TPNC
PACKAGING

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TPAC INDIA

6 World Class Factories Strategically Located Across India

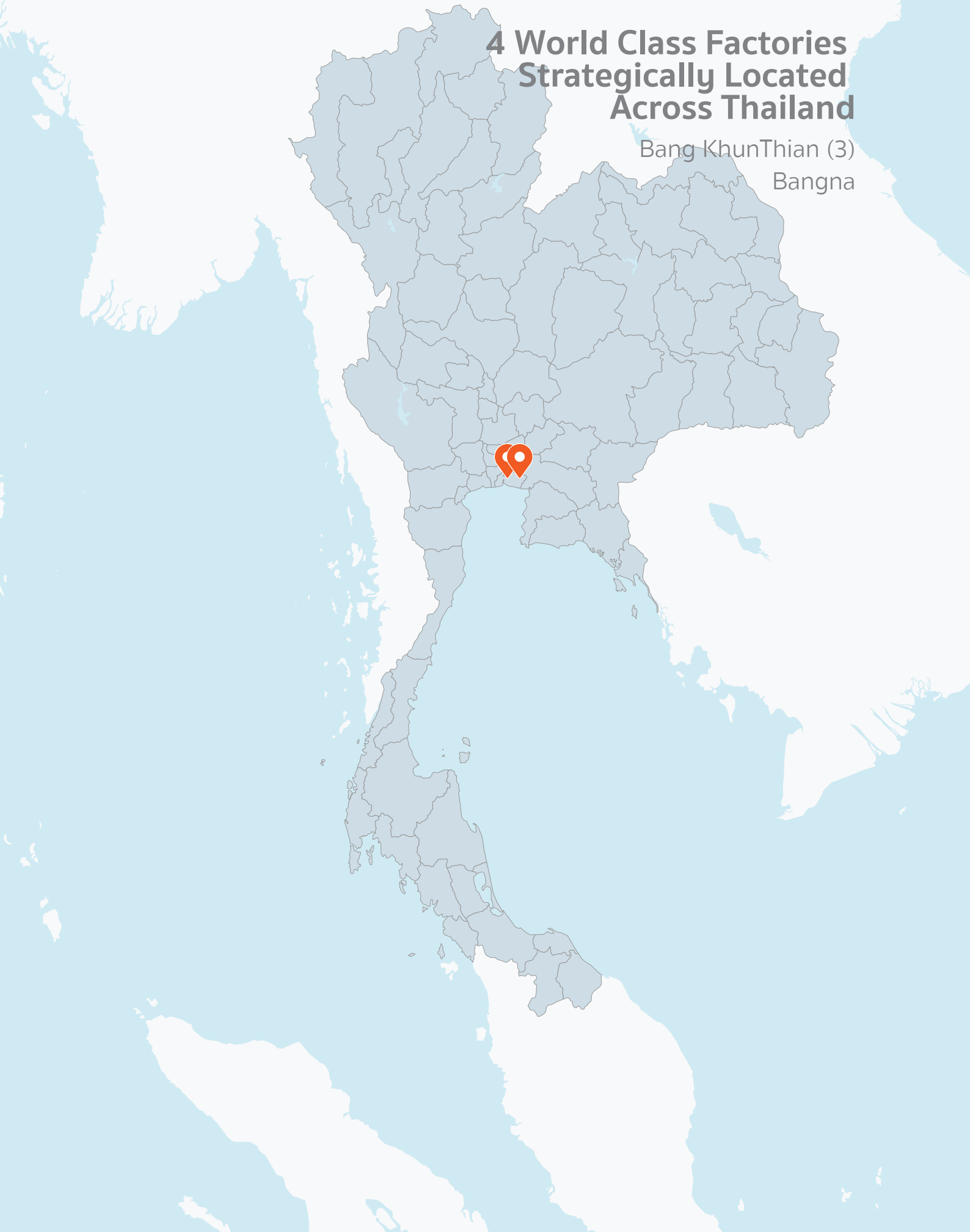
Dadra
Umbergaon
Silvassa
Haridwar (2)
Alwar

TPAC THAILAND

4 World Class Factories Strategically Located Across Thailand

Bang KhunThian (3)

Bangna

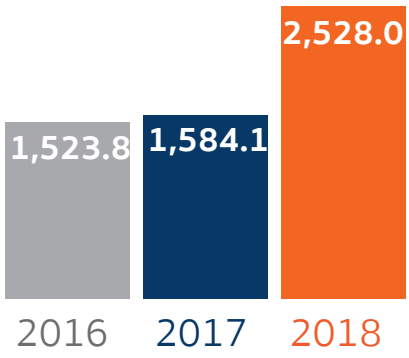


Performance Highlights

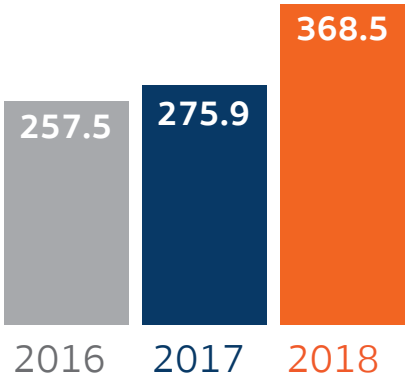
THB Million	2016	2017	2018
Sales	1,523.8	1,584.1	2,528.0
Gross Profit	257.5	275.9	368.5
Gross Profit Margin %	16.9%	17.4%	14.6%
EBITDA	257.1	258.7	279.6
Core EBITDA*	257.1	266.8	330.5
Net Profit	104.9	107.4	22.7
Core Net Profit*	104.9	113.9	42.7

*deduct one-time transactional (M&A) related expense

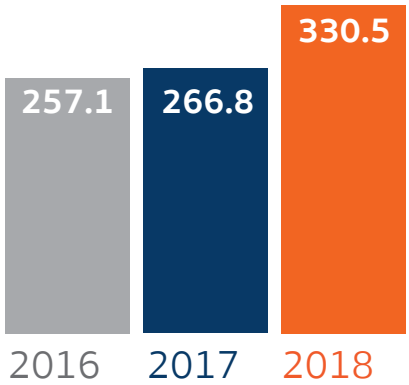
Sales



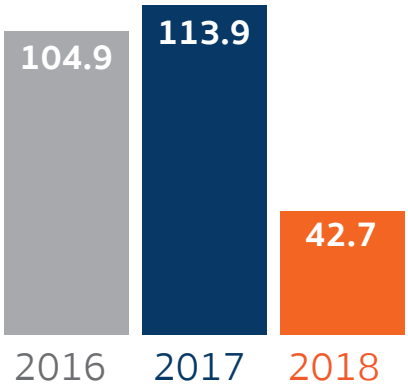
Gross Profit



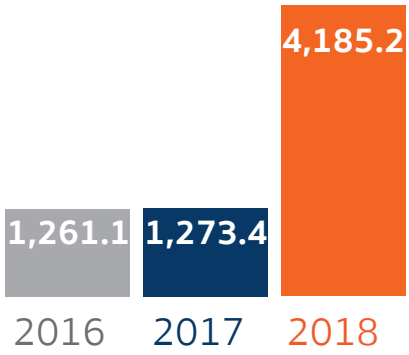
Core EBITDA



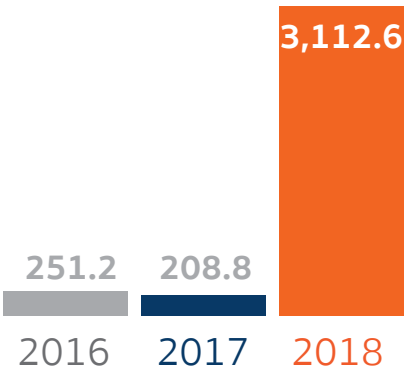
Core Net Profit



Assets



Liabilities



Message from Chairman & Group CEO

Mr. Kevin Qumar Sharma
Chairman of Board of Directors and Group CEO

Dear Shareholders,

TPAC ended 2018 with Core EBITDA up 24% against the previous year.

Net profits were down 79% against the previous year, as these were heavily weighed down by 1-off transaction related expenses which are now behind us, as well as borrowing costs from our recently completed acquisitions.

The year saw TPAC complete on our first ever acquisition within our 35-year history.

In fact, we completed on 2 separate transformational acquisitions.

We are by no means using the word transformational flippantly.

On the contrary rather, as our convictions are high in the transformational nature of our actions of 2018.

At the start of the year, we were a business with 3 factories, all located in Thailand.

We ended 2018 as an international packaging company with 10 factories, 4 in Thailand and 6 across the world's most exciting packaging market (in our opinion), that of India.

In May, we acquired a Thai packaging company with 1 sizeable production facility spread over 14 rai, on the opposite side of Bangkok to our existing location.

The business had made a small financial loss in the year prior to our acquisition.

However, it was clear to us that this acquisition would enable us to better serve our customers in Thailand.

We would be able to get closer to our customers and logistically optimize our production.

With conviction in our philosophy that with improved customer service, will come healthier earnings, we

acted on this opportunity.

With this acquisition, we have been presented the opportunity to deepen our portfolio with a select group of leading Thai consumer companies, and in other cases have had the privilege to establish a relationship for the first time.

Potential to scale up production from these severely underutilized assets is high.

Our market position as a leading packaging solutions company in Thailand is further cemented by this acquisition.

Factory infrastructure is no more a limiting factor for our next decade, and with a capable shop floor team, we are ready to launch a new wave of organic growth in Thailand.

Approximately 4 months post our Thai acquisition, we then successfully completed on our Indian acquisition at the end of August.

TPAC India is today one of India's largest packaging companies with 6 production sites across the country.

It has been exciting to share with our customer in Thailand, that we are now ready to also serve them in India, a high priority target market for a number of our multinational customers.

For TPAC India, just like our business in Thailand, the shared mindset is manufacturing under best in class hygiene standards and the common skillset is one that delivers consistent quality for the millions of pieces that come off our shop floor every month.

There are much our teams are learning from each other with the sharing of best practices.

It has allowed us to further deepen our specialised expertise of rigid plastic solutions for the consumer sector.

With mindset and skillset aligned, the Indian acquisition is a good fit for TPAC.

With a solid team now on the ground, this acquisition opens up a world of opportunities for TPAC in India.

This is likely just the start of our India story.

We have made our moves in 2018.

Big strategic transformational moves at that, designed to improve the quality of our earnings.

We are a significantly larger company today, with more diversified better-quality earnings.

The stage is now set for TPAC to unlock stakeholder value.

(Kevin Qumar Sharma)
Chairman of Board of Directors and Group CEO

General Information

Headquarters

Name	: Thai Plaspac Public Company Limited
Symbol	: TPAC
Type of Business	: Design and Manufacture rigid plastic packaging
Website	: www.thaiplaspac.com
Registration Number	: 0107547000575
Date of Incorporation	: August 1, 1983
Registered Share Capital	: Baht 255,000,000 divided into 255,000,000 ordinary shares of par value at Baht 1 each
Paid-up Share Capital	: Baht 253,817,676 divided into 253,817,676 ordinary shares of par value at Baht 1 each
Fiscal Year End	: 31 December
Head Office	: 77 Soi Thian Thaley 30 Bang Khun Thian-Chay Thaley Road, Tha Kham, Bang Khun Thian Bangkok 10150, Thailand Tel. 02-897-2250-1 Fax. 02-897-4694
Branch 001	: 3/1, 3/2 SoiThian Thaley 15, Bang Khun Thian-Chay Thaley Road, Sameadum, Bang Khun Thian, Bangkok 10150, Thailand Tel. 02-892-0261-4
Share Registrar	: Thailand Securities Depository Company Limited 93 Ratchadaphisek Road, Dindaeng Bangkok 10400, Thailand Tel. 02-009-9000 Fax. 02-009-9991
Auditor	: Miss Rungnapa Lertsuwankul (CPA No. 3516) or Ms. Pimjai Manitkajohnkit (CPA No. 4521) or Mr. Chayapol Suppasedtanon (CPA No. 3972) or Miss Orawan Techawatanasirikul (CPA No. 4807) the auditors who have been approved by the Securities and Exchange Commission of Thailand EY Office Limited 33rd Floor, Lake Rajada Office Complex 193/136-137 Rajadapisek Road, Klongtoey, Bangkok 10110, Thailand Tel. 02-264-0777
Legal Advisor	: Patsakorn Kulthamnong Thanakorn Noosamphan Pasinpoom Jitkra Khunpol legal and Associate 174/137 Moo 6, Rama II Soi 60, Rama II Road, Samaedam, Bangkhuntien, Bangkok, 10150, Thailand Tel. 02-415-9689, 095-573-2247 Fax. 02-050-2755
Investor Relations	: Mr. Worapong Woottipruk, worapong@thaiplaspac.com
Secretarial & Compliance	: Mr. Worapong Woottipruk, worapong@thaiplaspac.com secretary@thaiplaspac.com

TPAC's Subsidiary

Company Name	: TPAC PACKAGING INDIA PRIVATE LIMITED
Type of Business	: Manufacture rigid plastic packaging
CIN	: U74999MH2017PTC301190
ROC Code	: RoC-Mumbai
Registration Number	: 301190
Date of Incorporation	: December 7, 2017
Authorized Capital	: Rs 2,450,000,000 divided into 245,000,000 ordinary shares of par value at Rs 10 each
Paid up Capital	: Rs 2,107,695,750 divided into 210,769,575 ordinary shares of par value at Rs 10 each
Fiscal year end	: 31 March
Registered Address	: 405 ACME INDUSTRIAL PARK OFF I B PATEL ROAD, GOREGAON EAST MUMBAI Mumbai City MH 400063 INDIA
Auditor	: S R B C & Co LLP 12th Floor,The Ruby,Ruby Mill,Senapati Bapat Marg,Dadar(West),Mumbai,Maharshtra 400028,India
Legal Advisor	: Chandhiok & Associates Advocates and Solicitors C-524 Defence Colony New Delihi-110024 India

