capital issued and paid up to 3,472.2 million baht and the premium on ordinary shares is 979.4

million baht. The retained earnings were 250.8 million baht. Other components of shareholders' equity were 9.3 million baht and non-current interests are the control of the Company was 363.8 million baht. However, the Company has increased its shareholders after the offering of securities to the public on October 18, 2018 and from recognition of additional retained earnings from the group's operating results from the main results of the year 2018.

## **4 Liquidity and capital adequacy analysis**

### **4.1 Cash flow analysis**

Liquidity management and working capital in the business of the Company is important to the business as it supports the management of normal business operations and to use as working capital to pay for the loan of the Company and for using as capital expenditures.

### **4.2 Cash flow from operating activities**

For the accounting year ended on 31 December, 2017 and 2018, the Group had net cash flows from operating activities equal to 1,266.1 million baht and 1,725.5 million baht, respectively for the accounting year ended on 31 December, 2018. The Group had operating profit before the changes in operating assets and liabilities equaled to 2,194.1 million baht, mainly from depreciation, interest expenses, and profit from the amortization of buildings and equipment. However, the Group has cash flows from changes in assets and operating liabilities equaled to 122.6 million baht, mainly due to an increase in inventories of 155.9 million baht. Other creditors were 137.6 million baht although there is a decrease in trade and other receivables equaled to 230.9 million Baht. Cash received (paid), other improvements, including interest received, interest paid, compensation for long-term employee benefits and cash paid for income tax is 346.1 million baht, making the Group having a net cash flow from operating activities equaled to 1,725.5 million baht.

### **4.3 Cash flow from investing activities**

For the accounting year ended on 31 December, 2017 and 2018, the Group had net cash flows used in investing activities of 1,804.8 million baht and 1,985.8 million baht, respectively. For the accounting year ended on 31 December, 2018, the Group had cash flows used in the investment activity of 1,985.8 million baht, mainly from (1) investment in land and building and equipment equal to 2,043.7 million baht for the purchase of the land of the Ayutthaya Factory, Khon Kaen and Ratchaburi and (2) the payment of equipment deposit of 31.1 million baht to purchase factory equipment for use in the expansion of the new factory in Ratchaburi province.

### **4.4 Cash flow from financing activities**

For the accounting year ending on 31 December, 2017 and 2018, the Group had net cash flows used in financing activities equaled to 542.1 million baht and 301.3 million baht for the accounting year ended on 31 December, 2018. The Group had cash flows from procurement activities. equaled to 301.3 million baht, mainly

due to the withdrawal of the short-term loans from the bank in the amount of 2,037.0 million baht of the Company to use for repayment of short-term loans from related parties, and it is a working capital within the group of companies although the Company has (1) repayment of short-term loans from related parties equal to 3,499.6 million baht, and (2) repayment of long-term loans from banks equaled to 1,062.0 million baht according to the terms of the loan agreement with the bank.

## **4.5 The appropriateness of the capital structure**

On 31 December, 2017 and 2018, the Company has a debt to equity ratio (Debt to Equity) equal to 3.3 times and 1.9 times and interest-bearing debt to equity ratio (interest bearing debt to equity. The ratio is 2.7 times and 1.5 times, respectively with continuous investment expansion, including restructuring the Company group.

On 31 December, 2018, debt to equity ratio and interest-bearing debt to equity ratio has significantly reduced after the Company offering securities to the public, increasing shareholders' equity and paying debt during the year, resulting in a decrease in debt.

## **4.6 Important liquidity ratio**

For the financial year ended on 31 December, 2017 and 2018, the Group has a cash flow ratio of 0.5 times and 0.5 times, respectively. On 31 December, 2018, the increasing short-term loans from banks to repay short-term loans from related businesses.

For the accounting year ended on 31 December, 2017 and 2018, the quick ratio is 0.2 times and 0.2 times, respectively. On 31 December, 2018, and short-term loans from banks were used to repay short-term loans from related businesses.

However, for 2017 and 2018, the Group had a cash cycle of 34.2 days and 40.5 days, respectively.

# **5. Commitments and contingent liabilities**

## **5.1 Capital commitments**

On 31 December 2018, the subsidiary had capital commitments of approximately 53.0 million Baht, 0.3 million EUR and 81.0 million YEN relating to the construction of factory buildings and building improvements as well as the purchase of office equipment and machinery at the Ratchaburi plant.

## **5.2 Commitments under operating lease and service agreements**

On 31 December, 2017 and 31 December, 2018, the Group has commitments under operating lease agreements in respect of the lease of motor vehicles and equipment and service agreements. The terms of the agreements were 1 to 5 years.

## **6 The key factors and influences that may affect future performance or financial status**

The business of the Company has various factors that may affect the financial position, operating results, and business opportunities of the Group, and the Company expected that these factors would continue to affect in the future, including the cost of production, utilization rate, and production efficiency, sales of packaging products of the Group for people who might have conflicts.

### **6.1 Production costs**

The Company's production costs consist of raw material costs, energy costs, labor costs, production costs, and depreciation. Most of the Company's sales costs for the accounting year ended on 31 December, 2017 and 2018, representing 86.7% and 83.7% of revenue from Sales, respectively. If the cost of raw materials increased, the Company would have higher sales costs, and it was when the Company is unable to drive more sales for customers. However, if the cost of production decreased, it might increase the profitability of the Company. Therefore, the procurement of raw materials from distributors in sufficient quantity at the right time and at a competitive price. Therefore, it was an important factor of the Company in the production of glass packaging

### **6.2 Capacity expansion and maintenance of utilization rates and production efficiency**

The Company's ability to grow revenue and business expansion depended on the Company's ability to increase the production capacity of glass packaging factories and other types of packaging factories and for the financial year ended on 31 December, 2017 and 2018, the average capacity utilization rate of glass packaging factories was approximately 88.1% and 89.1%, respectively, and the production efficiency rate of the glass factory had an average of about 86.0 % and 87.6 %, respectively. In addition, the Company would be able to generate growth for the business depending on the ability to maintain the utilization rate and production efficiency of the Company's production plant at a high level, which the Company still maintains the level of utilization rate and production efficiency rate of the production plant of the Company in the Highly maintained by maintaining and repairing glass stoves on a regular basis, which can be divided into 2 types: (a) hot repair, which was maintenance while the glass furnace was working, and (b) cold repair, which was a maintenance that the glass stove must be closed. Generally, the Group has cold maintenance by considering the relevant factors such as the age of the glass melting furnace, the conditions of use of the stove, the packaging requirements, and the customers, etc.

However, for the growth of the business of the Company consecutively, the Company has continuously expanded the glass packaging factory with goal to increase production capacity to support the demand for products from domestic customers primarily. For export, the Company completed construction of a new factory in Ratchaburi Province and started commercial production in the fourth quarter of 2018. At present, the Company has the highest total production capacity of 3,495 tons per day.

### **6.3 The distribution of packaging products of the Company to persons who may have conflicts with the Company**

The Company has connected transactions in normal business with related companies whose main shareholders are the controlling persons in such companies and/or have common directors together with the related Company. However, most of the transactions that the Company has connected transactions with such related companies are considered as the main business transaction of the Company. However, the Company has conducted the transactions together with the determined price and commercial conditions that are comparable to the market or the price is reasonable and appropriate in accordance with the principles, policies, prices, and practices of the Company in general or the price specified in the contract. In addition, the Company is conducting connected transactions with related persons in the future.

### **6.4 Behavioral changes in consumer needs**

Performance and the Company's profitability depends mainly on revenue from the sale of glass packaging. The demand for glass packaging of the Company depends on price competition and the weight in the usage as the main, so any important behaviour changes in the needs of consumers or consumers changing to other alternative packaging may affect the sales of the Company, and the Company's profitability shall be decreased as well.







# Report of the Board of Directors' Responsibility toward Financial Report

Attention The Shareholders

The Board of Directors is responsible for consolidated financial statements and separate financial statements of BG Container Glass Public Company Limited being prepared in accordance with Thai Financial Reporting Standards under consideration on the appropriate accounting policies, regular observance, exercise of careful discretion and application of the principle of reasonable estimation in preparation of financial statements, and adequate and transparent disclosure of key information in notes to financial statements for benefits of the shareholders and general investors.

The Board of Directors has executed for good corporate governance and maintained risk management and internal control systems to ensure timely and adequate recording of accurate and complete accounting information, and presenting essential fact information to preserve assets and prevent from corruption or essential unusual execution.

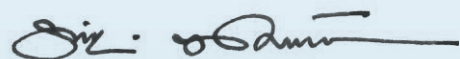
The Board of Directors has appointed the Audit Committee consisting of independent directors to be responsible for supervision and review of reliability and accuracy of the financial report, and assessment for efficiency of internal control and internal audit systems. The opinions of the Audit Committee related to this matters have been appeared in the Report of the Audit Committee being presented in this Annual Report.

In the opinion of the Board of Directors, it has been assured of internal control and internal audit systems of the Company that consolidated statements of BG Container Glass Public Company Limited and its subsidiaries, and separate financial statements of BG Container Glass Public Company Limited for the year ended December 31, 2018 properly and fairly indicate financial position, operating results, and cash flows in the materiality in accordance with Thai Financial Reporting Standards.



(Mr. Pornwut Sarasin)

Chairman of the Board of Directors



(Mr. Silparat Wattanakaset)

Managing Director

[illegible]

# Independent Auditor's Report

To the Shareholders of BG Container Glass Public Company Limited

## Opinion

I have audited the accompanying consolidated financial statements of BG Container Glass Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2018, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of BG Container Glass Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BG Container Glass Public Company Limited and its subsidiaries and of BG Container Glass Public Company Limited as at 31 December 2018, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

## Basis for Opinion

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



## **Emphasis of matter**

I draw attention to Note 1.2 to the financial statements, regarding the acquisitions of investments in 6 subsidiaries and the transfer of the management services of the glass containers business group to the Company from Bangkok Glass Public Company Limited. The Company has concluded that the acquisitions and the transfer of the business group are a restructuring of the business of group companies under common control. For comparative purposes, the Company and its subsidiaries thus prepared consolidated financial statements presenting the financial information of the Group of companies as a single economic unit, combining the operating results of all companies from the first accounting period presented even though the change in legal relationships among the Company and its subsidiaries occurred later. My conclusion is not qualified in respect of this matter.

## **Key Audit Matters**

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

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

Key audit matter and how audit procedures respond is described below.

## **Revenue recognition**

Sales are significant to the financial statements and directly impact on the Group's operating results. Moreover, the Group has both domestic and overseas sales transactions under various terms and conditions. I therefore focused on the Group's recognition of sales, especially the timing of revenue recognition.

I have examined the revenue recognition of the Group by

Assessing and testing the Group's internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.

On a sampling basis, examining supporting documents for actual sales transactions occurring during the year and near the end of the accounting period to assess whether revenue recognition was consistent with the sales conditions, and whether it was in compliance with the Group's policy.

Reviewing credit notes that the Group issued after the accounting period.

Performing analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

### **Other Information**

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

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

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

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



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

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

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

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

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

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

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

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient and 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.