TPAC's Subsidiary

Company Name	: TPAC PACKAGING (BANGNA) COMPANY LIMITED
Type of Business	: Manufacture rigid plastic packaging
Date of Acquisition	: May 2, 2018
Registration Number	: 0105512000275
Authorised Capital	: Baht 101,431,370 divided into 10,143,137 ordinary shares of par value at Baht 10 each
Paid up Capital	: Baht 101,431,370 divided into 10,143,137 ordinary shares of par value at Baht 10 each
Fiscal year end	: 31 December
Registered Address	: 75/2 Moo 9 Soi Ruamjai Bangna-Trad Road Km.18.8 Bangphli Samutprakarn 10540
Auditor	: EY Office Limited 33rd Floor, Lake Rajada Office Complex 193/136-137 Rajadapisek Road, Klongtoey, Bangkok 10110, Thailand Tel. 02-2640-777

Calendar of Events 2018

January 15, 2018
Extraordinary General Meeting of Shareholders (EGM) 1 / 2018

January 19, 2018
Board of Directors meeting for Organization Chart and Nomination and Remuneration meeting 1 / 2018

February 21, 2018
Board of Directors meeting and Audit Committee meeting for Year End result 2017

March 6, 2018
Board of Directors meeting and Audit Committee meeting for Custom Pack Acquisition

March 10, 2018
Board of Directors meeting and Audit Committee meeting for Debenture Issuance and amendment of Articles of Associations

April 24, 2018
Annual General Meeting (AGM) 1 / 2018

May 2, 2018
TPAC acquired all of the ordinary shares of Custom Pack Company Limited

May 10, 2018
Board of Directors meeting and Audit Committee meeting for Quarter 1 / 2018

May 18, 2018
Dividend pay day

June 26, 2018
Corporate Governance Committee meeting 1 / 2018

August 9, 2018
Board of Directors meeting and Audit Committee meeting for Quarter 2 / 2018 and Nomination and Remuneration meeting 2 / 2018

August 28, 2018
TPAC Packaging India Private Limited amalgamation with Sunrise Containers Limited

November 13, 2018
Board of Directors meeting and Audit Committee meeting for Quarter 3 / 2018

November 26, 2018
Risk Management Committee meeting 1 / 2018

December 13, 2018
Corporate Governance Committee meeting 2 / 2018 and Risk Management Committee meeting 2 / 2018

OUR VALUE

1. Move Fast
2. Master of Our Discipline (Rigid Plastic Solution)
3. Obsess over Quality

BOARD OF DIRECTORS

Mr. Kevin Qumar Sharma

Position

Chairman of Board of Directors and Group CEO

Director Type

Executive Director

Age 35 years

First Appointment Date 09 October 2015

Last Appointment Date 29 February 2016

Family Relation with

Husband of Mrs. Aradhana Lohia Sharma (Non-executive Director) and
Brother-in-law of Mr. Yashovardhan Lohia (Non-executive Director)

Education

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

Training Program

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

Working Experience (during the past 5 years)

Other Listed Companies in SET

-None-

Other Companies and/or Organizations (as of 31 December 2018)

2018 – Present:	Director, TPAC Packaging India Private Limited
2018 – Present:	Chairman, TPAC Packaging (Bangna) Company Limited
2014 – 2015	Director, Armanset Limited, London, UK

% of shareholding in TPAC as of 31 December 2018

Nil (Self 0 share, spouses 0 share, underage children 0 share)

Mr. Theerawit Busayapoka

Position

CEO/ MD of Thailand Business

Director Type

Executive Director

Age 59 years

First Appointment Date 12 October 2015

Last Appointment Date 29 February 2016

Family Relation with

-

Education

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

Training Program

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

Working Experience (during the past 5 years)

Other Listed Companies in SET

-None-

Other Companies and/or Organizations (as of 31 December 2018)

2018 – Present: Director, TPAC Packaging (Bangna) Company Limited

% of shareholding in TPAC as of 31 December 2018

9,560,000 shares

(Self 9,560,000 share, spouses 0 share, underage children 0 share)

Mr. Anil Kumar Kohli

Position:
Executive Director, Technical

Director Type:
Executive Director

Age : 58 years

First Appointment Date	12 October 2015
Last Appointment Date	24 April 2018

Family Relation with

-

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

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

Working Experience (during the past 5 years)

Other Listed Companies in SET

-None-

Other Companies and/or Organizations (as of 31 December 2018)

2018 – Present:	Director, TPAC Packaging India Private Limited
2018 – Present:	Director, TPAC Packaging (Bangna) Company Limited
2013 – 2015:	Vice President Marketing Specialty PET Resins, Indorama Polymers Public Co. Ltd.
1998 – 2013:	Vice President, Petform Thailand Limited, Lopburi, Thailand

% of shareholding in TPAC as of 31 December 2018

Nil (Self 0 share, spouses 0 share, underage children 0 share)

Mrs. Aradhana Lohia Sharma

Position:
Director

Director Type:
Non-Executive Director

Age : 33 years

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

Family Relation with

Wife of Mr. Kevin Qumar Sharma (Chairman and Group CEO) and Sister of Mr. Yashovardhan Lohia (Non-executive Director)

Education
- Bachelor of Science in Business Administration, Babson College, Massachusetts, USA

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

Working Experience (during the past 5 years)

Other Listed Companies in SET

-None-

Other Companies and/or Organizations (as of 31 December 2018)

2018 – Present:	Director, TPAC Packaging India Private Limited
2018 – Present:	Director, TPAC Packaging (Bangna) Company Limited
2018 – Present:	Chairperson, Indorama Holdings Limited
2015 – Present:	Director, QAMA Investments Limited
2011 – Present:	Director, Phuket Vessel Holding Limited
2009 – Present:	Director, Indorama Resources Limited

% of shareholding in TPAC as of 31 December 2018

Nil (Self 0 share, spouses 0 share, underage children 0 share)

Mr. Yashovardhan Lohia

Position:
Director

Director Type:
Non-Executive Director

Age : 31 years

First Appointment Date	12 October 2015
Last Appointment Date	24 April 2018

Family Relation with
Brother of Mrs. Aradhana Lohia Sharma (Non-executive Director) and Brother-in-law of Mr. Kevin Qumar Sharma (Chairman and Group CEO)

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

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

Working Experience (during the past 5 years)

Other Listed Companies in SET
2018 – Present: Director, Indorama Ventures Public Company Limited

Other Companies and/or Organizations (as of 31 December 2018)

2018 – Present	Director, Medco Plast Co. for Packing & Packaging systems (S.A.E.), Egypt
2018 – Present	Director, Indorama Polymers Public Company Limited
2018 – Present	Director, Indorama Holdings Limited
2018 - Present	Director, Indorama Polyesters Industries Public Company Limited
2018 – Present	Director, Indorama Petrochem Limited
2018 – Present	Director, TPT Petrochemicals Public Company Limited
2008 – Present	Director, Indorama Resources Limited
2009 – Present	Director, Beacon Chemicals Limited
2007 – Present	Director, Aurus Speciality Company Limited

% of shareholding in TPAC as of 31 December 2018
Nil (Self 0 share, spouses 0 share, underage children 0 share)

Mr. Virasak Sutanthavibul

Position
Independent Director and Chairman of the Audit Committee

Director Type
Independent Director

Age 61 years

First Appointment Date	9 October 2015
Last Appointment Date	24 April 2018

Family Relation with

-

Education
- Masters in Engineering, Texas A&M University, Texas, USA
- Bachelor in Engineering, Chulalongkorn University, Bangkok, Thailand

Training Program
- Director Accreditation Program (DAP) Class 21/2003, Thai Institute of Directors Association, Thailand
- The Joint State-Private Sector Class 18/2005, The National Defence College of Thailand
- Certificate, Capital Market Academy (CMA), Class 10/2010
- Certificate, Thailand Energy Academy (TEA), Class 1/2012
- Certificate of Completion and Graduation Pin, Justice Administration Batch 17 National Justice Academy (2012 – 2013)
- Certificate of Completion and Graduation Pin, Institute of Business and Industrial Development (IBID), Class 2 /2015
- Certificate "Business Revolution and Innovation Network" (BRAIN) Class2/2018
- Certificate, Harvard University, Advanced Management Program, U.S.A.
- Certificate, Harvard University, Financial Institution for Private Enterprise Development, U.S.A

Working Experience (during the past 5 years)

Other Listed Companies in SET

2015 - Present	Director of the Remuneration and Nomination Committee, Bangkok Insurance Plc.
2012 - Present	Senior Executive Vice President, in charge of Commercial Banking, Bangkok Bank Plc.
2011 - Present	Chairman of the Corporate Governance Committee, Bangkok Insurance Plc.
2005 - Present	Independent Director, Bangkok Insurance Plc.
2004 - Present	Independent Director and Audit Committee, T.Krungthai Industries Plc.
2014 - 2018	Independent Director and Chairman of Audit Committee, Bangpakong Terminal Plc.
2013 - 2014	Independent Director and Audit Committee, Bangpakong Terminal Plc.
2002 - 2012	Executive Vice President, Head of Metropolitan Commercial Banking, Bangkok Bank Plc.

Other Companies and/or Organizations (as of 31 December 2018)

2016 - Present	Director, Bualuang Ventures Co., Ltd.
2008 - 2019	Director, The Grand – UB Co., Ltd.
2001 - 2019	Director, Toyota Leasing (Thailand) Co., Ltd.
2001 - 2019	Director, Thai Indo Cordsa Co., Ltd.
2001 - 2019	Asia Lamp Industry Co., Ltd

% of shareholding in TPAC as of 31 December 2018

Nil (Self 0 share, spouses 0 share, underage children 0 share)

Mr. Kittiphat Suthisamphat

Position:
Independent Director and Member of the Audit Committee

Director Type:
Independent Director

Age : 48 year

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

Family Relation with

-

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

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

Working Experience (during the past 5 years)

Other Listed Companies in SET

2016 - Present	Independent Director, National Power Supply Public Company Limited
2000 - Present	Vice President and Managing Director, A.J. Plast Public Company Limited

Other Companies and/or Organizations (as of 31 December 2018)

-None-

% of shareholding in TPAC as of 31 December 2018

Nil (Self 0 share, spouses 0 share, underage children 0 share)

Mr. Gran Chayavichitsilp

Position
Independent Director and Member of the Audit Committee

Director Type
Independent Director

Age 46 years

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

Family Relation with

-

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

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

Working Experience (during the past 5 years)

Other Listed Companies in SET

-None-

Other Companies and/or Organizations (as of 31 December 2018)

2007 - Present	Senior Director of Corporate Communication, Dhanarak Asset Development Company Limited

% of shareholding in TPAC as of 31 December 2018

Nil (Self 0 share, spouses 0 share, underage children 0 share)

Nomination and Remuneration Committee

Mr. Gran Chayavichitsilp
Chairman of Nomination and remuneration

Mr. Virasak Suthanthavibul
Nomination and remuneration Committee

Mr. Kittiphat Suthisamphat
Nomination and remuneration Committee

Mr. Kevin Qumar Sharma
Nomination and remuneration Committee

Mr. Theerawit Busayapoka
Nomination and remuneration Committee

Risk Management Committee

Mr. Kevin Qumar Sharma
Chairman of the Risk Management Committee

Mr. Theerawit Busayapoka
Risk Management Committee

Mr. Anil Kumar Kohli
Risk Management Committee

Corporate Governance Committee

Mr. Kevin Qumar Sharma
Chairman of the Corporate Governance Committee

Mr. Theerawit Busayapoka
Corporate Governance Committee

Mr. Worapong Woottipruk
Corporate Governance Committee

VISION

Rigid plastic packaging solution excellence across high growth markets

Management Structure

Board of Directors

Board of Directors of the Company as of 31 December 2018 are as follow,

No	Name	Position	Date of Appointment
1	Mr. Kevin Qumar Sharma	Chairman of Board of Directors Chairman of Corporate Governance Committee Chairman of Risk Management Committee Nomination and Remuneration Committee Group CEO	29 February 2016
2	Mr. Theerawit Busayapoka	Excutive Director Corporate Governance Committee Risk Management Committee Nomination and Remuneration Committee CEO / MD of Thailand Business	29 February 2016
3	Mr. Anil Kumar Kohli	Excutive Director Risk Management Committee Chief Technical Officer	24 April 2018
4	Mrs. Aradhana Lohia Sharma	Non-Executive Director	27 February 2017
5	Mr. Yashovardhan Lohia	Non-Executive Director	24 April 2018
6	Mr. Virasak Suthanthavibul	Independent Director Chairman of Audit Committee Nomination and Remuneration Committee	24 April 2018
7	Mr. Kittiphat Suthisamphat	Independent Director Audit Committee Nomination and Remuneration Committee	27 February 2017
8	Mr. Gran Chayavichitsilp	Independent Director Audit Committee Chairman of Nomination and Remuneration Committee	27 February 2017
9	Mr. Worapong Woottipruk	Corporate Governance Committee Chief Financial Officer	9 August 2561

Authorized signatory of the Company

The authorized signatory of the Company is Mr. Kevin Qumar Sharma or Mrs. Aradhana Lohia Sharma or Mr. Yashovardhan Lohia signed with Mr. Theerawit Busayapoka or Mr. Anil Kumar Kohli, a total of two persons and the company's seal

Board of Director and Sub-committee Meeting

No	Name	Board of Directors (7 times)	Audit Committee (6 times)	Nomination and Remuneration Committee (2 times)	Corporate Governance Committee (2 times)	Risk Management Committee (2 times)
1	Mr. Kevin Qumar Sharma	7/7	-	2/2	2/2	2/2
2	Mr. Theerawit Busayapoka	7/7	-	2/2	2/2	2/2
3	Mr. Anil Kumar Kohli	7/7	-	-	-	2/2
4	Mrs. Aradhana Lohia harma	7/7	-	-	-	-
5	Mr. Yashovardhan Lohia	7/7	-	-	-	-
6	Mr. Virasak Suthanthavibul	7/7	6/6	2/2	-	-
7	Mr. Kittiphat Suthisamphat	7/7	6/6	2/2	-	-
8	Mr. Gran Chayavichitsilp	7/7	6/6	2/2	-	-
9	Mr. Worapong Woottipruk *	-	-	-	1/1*	-
10	Ms. Anong Sompittayanurak**	-	-	-	-	-

* Mr. Worapong Woottipruk was appointed to be Corporate Governance Committee since 9 August 2018.

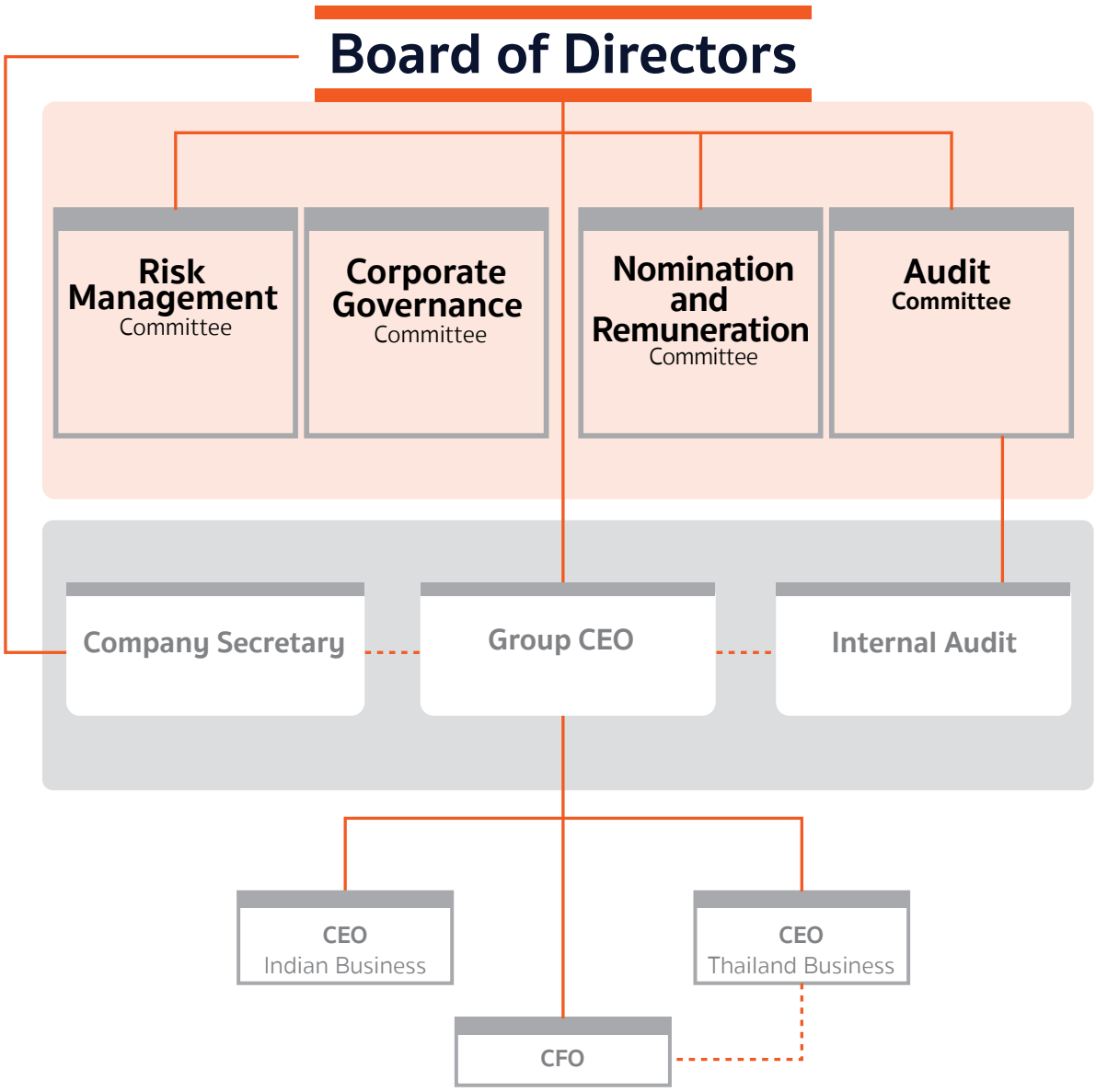
** Ms. Anong Sompittayanurak was resigned since 31 May 2018.

Executives

No	Name	Position
1	Mr. Kevin Qumar Sharma	Group CEO
2	Mr. Theerawit Busayapoka	CEO / MD of Thailand Business
3	Mr. Shrinath Kasi	CEO of Indian Business
4	Mr. Worapong Woottipruk	Chief Financial Officer
5	Mr. Khanit Thanawuthikrai*	Assistant Vice President Accounting
6	Ms. Anong Sompittayanurak**	Vice President Finance and Administration

* Mr. Khanit Thanawuthikrai was appointed on 24 December 2018.

** Ms. Anong Sompittayanurak was resigned since 31 May 2018



Company Secretary

Board of Directors has appointed Mr. Worapong Woottipruk to be company secretary since 9 August 2018.

* Ms. Anong Sompittayanurak was resigned since 31 May 2018.

Education background

- Master's Degree: MBA (Finance & International Business) University of ST. Thomas
- Bachelor's Degree: Business Administration (Finance & Banking), Thammasart University
- Bachelor's Degree: Law, Sukhothai Thammathiraj Open University

Working Experience (Past 5 years)

Thai Plaspac Public Company Limited

2017-Present : Chief Financial Officer

Thai Solar Energy Public Company Limited

2017-2017 : Chief Financial Officer

Bangchak Petroleum Public Company Limited

2016-2017 : Manager Financial Planning and Tax

National Power Supply Public Company Limited

2010-2016 : Co Chief Executive Officer (Finance and Investment)

Roles and Responsibility of Company Secretary

The company secretary must perform the duties as specified in Section 89/15 and Section 89/16 of the Securities and Exchange Act (No. 4) BE 2551 which came into force on 31 August 2008 with responsibility, careful, and honesty including having to comply with laws, objectives, company regulations Board resolution as well as the resolutions of the shareholders' meeting. The legal duties of the company secretary are as follows:

1. Prepare and maintain the following documents
   A. Registrar
   B. Notice of the Board of Directors Meeting Board meeting minutes and the annual report of the company
   C. Notice of the shareholders 'meeting and the minutes of the shareholders' meeting
2. Maintain reports of interest reported by directors or executives and submit a copy of the report of interest under Section 89/14 to the Chairman of the Board and the Chairman of the Audit Committee within 7 working days from the date the company received the report
3. Perform other tasks as announced by the Capital Market Supervisory Board

In addition, the Company Secretary has other duties as assigned by the Company as follows :

- Provide basic advice to directors in matters relating to securities laws and regulations as well as the regulations of the company and follow up to ensure the correct and consistent practice Including reporting significant changes to the Board of Directors
- Arrange for shareholders' meetings and board meetings According to the law Company regulations and good practices
- Prepare the minutes of the shareholders meeting and the minutes of the Board of Directors meeting and follow up to ensure compliance with the resolution of the meeting
- Prepare and maintain the registration of directors, Annual report, Invitation letter to the shareholders' meeting, Notice of the Board of Directors Meeting
- Keeping reports of interest Prepared by directors and executives and reports as required by law
- Ensure that the subsidiaries comply with laws and regulations
- Ensuring the disclosure of information and information reports to regulatory agencies in compliance with laws and regulations
- Providing timely disclosure of information necessary to the Securities and Exchange Commission and the Stock Exchange of Thailand (Both Thai and English)
- Assisting the Board of Directors Including the initial consultation and suggestions Related to the law, regulation, corporate governance and good practices related to the Board of Directors and sub-committees
- Supporting directors to ensure that directors have sufficient information and knowledge to perform their duties efficiently and report in the annual report
- Regularly develop the knowledge necessary to perform company secretary duties

Remuneration of Directors and Executives

Directors' Remuneration

Attendance Fee

Remuneration of the Board of Directors and Sub-Committees

	2017		2018	
	Chairman	**Director**	**Chairman**	**Director**
Board of Directors	70,000	55,000	80,000	65,000
Audit Committee	30,000	30,000	30,000	30,000
Nomination and Remuneration Committee	33,000	33,000	40,000	40,000
Corporate Governance Committee	-	-	-	-
Risk Management Committee	-	-	-	-
Total (Yearly)	2,378,000.00		2,740,000.00	

Sub-committees' Remuneration

The Company did not pay the remuneration to Corporate Governance Committee and Risk Management Committee regarding with both 2 sub-committees are the Company's management.

Executives' Remuneration

In 2018, the Company paid compensation which consisted of salary, bonus, and provident fund to 13 Executives, total amount is 37.61 million baht.

Other Fee

-None-

Employees

Thailand Operation (as of 31 December 2018)

Departments	Number of Employees	
	2017	**2018**
1. Production	800	921
2. Finance and Management	35	80
3. Marketing	12	10
4. Logistic	128	123
Total	975	1,134

India Operation (as of 31 December 2018)

Departments	2018
1. Production	208
2. Finance and Management	48
3. Marketing	22
4. Logistic	19
Total	297

Compensation

Thailand Operation

In 2018, Thailand operation paid employees' compensation with total amount of 325.61 million baht which consisted of salary, overtime payment, bonus, social security fund, and provident fund.

Compensation	2017	2018
Employees' Compensation (Salary, Bonus, etc.) (Million Baht)	247.37	325.61

India Operation

In 2018, India operation paid employees' compensation with total amount of 61.79 million baht which consisted of salary, overtime payment, bonus, social security fund, and provident fund.

Compensation	2018
Employees' Compensation (Salary, Bonus, etc.) (Million Baht)	61.79

Major Shareholders

List of major shareholders as of register of shareholders' book closing date on December 31, 2018 is as follows;

No.	Name	Number of shares	Percentage of Holding
1	Mr. Anuj Lohia	153,978,850	60.28
2	Mr. Eakawut Nuengchamnong	22,536,400	8.88
3	The Hongkong and Shanghai Banking Corporation Limited	14,990,000	5.91
4	Mr. Theerawit Busayapoka	9,560,000	3.77
5	CITIBANK Nominees Singapore PTE LTD – Thai Focused Equity Fund LTD	7,523,300	2.96
6	Thai NVDR Company Limited	7,050,904	2.78
7	Miss. Anuttree Nuengchamnong	6,140,000	2.42
8	Mr. Niti Nuengchamnong	3,599,900	0.83
9	Morgan Stanley & Co. International Plc.	2,983,000	0.72
10	Mr. Pornchai Rattananontachaisook	2,829,900	0.53
	Sub-Total	230,222,554	90.07
	Others	23,595,122	9.30
	Total	253,817,676	100

Source: Thailand Securities Depository Company Limited

Dividend Policy

Not less than 30 percent of net profit after corporate income tax and appropriation to legal reserve. However, the board of directors may consider to adjust the dividend payment depending on liquidity requirement, cash flow requirement for expansion and investment and other requirement in the future.

Dividend Payment

In compliance with the dividend policy of the Company, the Board proposed a final dividend payout for 2017 performance at Baht 0.13 per share. Out of the said final dividend, an interim dividend of Baht 0.10 per share was paid by the Company on September 08, 2017 and the Company paid the remaining dividend of Baht 0.03 per share on May 18, 2018. The final dividend payout for 2017 performance are Baht 33.0 million in total.

B1

Strategy

Strategy

2018 was a milestone year in executing on an important pillar of our growth strategy. As we had outlined over the past few years, an important pillar of TPACs strategy was to supplement our organic growth by acquiring businesses. The aim being to double our size of our business every 5 years.

The criteria for our acquisitions was clear.

- Stay focused. At our core is rigid plastic solutions for hygienic consumer applications. This is a specialist area, requiring unique know-how. By staying focused, we get closer to mastery of our craft, and customer delight.

- Serve our customers across the fast-growing emerging economies of the world.

- Whichever market TPAC enters, TPAC should have a leadership position within the subject market. With our Indian acquisition, we achieved this, and with our Thai acquisition we further cemented our Thailand market positioning. In fact, all the above criteria were satisfied with the 2 acquisitions behind us.

TPAC has executed on step 1 of the strategy which is to identify and consummate transformational fits for our business. This has been achieved.

Step 2 is all about management - to successfully integrate and manage one significantly larger TPAC.

Our strategy for successful execution on our M&A are underpinned by:

- Picking the right leaders. Leaders who are self-motivated, and importantly those with shared TPAC values. TPAC India has a newly introduced CEO.

- Introduce robust governance structures (e.g EY as our global auditor), processes, and management information systems (MIS). We are serious about harnessing the power of analytics, paying close attention to our data and always benchmarking ourselves within our now enlarged group to serve our customers better.

Upon success of step 2, it would be appropriate to say that TPAC has truly transformed and our strategy is delivering results.

Nature of Business

Thai Plaspac is Thailand's leading rigid plastic packaging solutions company with a proud 35 years track record in partnership with the wolrds leading consumer brands.

We operate across the food & beverage, pharmaceutical & personal care, home care and precision tools sectors. Throughout our history, we have exclusively focused on the use of plastic substrates to create bespoke rigid packaging solutions, nothing else. All our packaging solutions are bespoke, uniquely designed and manufactured.Our packaging solutions predominantly take the form of bespoke closures, cups, bottles and specialty containers. Sustainability, functionality, aesthetics and cost effectiveness all form part of what we call the TPAC solution.

Utilizing proprietary technology as developed by our in-house industry recognized R&D platform, our team of specialist formulate optimum material composition as deemed suitable to form and function. 2D technical CAD drawings and 3D printed prototypes are developed. Utilizing our extensive relationships with mould makers around the globe, we work closely with mold makers judged to possess the highest level of technical craftsmanship best suited for our individual projects. Our commercial manufacturing processes include injection molding, stretch-blow molding and extrusion molding.We also have developed in house facilities for product printing and shrink wrapping.Our systems and processes are ISO 9001: 2008 and Good Manufacturing Practice accredited and we offer Clean Room infrastructure.