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

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

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

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

Poonnard Paocharoen

Certified Public Accountant (Thailand) No. 5238

EY Office Limited

Bangkok: 28 February 2019

# BG Container Glass Public Company Limited and its subsidiaries

## Statement of financial position

As at 31 December 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	144,915,002	103,993,880	48,696,933	50,890,200
Trade and other receivables	6, 8	1,351,284,081	1,593,661,880	569,307,349	960,587,814
Short-term loans to related parties	6	-	-	968,000,000	392,000,000
Inventories	9	2,110,348,406	1,993,064,544	16,102,539	109,140,168
Value added tax refundable		87,567,133	46,609,638	57,369,906	36,499,826
Other current assets		75,546,797	49,482,371	27,177,444	20,161,860
<b>Total current assets</b>		<b>3,769,661,419</b>	<b>3,786,812,313</b>	<b>1,686,654,171</b>	<b>1,569,279,868</b>
<b>Non-current assets</b>					
Investments in subsidiaries	10	-	-	9,069,108,453	6,869,108,453
Property, plant and equipment	11	10,851,258,213	8,999,127,964	55,885,551	61,519,512
Intangible assets	12	12,216,040	2,636,379	869,159	848,042
Deposit for purchase of equipment		31,191,548	109,048,498	-	-
Deferred tax assets	20	61,152,102	64,902,446	-	-
Other non-current assets		3,500,089	8,178,742	794,282	1,583,620
<b>Total non-current assets</b>		<b>10,959,317,992</b>	<b>9,183,894,029</b>	<b>9,126,657,445</b>	<b>6,933,059,627</b>
<b>Total assets</b>		<b>14,728,979,411</b>	<b>12,970,706,342</b>	<b>10,813,311,616</b>	<b>8,502,339,495</b>

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

# BG Container Glass Public Company Limited and its subsidiaries

## Statement of financial position (continued)

As at 31 December 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from banks	13	5,044,000,000	3,007,000,000	2,509,000,000	140,000,000
Trade and other payables	6, 14	1,025,348,322	1,115,208,247	1,688,671,674	1,377,975,707
Short-term loans from related parties	6	-	2,239,550,000	316,000,000	2,397,550,000
Current portion of long-term loans from banks	15	977,000,000	1,249,500,000	500,000,000	500,000,000
Income tax payable		39,207,931	21,084,300	-	-
Other current liabilities		51,650,211	53,339,198	10,894,914	15,594,946
<b>Total current liabilities</b>		<b>7,137,206,464</b>	<b>7,685,681,745</b>	<b>5,024,566,588</b>	<b>4,431,120,653</b>
<b>Non-current liabilities</b>					
Long-term loans from banks - net of current portion	15	1,964,500,000	1,754,000,000	1,000,000,000	1,500,000,000
Provision for long-term employee benefits	16	453,304,984	476,310,858	136,412,518	133,923,301
Other non-current liabilities		16,221,448	20,383,938	717,980	-
<b>Total non-current liabilities</b>		<b>2,434,026,432</b>	<b>2,250,694,796</b>	<b>1,137,130,498</b>	<b>1,633,923,301</b>
<b>Total liabilities</b>		<b>9,571,232,896</b>	<b>9,936,376,541</b>	<b>6,161,697,086</b>	<b>6,065,043,954</b>

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

# BG Container Glass Public Company Limited and its subsidiaries

## Statement of financial position (continued)

As at 31 December 2018

		(Unit: Baht)			
		Consolidated financial statements		Separate financial statements	
Note		2018	2017	2018	2017
<b>Shareholders' equity</b>					
Share capital					
Registered					
694,444,000 ordinary shares of Baht 5 each					
(2017: 25,000,000 ordinary shares					
of Baht 100 each)					
		3,472,220,000	2,500,000,000	3,472,220,000	2,500,000,000
Issued and paid up					
694,444,000 ordinary shares of Baht 5 each					
(2017: 25,000,000 ordinary shares					
of Baht 100 each)					
		3,472,220,000	2,500,000,000	3,472,220,000	2,500,000,000
Share premium	17.4	979,405,939	-	979,405,939	-
Retained earnings					
Appropriated - Statutory reserve					
	18	79,672,690	3,396,600	42,871,000	-
- General reserve					
		2,452,590	1,698,300	-	-
		82,125,280	5,094,900	42,871,000	-
Unappropriated (deficit)					
		250,883,447	173,409,843	157,117,591	(62,704,459)
Other components of shareholders' equity	1.2	9,353,328	9,353,328	-	-
<b>Equity attributable to owners of the Company</b>					
		4,793,987,994	2,687,858,071	4,651,614,530	2,437,295,541
Non-controlling interests of the subsidiaries					
		363,758,521	346,471,730	-	-
<b>Total shareholders' equity</b>					
		5,157,746,515	3,034,329,801	4,651,614,530	2,437,295,541
<b>Total liabilities and shareholders' equity</b>					
		14,728,979,411	12,970,706,342	10,813,311,616	8,502,339,495

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



# BG Container Glass Public Company Limited and its subsidiaries

## Statement of comprehensive income

For the year ended 31 December 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales	21	10,400,448,987	11,164,207,277	2,762,656,970	3,291,579,969
Dividend income	10.5	-	-	558,390,000	25,520,400
Interest income		127,561	725,472	16,080,310	2,102,580
Management fees	6	-	-	448,907,073	273,158,969
Other income		121,244,780	56,886,609	57,320,996	69,508,924
<b>Total revenues</b>		<b>10,521,821,328</b>	<b>11,221,819,358</b>	<b>3,843,355,349</b>	<b>3,661,870,842</b>
<b>Expenses</b>					
Cost of sales		8,708,347,402	9,681,628,407	2,630,830,984	3,209,590,562
Selling and distribution expenses		312,195,712	379,890,703	193,851,026	119,841,827
Administrative expenses		648,388,156	684,810,564	279,763,083	278,719,020
Other expenses					
Loss on impairment of investment in a subsidiary	10.3	-	-	-	35,525,347
Loss on impairment of fixed assets	11	48,787,572	22,886,692	-	-
<b>Total expenses</b>		<b>9,717,718,842</b>	<b>10,769,216,366</b>	<b>3,104,445,093</b>	<b>3,643,676,756</b>
<b>Profit before finance cost and income tax expenses</b>		<b>804,102,486</b>	<b>452,602,992</b>	<b>738,910,256</b>	<b>18,194,086</b>
Finance cost		(192,494,965)	(186,057,676)	(115,091,121)	(78,320,579)
<b>Profit (loss) before income tax expenses</b>		<b>611,607,521</b>	<b>266,545,316</b>	<b>623,819,135</b>	<b>(60,126,493)</b>
Income tax expenses	20	(87,860,856)	(14,689,021)	(19,460,195)	-
<b>Profit (loss) for the year</b>		<b>523,746,665</b>	<b>251,856,295</b>	<b>604,358,940</b>	<b>(60,126,493)</b>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Actuarial loss - net of income tax		-	(7,726,219)	-	(2,565,443)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		-	(7,726,219)	-	(2,565,443)
<b>Other comprehensive income for the year</b>		<b>-</b>	<b>(7,726,219)</b>	<b>-</b>	<b>(2,565,443)</b>
<b>Total comprehensive income for the year</b>		<b>523,746,665</b>	<b>244,130,076</b>	<b>604,358,940</b>	<b>(62,691,936)</b>

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

# BG Container Glass Public Company Limited and its subsidiaries

## Statement of comprehensive income (continued)

For the year ended 31 December 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>Profit (loss) attributable to:</b>					
Equity holders of the Company		496,169,874	186,202,439	604,358,940	(60,126,493)
Non-controlling interests of the subsidiaries		27,576,791	14,494,102		
Equity attributable to shareholders of subsidiaries before business combination under common control		-	51,159,754		
		<u>523,746,665</u>	<u>251,856,295</u>		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		496,169,874	178,517,266	604,358,940	(62,691,936)
Non-controlling interests of the subsidiaries		27,576,791	14,453,056		
Equity attributable to shareholders of subsidiaries before business combination under common control		-	51,159,754		
		<u>523,746,665</u>	<u>244,130,076</u>		
<b>Earnings per share</b>	22				
Basic earnings (loss) per share					
Profit (loss) attributable to equity holders of the Company		0.91	0.50	1.11	(0.16)
		<u>543,150,586</u>	<u>371,284,384</u>	<u>543,150,586</u>	<u>371,284,384</u>
Weighted average number of ordinary shares (shares)					

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

## BG Container Glass Public Company Limited and its subsidiaries

# Cash flow statement

For the year ended 31 December 2018

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Cash flows from operating activities</b>				
Profit (loss) before tax	611,607,521	266,545,316	623,819,135	(60,126,493)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	1,312,362,282	1,380,839,370	38,612,113	33,444,350
Allowance for doubtful accounts	18,880,663	475,423	18,880,663	165,481
Loss on write-off and reduction of inventories to net realisable value	36,789,596	35,329,678	2,532,419	2,333,904
Loss (gain) on disposal of building and equipment	(343,388,862)	2,258,236	(447,008)	(846,700)
Loss on write-off of building and equipment	267,436,936	9,734,151	105,112	5,113
Gain on disposal of intangible assets	(19,190)	-	-	-
Allowance for impairment loss on fixed assets	48,787,572	22,886,692	-	-
Allowance for impairment loss on intangible assets	-	3,175,428	-	-
Allowance for impairment loss on investment in a subsidiary	-	-	-	35,525,347
Provision for long-term employee benefits	54,422,374	54,970,740	12,564,303	11,618,953
Dividend income	-	-	(558,390,000)	(25,520,400)
Interest income	(127,561)	(725,472)	(16,080,310)	(2,102,580)
Interest expenses	187,391,445	183,352,424	114,605,183	78,137,750
Profit from operating activities before changes in operating assets and liabilities	2,194,142,776	1,958,841,986	236,201,610	72,634,725
Decrease (increase) in operating assets				
Trade and other receivables	230,938,357	(331,994,506)	343,199,646	(825,530,685)
Inventories	(155,979,892)	(136,229,100)	90,505,210	(111,474,072)
Other current assets	(54,825,922)	(30,724,736)	(21,650,217)	(43,202,694)
Other non-current assets	4,678,653	17,351,936	789,338	(1,583,620)
Increase (decrease) in operating liabilities				
Trade and other payables	(137,611,659)	138,003,726	313,942,746	1,368,753,365
Other current liabilities	(1,688,987)	(1,309,997)	(4,700,032)	15,594,946
Other non-current liabilities	(8,123,335)	20,383,938	-	-
<b>Cash flows from operating activities</b>	<b>2,071,529,991</b>	<b>1,634,323,247</b>	<b>958,288,301</b>	<b>475,191,965</b>
Cash received from interest income	85,468	761,039	14,679,594	1,311,485
Cash paid for interest expenses	(200,474,063)	(183,439,685)	(118,328,815)	(69,082,658)
Cash paid for long-term employee benefits	(75,419,954)	(150,852,484)	(16,370,521)	(14,690,883)
Cash paid for corporate income tax	(70,257,164)	(34,694,274)	(17,769,926)	(13,458,992)
<b>Net cash flows from operating activities</b>	<b>1,725,464,278</b>	<b>1,266,097,843</b>	<b>820,498,633</b>	<b>379,270,917</b>

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

# BG Container Glass Public Company Limited and its subsidiaries

## Cash flow statement (continued)

For the year ended 31 December 2018

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Cash flows from investing activities</b>				
Cash paid for subscription of additional share of subsidiaries	-	-	(1,182,000,000)	(64,500,000)
Cash received from sales of other long-term investments	-	2,524,080	-	-
Cash paid for equipment deposits	(31,191,547)	(103,761,950)	-	-
Cash paid for acquisition of property, plant and equipment	(2,043,710,827)	(1,077,392,782)	(32,671,338)	(94,798,022)
Cash paid for acquisition of intangible assets	(8,867,686)	(778,275)	(434,112)	(1,022,275)
Proceeds from disposal of building and equipment	97,891,431	70,573,557	448,077	849,980
Proceeds from disposal of intangible assets	50,000	-	-	-
Cash paid for short-term loans to related parties	-	(905,000,000)	(3,017,000,000)	(2,122,000,000)
Cash received from short-term loans to related parties	-	209,000,000	2,375,000,000	1,016,000,000
Dividend income	-	-	558,390,000	-
<b>Net cash flows used in investing activities</b>	<b>(1,985,828,629)</b>	<b>(1,804,835,370)</b>	<b>(1,298,267,373)</b>	<b>(1,265,470,317)</b>
<b>Cash flows from financing activities</b>				
Increase in short-term loans from banks	2,037,000,000	1,034,000,000	2,369,000,000	140,000,000
Cash received from short-term loans from related parties	234,000,000	3,779,300,200	1,266,000,000	3,035,000,000
Repayment of short-term loans from related parties	(3,499,550,000)	(6,457,634,000)	(4,261,550,000)	(4,862,813,400)
Increase in long-term loans from banks	1,000,000,000	2,450,000,000	-	2,000,000,000
Repayment of long-term loans from banks	(1,062,000,000)	(1,408,000,000)	(500,000,000)	-
Cash received from subscription of additional shares	1,983,328,800	624,750,000	1,983,328,800	624,750,000
Cash paid for direct costs related to the share offering	(39,628,577)	-	(39,628,577)	-
Dividend paid	(341,574,750)	-	(341,574,750)	-
Subsidiaries paid dividend to its former shareholders	-	(539,960,000)	-	-
Subsidiary paid dividend to its non-controlling interest	(10,290,000)	(24,519,600)	-	-
<b>Net cash flows from (used in) financing activities</b>	<b>301,285,473</b>	<b>(542,063,400)</b>	<b>475,575,473</b>	<b>936,936,600</b>
Received from the former shareholders	-	252,836,002	-	-
Impact from business combination under common control (Note 1.2)	-	816,255,933	-	-
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>40,921,122</b>	<b>(11,708,992)</b>	<b>(2,193,267)</b>	<b>50,737,200</b>
Cash and cash equivalents at beginning of year	103,993,880	115,702,872	50,890,200	153,000
<b>Cash and cash equivalents at end of year (Note 7)</b>	<b>144,915,002</b>	<b>103,993,880</b>	<b>48,696,933</b>	<b>50,890,200</b>

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

## BG Container Glass Public Company Limited and its subsidiaries

# Cash flow statement (continued)

For the year ended 31 December 2018

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Non-cash items				
Increase (decrease) in payables for construction	43,927,688	(36,793,531)	-	-
Transfer deposits for purchase of equipment to property, plant and equipment	109,048,497	168,647,660	-	-
Transfer inventories to property, plant and equipment	1,906,434	-	-	-
Transfer equipment to intangible assets	2,078,169	-	-	-
Received for additional shares by offset with amount due to purchase of investments in subsidiaries	-	1,874,250,000	-	1,874,250,000
Increase in short-term loan from related party in respect of purchase of investments in subsidiaries	-	4,250,883,800	-	4,250,883,800
Decrease in short-term loan to related party in respect of purchase of investments in subsidiaries	-	715,000,000	-	715,000,000
Decrease in short-term loan to related party in respect of subscription of additional share of subsidiaries	-	-	980,000,000	-
Decrease in other receivables in respect of subscription of additional share of subsidiary	-	-	38,000,000	-
Decrease in short-term loan from related party by offset with amount due from parent company	-	245,000,000	-	-
Decrease in short-term loan from related party in respect of dividend received from subsidiary	-	-	-	25,520,400
Increase in short-term loan from related party due to repayment to the former shareholders	-	400,000,000	-	-
Increase in short-term loan from parent company in respect of short-term loan to subsidiaries	-	-	914,000,000	-
Increase in short-term loan from parent company due to repayment short-term loan from subsidiaries	-	-	112,000,000	-
Increase in short-term loan from parent company in respect of purchase land	1,026,000,000	-	-	-
Increase in other receivables from receive transfer provision for long-term employee benefits from parent company	7,399,128	-	7,399,128	-
Increase in other payables from transfer provision for long-term employee benefits to related party company	2,262,645	-	26,723	-
Increase in other payables in respect of payment provision for long-term employee benefits	3,183,932	-	358,990	-
Increase in other non-current liabilities in respect of payment provision for long-term employee benefits	3,960,845	-	717,980	-

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

# BG Container Glass Public Company Limited and its subsidiaries

## Statement of changes in shareholders' equity

For the year ended 31 December 2018

(Unit: Baht)

Consolidated financial statements									
	Equity attributable to owners of the Company					Other components of equity			
	Retained earnings			Unappropriated (deficit)		Difference from business combination under common control	Total other components of shareholders' equity		Equity attributable to shareholders of subsidiaries before business combination under common control
	Issued and paid-up capital	Share premium	Appropriated	Statutory reserve	General reserve		Unappropriated (deficit)	Total shareholders' equity of the Company	
<b>Balance as at 1 January 2017</b>	1,000,000	-	-	-	-	-	(12,523)	987,477	6,521,887,393
Profit for the year	-	-	-	-	-	-	186,202,439	186,202,439	51,159,754
Other comprehensive income for the year	-	-	-	-	-	-	(7,685,173)	(7,685,173)	-
Total comprehensive income for the year	-	-	-	-	-	-	178,517,266	178,517,266	51,159,754
Increase share capital (Note 17.2)	2,499,000,000	-	-	-	-	-	-	2,499,000,000	-
Subsidiaries paid dividend to its former shareholders (Note 10.2)	-	-	-	-	-	-	-	-	(539,960,000)
Difference from business combination under common control (Note 1.2)	-	-	-	-	-	9,353,328	-	9,353,328	-
Reversal of equity attributable to shareholders of subsidiaries before business combination under common control from transfer glass containers business management (Note 1.2)	-	-	-	-	-	-	-	-	-
Subsidiary paid dividend to its non-controlling interest (Note 10.5)	-	-	-	-	-	-	-	-	-
Transfer to statutory reserve and general reserve of subsidiary	-	-	-	3,396,600	1,698,300	-	(5,094,900)	-	-
<b>Balance as at 31 December 2017</b>	2,500,000,000	-	-	3,396,600	1,698,300	9,353,328	173,409,843	2,687,858,071	3,034,329,801
<b>Balance as at 1 January 2018</b>	2,500,000,000	-	-	3,396,600	1,698,300	9,353,328	173,409,843	2,687,858,071	3,034,329,801
Profit for the year	-	-	-	-	-	-	496,169,874	496,169,874	-
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	496,169,874	496,169,874	-
Increase share capital (Note 17.4)	972,220,000	-	-	-	-	-	496,169,874	496,169,874	-
Dividend paid (Note 25)	-	-	-	-	-	-	-	-	-
Subsidiary paid dividend to its non-controlling interest (Note 10.5)	-	-	-	-	-	-	(341,665,890)	(341,665,890)	-
Transfer to statutory reserve and general reserve of the Company and subsidiaries	-	-	-	76,276,090	754,290	-	(77,030,380)	-	-
<b>Balance as at 31 December 2018</b>	3,472,220,000	979,405,939	-	79,672,690	2,452,590	9,353,328	250,863,447	4,793,987,994	5,157,746,515

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



# BG Container Glass Public Company Limited and its subsidiaries

## Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2018

(Unit: Baht)

### Separate financial statements

	Issued and paid-up capital	Share premium	Retained earnings		Total
			Statutory reserve	Unappropriated (deficit)	
<b>Balance as at 1 January 2017</b>	1,000,000	-	-	(12,523)	987,477
Loss for the year	-	-	-	(60,126,493)	(60,126,493)
Other comprehensive income for the year	-	-	-	(2,565,443)	(2,565,443)
Total comprehensive income for the year	-	-	-	(62,691,936)	(62,691,936)
Increase share capital (Note 17.2)	2,499,000,000	-	-	-	2,499,000,000
<b>Balance as at 31 December 2017</b>	<b>2,500,000,000</b>	<b>-</b>	<b>-</b>	<b>(62,704,459)</b>	<b>2,437,295,541</b>
<b>Balance as at 1 January 2018</b>	2,500,000,000	-	-	(62,704,459)	2,437,295,541
Profit for the year	-	-	-	604,358,940	604,358,940
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	604,358,940	604,358,940
Increase share capital (Note 17.4)	972,220,000	979,405,939	-	-	1,951,625,939
Dividend paid (Note 25)	-	-	-	(341,665,890)	(341,665,890)
Transfer to statutory reserve	-	-	42,871,000	(42,871,000)	-
<b>Balance as at 31 December 2018</b>	<b>3,472,220,000</b>	<b>979,405,939</b>	<b>42,871,000</b>	<b>157,117,591</b>	<b>4,651,614,530</b>

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

# BG Container Glass Public Company Limited and its subsidiaries

## Notes to consolidated financial statements

For the year ended 31 December 2018

### 1. General information

#### 1.1 Company information

BG Container Glass Public Company Limited ("the Company") is a limited company incorporated and domiciled in Thailand. Its parent company is Bangkok Glass Public Company Limited, which was incorporated in Thailand. The parent company of the Group is Boonrawd Brewery Co., Ltd. The Company is principally engaged in the management services of the glass containers business group. The subsidiaries are principally engaged in the manufacture and distribution of glass containers. The registered office of the Company is at 47/1 Moo 2, Rangsit-Nakornnayok Road, Buengyeetho, Thanyaburi, Pathumthani.

On 5 April 2018, the Company registered the conversion of the Company into a public company with the Ministry of Commerce.

#### 1.2 Restructuring of the Group under common control

The Company acquired investments in 6 subsidiaries from Bangkok Glass Public Company Limited. All subsidiaries were under common control of the ultimate controlling shareholder, which is Boonrawd Brewery Co., Ltd., before and after the restructuring. The purchase price of the investments was set at Baht 6,840 million, based on the book value of the Company's proportionate interest in the net assets of each company as at 31 December 2016. For the purpose of the acquisition of these investments in subsidiaries, on 27 March 2017 the Company issued additional shares and the called up capital increased from Baht 1 million to Baht 2,500 million, or an increase of Baht 2,499 million (24.99 million ordinary shares with a par value of Baht 100 each). Payment for the shares was made by offsetting Baht 1,874 million against amounts payable as a result of the acquisitions of subsidiaries and the receipt of Baht 625 million in cash. The Company paid up the remaining cost of the investments in subsidiaries, totaling Baht 4,966 million, by offsetting Baht 715 million against short-term loans to the parent company and by issuing promissory notes of Baht 4,251 million which carry interest at 2.5% per annum and are due at call. The registration of the share capital increase was made with the Ministry of Commerce on 5 April 2017 and the restructuring of the Group was completed in April 2017. The 6 subsidiaries are principally engaged in the manufacture and distribution of glass containers.

In addition, the management services of the glass containers business group was transferred to the Company from Bangkok Glass Public Company Limited. However, on the transfer date the Company did not receive any net assets of the transferred business unit.

Details of investments in 6 subsidiaries (list of subsidiaries' name referred to Note 2.2 a)) included the book value of assets and liabilities and purchase price at the date of purchase subsidiaries are as follows.