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

1. Food & Beverage

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

i) Dairy & Coffee

The dairy business packaging solutions are mainly for milk and yoghurt products. Milk packaging includes small individual sized bottles up to large multi gallons bottles. Yoghurt pacakging includes thin walled cups and bottles. Closures systems applied for dairy products include snap-on-screw-off caps, screw caps and snap-on snap-off caps. Additionally we are are also active in the coffee market with products including screw top caps and bottles for coffee powder / beans .

ii) Food condiments

Comprise packaging solutions for ketchup, chilli, oyster and other food condiments. Products include squeezy bottles and closure systems for the ketchup and chilli sauce industry. Specialised barrier properties to the bottles are often requied in order to mitigate any negative affects of oxidization to the filled product.Our product range also includes closure systems for Ketchup, Chilli and Oyster sauce bottles. Closure systems can range from internal tamper evident flip top caps, external tamper evident flip top caps and closures with a broad range of orifice sizes.

iii) Edibles

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

iv) Cutlery

The focus of this business is a range of creatively designed disposable convenient cutlery. Our products can include foldable forks and spoons which can be conveniently placed into the overall packaging system together with the food ingredients. These products are often made for our instant noodle partners. Additionally we produce other types of cutlery such as scoops, sporks (spoons combined with forks) with additional features such as an attachment of the cutlery to the corresponding closure or lid.

v) Beverages

Here we cater to the medium volume niche beverage market. For example we recently worked with premium brands in the coconut water and green tea market. Our customized designed beverage bottles are likely to differ in size and shape from the more commonly seen commoditized beverage bottles in the market.

2. Pharmaceutical & Personal care:

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

3. Homecare:

Our packaging solutions for the homecare market cater towards cleaning detergents, pest sprays and air refreshner gels. For cleaning detergents, the packaging typically involves bottles with plug systems inserted at the bottles mouth and further overlaid with snap or screw caps. Our pest spray solutions comprise of spray caps. Spray caps are typically single piece items which have an orifice to release the spray upon the application of pressure to a top lying button. Air refreshners gels are housed within customized containers. These containers can be of various shapes and sizes unique to our customers design preference and may incorporate multiple pieces that assemble together.

4. Precision Tools:

This is our smallest business segement and it consists of plastic components for measuring tapes and engineering levellers. The characteristic of the plastics applied here include a high level of heat and impact resistance.

Food & Beverage

Homecare

Pharmaceutical & Personal care

Precision Tools:

Revenue Structure

Thailand Operation:

Revenue breakdown by region	2017		2018	
	THB M	%	THB M	%
Domestic Sales	1,418	89%	1,620	89%
Export Sales	166	10%	185	10%
Other Income	13	1%	14	1%
Less: Related Party Transactions	0		(17)	
Total Revenue	1,597	100%	1,818	100%

Revenue Breakdown by Segment	2017		2018	
	THB M	%	THB M	%
Food & Beverage	824	52%	1,009	56%
Pharmaceutical & Personal care	459	29%	518	28%
Homecare	269	17%	250	14%
Precision Tools	32	2%	28	2%
Other Income	13	1%	14	1%
Less: Related Party Transactions	0		(17)	
Total Revenue	1,597	100%	1,818	100%

India Operation:

Revenue Breakdown by Segment	2018	
	THB M	%
Food & Beverage	594	80%
Pharmaceutical	146	20%
Other Income	2	0%
Total Revenue	742	100%

Management Discussion and Analysis for the Year Ended 31 December 2018

Consolidated Profit and Loss

THB Million	2018	2017	% Δ
Sales	2,528.0	1,584.1	59.6%
Cost of sales	2,159.5	1,308.2	65.1%
Gross Profit	368.5	275.9	33.5%
Gross Profit Margin %	14.6%	17.4%	-2.8%
SG&A	335.0	163.0	105.6%
Other income	15.5	13.2	17.9%
Gain from bargain purchase	41.2	0.0	N/A
EBITDA	279.6	258.7	8.1%
Core EBITDA	330.5	266.8	23.9%
Core EBITDA Margin %	13.1%	16.8%	-3.8%
Depreciation and amortization	189.5	132.5	43.1%
EBIT	90.1	126.2	-28.6%
Core EBIT	141.0	134.3	5.0%
Core EBIT Margin %	5.6%	8.5%	-2.9%
Finance cost	55.9	0.2	24581.8%
Profit Before Tax	34.2	125.9	-72.9%
Core Profit Before Tax	85.0	134.1	-36.6%
Income tax expense	11.5	18.5	-37.8%
Net Profit	22.7	107.4	-78.9%
Core Net Profit	42.7	113.9	-62.5%
Core Net Profit Margin %	1.7%	7.2%	-5.5%

FY2018 key financials versus FY2017 as follows:

- Core EBITDA increase 23.9%, Core EBIT increased 5.0%
- Core Net Profit down 62.5%, weighed down by financing costs and accounting treatment of depreciation[1] at our Indian business.
- Consolidated Core numbers exclude:
  - 1-off expenses related to the acquisition and reorganization of our Indian business in the second half of 2018.
  - Gain on Bargain Purchase for Custom Pack acquisition and related expenses.
- In order to better understand the above consolidated results, we divide our analysis into our 2 operating geographies, that of Thailand and India.

1 In accordance with Purchase Price Allocation exercise of TPAC India

Thailand Operations[2]

THB Million	Q4'18	Q3'18	% Δ from Q4'18	Q4'18	Q4'17	% Δ from Q4'17	2018	2017	% Δ
Sales	454.9	489.6	-7.1%	454.9	379.7	19.8%	1,804.8	1,584.1	13.9%
Cost of sales	391.9	428.3	-8.5%	391.9	313.2	25.1%	1,554.8	1,308.2	18.8%
Gross Profit	63.0	61.3	2.8%	63.0	66.5	-5.3%	250.0	275.9	-9.4%
Gross Profit Margin%	13.8%	12.5%	1.3%	13.8%	17.5%	-3.7%	13.9%	17.4%	-3.6%
SG&A	44.8	50.2	-10.7%	44.8	47.2	-5.0%	186.0	163.0	14.2%
Other income	4.9	3.9	25.2%	4.9	1.1	18.4%	14.0	13.2	6.4%
EBITDA	55.2	47.6	16.0%	55.2	56.8	-2.9%	211.4	258.7	-18.3%
Core EBITDA	55.5	50.3	10.4%	55.5	64.5	-13.9%	220.9	266.8	-17.2%
Core EBITDA Margin %	12.2%	10.3%	1.9%	12.2%	17.0%	-4.8%	12.2%	16.8%	-4.6%
Depreciation and amortization	32.1	32.6	-1.5%	32.1	33.3	-3.7%	133.4	132.5	0.7%
EBIT	23.1	15.0	53.9%	23.1	23.5	-1.9%	78.0	126.2	-38.2%
Core EBIT	23.4	17.7	32.3%	23.4	31.2	-24.9%	87.5	134.3	-34.9%
Core EBIT Margin %	5.2%	3.6%	1.5%	5.2%	8.2%	-3.1%	4.8%	8.5%	-3.6%
Finance cost	14.9	7.4	102%	14.9	0.0	926534.5%	23.0	0.2	10062.6%
Profit Before Tax	8.1	7.6	6.8%	8.1	23.5	-65.5%	55.0	125.9	-56.3%
Core Profit Before Tax	8.5	10.3	-17.8%	8.5	31.2	-72.8%	64.4	134.1	-51.9%
Income tax expense	2.0	-0.6	-428.1%	2.0	2.6	-22.6%	73	18.5	-60.5%
Net Profit	6.1	8.2	-26.1%	6.1	20.9	-70.9%	47.4	107.4	-55.9%
Core Net Profit	6.4	10.4	-38.7%	6.4	27.0	-76.4%	54.9	113.9	-51.8%
Core Net Profit Margin %	1.4%	2.1%	-0.7%	1.4%	7.1%	-5.7%	3.0%	7.2%	-4.1%

Our Thailand operations now comprise of production from 2 separate geographic clusters:

- TPAC Bang Khun Thian ('TPAC BKT') which comprise 3 factories in the South-West region of Bangkok and
- TPAC Bang Na[3] ('TPAC BN') which comprise 1 factory in the North-East region of Bangkok

TPAC BKT

- Q4'18 Core[4] EBITDA Baht 59.0 million, 24.8% increase versus the previous quarter, down 8.6% against the same period last year.
- Q4'18 EBITDA Baht 58.6 million, 31.6% increase versus the previous quarter, up 3.2% against the same period last year.
- The improved performance in Q4'18 against the previous quarter is largely due to the normalizing of our raw Material ('RM') margin.
- Full Year 2018 Core EBITDA 17.1% behind same period last year.
- For the first 8 months of 2018, underlying polyolefin prices were on an uptrend which resulted in a contracted RM margin.
- In Q4'18, this trend reversed in line with the crude oil markets. With our quarterly lag pricing selling structure, the fall in our underlying raw material helped reverse the margin squeeze as experienced in the prior 3 quarters.

2 Table consolidates the results from both TPAC BKT and TPAC BN

3 Renamed 'TPAC Bang Na' post the acquisition of Custom Pack which closed in May 2018.

4 Core EBITDA removes the 1-time non-recurring expenses related to M&A (Baht 0.4 million).

- Volumes from BKT, specifically in the second half of ’18, were behind the same period last year primarily due to a reduction in volumes within our personal care division.
- Management has set a target for these recently lost volumes at BKT to be replaced over the course of 2019.

TPAC BN [5]

- TPAC Bang Na has been consolidated into our earnings since May 2018
- Year-to-date, since the acquisition in May 2018, the business has contributed a negative Core EBITDA of -0.2m.
- In Q4’18 Core EBITDA was Baht -3.5 million.
- It is the first of such a test for our management team turn around a loss making acquisition into one of healthy profitability.
- With utilization rates hovering 30%, our management teams are focused on unlocking the upside potential.
- With this acquisition, has come good basic infrastructure and an operating team with much potential and eager to handle a busier shop floor.
- However, the plant requires upgradation to bring it in line with the level customers expect from TPAC.

Thailand Concluding Remarks:

- With the inclusion of TPAC BN, our Thailand operations are now well positioned to grow earnings as infrastructure is no more a limiting factor.
- Our intimacy with our customers and the depth of our customer base provides much potential.
- Having relentless focused on improving customer happiness, management expects to increase market share of our customers packaging wallet.
- Furthermore, the market for rigid plastic packaging is healthy for companies with innovation capability those that are able to execute fast – management feels TPAC certainly satisfies the criteria.
- In terms of the future of our industry, 2018 saw a positive trend with more customers exploring projects to introduce recycled material. This development is significant and encouraging, as it represents the future of our industry, and an immense opportunity for TPAC.
- The future of rigid plastics involves a healthy recycling ecosystem and with increasing demand for recycled resins, we are hopeful that such demand will provide the necessary catalyst to boost development of recycling ecosystems.
- This is an exciting and very real trend in our industry and one that can be a catalyst for rigid plastics to gain consensus as the sustainable packaging medium of choice.

5 TPAC Bang Na comprises a 1 large packaging factory set over 14 rai of land in Bang Na.

Indian Operations[6]

THB (Million)	2018
Sales	740.2
Cost of sales	621.8
Gross Profit	118.5
Gross Profit Margin %	16.0%
SG&A	149.4
Other income	1.8
EBITDA	27.0
Core EBITDA	109.5
Core EBITDA Margin %	14.8%
Depreciation and amortization	56.1
EBIT	-29.1
Core EBIT	53.4
Core EBIT Margin %	7.2%
Finance cost	32.9
Profit Before Tax	-61.6
Core Profit Before Tax	20.9
Core Profit Before Tax Margin %	2.8%
Income tax expanse	4.2
Net Profit	-65.8
Core Net Profit	-12.2
Core Net Profit Margin %	-1.6%

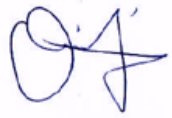
- Above table shows the financial results for TPAC India which is consolidated in TPAC Thailand and is 80% owned by TPAC Thailand.
- Difference between Core EBITDA and EBITDA is due to 1-off expenses relating to the M&A of Sunrise Containers.
- TPAC India's Core EBITDA equal to Baht 109.5m.
- Comparing TPAC India's annualised EBITDA for period ending Dec 31st 2018, to the businesses full year March'18 EBITDA, the Core EBITDA growth rate is 10% on a normalized basis .
- Depreciation currently high at around 51.4% of Core EBITDA. Step up in depreciation attributable to a revaluation of companies (tangible and intangible) assets as per purchase price allocation exercise.

6 Numbers shown are for 100% of TPAC India. Numbers shown have been converted at 0.4484 THB/INR.

Consolidated Balance Sheet

THB Million	As at 31 Dec'18	As at 31 Dec'17	% Δ
Cash and cash equivalents	64.0	105.6	-39.4%
Trade and other receivables	833.6	411.1	102.8%
Inventories	293.3	114.4	156.4%
Other current assets	23.0	29.3	-21.5%
Total current assets	1,213.8	660.4	83.8%
Restricted bank deposits	51.6	0.0	N/A
Property, plant and equipment	1,483.1	547.1	171.1%
Goodwill	937.0	0.0	N/A
Intangible asset	395.2	3.9	9994.8%
Advance for purchase of molds	17.4	7.2	143.0%
Other non-current assets	87.1	54.8	59.0%
Total assets	4,185.2	1,273.4	228.7%
Short term loans	286.4	0.0	N/A
Trade and other payables	303.9	180.1	68..7%
Current protion of loans	208.5	0.0	N/A
Other current liabilities	15.2	7.5	102.7%
Total current liabilities	813.9	187.6	333.7%
Non-current portion of loans - Net of current portion	1,170.2	0.0	N/A
Debentures	567.8	0.0	N/A
Liabilities associated with put options granted to holders of non-controlling interests	463.2	0.0	N/A
Other non-current liabilities	97.5	21.2	360.2%
Total liabilities	3,112.6	208.8	1,390.5%
Issued and paid-up capital	253.8	253.8	0.0%
Premium on otdinary shares	302.9	302.9	0.0%
Retained earning	532.2	507.8	4.8%
Other components of shareholders' equity	-56.3	0.0	N/A
Equity attributable to owners of the Company	1,032.7	1,064.5	-3.0%
Non - controlling interests of the subsidiaries	39.9	0.0	N/A
Total shareholders' equity	1,072.6	1,064.5	0.8%
Total liabilities and shareholders' equity	4,185.2	1,273.4	228.7%

- Total assets increased 228.7% in FY'18 compared to FY'17 due to combining assets from our 2 acquisitions, and the recognition of goodwill from TPAC India.
- Increase in liabilities due to borrowing for M&A primarily for TPAC India acquisition
  - Interest bearing debt for TPAC ~ Baht 2.2bn
- TPACs JV partners have a put option to sell the remaining 20% stake.
- Under IFRS guidelines this gets recorded as a liability and a corresponding reduction in our Equity (non-controlling interest of the subsidiary).