	(Unit: Thousand Baht)						
	KGI	AGI	RGI	PTI	RBI	PGI	Total
Cash and cash equivalents	8,852	10,343	7,545	7,126	699	6,254	40,819
Trade and other receivables	178,317	606,918	916,549	448,594	26	97,193	2,247,597
Inventories	183,941	802,071	169,072	655,530	-	97,869	1,908,483
Property, plant and equipment	1,526,326	5,373,536	110,718	946,527	497,822	781,183	9,236,112
Other assets	91,916	91,286	3,508	62,899	15,600	6,418	271,627
<b>Total assets</b>	<b>1,989,352</b>	<b>6,884,154</b>	<b>1,207,392</b>	<b>2,120,676</b>	<b>514,147</b>	<b>988,917</b>	<b>13,704,638</b>
Trade and other payables	207,344	472,557	109,057	224,208	187	56,322	1,069,675
Short-term loans from related parties	-	418,000	-	-	-	-	418,000
Loans from banks	566,000	3,531,250	18,000	187,000	-	185,000	4,487,250
Provision for long-term employee benefits	8,281	18,288	94,997	296,071	-	3,646	421,283
Other liabilities	15,111	27,287	3,694	3,911	5	9,756	59,764
<b>Total liabilities</b>	<b>796,736</b>	<b>4,467,382</b>	<b>225,748</b>	<b>711,190</b>	<b>192</b>	<b>254,724</b>	<b>6,455,972</b>
<b>Total net assets</b>	<b>1,192,616</b>	<b>2,416,772</b>	<b>981,644</b>	<b>1,409,486</b>	<b>513,955</b>	<b>734,193</b>	<b>7,248,666</b>
Percentage of shareholding (%)	100	100	100	100	100	51	
Net assets value attributable to the							
Company's investment	1,192,616	2,416,772	981,644	1,409,486	513,955	374,438	6,888,911
Less: Effect of eliminations	1,875	(530)	(26,894)	(12,777)	(693)	(405)	(39,424)
Less: Acquisition costs	(1,165,320)	(2,399,889)	(981,960)	(1,407,090)	(514,575)	(371,300)	(6,840,134)
Difference from business combination							
under common control	29,171	16,353	(27,210)	(10,381)	(1,313)	2,733	9,353

The acquisition cost of this business combination under common control is a total of Baht 9.4 million lower than their net book values, and this amount is recorded under the caption of "Difference from business combination under common control" and presented as a separate item under "Other components of equity" in the consolidated statements of financial position. The Company's management considered the acquisitions to be a restructuring of the business of group companies under common control. For comparative purposes, the Company and its subsidiaries thus prepared the consolidated financial statements by presenting the financial information of the Group of companies as a single economic unit, throughout the years, combining the operating results of all companies from the first accounting period presented even though the change in legal relationships among the Company and its subsidiaries occurred later. The Company's presentation of the consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year ended 31 December 2017 assumes that the companies acquired in April 2017 had always been subsidiaries under the Group.

In April 2017 the consolidated statement of changes in shareholders' equity presented the reversal of equity attributable to the former shareholders of the 6 subsidiaries and the equity attributable to the former shareholders of the management services of the glass containers segment, amounting to Baht 6,849 million and Baht 816 million (negative), respectively, or a total of Baht 6,033 million.

## 2. Basis of preparation

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

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

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

## 2.2 Basis of consolidation

- a) As discussed in Note 1.2 to the financial statements, the restructuring of the Group is a business combination under common control. As a result, the consolidated financial statements have been prepared to reflect the financial position, results of operations and cash flows in accordance with the economic content of the Group under common control, as if the Group operates under the merger since the beginning of the earliest period presented.

The consolidated financial statements include the financial statements of BG Container Glass Public Company Limited ("the Company") and the following subsidiaries ("the subsidiaries"):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2018	2017
			Percent	Percent
Khonkaen Glass Industry Co., Ltd. (KGI)	Manufacture of glass bottles	Thailand	100	100
Ayutthaya Glass Industry Co., Ltd. (AGI)	Manufacture of glass bottles	Thailand	100	100
Rayong Glass Industry Co., Ltd. (RGI)	Manufacture of glass bottles	Thailand	100	100
Pathumthani Glass Industry Co., Ltd. (PTI)	Manufacture of glass bottles	Thailand	100	100
Ratchaburi Glass Industry Co., Ltd. (RBI)	Manufacture of glass bottles	Thailand	100	100
Prachinburi Glass Industry Co., Ltd. (PGI)	Manufacture of glass bottles	Thailand	51	51

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that significantly affect the amount of its returns.
  - c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
  - d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
  - e) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
  - f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- 2.3 The separate financial statements present investments in subsidiaries under the cost method.

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

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

During the year, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

#### **(b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2019**

The Federation of Accounting Professions issued a number of revised and new financial reporting standards and interpretations (revised 2018) which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Company and its subsidiaries believe that most of the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied. However, the new standard involves changes to key principles, as summarised below.

### **TFRS 15 Revenue from Contracts with Customers**

TFRS 15 supersedes the following accounting standards together with related Interpretations.

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The management of the Company and its subsidiaries believe that this standard will not have any significant impact on the financial statements when it is initially applied.

### **(c) Financial reporting standards related to financial instruments that will become effective for fiscal years beginning on or after 1 January 2020**

During the current year, the Federation of Accounting Professions issued a set of TFRSs related to financial instruments, which consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments



These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company and its subsidiaries is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

#### **4. Significant accounting policies**

##### **4.1 Revenue recognition**

###### *Sales of goods*

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

###### *Rendering of services*

Service revenue is recognised when services have been rendered taking into account the stage of completion.

###### *Interest income*

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

###### *Dividends*

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

##### **4.2 Cash and cash equivalents**

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

##### **4.3 Trade accounts receivable**

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

#### 4.4 Inventories

Finished goods and work in process are valued at the lower of cost (under the first-in, first-out method) and net realisable value. The cost includes all production costs, labor costs and attributable factory overheads.

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

#### 4.5 Investments

- a) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for impairment loss (if any).
- b) Investments in subsidiaries are accounted for in the separate financial statements using the cost method.

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

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

#### 4.6 Property, plant and equipment/Depreciation

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

The Group has adopted the following bases and useful lives of assets in calculating depreciation:

	Years	
	Assets acquired since 2001	Assets acquired during 1992 - 2000
	Straight-line method	Straight-line method
Land improvements	20	-
Buildings and building improvements	20, 30	20
Furnaces	10 - 12	5 - 7
Machinery, equipment and other factory equipment	5 - 14, 20	5
Motor vehicles	5	5
Furniture, fixtures, equipment and other operating equipment	3, 5	5

Buildings acquired during 1984 - 1991 are depreciated by sum-of-years digit method over useful lives of 20 years and buildings acquired before 1984 are depreciated by straight-line method over 50 years.

The cost of the cold-repair of the furnace is depreciated on a straight-line basis over the estimated addition to the useful life of the furnace as a result of the repair.

Bottle moulds are depreciated based on the ratio of actual units produced to projected total production units.

Depreciation is included in determining income.

No depreciation is charged for land and assets under installation and construction.

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

#### **4.7 Borrowing costs**

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

#### **4.8 Intangible assets**

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

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

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

Computer software	3, 5 and 10 years
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No amortisation is charged for computer software under installation.

#### **4.9 Related party transactions**

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

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

#### 4.10 Long-term leases

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

Leases of property, plant and equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

#### 4.11 Foreign currencies

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

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

Gains and losses on exchange are included in determining income.

#### 4.12 Impairment of assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

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

#### **4.13 Employee benefits**

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

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

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

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

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

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

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

The obligation under the defined benefit plans and other long-term employee benefits plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

The Group recognised actuarial gains and losses arising from post-employment benefits immediately in other comprehensive income and recognised actuarial gains and losses arising from other long-term benefits immediately in profit or loss.

#### **4.14 Provisions**

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

#### **4.15 Income tax**

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

##### **Current tax**

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

**Deferred tax**

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

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

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

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

**4.16 Fair value measurement**

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

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

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

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



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

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

### **Allowance for doubtful accounts**

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

### **Property, plant and equipment/Depreciation**

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

### **Deferred tax assets**

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

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

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

## **6. Related party transactions**

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

(Unit: Thousand Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2018	2017	2018	2017	
<b>Transactions with parent company</b>					
Sales of goods	-	6,167	-	-	Cost plus margin
Interest income	-	454	-	142	1.97% per annum
Other income	79	198	-	-	Close to market price
Sales of assets	-	3,304	-	-	Close to market price
Revenues from sales of investments in securities	-	2,524	-	-	At cost
Service expenses	84,066	301,640	37,111	102,212	Cost of parent company average by sales of the Group and cost of parent company close to market price
Dividend paid	330,000	-	330,000	-	As declared
Purchases of lands and structures thereon	1,026,000	-	-	-	Market price
Purchases of goods	-	38,644	-	38,644	At cost
Purchases of assets	1,006	77,172	-	72,665	At cost
Purchases of raw materials	-	559	-	-	Market price
Transportation expenses	-	4,894	-	-	At cost
Interest expenses	13,906	75,233	13,905	71,453	Consolidated financial statement 1.80% - 2.85% per annum (2017: 1.97% - 2.85% per annum) (The Company only: 1.80% - 2.50% per annum (2017: 1.97% - 2.85% per annum))
Rental expenses	36,186	46,303	11,680	10,423	Market price (2017: finance costs incurred by the parent company in relation to purchase and sale of land plus margin)
Seminar expenses	-	58	-	37	Cost of parent company
Other expenses	2,320	10,847	1,642	3,624	Cost of parent company
<b>Transactions with subsidiary companies</b> (eliminated from the consolidated financial statements)					
Transportation income (presented under sales)	-	-	11,984	12,879	At cost
Interest income	-	-	16,031	1,914	1.80% - 2.85% per annum (2017: 1.95% - 2.85% per annum)
Management fee income	-	-	448,907	273,159	Percent of sales and at cost
Commission income	-	-	-	18,648	Percent of sales
Rental income	-	-	43,202	34,709	At cost compare market price
Other income	-	-	9,673	10,588	Close to market price
Dividend income	-	-	558,390	25,520	As declared by subsidiaries
Purchases of goods	-	-	2,489,673	2,886,053	Cost plus margin
Seminar expenses	-	-	693	174	Comparable price as to other customers of subsidiary
Interest expenses	-	-	5,669	854	1.95% - 2.16% per annum (2017: 1.95% - 2.85% per annum)

(Unit: Thousand Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2018	2017	2018	2017	
<b>Transactions with related parties</b>					
Sales of goods	7,573,794	8,077,452	767,305	1,556,131	Consolidated financial statements: Cost plus margin (The Company only: Cost plus margin 2017: at cost, whereas the Company purchased from subsidiaries at cost plus margin)
Transportation income (presented under sales)	44,171	63,267	8,613	21,732	At cost and cost plus margin
Other income	4,639	1,927	2,056	1,209	At cost, cost plus margin and market price
Sales of assets	574	55,132	-	-	At cost
Purchases of assets	975	-	-	-	At cost
Transportation expenses	24,351	30,811	7,660	4,802	Close to rate that the Group hire third parties
Sport sponsorship expenses	-	42,333	-	-	At budget of the Group
Advertising expenses	70,000	15,000	70,000	-	Close to market price
Purchases of raw materials and packing materials	1,224,613	1,114,018	3	-	Market price
Purchases of finished goods	4,828	3,421	1,456	322	Cost plus margin
Electricity expenses	6,108	-	-	-	Electricity rate as declared by Provincial Electricity Authority less discount as stipulated in the agreement
Service expenses	2,452	1,454	-	-	At cost
Other expenses	1,200	1,200	-	-	Close to market price

Expenses charged to the Company and its subsidiaries by the parent company were as follows.

- 1) Before the restructuring, the parent company charged expenses to the subsidiaries in the form of administrative fee, marketing fee, and management fee. In the preparation of the consolidated financial statements under common control, the Company assumed that these fees had been charged by the Company and they were eliminated from the consolidated financial statements, together with the expenses of the subsidiaries.
- 2) After the restructuring, the parent company has charged expenses to the Company and its subsidiaries for those operation units that are still supported by the parent company. These expenses are administrative fees, marketing fees and management service fees, and have not been eliminated in the consolidated financial statements of the Company because the parent company is not included in the Group. In 2018, the Company terminated the agreements with the parent company related to the charging of administrative fees, marketing fees, management fees and management service fees, and entered into a new service agreement with the parent company, which became effective on 1 January 2018.

The allocated expenses charged by the parent company to the Company and its subsidiaries for the years ended 31 December 2018 and 2017 are summarised below:

	(Unit: Million Baht)	
	Consolidated financial statements	
	2018	2017
Administrative fee	-	70 <sup>(1)</sup>
Marketing fee	-	151 <sup>(1)</sup>
Management fee	-	20 <sup>(1)</sup>
Management service fee	-	138
Service fee	55	-
<b>Total</b>	<b>55</b>	<b>379</b>

(1) Administrative fees, marketing fees and management fees charged by the parent company for the first quarter of 2017, totaling Baht 77 million, were eliminated in the consolidated financial statements because it was assumed that these were intra-Group transactions.

In addition, the parent company paid marketing fee to related company. Before the restructuring, for the purposes of the preparation of the consolidated financial statements under common control of the Company, it was assumed that the Company was the party that paid these marketing fees to the related company. Subsequently, after the restructuring, the parent company continued to pay these amounts to the related company and charged them to the Group companies at the amounts actually incurred. These transactions were not eliminated in the consolidated financial statements of the Company because the parent company is not included in the Group. Subsequently, in 2018 the Company is the party that paid these marketing fees to the related company.

The balances of the accounts as at 31 December 2018 and 2017 between the Company and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
<b>Trade and other receivables (Note 8)</b>				
<u>Trade receivables - related parties</u>				
Related parties	779,369	653,363	84,405	143,620
<b>Total</b>	<b>779,369</b>	<b>653,363</b>	<b>84,405</b>	<b>143,620</b>
<u>Other receivables - related parties</u>				
Parent company	1,855	203,975	262	202,350
Subsidiaries	-	-	93,858	73,606
Related parties	9,348	39,361	4,087	287
<b>Total</b>	<b>11,203</b>	<b>243,336</b>	<b>98,207</b>	<b>276,243</b>

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
<b>Trade and other payables (Note 14)</b>				
<u>Trade and other payables - related parties</u>				
Parent company	32,386	79,452	24,604	53,288
Subsidiaries	-	-	1,594,749	1,223,918
Related parties	80,826	50,719	700	510
Total	113,212	130,171	1,620,053	1,277,716

Loans to related parties and loans from related parties

Loans to related parties and loans from related parties are in the form of promissory notes and are clean loans. As at 31 December 2018 and 2017, the balance of loans between the Company and those related parties and the movement are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	Balance as at 31 December 2017	Increase during the year	Decrease during the year	Balance as at 31 December 2018
<b>Short-term loans from related parties</b>				
<u>Parent company</u>				
Bangkok Glass Public Company Limited	2,239,550	1,260,000	(3,499,550)	-
Total	2,239,550	1,260,000	(3,499,550)	-

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at 31 December 2017	Increase during the year	Decrease during the year	Balance as at 31 December 2018
<b>Short-term loans to related parties</b>				
<u>Subsidiaries</u>				
Ayutthaya Glass Industry Co., Ltd.	277,000	1,915,000	(2,192,000)	-
Ratchaburi Glass Industry Co., Ltd.	115,000	2,016,000	(1,163,000)	968,000
Total	392,000	3,931,000	(3,355,000)	968,000
<b>Short-term loans from related parties</b>				
<u>Parent company</u>				
Bangkok Glass Public Company Limited	2,239,550	1,248,000	(3,487,550)	-
<u>Subsidiaries</u>				
Rayong Glass Industry Co., Ltd.	99,000	241,000	(65,000)	275,000
Khonkaen Glass Industry Co., Ltd.	59,000	736,000	(795,000)	-
Prachinburi Glass Industry Co., Ltd.	-	67,000	(26,000)	41,000
Total	2,397,550	2,292,000	(4,373,550)	316,000

### Directors and management's benefits

During the years ended 31 December 2018 and 2017, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Short-term employee benefits	51,193	26,124	48,271	23,359
Post-employment benefits	4,196	1,814	4,196	1,814
Other long-term benefits	1	1	1	1
Total	55,390	27,939	52,468	25,174

### **7. Cash and cash equivalents**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Cash	854	1,427	548	544
Bank deposits	144,061	102,567	48,149	50,346
Total	144,915	103,994	48,697	50,890

As at 31 December 2018 and 2017, bank deposits carried interests at the rate of 0.05% per annum for USD savings deposits.

### **8. Trade and other receivables**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	651,194	553,131	75,543	102,608
Past due up to 3 months	128,175	100,232	8,862	41,012
Total trade receivables - related parties	779,369	653,363	84,405	143,620



(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	405,886	422,502	296,205	308,278
Past due				
Up to 3 months	149,780	252,279	88,339	213,931
3 - 6 months	13,977	13,460	13,977	13,460
6 - 12 months	6,151	4,204	6,151	4,204
Total	575,794	692,445	404,672	539,873
Less: Allowance for doubtful accounts	(18,752)	(165)	(18,752)	(165)
Total trade receivables - unrelated parties, net	557,042	692,280	385,920	539,708
Total trade receivables - net	1,336,411	1,345,643	470,325	683,328
<u>Other receivables</u>				
Other receivables - related parties	11,203	243,336	98,207	276,243
Others	3,980	4,993	775	1,017
Total	15,183	248,329	98,982	277,260
Less: Allowance for doubtful accounts	(310)	(310)	-	-
Total other receivables - net	14,873	248,019	98,982	277,260
Total trade and other receivables - net	1,351,284	1,593,662	569,307	960,588

## 9. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
			Reduce cost to net			
	Cost		realisable value		Inventories - net	
	2018	2017	2018	2017	2018	2017
Finished goods	1,102,574	882,944	(72,223)	(74,868)	1,030,351	808,076
Work in process	22,471	12,986	-	-	22,471	12,986
Raw materials	431,319	498,530	-	(1,745)	431,319	496,785
Goods in transit	4,964	14,585	-	-	4,964	14,585
Spare parts and factory supplies	649,743	743,315	(65,358)	(111,306)	584,385	632,009
Packing materials	36,859	28,624	-	-	36,859	28,624
Total	2,247,930	2,180,984	(137,581)	(187,919)	2,110,349	1,993,065

(Unit: Thousand Baht)

Separate financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	2018	2017	2018	2017	2018	2017
Finished goods	20,468	109,982	(4,866)	(2,334)	15,602	107,648
Goods in transit	23	938	-	-	23	938
Spare parts and factory supplies	478	554	-	-	478	554
Total	20,969	111,474	(4,866)	(2,334)	16,103	109,140

During the current year, the Company and its subsidiaries reduced cost of inventories by Baht 37 million (2017: Baht 31 million) (The Company only: Baht 3 million, 2017: Baht 2 million), to reflect the net realisable value. This was included in cost of sales. In addition, the Company and its subsidiaries reversed the write-down of cost of inventories by Baht 87 million (2017: Baht 32 million) (The Company only: Nil, 2017: Nil), and reduced the amount of inventories recognised as expenses during the year.

## 10. Investments in subsidiaries

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

Company's name	Paid-up capital		Shareholding percentage		Cost		Allowance for impairment of investments		Net book value	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
			Percent	Percent						
Khonkaen Glass Industry Co., Ltd.	900,000	900,000	100	100	1,165,320	1,165,320	-	-	1,165,320	1,165,320
Ayutthaya Glass Industry Co., Ltd.	3,000,000	1,700,000	100	100	3,699,889	2,399,889	-	-	3,699,889	2,399,889
Rayong Glass Industry Co., Ltd.	2,008,519	2,008,519	100	100	981,960	981,960	(35,525)	(35,525)	946,435	946,435
Pathumthani Glass Industry Co., Ltd.	1,586,353	1,586,353	100	100	1,407,090	1,407,090	-	-	1,407,090	1,407,090
Ratchaburi Glass Industry Co., Ltd.	1,500,000	600,000	100	100	1,479,074	579,074	-	-	1,479,074	579,074
Prachinburi Glass Industry Co., Ltd.	600,000	600,000	51	51	371,300	371,300	-	-	371,300	371,300
Total					9,104,633	6,904,633	(35,525)	(35,525)	9,069,108	6,869,108

(Unit: Thousand Baht)

Details of investments in subsidiaries and acquisition of subsidiaries transaction from parent company presented in Note 1.2 to the financial statements.

- 10.2 During the years ended 31 December 2017, the subsidiaries paid dividend to its former shareholders as presented in consolidated financial statements as below.

(Unit: Thousand Baht)

Company's name	
Ayutthaya Glass Industry Co., Ltd.	400,010
Khonkaen Glass Industry Co., Ltd.	139,950
Total	539,960

- 10.3 As at 31 December 2017, the Company recognised loss on impairment of investment in Rayong Glass Industry Co., Ltd. amounting to Baht 36 million, because that company has had persistent operating losses and permanently ceased its furnaces.
- 10.4 During the year ended 31 December 2017, Ratchaburi Glass Industry Co., Ltd. called for the Company to pay in an additional Baht 10.75 per share in respect of the 6 million ordinary shares it holds in that subsidiary, or a total of Baht 64.5 million. As at 31 December 2017, the Company has paid up the shares in full.
- 10.5 During the year ended 31 December 2018 and 2017, the Company received dividend from its subsidiaries as presented in separate financial statements as below.

(Unit: Thousand Baht)

Company's name	2018	2017
Prachinburi Glass Industry Co., Ltd.	10,710	25,520
Ayutthaya Glass Industry Co., Ltd.	201,900	-
Khonkaen Glass Industry Co., Ltd.	345,780	-
Total	558,390	25,520

- 10.6 On 1 June 2018, the Extraordinary General Meeting of the shareholders of Ayutthaya Glass Industry Co., Ltd. (the subsidiary) approved an increase in the registered share capital of the company from Baht 1,700 million to Baht 3,000 million, through the issuance of 13 million additional ordinary shares with a par value of Baht 100 each, or a total of Baht 1,300 million. The subsidiary registered the increase in its share capital with the Ministry of Commerce in June 2018.

Subsequently, the subsidiary called for the Company to pay in an additional Baht 100 per share in respect of the 13 million ordinary shares it holds in that subsidiary, or a total of Baht 1,300 million from June 2018 to August 2018. As at 31 December 2018, the Company has paid up the shares in full.