(Kevin Qumar Sharma)
Chairman and Group CEO

Risk Factors

Risk Factors

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

1. Raw material price risk

Polyolefins (or plastic polymers) are the main raw materials for our production and form a significant part of our cost of goods sold.

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

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

2. Business Operation Risk

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

TPAC is in operation for 35 years and is also ISO 9000 Certified. It has built adequate procedures and systems in place and continuously improving procedures and systems through regular customer Audits and also Internal audits to minimize employee errors and system failures.

3. Security of property risk

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

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

4. Overstocking of inventory risk

TPAC has a large number of customers and product SKUs numbering in the thousands and increasing. Inventory control, warehousing and logistics (supply chain management) are important processes to facilitate the on-time delivery to customers.

For inventory management, management information systems covering raw material procurement, planning & production, and logistics are in place.

5. Corruption risk

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

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

- loss of reputation
- loss of public confidence
- direct financial loss
- Adverse effects on other staff and the morale of the organization in general.

TPAC has a proactive risk management approach to corruption prevention which include:

- Creating an open channel on TPACs website –Stakeholder can directly contract our Head of Compliance (whistle Blowing Policy)
- Policy to protect the whistleblower
- In house anti-corruption training.

6. Internal Control

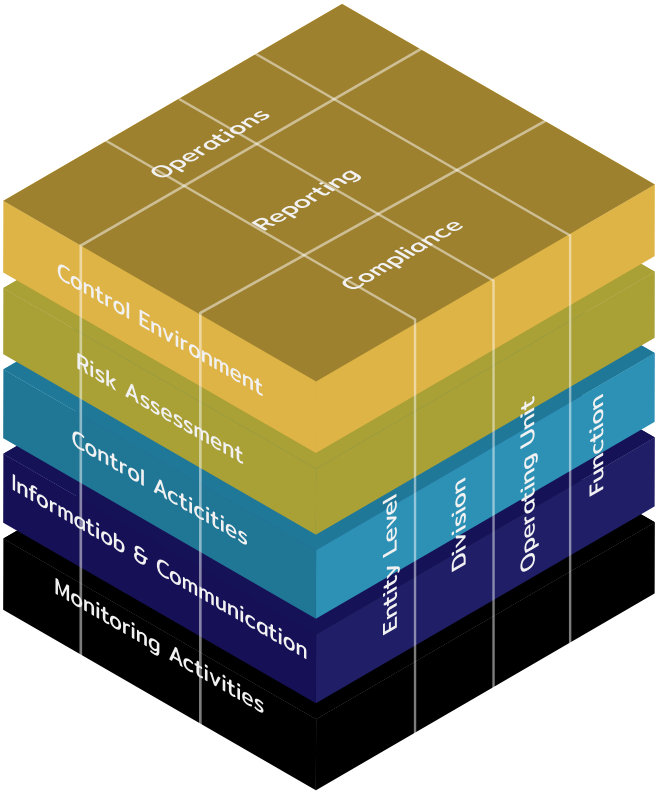
Internal control is a continuous process and valuable for effective and efficient business operations at Thai Plaspac Public Company Limited.

The Board of Directors has assigned the audit committee to review the adequacy of the internal control systems to ensure accurate and credible reporting from the accounting system which is consistent and in compliance with the financial reporting standards and in line with the rules and regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).

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

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

Internal Control Framework;



7. Merger & Acquisition (Inorganic growth) risk

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

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

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

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

Related Party transactions

Related party transactions with persons who may have conflicts

Related party transactions are transactions arising from normal business operations where the pricing will be the market price or in accordance with the general trade conditions which can be compared to the conditions given to third parties (Fair and at arm's length) which may be the price charged by the customer or the price offered with supplier (Suppliers) and is a condition that is comparable and reasonable. The related transactions as at 31 December 2018 can be summarized as follows:

(1) Name and relationship of persons with conflict of interest

Related Companies/ Relationships	Types of Transaction	Amount (Million Baht)	
		2017	2018
Indorama Polymers Public Company Limited - Shareholder and director are related to the Company's shareholder and management	Purchase Raw Materials/ Products/ Services	101	63
Indorama Petrochem Company Limited - Shareholder and director are related to the Company's shareholder and management	Purchase Raw Materials/ Products/ Services	0	4
TPAC Packaging (Bangna) Company Limited - TPAC's Subsidiary	Sales Raw Materials/ Products/ Services	0	10
	Purchase Raw Materials/ Products/ Services	0	7
TPAC Packaging India Private Limited - TPAC's Subsidiary	Sales Raw Materials/ Products/ Services	0	0.15
	Purchase Raw Materials/ Products/ Services	0	0.01
Related Person - Director, executive officer and related persons with director and executive officer	Dividend Payment	32	5

Opinion of the Audit Committee on related transactions

The above connected transactions have been considered and approved by the Audit Committee which such transactions are reasonable and is necessary for the business of the company. By entering the transaction, the company has considered the benefits of the company as important without transferring benefits between Thai Plaspac Public Company Limited and persons who may have conflicting interests.

Policies and procedures for approving related transactions

In the case of related transaction between Thai Plaspac Public Company Limited with persons who may have a conflict of interest or stakeholders. The Audit Committee will consider and comment on the need to enter the transaction. The terms and conditions of the related transaction must be in accordance with the market price. If there is no market price The Audit Committee will consider using the appropriate price and beneficial to the company. If the Audit Committee does not have expertise in considering the related transactions that occur, Thai Plaspac Public Company Limited will arrange for an independent expert to provide opinions on such related transactions to be used for decision making of the Audit Committee or shareholders. The directors who have conflicts of interest will not attend the meeting and do not exercise their voting rights to approve the related transaction and will disclose the related transactions in the annual report and annual registration statement (Form 56-1).

Policy on future related transactions

In the case of a new related transaction, each unit of the company must inform the details of the expected transaction, such as the value of the transaction, price, conditions and reasons for having related transactions. By notifying the Secretary of the Audit Committee in order to have a preliminary check that the item is under conditions that must be approved by the management, Audit Committee, Board of Directors or the shareholder of the company or not. However, the company will comply with the Securities Act, regulations, notifications, orders and requirements of the Capital Market Supervisory Board, the SEC and the Stock Exchange of Thailand as well as in accordance with the regulations of Thai Plaspac Public Company Limited that all related transactions must be reviewed by the Internal Audit Department.

Corporate Governance Report

The Board of Directors recognizes the importance of good corporate governance is a key to create credibility of the company as it will enable the company to grow sustainably and increase long term value for its stakeholders. The board of directors and the management are committed to the implementation and practice of good corporate governance principles which does reflect in our practice of transparent and fair treatment to all stakeholders. The corporate governance framework for the company was prepared in year 2007 that follows the guidelines set-out by the SET. In year 2008, it was implemented in the company through written communication to all directors, management and employees and uploaded on the company website.

Corporate Governance Policy

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

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

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

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

1. Rights of Shareholders

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

In year 2018, the Company had held an annual general meeting of shareholders no. 1/2018 on 24 April 2018 at 15:00 – 17:00 hrs. at The Boardroom 4, Queen Sirikit National Convention Center, 60 New Rachadapisek Road, Klongtoey, Bangkok 10110. The Company through the share registrar, Thailand Securities Depository, had send notice of shareholder's AGM and the annual report to all its shareholders 21 days prior to the meeting on April 3, 2017. The agenda for shareholders meeting included minutes of the last shareholders meeting, auditors report and audited financial statements, dividend policy, proposed dividend with comparison to dividend paid in past year, appointment of directors and remuneration, appointment of auditors and remuneration, articles of association relevant to shareholders meeting, proxy form with option to appoint independent directors as proxy and documents required for attending through a proxy and to vote for each agenda item of the meeting, copy of annual report and others. Further, the Company had published the notice of AGM 1/2018 on the company website (www.thaiplaspac.com) on March 23, 2018 to provide shareholders sufficient time to read all the information.

On the day of shareholders meeting the registration of shareholders was opened one hour in advance of the meeting to allow shareholders sufficient time. All the member of the board of directors, audit committee and statutory auditors attended the AGM 1/2018. The Chairman of the board of directors presided over the

shareholders meeting, informed the procedure of the meeting, appointed two individual shareholders to monitor the proceedings and counting of votes, informed the number of shareholders holding number of shares present in the meeting, informed right of one share – one vote and opportunity for all shareholders to ask questions verbally or in writing and on voting of each resolution announced the result of shareholders voting. The minutes of the shareholders meeting were uploaded on the Company Website within fourteen days of the date of annual general meeting of shareholders.

2. Equal treatment of shareholders

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

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

Results in damage to the Company

1) The Company can file a petition on the court and claim such damages. Does not result in damage to the Company

2) The practice is treated as unethical, is recorded and warning is given to such director, management or employee. During the past year, directors, management and employees have been strictly in compliance of the code of conduct and standard of ethics.

3. Role of Stakeholders

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

Code of Ethics for Directors

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

Shareholders

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

Employees

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

Customers

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

Suppliers

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

*Suppliers and Creditors Policy are disclosed on company's website (www.thiaplaspac.com)

Competitors

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

Society

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

Code of Ethics for employees: The employees must follow best practices for following;

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

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

reporting of any such information and takes actions to improve relationship with all stakeholders.

4. Disclosure and transparency

The Board emphasized the importance of accurate, complete and transparent disclosure of financial statements of the Company together with adequate disclosure of the notes to accounts. A statement on the Board's responsibility concerning the Company's financial report is disclosed in the Annual Report, which mentions among other things that the Company complies with generally accepted accounting principles and that accounting standards and practices used are appropriate and consistent to the nature of business. It also states that all information presented in the financial statements is accurate, complete and adequate. The Chairman and CEO and the Managing Director sign the statement. The audit committee is responsible for review of the quality of financial statements before submission to the board of directors for approval. On approval by the board of directors, the financial statements are uploaded on the website of the Stock Exchange of Thailand, www.set.or.th, and the company's website, www.thaiplaspac.com for timely information to all shareholders at the same time. Further, the communication channels used are: The Annual Report, Form 56-1, Management Discussion & Analysis (MD&A), shareholders meeting, the website of SET, the own website of Company, analyst meeting and the SET Opportunity Day.

5. Responsibility of the board of directors

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

The internal guidelines of the Company on related party transactions and the relevant rules and regulations of SET/SEC provide basis for avoiding conflict of interest. The board of directors meet at least once in each quarter wherein approve financial statements, business plan, capex and investment plan, auditors, remuneration, policy and plans. At the board meetings and informal meetings with the CEO and the Managing Director the Board gets updated on the business performance, strategy and industry trends. The audit committee and the board of directors approved the 2017 annual audited financial statements.

The Company has a policy for remuneration of the directors which is annually proposed by the board of directors and approved in the shareholders meeting. The remuneration of directors is established based on assignments and responsibilities of each director. Details of 2017 remuneration paid to each director are provided in the section of "Management".

The Board has established and maintained an effective internal control system. The Board every year evaluates the efficiency and sufficiency of the internal controls of the Company through the internal auditor and the management. Further, it evaluates efficiency of internal control included five section in each year and also the Audit Committee have to completely evaluate efficiency of 2017 internal control result and disclose on the section of "Internal Control"

Control on the use of inside information

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

time prescribed by the Office of the Securities and Exchange Commission under the Securities Act of 2535

Whistle Blowing Policy

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

Sub-committee

The Board of Directors has appointed 4 sub-committees: (a) Audit Committee (b) Nomination and Remuneration Committee (c) Corporate Governance Committee and (d) Risk Management Committee

Audit Committee

The Audit Committee of the Company consists of 3 independent directors, namely Mr. Virasak Sutanthavibul as the Chairman of the Audit Committee, Mr. Kittiphat Suthisamphat and Mr. Gran Chayavichitsilp as member of the Audit Committee which all members are independent directors and have various experiences related to in accounting, finance, economics, law and packaging business who are qualified to perform duties as the Audit Committee To verify reliability and accuracy of financial reports In order to comply with the corporate governance principles and in accordance with the regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), the Audit Committee has a term of 3 years from the date Which has been appointed as follows:

No.	Name	Position	Meeting Attendance 2018
1	Mr. Virasak Sutanthavibul	Independent Director and Chairman of Audit Committee	6/6
2	Mr. Kittiphat Suthisamphat	Independent Director and Audit Committee	6/6
3	Mr. Gran Chayavichitsilp	Independent Director and Audit Committee	6/6

Role and Responsibility of the Audit Committee

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

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

Nomination and Remuneration Committee

In the year 2018, the Nomination and Remuneration Committee has arranged 2 meetings with details of the attendance of each member as follows.

No.	Name	Position	Meeting Attendance
1	Mr. Gran Chayavichitsilp	Chairman of subcommittee and Independent Board	2/2
2	Mr. Virasak Sutanthavibul	Subcommittee and Independent Board	2/2
3	Mr. Kittiphat Suthisamphat	Subcommittee and Independent Board	2/2
4	Mr. Kevin Qumar Sharma	Subcommittee	2/2
5	Mr. Theerawit Busayapoka	Subcommittee	2/2

At present, the Nomination and Remuneration Committee consists of 5 persons, 3 of whom are independent directors and 2 are directors.

Role and Responsibility of the Nomination and Remuneration Committee

1. To consider the succession plan for executive and top executive.
2. To recruit person who is suitability to be nominated for Chief Executive Officer, Managing Director and top executive by following the relevant law.

2.1 To define the criterions for recruitment person who is suitability to be nominated for Chief Executive Officer, Managing Director and top executive

2.2 The criterions need to accord with the relevant law and requirements and also the person need to have a qualification that relevant to the law and the requirements of Stock Exchange of Thailand.

3. The Nomination and Remuneration Committee has a duty for consideration the remuneration as follow:

3.1 To present the remuneration of committee and subcommittee to the Board of Director for approval and present to the shareholder meeting for approval.

3.2 To present the remuneration of top executive to the Board of Director for acknowledgement.

4. consider the remuneration of executive, apart from no.3, to the Board of Director for approval and pass to the managing director for operation.
5. All subcommittee have a duty to make a self-assessment in both individual and as a whole for evaluation and report to Board of Director in order to disclose in annual report.

6. Chairman of subcommittee has a duty to make a self-assessment report in order to present to the Board of Director and disclose in annual report.
7. Making a sub-committee's performance report, following by the regulation of Stock Exchange of Thailand, for disclosing in annual report.
8. Regularly review the charter of sub-committee in order to appropriate and relate with the Securities and Exchange and also the regulation of Stock Exchange of Thailand.
9. Reporting the performance report of sub-committee to the Board of Director at least 2 times per year.
10. Annually evaluate the performance report of sub-committee for the purpose of improvement process.

Corporate Governance Committee

In the year 2018, the Corporate Governance Committee has arranged 2 meetings with details of the attendance of each member as follows

No.	Name	Position	Meeting Attendance
1	Mr. Kevin Qumar Sharma	Chairman of subcommittee	2/2
2	Mr. Theerawit Busayapoka	subcommittee	2/2
3	Mr. Worapong Woottipruk*	subcommittee	1/1
4	Ms. Anong Sompitthayanurak **	subcommittee	-

* No.3, Mr. Worapong Woottipruk was appoint by the Board of Directors on 9 August 2018.

** No.4 Ms. Anong Sompitthayanurak resignd during year 2018. Hence, there are three members carry on the Corporate Governance Committee.

Role and Responsibility of the Corporate Governance Committee

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

Risk Management Committee

In the year 2018, the Risk Management Committee has arranged 2 meetings with details of the attendance of each member as follows

	Name	Position	Meeting Attendance
1	Mr. Kevin Qumar Sharma	Chairman of subcommittee	2/2
2	Mr. Theerawit Busayapoka	subcommittee	2/2
3	Mr. Anil Kumar Kohli	subcommittee	2/2
4	Ms. Anong Sompitthayanurak *	subcommittee	-

* No.4 Ms. Anong Sompitthayanurak resignd during year 2018.

Role and Responsibility of the Risk Management Committee

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

Nomination for the directors and executives

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

The nomination and remuneration committees must consider from the nature of business and future plan in order to limit the appropriate qualification. By righting of director and shareholder to propose nominees to be elected as directors in advance or any source that can be referred. Including with the committees, form major holder, having various experiences and talents which is benefit to the company and also dedicate the time in order to strengthen the company to have a strong director's team. So, all of committees are

limited to take a position in listed company not more than 5 companies and need to report to shareholder meeting for approval and the resolutions must not less than half of the shares present at the meeting. By determination one share one vote per one shareholder and each shareholder must use entirety votes to select at least one person to be a committee. The person receiving the highest score will be selected to take a committee position.

In each Annual General Meeting, directors need to retire and rotate one third of the rate and for the number of non-independent committee is limited by the ratio of company share and depending on the ability of person who is considered.

In the case of the position is vacant due to the other reason, retirement by rotation. The Board of Director need to select, by having a resolution not less than three fourth, replacement committee in order to attend for the next meeting.

The executive committee has a duty to nominate and select the appropriate executive who is suitable for each position by giving an authority to managing director.

Qualifications of Independent Director

1. Holding no more than 1 % of total voting shares including the shareholding of persons related to the independent directors
2. Not currently be or never been the company's executive director, worker, employee, salaried consultant, or controlling parties. Exception: It has been at least two years after the person has held the position.
3. Not by blood or legally registered with other directors, executives, major shareholders, controlling parties, or persons who will be nominated as directors, executives, or controlling parties of the company or subsidiary.
4. Not currently having or never had any relations with the company in the way that such relation may impede the person from having independent views. Also, the person should not currently be or never be a significant shareholder or controlling person for persons having business relations with the company. Exception: It has been at least two years after the person has held the position.
5. Not currently being or never been the company's auditor. Also, the person should not currently be or never be a significant shareholder, controlling person, or partners of current auditor's auditing firm. Exception: It has been at least two years after the person has held the position.
6. Not currently be providing or never provided professional services, legal consulting, nor financial consulting services to the company with a fee more than THB 2 million per year. Also, the person should not currently be or never be a significant shareholder, controlling person, or partners of current service providers. Exception: It has been at least two years after the person has held the position.
7. Not currently a director appointed to represent the company's directors, major shareholders, or the shareholder related to major shareholder.
8. Not currently be operating under similar business nature and significant competition to the company or subsidiary; or not a significant partner of the partnership, executive director, salaried worker, employee, or consultant; or holding more than 1% of voting shares of any other companies operating under similar business nature and significant competition to the company and subsidiary.
9. Not under any conditions that may impede the person from having independent views towards the company's operations.

Qualifications of Audit Committee

1. Having been appointed by the board of directors or shareholders' meeting to act as audit committee member.
2. Qualified for an independent director.
3. Not currently the director authorized by the board to make administrative decisions of the company, parent company, subsidiary, same-level subsidiary, major shareholders, or controlling persons.
4. Not currently the director of the parent company, subsidiary, or same-level subsidiary of listed companies only.

5. Having sufficient knowledge and experience to perform the duty of an audit committee. There must be at least one audit committee member, who is sufficiently knowledgeable and experienced to review the reliability of financial statements.

Role and Responsibility of Chairman of the Board

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

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

Role and Responsibility of the Executive Committee

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

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

Role and Responsibility of the Managing Director

The Managing Director is appointed by the Board of Directors who will hold office as Managing Director of the Company only so that he will have sufficient time to manage the affairs and activities of the Company in accordance with the objective of the Company and for the best benefit of the shareholders. The Managing Director is under direct command of and report to the Chief of the Executive Committee and

his performance will be evaluated by the Executive Committee annually, including fixing his remuneration. The duty and responsibility of the Managing Director is as follows:

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

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

Directors' Self-assessment Report 2018

Directors	Directors' Self-assessment	
	As a whole	Personal
Board of Director	94.0%	98.7%
Audit Committee	99.5%	99.2%
Nomination and Remuneration Committee	99.1%	99.5%
Corporate Governance Committee	98.2%	97.7%
Risk Management Committee	99.4%	100.0%

Evaluation Criteria

>85% Excellence/ > 75% Very good/ > 65% Good/ > 50% Neutral/ <50% Improvement

2018 CEO Evaluation

	Evaluation Score
Section 1: Status of Achievements	
List the firm's key goals and the extent to which each have been achieved.	
1. Grow by expanding business organically	Very Good
2. Grow by expanding business inorganically	Excellent
Section 2: Performance Measures	**91.1%**

Corporate Governance of operations of subsidiaries

The company has a policy to send highly experienced representatives to be a director in a subsidiary. The representatives may be the chairman of the board, Chief Executive Officer, Managing Director, Director, Senior Management or any person which is qualified in such business without any conflict of interest with the business of those subsidiaries. The appointed representatives must manage and operate the business of the subsidiary according to the laws and regulations as specified in the company's regulations and the laws of related subsidiaries and follow the policy guidelines and suggestions of Thai Plaspac Public Company Limited..

Auditors' Fee

Audit Fee

Audit Firm	Audit Fee (baht)		
	2016	2017	2018
EY Office Limited	900,000	1,300,000	2,200,000

* The company does not have any person or business related to the auditor or the audit office. Both directly and indirectly

Non-audit Fee

During the year 2018, the company paid the travelling fee to the auditor for 84,328 baht.

Social Responsibility and Sustainability

Social Responsibility

Fair business operation

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

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

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

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

Anti-Corruption

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

1. Create awareness and provide training to employees for conduct of business with fairness and integrity.

2. A system of checks and balances with appropriate authority to prevent fraud and corrupt practices.

3. Directors and employees are prohibited to engage in interested party transactions or persuade others to engage in interested party transactions which maybe for their own benefits and may cause loss or damage to the Company.

4. The employees are required to conduct business with transparency and to promote a healthy working environment in the organization.

Human Rights

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

1. Respect human dignity, to select and employ individuals through a proper channel of recruitment to work in the company. In the selection process should not have any limitation of gender and age.

2. To support and respect the protection of human rights, to conduct business with stakeholders who are not violating human rights. Violating of human rights includes using child labor and forced labor to operate their business. The Company monitors the policy and practice of stakeholders in relation to respect of human rights.

3. To encourage employees to use their constitutional right to vote.

4. To inform clearly to stakeholders our policy to respect human rights

Fair Treatment of Labor

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

1. Employment and labor relations, employment without restriction of age and gender. Employees to be employed on fair terms in contract and in compliance with Bureau of Labor Standards, Ministry of Labor, Thailand. The Company is responsible for the welfare and well-being of its employees.

2. Safety and health of employees, the Company to focus on safety and a healthy work environment for its employees. The Occupational Health and Safety Committee monitors and supervises the safety and health of all employees. The Company provides for annual physical examination of all employees.

3. Treat all employees equally, the manual for ethics approved by the Department of Labor requires all employees to be treated equally whether of any gender, race and education qualification.

Stakeholder Responsibility

The company has adopted the five principles of good corporate governance;

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

Caring for the environment

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

Sustainability project
Energy Saving and Environmental Caring Project

TAPC Packaging India Private Limited (the Company's subsidiary) has installed solar panels to produce solar energy on the roof of the factory in Umbergaon, India which has a generating capacity about 0.5 Megawatt. The installation of solar panels can reduce carbon dioxide that came from electricity production using coal/ fossil fuel which causes global warming.

Community or social development project
Employees' children scholarship program

The company has a scholarship program for the employees' children to support the education and help the employees to reduce their costs of living. For the year 2018, the company offers scholarships as follows.

Primary School	3,000 baht	43 Scholarships
Secondary School	4,000 baht	9 Scholarships
High School/ Vocational education	5,000 baht	6 Scholarships
Bachelor's Degree	10,000 baht	8 Scholarships

CSR Charity to Promote Family Bonding 2018

TPAC went to Baan Nam Aom police school, Sa Kaew Province to encourage family institute, providing opportunity to outreach children and promote anti-corruption.

TPAC provided 10 scholarships (30,000 baht, 3,000 each) for students who have good behavior, diligence, and social responsibility. TPAC donated lunch, ice creams, bookcases, school bags, and stationaries

Anti-Corruption Project

Thai Plaspac Public Company Limited is an organization that adheres to the principle of transparency, a good Corporate Governance, and has Social Responsibility to demonstrate its commitment to the prevention and resist of corruption and has transparency in international standards to prevent corrupt corporate corruption.

On September 6, 2018, Thai Plaspac Public Company Limited joined 2018 Anti-Corruption day which was organized by Anti-Corruption Organization of Thailand at BITEC Bangna

Training

Course Types	Hours
Environmental, Health Care, and Safety	148
Quality control system	72
Operation and Management	164
Total	384

Health care project in the operating place

	Budget (Baht)	Actual (Baht)
Safety Management	0	0
Safety Training	115,000	35,000
Safety Compliance	382,000	362,650
Safety Meeting and Report Preparation	7,800	7,100
Preparation for Emergencies	80,000	40,000
Safety Activities	32,000	10,000
Total	616,800	454,750

Accident statistics in 2018

	TPAC 1	TPAC 2	TPAC 3
Hours Target (Hours)	969,600	1,543,200	1,267,200
Days Target (Days)	1,200 Days	300 Days	900 Days
Best Statistic (Hours)	866,984	1,157,400	884,848
Actual Statistic (Hours)	327,912	208,512	282,880
Number of Record (Days)	439 Days	37 Days	247 Days

Number of Accidence (8 Times)

C1

Audit Committee's report for the year 2018

Virasak Sutanthavibul
Chairman of the Audit Committee

To the Shareholders

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

Mr. Virasak Sutanthavibul

Position : Independent Board and Chairman of the Audit Committee

Times Attendance : 6/6

Mr. Kittiphat Suthisamphat

Position : Independent Board and Audit Committee

Times Attendance : 6/6

Mr. Gran Chayavichitsilp

Position : Independent Board and Audit Committee

Times Attendance : 6/6

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

Mr. Worapong Woottipruk, secretary of the Audit Committee who is coordinator and to discharge its duties and represented in honor of the audit committee to coordinate with management teams

Annual Scope of Duties and Responsibilities

The Audit Committee, working under the jurisdiction of responsibilities as assigned by the Board of Directors of the company as defined. For annual report duties of the audit committee in 2018, During this year there are 6 times meeting to discuss about internal audit result with internal auditors and considering and review about financial result with accounting auditors which consists of consulting with executives.

The Audit Committee have meeting with internal and external auditors 4 times without executives. The scope of duties and responsibilities of the audit committee is as follows;

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

2. To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient and to determine independence of internal audit.

3. To review the Company's compliance with the regulations of the stock exchange and laws relating to the Company's business.

4. To review and disclose the related party transactions, or the transactions that may lead to conflict of interest, to ensure that they follow the laws and regulations of the stock exchange and are reasonable and the highest benefit of the Company.

5. To review and consider investment in Sunrise Containers Limited.

6. To review and consider acquisition all ordinary shares of Custom Pack Company Limited.

7. To review and consider the issuance and offering of debentures.

8. The Audit Committee has selected and recommended to the Board of Directors to seek approval from the annual general meeting

of shareholders for appointment of EY Office Limited (Ernst & Young) as external auditor for the year 2016 represented by Miss. Rungnapa Lertsuwankul, CPA registration no. 3516, or Miss. Pimjai Manitkhajonkit, CPA registration no. 4521 , or Mr. Chayapol Supasetanond CPA registration no. 3972 or, Miss Orawan Techawatanasirikul, CPA registration no. 4807. The proposed audit fee is Baht 2,200,000 for the year 2018. The audit committee has nominated the external auditor team based on independence, skills, competence, experience in packaging business and audit fees.