- 10.7 On 1 June 2018, the Extraordinary General Meeting of the shareholders of Ratchaburi Glass Industry Co., Ltd. (the subsidiary) approved an increase in the registered share capital of the company from Baht 600 million to Baht 1,500 million, through the issuance of 9 million ordinary shares with a par value of Baht 100 each, or a total of Baht 900 million. The subsidiary registered the increase in its share capital with the Ministry of Commerce in June 2018.

Subsequently, the subsidiary called for the Company to pay in an additional Baht 100 per share in respect of the 9 million ordinary shares it holds in that subsidiary, or a total of Baht 900 million. As at 31 December 2018, the Company has paid up the shares in full.

## 11. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements						Total
	Land and land improvements	Buildings and building improvements	Machinery, equipment and other factory equipment	Motor vehicles	Furniture, fixtures, equipment and other operating equipment	Assets under installation and construction	
<b>Cost</b>							
1 January 2017	215,989	5,277,299	15,936,379	92,972	268,405	982,149	22,773,193
Additions	-	8,164	220,992	14,878	22,533	774,032	1,040,599
Capitalised interest	-	-	2,857	-	-	3,536	6,393
Disposals/write-off	(2,710)	(44,115)	(377,923)	(836)	(17,206)	(60,954)	(503,744)
Transfers in (out)	24,480	27,296	841,483	-	9,939	(734,550)	168,648
Effect of business combination under common control	-	-	(21,255)	-	(187)	-	(21,442)
31 December 2017	237,759	5,268,644	16,602,533	107,014	283,484	964,213	23,463,647
Additions	1,004,903	37,923	183,039	18,365	18,809	1,850,599	3,113,638
Capitalised interest	-	-	-	-	-	11,369	11,369
Disposals/write-off	-	(802,107)	(3,697,661)	(24,582)	(35,586)	(25,188)	(4,585,124)
Transfers in (out)	99,872	954,314	1,460,306	-	33,487	(2,439,102)	108,877
31 December 2018	1,342,534	5,458,774	14,548,217	100,797	300,194	361,891	22,112,407
<b>Accumulated depreciation</b>							
1 January 2017	2,960	2,719,378	9,832,302	79,890	212,329	-	12,846,859
Depreciation for the year	5,326	171,150	1,170,769	7,858	23,097	-	1,378,200
Depreciation on disposals/write-off	-	(42,927)	(344,060)	(835)	(16,080)	-	(403,902)
Effect of business combination under common control	-	-	(12,139)	-	(136)	-	(12,275)
31 December 2017	8,286	2,847,601	10,646,872	86,913	219,210	-	13,808,882
Depreciation for the year	3,021	180,366	1,091,312	8,525	27,803	-	1,311,027
Depreciation on disposals/write-off	-	(756,308)	(3,275,210)	(24,152)	(34,425)	-	(4,090,095)
31 December 2018	11,307	2,271,659	8,462,974	71,286	212,588	-	11,029,814

(Unit: Thousand Baht)

## Consolidated financial statements

	Land and land improvements	Buildings and Building improvements	Machinery, equipment and other factory equipment	Motor vehicles	Furniture, fixtures, equipment and other operating equipment	Assets under installation and construction	Total
<b>Allowance for impairment loss</b>							
1 January 2017	-	208,469	413,872	288	36	27,361	650,026
Increase during the year	-	907	2,847	142	548	1,167	5,611
31 December 2017	-	209,376	416,719	430	584	28,528	655,637
Decrease during the year	-	(44,194)	(373,987)	(430)	(584)	(5,107)	(424,302)
31 December 2018	-	165,182	42,732	-	-	23,421	231,335
<b>Net book value</b>							
31 December 2017	229,473	2,211,667	5,538,942	19,671	63,690	935,685	8,999,128
31 December 2018	1,331,227	3,021,933	6,042,511	29,511	87,606	338,470	10,851,258
<b>Depreciation for the year</b>							
2017 (Baht 1,326 million included in manufacturing cost, and the balance in administrative expenses)							1,378,200
2018 (Baht 1,262 million included in manufacturing cost, and the balance in administrative expenses)							1,311,027

(Unit: Thousand Baht)

## Separate financial statements

	Building and Building improvement	Machinery, equipment and other factory equipment	Motor vehicles	Furniture, fixtures, equipment and other operating equipment	Assets under installation and construction	Total
<b>Cost</b>						
1 January 2017	-	-	-	-	-	-
Additions	-	77,802	5,911	4,128	6,957	94,798
Disposals/write-off	-	(7,871)	-	-	-	(7,871)
31 December 2017	-	69,931	5,911	4,128	6,957	86,927
Additions	60	28,523	314	3,236	538	32,671
Disposals/write-off	-	(6,709)	-	(6)	(93)	(6,808)
Transfers in (out)	-	6,730	-	672	(7,402)	-
31 December 2018	60	98,475	6,225	8,030	-	112,790
<b>Accumulated depreciation</b>						
1 January 2017	-	-	-	-	-	-
Depreciation for the year	-	32,423	307	540	-	33,270
Depreciation on disposals/write-off	-	(7,863)	-	-	-	(7,863)
31 December 2017	-	24,560	307	540	-	25,407
Depreciation for the year	3	35,329	1,191	1,676	-	38,199
Depreciation on disposals/write-off	-	(6,700)	-	(2)	-	(6,702)
31 December 2018	3	53,189	1,498	2,214	-	56,904
<b>Net book value</b>						
31 December 2017	-	45,371	5,604	3,588	6,957	61,520
31 December 2018	57	45,286	4,727	5,816	-	55,886
<b>Depreciation for the year</b>						
2017 (Baht 2 million included in cost of sales, and the balance in administrative expenses)						33,270
2018 (the balance included in administrative expenses)						38,199



During the year 2018, the subsidiaries used loans from banks for construction and installation of machines and factory equipment. Borrowing costs amounting to Baht 11 million were capitalised as costs of assets which were calculated based on capitalisation rates of 1.80% to 2.85% (2017: Baht 6 million, rates of 1.95% to 2.76%).

During the year ended 31 December 2018, the subsidiaries recognised losses on impairment of building and equipment amounting to Baht 49 million (2017: Baht 23 million). The major portion of allowance for impairment losses was recorded for buildings, furnaces and equipment of subsidiaries, since there are no plans to use such assets.

As at 31 December 2018, certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 3,710 million (2017: Baht 6,882 million) (The Company only: Baht 127 million, 2017: Baht 36 million).

## 12. Intangible assets

The net book value of intangible assets as at 31 December 2018 and 2017 are presented below.

(Unit: Thousand Baht)			
Consolidated financial statements			
	Computer software	Computer software under installation	Total
As at 31 December 2018			
Cost	6,747	8,370	15,117
Less: Accumulated amortisation	(2,901)	-	(2,901)
Net book value	3,846	8,370	12,216
As at 31 December 2017			
Cost	24,820	-	24,820
Less: Accumulated amortisation	(19,009)	-	(19,009)
Less: Allowance for impairment loss	(3,175)	-	(3,175)
Net book value	2,636	-	2,636

(Unit: Thousand Baht)

Separate financial  
statements

Computer software

As at 31 December 2018

Cost	1,456
Less: Accumulated amortisation	(587)
Net book value	869

As at 31 December 2017

Cost	1,022
Less: Accumulated amortisation	(174)
Net book value	848

A reconciliation of the net book value of intangible assets for the years 2018 and 2017 are presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Net book value at beginning of year	2,636	7,795	848	-
Additions	8,868	778	434	1,022
Transfer in from equipment	2,078	-	-	-
Disposal/write-off during the year - net book value at disposal/write-off date	(31)	-	-	-
Amortisation	(1,335)	(2,639)	(413)	(174)
Impairment loss	-	(3,175)	-	-
Effect of business combination under common control	-	(123)	-	-
Net book value at end of year	12,216	2,636	869	848

### 3. Short-term loans from banks

Short-term loans from banks are clean and denominated in Baht.

### 4. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Trade and other payables - related parties	113,212	130,171	1,620,053	1,277,716
Trade and other payables - unrelated parties	672,025	845,377	30,576	79,217
Payables for construction	85,669	41,741	-	-
Accrued expenses	154,442	97,919	38,043	21,043
Total trade and other payables	1,025,348	1,115,208	1,688,672	1,377,976

## 15. Long-term loans from banks

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Long-term loans from banks	2,941,500	3,003,500	1,500,000	2,000,000
Less: Current portion of long-term loans	(977,000)	(1,249,500)	(500,000)	(500,000)
Long-term loans from banks - net of current portion	1,964,500	1,754,000	1,000,000	1,500,000

Movements of the long-term loans account for the years ended 31 December 2018 and 2017 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2017	1,961,500	-
Add: Additional borrowings during the year	2,450,000	2,000,000
Less: Repayment during the year	(1,408,000)	-
Balance as at 31 December 2017	3,003,500	2,000,000
Add: Additional borrowings during the year	1,000,000	-
Less: Repayment during the year	(1,062,000)	(500,000)
Balance as at 31 December 2018	2,941,500	1,500,000

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

In addition, the Company and its subsidiaries have a condition under the loan agreements whereby it agrees not to enter into any negative pledges of its assets, except as otherwise it makes in the ordinary course of business.

As at 31 December 2018 and 2017, the Company and its subsidiaries have fully drawn down the long-term credit facilities.

## 16. Provision for long-term employee benefits

(Unit: Thousand Baht)

	Consolidated financial statements		
	Provision for post-employment benefits	Provision for other long-term employee benefits	Total
<b>Provision for long-term employee benefits</b>			
<b>as at 1 January 2017</b>	689,638	21,670	711,308
Included in profit or loss:			
Current service cost	34,873	1,249	36,122
Interest cost	17,917	628	18,545
Actuarial loss	-	304	304
Included in other comprehensive income:			
Actuarial loss arising from demographic assumption change	9,016	-	9,016
Benefit paid during the year	(147,660)	(3,192)	(150,852)
Effect of business combination under common control	(146,222)	(1,910)	(148,132)
<b>Provision for long-term employee benefits</b>			
<b>as at 31 December 2017</b>	457,562	18,749	476,311
Included in profit or loss:			
Current service cost	38,287	859	39,146
Interest cost	14,874	403	15,277
Transfer from parent company	7,399	-	7,399
Transfer to related party company	(2,263)	-	(2,263)
Benefit paid during the year	(80,992)	(1,573)	(82,565)
<b>Provision for long-term employee benefits</b>			
<b>as at 31 December 2018</b>	434,867	18,438	453,305

(Unit: Thousand Baht)

	Separate financial statements		
	Provision for post-employment benefits	Provision for other long-term employee benefits	Total
<b>Provision for long-term employee benefits</b>			
<b>as at 1 January 2017</b>	-	-	-
Included in profit or loss:			
Current service cost	7,412	190	7,602
Interest cost	3,880	77	3,957
Actuarial loss	-	61	61
Included in other comprehensive income:			
Actuarial loss arising from demographic assumption change	2,565	-	2,565
Transfer from parent company	132,001	2,428	134,429
Benefit paid during the year	(14,691)	-	(14,691)
<b>Provision for long-term employee benefits</b>			
<b>as at 31 December 2017</b>	131,167	2,756	133,923
Included in profit or loss:			
Current service cost	8,232	193	8,425
Interest cost	4,065	74	4,139
Transfer from parent company	7,399	-	7,399
Transfer to related party company	(27)	-	(27)
Benefit paid during the year	(17,101)	(345)	(17,446)
<b>Provision for long-term employee benefits</b>			
<b>as at 31 December 2018</b>	133,735	2,678	136,413

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

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cost of sales	44,780	43,125	3,562	3,705
Selling and administrative expenses	9,643	11,846	9,002	7,915
Total expenses recognised in profit or loss	54,423	54,971	12,564	11,620

The Company and its subsidiaries expect to pay Baht 33 million (2017: Baht 15 million) of long-term employee benefits during the next year (The Company only: Baht 9 million (2017: Baht 6 million)).