9. The Audit Committee has selected and recommended to the Board of Directors for appointment of Deloitte Touche Tohmatsu Jaiyos Advisory Company Limited as internal auditor for the year 2018. The audit committee has nominated the internal auditor team based on independence, skills, competence, experience in packaging business, quality reporting and audit fees. The objective of review was to perform internal audit services that complies with the Professional Practice of Internal Audit, the applicable laws and regulations and to provide recommendations that will add value to the Company, Mr. Khanit Thanawuthikrai is the head of compliance.

The Audit Committee have fulfilled its tasks according to the company charters and the scope specified by the Board of Directors. According to the regulations of the Stock Exchange of Thailand (SET), Thai Plaspac Public Company Limited has operated under the good corporate governance by the Audit Committee has performed the duties completely and has conducted self-assessment to propose the performance, including consulting and comment on important issues which influences the business to the Board of Directors regularly informed every quarte

On behalf of the Audit Committee

Virasak Sutanthavibul
Chairman of the Audit Committee

The Performance Report of Corporate Governance Committee 2018

Mr. Kevin Qumar Sharma
The Chairman of Corporate Governance Committee

Dear Board of Director

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

1. Mr. Kevin Qumar Shama
Chairman of Corporate Governance Committee

2. Mr. Theerawit Busayapoka
Committee

3.Mr. Worapong Woottipruk
Committee (Appointed at 9 August 2018))

4. Ms. Anong Sompittayanurak
Committee (Resigned at 31 May 2018)

The Role of Corporate Governance Committee

1. Exception from the duty as mentioned above. This subcommittee has additional duty as follow:
   - 1.1 Define the policy of Corporate Governance in order to present to the Board Of Director for consideration and put into practice additional with suitably and continuously following up
   - 1.2 Coordinate to have an annual self-assessment for chairman , director, Board of Director including with other subcommittee
2. Providing a confidence that the Corporate Governance of company have a good standard, accuracy of financial statement, following by law and ethic. As well as have a good relations with customers and stakeholders.
3. Providing a confidence for the process of Corporate Governance having an appropriate protection and reducing the conflict interest for the benefit of company and shareholder.
4. Providing a confidence for the process of Corporate Governance which are appropriate to the efficacy of good governance, risk management, internal control and lawfulness
5. All subcommittees have a duty to complete self-assessment form both Self-Assessment of committee as a whole and Self-Assessment of the board of directors and of committee members on an individual basis in order to report to the board of director and disclose in annual report.
6. Chairman of subcommittee has a duty to do a subcommittee performance report in order to report to the board of director and disclose in annual report.
7. Doing a subcommittee performance report must have information at least following to the requirement of Stock Exchange of Thailand and disclose in annual report.
8. Always update the charter of subcommittee in order to suit and accord with the regulation of the Securities and Exchange Commission (SEC) and The Stock Exchange of Thailand (SET).
9. Reporting the subcommittee performance report at least two times per year.
10. Annually evaluate the subcommittee performance for future improvement.

Scope of the Corporate Governance Committee held 2 meetings for year 2018 as following participant:

1. Mr. Kevin Qumar Sharma
Position :
Chairman of Corporate Governance Committee
Meetings Attended : 2/2

2. Mr. Theerawit Busayapoka
Position : Committee
Meetings Attended : 2/2

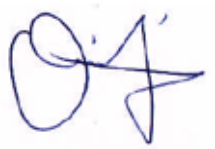
3. Mr. Worapong Woottipruk
Position : Committee
Meetings Attended : 1/1
(Appointed at 9 August 2018)

4. Ms. Anong Sompittayanurak
Position : Committee
Meetings Attended : 1/1
(Resigned at 31 May 2018)

As following agendas:

1. To consider the CG Policy for the year 2018.
2. To consider the Code of Ethic for directors and employees for the year 2018.
3. To consider the charter of 4 sub-committees for the year 2018.
4. To consider the CSR Project and Anti-Corruption for the year 2018.
5. To consider the report of self-assessment of the committees and sub committees in each grouping member and individual for the year 2018.
6. To consider the self-assessment of CEO for the year 2018.
7. To consider the score and the improvement matters of the CG Score Card topic (CG Check List) for the year 2018.
8. To consider the score and the improvement matters of the AGM Score Card topic (AGM Check List) for the year 2018.

Corporate Governance Committee is responsible to follow the scope defining by executive and regulation of Stock Exchange of Thailand. In 2018, Thai Plaspac Public Limited Company have done a good performance for corporate governance.



(Mr. Kevin Qumar Sharma)
The Chairman of Corporate Governance Committee

The Performance Report of Risk Management Committee 2018

Mr. Kevin Qumar Sharma
The Chairman of Risk Management Committee

Dear Board of Director

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

1. Mr. Kevin Qumar Sharma
Chairman of Risk Management Committee

2. Mr. Theerawit Busayapoka
Committee

3. Mr. Anil Kumar Kohli
Committee

4. Ms. Anong Sompittayanurak
Committee
(Resigned at 31 May 2018)

The Role of Risk Management Committee

1. To set up the goals and strategies for sustainability; to link, align goals and the company's sustainability strategy between top executive and the board of directors.
2. Risk Management:
   - Analysis and evaluate the situations that are expected risk and may affect the missions of the company and report the risk that have a significant impact to the Board. Moreover, defined the risk management strategy in accordance with the risk management policy appropriately and effectively.
   - Review the adequacy of risk management system, as well as provide feedback on how to improve and progress report to the Board as appropriate.
   - Guideline for risk management and business operations of the company appropriately and effectively coherent strategic direction, business plan and circumstances change.
   - Governance, support and development of risk management at all levels throughout the organization.
   - Set policies, regulatory advice and support program for business continuity management plan: BCM to present to the Board of Directors for consider and approve as the information following below:
     1) Risk Management
     2) Business Impact Analysis
     3) Recovery Plan
     4) Training, Exercising and auditory
     5) Communication
3. Subcommittee on every board has the duty of doing self-assessment of both individual and as a whole basis annually to be processed and presented to the board of directors and disclosed in the annual report.
4. Chairman of subcommittee has a duty to do a subcommittee performance report in order to report to the board of director and disclose in annual report.
5. Doing a subcommittee performance report

must have information at least following to the requirement of Stock Exchange of Thailand and disclose in annual report.

6. Always update the charter of subcommittee in order to suit and accord with the regulation of the Securities and Exchange Commission (SEC) and The Stock Exchange of Thailand (SET).
7. Reporting the subcommittee performance report at least two times per year.
8. Evaluate the performance of the subcommittee on an annual basis to consider an amendment to proceed.
9. On duty of risk management committee may request an opinion from an independent consultant. To considers whether it is necessary and appropriate by the company are responsible for the costs.

Scope of the Risk Management Committee held 2 meetings for year 2018 as following participant:

1. Mr. Kevin Qumar Sharma

Position : Chairman of Risk Management Committee

Meetings Attended : 2/2

2. Mr. Theerawit Busayapoka

Position : Committee

Meetings Attended : 2/2

3. Mr. Anil Kumar Kohli

Position : Committee

Meetings Attended : 2/2

4. Ms. Anong Sompittayanurak

Position : Committee

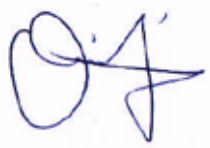
Meetings Attended :

- (Resigned at 31 May 2018)

As following agendas

1. To consider the financial risk, operational risk, information technological risk, and investment risk for the year 2018.
2. To consider the risk of new investment.
3. To consider the action plan for risk management for the year 2019
4. To consider the investment plan and investment budget for the year 2019.
5. To consider the result of Risk Management Committee for year 2018.

Risk Management Committees have a responsibility for following the regulative framework by Board of Director and charter approving from Board of Director. In year 2018, Thai Plaspac Public Company conducted by following the Corporate Governance and reviewed the policy of risk management. Additional with continuously review every department to be within the risk management framework.



(Mr. Kevin Qumar Sharma)
The Chairman of Risk Management Committee

The Performance Report of Nomination and Remuneration Committee 2018

Mr. Gran Chayavichitsilp
The Chairman of Nomination and Remuneration Committee

Dear Board of Director

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

1.Mr. Gran Chayavichitsilp

Chairman of Nomination and Remuneration Committee

2. Mr. Virasak Sutanthavibul

Committee

3. Mr. Kittiphat Suthisamphat

Committee

4. Mr. Kevin Qumar Sharma

Committee

5. Mr. Theerawit Busayapoka

Committee

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

The Role of Nomination and Remuneration Committee

1. To consider the properties of the overall Board of Directors and the individual that is appropriate to the size, type and complexity of the company business in terms of education, experience, knowledge, expertise, skills, talents associated with the company's business and the independence criteria defined by the company. Including the preparation and review of the succession plan for the executive and top executive for preparing a plan to have a successor to the company's administration can be carried out continuously.

2. Selection and recruitment the person who is appropriate for offering to take a position of chief Executive Officer, managing director and top executive President. And senior management under applicable law, the under related law as follow:

    2.1 Determine the criteria for recruitment the person who is appropriate for offering to take a position of chief Executive Officer, managing director and company top executive.

    2.2 The criteria for consideration is related to the law and regulation of the Stock Exchange of Thailand. (SET)

3. The Nomination Committee has the duty to consider the remuneration as follows:

3.1 The remuneration of the Board of Directors and Subcommittee for offering to the Board of Directors approve and to offer to the shareholders for approval.

3.2 The remuneration of the top executive in order to offer to the Board of Directors acknowledge.

4. To consider the frame of remuneration for executive, except from No.3, which is approve from board of director and assign the implement to Managing Director.

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

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

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

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

9. Reporting the subcommittee performance report at least two times per year. Annually evaluate the subcommittee performance for future improvement.

10. Evaluate the performance of the subcommittee on an annual basis to consider an amendment to proceed.

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

Scope of the Nomination and Remuneration Committee held 2 meetings for year 2018 as following participant:

1.Mr. Gran Chayavichitsil

Position : Chairman of Nomination and Remuneration Committee

Meetings Attended : 2/2

2. Mr. Virasak Sutanthavibul

Position : Committee

Meetings Attended : 2/2

3. Mr. Kittiphat Suthisamphat

Position : Committee

Meetings Attended : 2/2

4. Mr. Kevin Qumar Sharma

Position : Committee

Meetings Attended : 2/2

5. Mr. Theerawit Busayapoka

Position : Committee

Meetings Attended : 2/2

As following agendas

1. To consider and approve the remuneration of CEO and Executives.
2. To consider and acknowledge the succession plan of top executive of company for year 2018.
3. To consider and acknowledge the remuneration of committee and sub-committee for year 2018.
4. To consider and acknowledge the new organization chart for year 2018.
5. To consider and acknowledge the qualifications of the shareholder's proposed candidates to be an independent director (if-any) or re-appointment members of the Board of Directors
6. To acknowledge new managements and position under recruitments.

Nomination and Remuneration Committee is responsible to follow the scope defining by executive and regulation of Stock Exchange of Thailand. In 2018, Thai Plaspac Public Limited Company have done a good performance for corporate governance.

(Mr. Gran Chayavichitsilp)
The Chairman of Nomination and Remuneration Committee

C2

Report of the Board of Directors Responsibilities for the Financial Statements

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

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

The Board of Directors is satisfied that the internal control system and the internal audit are reliable and the audited financial statements of Thai Plaspac Public Company Limited provide a true and fair view of the financial position, results of operations and cash flows for the year ended December 31, 2018.

Kevin Qumar Sharma

Chairman & Group CEO

Theerawit Busayapoka

CEO / MD of Thailand Business

Independent Auditor’s Report

Independent Auditor's Report

To the Shareholders of Thai Plaspac Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Thai Plaspac Public Company Limited and its 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 Thai Plaspac Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Thai Plaspac Public Company Limited and its subsidiaries as at 31 December 2018 and of Thai Plaspac 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 Matters

I draw attention to the following Note to consolidated financial statements.

a) As described in Note 2.2.1 to consolidated financial statements related to business combination, the Note 12.1 related to investments in subsidiaries, and the Note 21 related to liabilities associated with put options granted to holders of non-controlling interests, on 28 August 2018, TPAC Packaging India Private Limited (the subsidiary company) acquired all assets and liabilities of Sunrise Containers Limited through the amalgamation of TPAC Packaging India Private Limited and Sunrise Containers Limited under the Indian laws, whereby TPAC Packaging India Private Limited is the operating entity. The consideration was paid to the former shareholders for 80% amounting to INR 4,735 million, and TPAC Packaging India Private Limited issued 20% new shares to former shareholders. The consideration of INR 4,735 million was included adjusted value from an order of the Competent Authority of India amount INR 282 million, and on 28 August 2018 the subsidiary company appointed 2 persons of former shareholders as the directors of the subsidiary company (after amalgamation), and paid joining bonus at INR 32.55 million each, in total of INR 65.1 million.

   At present, the subsidiary company is currently in the process of assessing the fair value of the identified assets acquired and liabilities and goodwill assumed at amalgamation date. During the fourth quarter of the current year, the Company considered the draft appraisal of the net assets acquired from the independent valuation specialist. The Company's management is currently in the process of assessing the fair value of the identified assets acquired and liabilities assumed at amalgamation date. The Company expects to complete within evaluation period of 12 months from amalgamation date according to Thai Financial Reporting Standard 3, (revised 2017) Business combination. The Company will complete the accounting recording of the amalgamation within the year 2019, and the amount recorded as at 31 December 2018 may be changed.