As at 31 December 2018, the weighted average duration of the liabilities for long-term employee benefit is 15 years (2017: 15 years) (The Company only: 15 years (2017: 15 years)).

Significant actuarial assumptions are summarised below:

	Consolidated financial statements		(Unit: percent per annum) Separate financial statements	
			2018	2017
	2018	2017	2018	2017
Discount rate	3.30	3.30	3.30	3.30
Salary increase rate (depend on age)	4.0 - 9.0	4.0 - 9.0	4.0 - 9.0	4.0 - 9.0
Turnover rate (depend on age)	0.0 - 12.0	0.0 - 12.0	0.0 - 12.0	0.0 - 12.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2018 and 2017 are summarised below:

	(Unit: Thousand Baht) Consolidated financial statements			
	2018		2017	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(41,809)	48,165	(38,964)	44,831
Salary increase rate	46,453	(41,163)	43,192	(38,318)

	(Unit: Thousand Baht) Separate financial statements			
	2018		2017	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(10,084)	11,586	(9,653)	11,088
Salary increase rate	11,206	(9,959)	10,712	(9,521)

On 13 December 2018, The National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which is in the process being published in the Royal Gazette. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive not less than 400 days' compensation at the latest wage rate. This change is considered a post-employment benefits plan amendment and the Company and its subsidiaries have additional liabilities for long-term employee benefits of Baht 38 million (The Company only: Baht 9 million). The Company and its subsidiaries will reflect the effect of the change by recognising past services costs as expenses in the income statement of the period in which the law is effective.



## **17. Share capital**

17.1 On 30 November 2016, the Company was established under the Civil and Commercial Code with a registered share capital of Baht 1 million, comprised of 10,000 shares at Baht 100 per share. The Company received full payment of capital and registered with the Ministry of Commerce on 30 November 2016.

17.2 On 27 March 2017, the Company's Extraordinary General Meeting of the shareholders No. 2/2017 approved an increase in the registered share capital of the Company from Baht 1 million (10,000 shares at Baht 100 per share) to Baht 2,500 million (25 million shares at Baht 100 per share), through the issuance of additional 24.99 million ordinary shares with a par value of Baht 100 each. The Company registered the increase in its share capital with the Ministry of Commerce on 5 April 2017.

The objective of the increase in share capital was for the acquisition of the shares of subsidiaries, with the share capital to be offset with the amounts payable due to the acquisition of the investments in subsidiaries, as discussed in Note 1.2 to the financial statements.

17.3 On 21 March 2018, the Annual General Meeting of the Company's shareholders passed resolutions approving the following matters:

- 1) Approved the conversion of the Company into a public company
- 2) Approved the change of the par value of the Company's shares from Baht 100 to Baht 5 per share. After the change in par value, there will be 500 million shares and the registered share capital will be Baht 2,500 million.
- 3) Approved the increase of the Company's registered share capital from Baht 2,500 million to Baht 3,472 million, by issuing 194.44 million ordinary shares with a par value of Baht 5 per share.
- 4) Approved the allocation of 194.44 million additional ordinary shares with a par value of Baht 5 as follows:
  - Allocation of 175 million additional ordinary shares to the initial public offering
  - Allocation of 19.44 million additional ordinary shares to be offered to directors, management and employees of the Company and its subsidiaries at an offering price equal to the initial public offering price
- 5) Approved the listing of the Company's ordinary shares as securities on the Stock Exchange of Thailand.

The Company registered the above matters 1) - 3) with the Ministry of Commerce in April 2018 and executed the above matters 4) - 5) in October 2018.

- 17.4 During 8 October 2018 to 10 October 2018, the Company offered 194.44 million of additional ordinary shares at a price of Baht 10.20 per share to the initial public offering and the directors, management and employees of the Company and its subsidiaries. The Company received full settlement of the additional share capital and registered the increase in its paid-up capital with the Ministry of Commerce on 12 October 2018. The Company is required to pay incentive and underwriting fees to the securities underwriters, with those fees calculated in accordance with the condition stipulated in the contract dated 5 October 2018. The Company recorded the differences between the selling price (Baht 10.20 per share) and par value (Baht 5.00 per share) of 194.44 million additional ordinary shares, amounting to Baht 1,011.1 million, as share premium in shareholders' equity. In addition, the direct costs attributable to the share offering net of income tax, amounting to Baht 31.7 million, were presented as a deduction from the share premium.

The Stock Exchange of Thailand (SET) approved the listing of the ordinary shares of the Company as securities on the SET, to be traded from 18 October 2018.

#### **18. Statutory reserve**

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5% of its profit for the year after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution.

According to Section 1202 of the Thai Civil and Commercial Code, a subsidiary (incorporated under Thai Laws) is required to set aside a statutory reserve equal to at least 5% of its profit each time the company pays out a dividend, until such reserve reaches 10% of its registered share capital. The statutory reserve can neither be offset against deficit nor used for dividend payment.

## 19. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Salaries and wages and other employee benefits	1,518,470	1,609,019	111,303	100,367
Depreciation	1,311,027	1,378,200	38,199	33,270
Amortisation expenses	1,335	2,639	413	174
Loss on impairment of building and equipment	48,788	22,887	-	-
Loss on exchange	-	9,064	2,203	7,477
Rental expenses from operating lease agreements	90,950	116,140	15,610	12,266
Raw materials and consumables used	5,861,520	6,046,510	-	-
Purchases of goods	57,373	294,144	2,540,039	3,291,185
Changes in inventories of finished goods and work in progress	(229,115)	81,535	89,514	(109,982)
Loss on reduction of cost of inventories to net realisable value	36,790	31,323	2,532	2,334
Transportation expenses	174,729	178,625	53,418	65,531
Insurance expenses	19,538	26,012	1,062	345
Doubtful debts	18,881	475	18,881	165
Loss on impairment of investment in a subsidiary	-	-	-	35,525

## 20. Income tax

Income tax expenses for the years ended 31 December 2018 and 2017 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
<b>Current income tax:</b>				
Current income tax charge	76,185	29,162	11,534	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	3,750	(14,473)	-	-
Effects of income tax related to the share offering (Note 17.4)	7,926	-	7,926	-
<b>Income tax expense reported in the statement of comprehensive income</b>	<b>87,861</b>	<b>14,689</b>	<b>19,460</b>	<b>-</b>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2018 and 2017 are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Reversal of deferred tax assets on actuarial loss	-	1,290	-	-
Total	-	1,290	-	-

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

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Accounting profit (loss) before tax	611,608	266,545	623,819	(60,126)
Applicable tax rate	20%	20%	20%	20%
Accounting profit (loss) before tax multiplied by income tax rate	122,322	53,309	124,764	(12,025)
Effects of eliminated transactions	109,831	2,335	-	-
Effects of business combination under common control	-	34	-	-
Adjustment in respect of income tax of previous year	199	-	-	-
Temporary differences and tax loss utilised during the year for which deferred tax assets were not previously recognised	(108,311)	(35,175)	(1,539)	-
Tax losses for the year for which deferred tax assets were not recognised	108,254	31,004	-	1,028
Temporary differences for the year for which deferred tax assets were not recognised	10,863	17,471	6,795	9,917
Reversal of previously recognised deferred tax assets	-	1,096	-	-
Effects of:				
Promotional privileges (Note 21)	(65,606)	(91,281)	-	-
Exempt revenues and non-deductible expenses	(89,238)	35,905	(110,204)	1,080
Additional expense deductions allowed	(453)	(9)	(356)	-
Total	(155,297)	(55,385)	(110,560)	1,080
Income tax expenses reported in the statement of comprehensive income	87,861	14,689	19,460	-

The components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	31 December 2018	31 December 2017
<b>Deferred tax assets</b>		
Allowance for diminution in value of inventories	11,446	5,677
Allowance for assets impairment	7,889	7,901
Provision for long-term employee benefits	38,789	39,260
Adjustment of accrued rental expenses under straight-line method	444	-
Unused tax losses	2,584	12,064
<b>Total</b>	<b>61,152</b>	<b>64,902</b>

As at 31 December 2018, the Company and its subsidiaries have deductible temporary differences and unused tax losses totaling Baht 1,984 million (2017: Baht 1,423 million), on which deferred tax assets have not been recognised as the Company and its subsidiaries believe future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

The unused tax losses amounting to Baht 1,724 million (2017: Baht 721 million) will expire by 2023 (2017: within 2022).

## 21. Promotional privileges

Some subsidiaries were granted investment promotional privileges by the Board of Investment (BOI) under the Investment Promotion Act B.E. 2520. As at 31 December 2018, important tax privileges granted to the companies are summarised below.

	Investment promotion certificate no.	Expiry date of exemption from import duty on machines	Exemption from corporate income tax for the periods	Commencing date for income tax exemption
<b>Khonkaen Glass Industry Co., Ltd.</b>				
Manufacture of glass and glass products	2226(2)/2551	Expired	8 years	9 January 2010
Generating waste heat	2017(2)/2552	Expired	8 years	30 November 2010
Generating electricity from solar rooftop	1428(1)/2557	Expired	8 years	31 July 2014
Modifying of machine for increase efficiency of glass production or glass products	61-0940-1-05-1-0	9 August 2021	3 years	Not yet utilised
<b>Ayuthaya Glass Industry Co., Ltd.</b>				
Manufacture of glass and glass products	5106(2)/2555	Expired	8 years	25 October 2012
Manufacture of glass and glass products	5105(2)/2555	Expired	8 years	30 September 2013
Manufacture of glass and glass products	5107(2)/2555	Expired	8 years	23 May 2015

	Investment promotion certificate no.	Expiry date of exemption from import duty on machines	Exemption from corporate income tax for the periods	Commencing date for income tax exemption
<b>Ratchaburi Glass Industry Co., Ltd.</b>				
Manufacture of glass and glass products	2391(2)/2556	7 April 2019	7 years	26 November 2018
Manufacture of glass and glass products	60-0021-0-00-1-2	Expired	7 years	Not yet utilised

The Group's operating revenues for the years ended 31 December 2018 and 2017, divided between promoted and non-promoted operations, are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements					
	Promoted operations		Non-promoted operations		Total	
	2018	2017	2018	2017	2018	2017
Sales						
Domestic sales	4,491,559	5,252,287	5,192,004	5,239,873	9,683,563	10,492,160
Export sales	-	-	716,886	672,047	716,886	672,047
Total sales	4,491,559	5,252,287	5,908,890	5,911,920	10,400,449	11,164,207

## 22. Earnings per share

Basic earnings (loss) per share is calculated by dividing profit (loss) for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year, after adjusting the number of shares for the years ended 31 December 2018 and 2017 to reflect the change in the number of shares as a result of the change in the par value described in Note 17.3 2). In this respect, the number of ordinary shares was adjusted as if the share split had occurred at the beginning of the first reporting period.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Profit (loss) attributable to equity holders of the Company (Thousand Baht)	496,170	186,202	604,359	(60,126)
Weighted average number of ordinary shares (Thousand shares)	543,151	371,284	543,151	371,284
Earnings (loss) per share (Baht per share)	0.91	0.50	1.11	(0.16)



### **23. Segment information**

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

The Group's operations involve the business of manufacture and distribution of glass containers. This is only industry segment in which the Group mainly operates and almost entire revenues are generated from this segment. As such, no segmental bifurcation is applicable since the operations are mainly limited to only one aforesaid segment. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the consolidated financial statements.

Geographic information

The Company and its subsidiaries operate in Thailand only. As a result, all the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

Major customers

For the year 2018, the Company and its subsidiaries have revenue from a customer group and a major customer in amount of Baht 6,132 million and Baht 1,486 million, respectively (2017: Baht 6,643 million and Baht 1,434 million, respectively).

### **24. Provident fund**

The Group and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Group contribute to the fund monthly at the rate of 4 - 7 percent of basic salary and benefit received. The fund, which is managed by SCB Asset Management Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. The contributions for the years 2018 and 2017 of the Group amounting to approximately Baht 26 million and Baht 27 million, respectively (The Company only: 2018: Baht 7 million and 2017: Baht 7 million) were recognised as expenses.

## 25. Dividends

Dividend	Approved by	Number of shares (Thousand shares)	Total dividends (Thousand Baht)	Dividend per share (Baht)
Interim dividend for 2018	The Company's Board of Directors' Meeting on 14 August 2018	500,000	300,000	0.60
Interim dividend for 2018	The Company's Board of Directors' Meeting on 14 November 2018	694,444	41,666	0.06
			<u>341,666</u>	<u>0.66</u>

## 26. Commitment and contingent liabilities

### 26.1 Capital commitments

As at 31 December 2018, the subsidiaries had capital commitments amounting to Baht 53 million, Euro 0.3 million and Yen 81 million (2017: Baht 261 million), related to the construction of factory buildings, office renovation and acquisition of machinery.

### 26.2 Operating lease and service commitments

26.2.1 The Group has entered into several lease agreements in respect of the space rental, lease of motor vehicles and equipment and service agreements. The terms of the agreements are generally between 1 and 5 years.

As 31 December 2018 and 2017, the Group has future minimum lease payments required under these operating leases contracts and service agreements were as follows.

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Payable:				
In up to 1 year	48	26	11	3
In over 1 and up to 5 years	60	46	16	3

26.2.2 The Company has entered into office space rental and service agreements with the parent company. The lease terms and rental rates are as stipulated in the agreements. During the year 2018, the Company recognised costs of office space rental and service agreements amounting to Baht 11 million (2017: Baht 11 million).

26.2.3 Five subsidiaries have entered into agreements to lease land from the parent company on which to locate their factory buildings. The lease terms and rental rates are as stipulated in the agreements. Subsequently, on 14 December 2017, a meeting of the Board of Directors of the Company approved the purchase of land and some buildings by 3 subsidiaries from the parent company, to be the place of business of 3 subsidiaries. During the year 2018, three subsidiaries purchased and received ownership of land and structures thereon amounting to Baht 1,026 million from parent company.

In addition, in January 2018, two subsidiaries amended the conditions of the lease agreements for the land that these subsidiaries did not purchase from the parent company to a lease term of 10 years that can be renewed for a further 10 years subject to certain conditions stated in the contracts.

During the year 2018, the subsidiaries had land rental expenses amounting to Baht 22 million (2017: Baht 36 million).

### **26.3 Commitment of service contracts**

26.3.1 The Company entered into a management service contract with the parent company, with a service fee at a rate specified. The term of the agreement was 3 years and it could be renewed for further term of 3 years each. During the year 2017, the Company incurred technical and management service expenses amounting to Baht 138 million. Subsequently, in 2018, the Company terminated the contract with the parent company and entered into a new service agreement with the parent company, which became effective on 1 January 2018. The term of the agreement is 1 year and it can be renewed for further terms of 1 year each. During the year 2018, the Company paid service expenses to the parent company amounting to approximately Baht 55 million.

26.3.2 In March 2018, the Group entered into a service agreement with the parent company in relation to a computer software system. The term of the agreement is 5 years and the service rates are as stipulated in the agreement. During the year 2018, the Group had service expenses amounting to Baht 24 million.

### **26.4 Long-term purchase commitments**

26.4.1 The Company and its subsidiaries entered into forward contracts with a limited partnership for purchases of raw materials for 5 years with one related company and 10 years with two unrelated companies. The volumes and prices of the purchases are as stipulated in the memorandum and agreements. The contracts are valid up to 31 December 2023, 30 June 2023 and 30 June 2027, respectively.

26.4.2 Three subsidiaries had commitments under agreements to purchase fuel from an unrelated company, with the quantities, prices and related costs as stipulated in the agreements. The terms of the agreements are 5 years, 10 years and 10 years, valid until 30 September 2022, 30 June 2020 and 30 June 2028, respectively.

## **26.5 Guarantees**

As at 31 December 2018, the Company and its subsidiaries had outstanding bank guarantees of approximately Baht 100 million (The Company only: Nil) (2017: Consolidated financial statements: Baht 107 million, The Company only: Baht 1 million). They were issued by the banks on behalf of the Group in respect of certain performance bonds as required in the ordinary course of its business. These mainly included letters of guarantee to guarantee electricity use and fuel oil.

## **26.6 Letter of credit**

As at 31 December 2018, subsidiaries have outstanding commitments of approximately Euro 0.07 million (2017: Euro 9 million) under letter of credit, relating to acquisition of machinery and construction of furnaces.

## **27. Financial instruments**

### **27.1 Financial risk management**

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

#### ***Credit risk***

The Group is exposed to credit risk primarily with respect to trade accounts receivable, loans and other receivables. The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. However, the Group is exposed to concentrations of credit risk with respect to trade receivables because it sells most of its products to the group of companies that are major shareholders. The maximum exposure to credit risk is limited to the carrying amounts of trade accounts receivable, loans and other receivables as stated in the statement of financial position.

### Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks, short-term loans and short-term and long-term borrowings with interest. However, most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

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

(Unit: Million Baht)

	Consolidated financial statements					
	As at 31 December 2018					
	Fixed interest rates					
	Within 1 year	1-5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate  (% per annum)
<u>Financial assets</u>						
Cash and cash equivalents	-	-	9.3	135.6	144.9	USD 0.05
Trade and other receivables	-	-	-	1,351.3	1,351.3	-
	-	-	9.3	1,486.9	1,496.2	
<u>Financial liabilities</u>						
Short-term loans from banks	5,044.0	-	-	-	5,044.0	1.95 - 2.16
Trade and other payables	-	-	-	1,025.3	1,025.3	-
Long-term loans from banks	977.0	1,964.5	-	-	2,941.5	2.80 - 2.95
	6,021.0	1,964.5	-	1,025.3	9,010.8	

(Unit: Million Baht)

Consolidated financial statements						
As at 31 December 2017						
Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)	
Within 1 year	1-5 years					
<u>Financial assets</u>						
Cash and cash equivalents	-	-	18.3	85.7	104.0	USD 0.05
Trade and other receivables	-	-	-	1,593.7	1,593.7	-
	-	-	18.3	1,679.4	1,697.7	
<u>Financial liabilities</u>						
Short-term loans from banks	3,007.0	-	-	-	3,007.0	1.80 - 1.95
Trade and other payables	-	-	-	1,115.2	1,115.2	-
Short-term loans from related party	2,239.6	-	-	-	2,239.6	2.50
Long-term loans from banks	1,249.5	1,754.0	-	-	3,003.5	2.85 - 3.80
	6,496.1	1,754.0	-	1,115.2	9,365.3	

(Unit: Million Baht)

## Separate financial statements

As at 31 December 2018

	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years				
<u>Financial assets</u>						
Cash and cash equivalents	-	-	9.3	39.4	48.7	USD 0.05
Trade and other receivables	-	-	-	569.3	569.3	-
Short-term loans to related party	968.0	-	-	-	968.0	2.85
	968.0	-	9.3	608.7	1,586.0	
<u>Financial liabilities</u>						
Short-term loans from banks	2,509.0	-	-	-	2,509.0	1.95 - 2.16
Trade and other payables	-	-	-	1,688.7	1,688.7	-
Short-term loans from related parties	316.0	-	-	-	316.0	2.16
Long-term loans from banks	500.0	1,000.0	-	-	1,500.0	2.95
	3,325.0	1,000.0	-	1,688.7	6,013.7	

(Unit: Million Baht)

## Separate financial statements

As at 31 December 2017

	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years				
<u>Financial assets</u>						
Cash and cash equivalents	-	-	18.3	32.6	50.9	USD 0.05
Trade and other receivables	-	-	-	960.6	960.6	-
Short-term loans to related parties	392.0	-	-	-	392.0	2.85
	392.0	-	18.3	993.2	1,403.5	
<u>Financial liabilities</u>						
Short-term loans from banks	140.0	-	-	-	140.0	1.80
Trade and other payables	-	-	-	1,378.0	1,378.0	-
Short-term loans from related parties	2,397.6	-	-	-	2,397.6	1.95 - 2.50
Long-term loans from banks	500.0	1,500.0	-	-	2,000.0	2.95
	3,037.6	1,500.0	-	1,378.0	5,915.6	



### **Foreign currency risk**

The Group's exposure to foreign currency risk arises mainly from trading transactions and machine import that are denominated in foreign currencies. As at 31 December 2018 and 2017, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	2018	2017	2018	2017	2018	2017
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	6.0	3.4	0.1	0.2	32.45	32.68
Euro	0.4	0.2	1.6	1.8	37.13	39.03
VND	14.9	15.3	-	-	0.001	0.001

As at 31 December 2018 and 2017, the Group has no outstanding foreign exchange forward contracts.

### **27.2 Fair values of financial instruments**

Since the majority of the Company and its subsidiaries' financial instruments are short-term in nature, loan receivables and loans borrowings carrying interest at rates closed to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

### **28. Capital management**

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2018, the Group's debt-to-equity ratio was 1.85:1 (2017: 3.27:1) and the Company's was 1.32:1 (2017: 2.49:1).

### **29. Events after the reporting period**

- 29.1 On 20 February 2019, the Extraordinary General Meeting of Shareholders of Pathumthani Glass Industry Co., Ltd. (the subsidiary) approved the reduction of the registered share capital of the subsidiary from Baht 1,700 million to Baht 1,190 million, or a total decrease of Baht 510 million. In addition, the subsidiary reduced its paid-up capital from Baht 1,586.35 million to Baht 1,190 million, or a total decrease of Baht 396.35 million, by reducing the par value of its shares from Baht 100 to Baht 70 to eliminate its deficit. This did not affect the number of shares.

29.2 On 28 February 2019, a meeting of the Company's Board of Directors passed a resolution approving the payment of a dividend to its shareholders from the Company's operating profit of the year 2018. Since the Company's Board of Directors previously approved an interim dividend amounting to Baht 206.67 million from the earnings of the year 2018, the remaining dividend payment of 694.44 million ordinary shares is Baht 0.12 per share, amounting to Baht 83.33 million. The Company's Board of Directors will propose the dividend payment for approval by the 2018 Annual General Meeting of the Company's Shareholders in April 2019.

### **30. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 28 February 2019.











# Invent to Inspire

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