   In addition, the Company granted put options to former shareholders which are rights to sell all remaining 20% of shares in TPAC Packaging India Private Limited to the Company. The Company does not have an unconditional right to avoid the delivery of cash it holders of non-controlling interests exercise their put options. The Company already recorded liabilities associated with put options granted to holders of non-controlling interests amounting to Baht 463 million presented as non-current liabilities in consolidated financial statements. The liabilities associated with put options present offset from non-controlling interests of subsidiary in consolidated statement of financial position and the consolidated statement of changes in shareholders' equity.

b) As described in the Note 2.2.2 to consolidated financial statements related to business combination, on 2 May 2018, the Company purchased all ordinary shares of Custom Pack Company Limited, who is principally engaged in the manufacture and distribution of plastic packaging, amounting to Baht 107 million for purchasing ordinary shares of 10,143,137 shares with a par value of Baht 10 each. The Company has already recognised gain from a bargain purchase of Baht 41 million in the consolidated statements of comprehensive income for the year ended 31 December 2018 as stated in Note 2.2.2 to consolidated financial statements.

My opinion is not modified in respect of this matters.

Key Audit Matters

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

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

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

Revenue recognition

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

I have examined the revenue recognition of the Company by

- Assessing and testing the 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.
- Applying a sampling method to select sales documents to assess whether revenue recognition was consistent with the conditions of the relevant agreement, and whether it was in compliance with the Group's policy.

- On a sampling basis, examining supporting documents for actual sales transactions occurring during the year and near the end of the accounting period.
- Reviewing credit notes that the Group issued after the period-end.
- Performing analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period.

Business combination

As discussed in Note 2.2.1 to the financial statements, on 28 August 2018, TPAC Packaging India Private Limited (the subsidiary company) acquired all assets and liabilities of Sunrise Containers Limited through the amalgamation of TPAC Packaging India Private Limited and Sunrise Containers Limited under the Indian laws, whereby TPAC Packaging India Private Limited is the operating entity. The consideration was paid to the former shareholders for 80% amounting to INR 4,735 million, and TPAC Packaging India Private Limited issued 20% new shares to former shareholders. At present, the subsidiary company is currently in the process of assessing the fair value of the identified assets acquired and liabilities assumed at amalgamation date, and goodwill As at the amalgamation date, the subsidiary preliminary recognised and measured the assets acquired and liabilities assumed at their fair value by applying the acquisition method and recognised goodwill, tradename, and customer relationship from the business combination in the consolidated financial statements. The management needs to exercise substantial judgement when appraising the fair value of the assets acquired and liabilities assumed. I therefore determined as a key audit matter by focusing on this business acquisition.

I examined the business combination by reviewing the terms and conditions of the share purchase agreement and inquired with management as to the nature and objectives of the acquisition. In addition, I checked the value of the acquisition with supporting documents and related payments to assess whether it reflected the fair value of the consideration transferred. I also assessed the fair value of assets acquired and liabilities assumed specified in the draft documentation of measurement under the acquisition method as prepared by an independent valuation specialist, by considering the methods and significant assumptions used by the independent valuation specialist in calculating the fair value of assets and liabilities, and evaluating the expertise, ability and integrity of the independent valuation specialist. I also reviewed the disclosures related to the business combination in the notes to consolidated financial statements.

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

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

Orawan Techawatanasirikul
Certified Public Accountant (Thailand) No. 4807

EY Office Limited
Bangkok: 26 February 2019

Thai Plaspac Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2018

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Assets					
Current assets					
Cash and cash equivalents	*7*	63,954,610	105,592,437	5,736,034	105,542,122
Trade and other receivables	*6, 8*	833,581,343	411,127,165	383,748,252	411,127,165
Inventories	*9*	293,261,562	114,366,875	120,161,717	114,366,875
Other current assets	*10*	23,022,475	29,323,522	18,189,152	29,323,522
Total current assets		1,213,819,990	660,409,999	527,835,155	660,359,684
Non-current assets					
Restricted bank deposits	*11*	51,632,207	-	-	-
Investments in subsidiaries	*12*	-	-	1,694,267,717	51,500
Property, plant and equipment	*13*	1,483,121,846	547,143,475	479,037,639	547,143,475
Goodwill	*2.2.1*	936,971,281	-	-	-
Intangible assets	*14*	395,234,842	3,915,239	2,922,956	3,915,239
Deferred tax assets	*26*	4,916,162	4,458,545	4,916,162	4,458,545
Withholding tax deducted at source	*15*	58,405,804	42,850,102	58,389,528	42,850,102
Advance payment for purchasing of molds		17,382,051	7,152,233	17,382,051	7,152,233
Other non-current assets		23,735,280	7,450,318	2,080,425	7,450,318
Total non-current assets		2,971,399,473	612,969,912	2,258,996,478	613,021,412
Total assets		4,185,219,463	1,273,379,911	2,786,831,633	1,273,381,096

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

Thai Plaspac 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	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from banks	*16*	286,355,141	-	221,000,000	-
Trade and other payables	*6, 17*	303,883,395	180,146,468	158,589,187	180,146,468
Current portion of long-term loans from banks	*19*	208,455,546	-	192,367,796	-
Other current liabilities	*18*	15,200,931	7,500,697	4,433,643	7,500,697
Total current liabilities		813,895,013	187,647,165	576,390,626	187,647,165
Non-current liabilities					
Long-term loans from banks,					
net of current portion	*19*	1,170,182,789	-	1,075,118,914	-
Debentures	*20*	567,849,312	-	-	-
Liabilities associated with put options granted					
to holders of non-controlling interests	*21*	463,194,829	-	-	-
Deferred tax liabilities	*26*	61,569,898	-	-	-
Provision for long-term employee benefits	*22*	35,928,549	21,186,821	22,226,857	21,186,821
Total non-current liabilities		2,298,725,377	21,186,821	1,097,345,771	21,186,821
Total liabilities		3,112,620,390	208,833,986	1,673,736,397	208,833,986
Shareholders' equity					
Share capital	*23*				
Registered					
255,000,000 ordinary shares of Baht 1 each		255,000,000	255,000,000	255,000,000	255,000,000
Issued and paid-up					
253,817,676 ordinary shares of Baht 1 each		253,817,676	253,817,676	253,817,676	253,817,676
Premium on ordinary shares	*23*	302,920,904	302,920,904	302,920,904	302,920,904
Retained earnings					
Appropriated - statutory reserve	*24*	25,500,000	25,500,000	25,500,000	25,500,000
Unappropriated		506,706,017	482,308,530	530,856,656	482,308,530
Other components of shareholders' equity		(56,279,419)	(1,185)	-	-
Equity attributable to owners of the Company		1,032,665,178	1,064,545,925	1,113,095,236	1,064,547,110
Non-controlling interests of the subsidiaries		39,933,895	-	-	-
Total shareholders' equity		1,072,599,073	1,064,545,925	1,113,095,236	1,064,547,110
Total liabilities and shareholders' equity		4,185,219,463	1,273,379,911	2,786,831,633	1,273,381,096
		-	-	-	-

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

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Directors

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Thai Plaspac Public Company Limited and its 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
Profit or loss:					
Revenues					
Sales	*6*	2,528,004,351	1,584,142,676	1,613,011,343	1,584,142,676
Gain from a bargain purchase	*2.2.2*	41,159,014	-	-	-
Gain on exchange		-	-	45,700	-
Other income		15,540,454	13,182,508	10,747,912	13,182,508
Total revenues		2,584,703,819	1,597,325,184	1,623,804,955	1,597,325,184
Expenses					
Cost of sales	*6*	2,159,530,230	1,308,197,774	1,362,751,448	1,308,197,774
Selling and distribution expenses		92,070,774	47,516,085	48,430,198	47,516,085
Administrative expenses	*6*	240,782,050	113,087,278	126,808,087	113,087,278
Loss on exchange		2,196,078	2,349,920	-	2,349,920
Total expenses		2,494,579,132	1,471,151,057	1,537,989,733	1,471,151,057
Profit before finance cost and income tax expenses		90,124,687	126,174,127	85,815,222	126,174,127
Finance cost		(55,932,183)	(226,613)	(23,019,867)	(226,613)
Profit before income tax expenses		34,192,504	125,947,514	62,795,355	125,947,514
Income tax expenses	*26*	(11,521,824)	(18,536,750)	(7,329,190)	(18,536,750)
Profit for the year		22,670,680	107,410,764	55,466,165	107,410,764
Other comprehensive income:					
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods					
Exchange differences on translation of					
financial statements in foreign currency		(56,278,234)	(1,185)	-	-
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods		(56,278,234)	(1,185)	-	-
Other comprehensive income not to be reclassified					
to profit or loss in subsequent periods					
Actuarial gain		561,013	-	870,614	-
Less: Income tax effect		(65,948)	-	(174,123)	-
Other comprehensive income not to be reclassified					
to profit or loss in subsequent periods - net of income tax		495,065	-	696,491	-
Other comprehensive income for the year		(55,783,169)	(1,185)	696,491	-
Total comprehensive income for the year		(33,112,489)	107,409,579	56,162,656	107,410,764

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

Thai Plaspac Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the year ended 31 December 2018

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
Profit attributable to:					
Equity holders of the Company		31,476,668	107,410,764	55,466,165	107,410,764
Non-controlling interests of the subsidiaries		(8,805,988)	-		
		22,670,680	107,410,764		
Total comprehensive income attributable to:					
Equity holders of the Company		(24,266,217)	107,409,579	56,162,656	107,410,764
Non-controlling interests of the subsidiaries		(8,846,272)	-		
		(33,112,489)	107,409,579		
Earnings per share	*28*				
Equity holders of the Company		0.12	0.42	0.22	0.42

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

Thai Plaspac Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2018

(Unit: Baht)

		Consolidated financial statements							
						Other components of shareholders' equity			
						Other comprehensive income			
				Retained earnings		Exchange differences			
		Issued and				on translation of	Total equity	Equity attributable	
		paid-up	Premium on	Appropriated -		financial statements	attributable to	to non-controlling interests of	
	Note	share capital	ordinary shares	Statutory reserve	Unappropriated	in foreign currency	owners of the Company	the subsidiaries	Total
Balance as at 1 January 2017		253,817,676	302,920,904	25,500,000	428,199,478	-	1,010,438,058	-	1,010,438,058
Profit for the year		-	-	-	107,410,764	-	107,410,764	-	107,410,764
Other comprehensive income for the year		-	-	-	-	(1,185)	(1,185)	-	(1,185)
Total comprehensive income for the year		-	-	-	107,410,764	(1,185)	107,409,579	-	107,409,579
Dividends paid	*6, 31*	-	-	-	(53,301,712)	-	(53,301,712)	-	(53,301,712)
Balance as at 31 December 2017		253,817,676	302,920,904	25,500,000	482,308,530	(1,185)	1,064,545,925	-	1,064,545,925
Balance as at 1 January 2018		253,817,676	302,920,904	25,500,000	482,308,530	(1,185)	1,064,545,925	-	1,064,545,925
Equity attributable to non-controlling interest of the subsidiaries increase		-	-	-	-	-	-	511,974,996	511,974,996
Profit for the year		-	-	-	31,476,668	-	31,476,668	(8,805,988)	22,670,680
Other comprehensive income for the year		-	-	-	535,349	(56,278,234)	(55,742,885)	(40,284)	(55,783,169)
Total comprehensive income for the year		-	-	-	32,012,017	(56,278,234)	(24,266,217)	(8,846,272)	(33,112,489)
Dividends paid	*6, 31*	-	-	-	(7,614,530)	-	(7,614,530)	-	(7,614,530)
Liabilities associated with put options granted to holders of non-controlling interests		-	-	-	-	-	-	(463,194,829)	(463,194,829)
Balance as at 31 December 2018		253,817,676	302,920,904	25,500,000	506,706,017	(56,279,419)	1,032,665,178	39,933,895	1,072,599,073

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

Thai Plaspac 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				
				Retained earnings		
	Note	Issued and paid-up share capital	Premium on ordinary shares	Appropriated - Statutory reserve	Unappropriated	Total
Balance as at 1 January 2017		253,817,676	302,920,904	25,500,000	428,199,478	1,010,438,058
Profit for the year		-	-	-	107,410,764	107,410,764
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		-	-	-	107,410,764	107,410,764
Dividends paid	*6, 31*	-	-	-	(53,301,712)	(53,301,712)
Balance as at 31 December 2017		253,817,676	302,920,904	25,500,000	482,308,530	1,064,547,110
Balance as at 1 January 2018		253,817,676	302,920,904	25,500,000	482,308,530	1,064,547,110
Profit for the year		-	-	-	55,466,165	55,466,165
Other comprehensive income for the year		-	-	-	696,491	696,491
Total comprehensive income for the year		-	-	-	56,162,656	56,162,656
Dividends paid	*6, 31*	-	-	-	(7,614,530)	(7,614,530)
Balance as at 31 December 2018		253,817,676	302,920,904	25,500,000	530,856,656	1,113,095,236
		-	-	-	-	-
		-	-	-	-	-

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

Thai Plaspac Public Company Limited and its subsidiaries

Statement of cash flows

For the year ended 31 December 2018

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from operating activities				
Profit before tax	34,192,504	125,947,514	62,795,355	125,947,514
Adjustments to reconcile profit before tax to				
net cash provided by (paid from) operating activities:				
Depreciation and amortisation	189,521,533	132,486,104	125,791,145	132,486,104
Allowance for doubtful accounts	2,293,744	-	3,424,316	-
Reduction of inventories to net realisable value	1,289,307	158,580	267,465	158,580
Loss (gain) on disposals/write-off of machinery				
and equipment	1,839,156	(2,324,957)	496,945	(2,324,957)
Long-term employee benefits expenses	4,969,066	4,779,313	2,949,781	4,779,313
Allowance for impairment loss on assets	509,824	1,380,426	509,824	1,380,426
Unrealised loss (gain) on exchange rate	687,614	146,363	282,113	146,363
Gain from a bargain purchase	(41,159,014)	-	-	-
Amortisation of financial fees	911,687	-	486,710	-
Interest income	(439,230)	(310,560)	(209,175)	(310,560)
Interest expenses	55,932,183	226,613	23,019,867	226,613
Profit from operating activities before				
changes in operating assets and liabilities	250,548,374	262,489,396	219,814,346	262,489,396
Operating assets (increase) decrease				
Trade and other receivables	137,661,396	(18,406,769)	23,649,115	(18,406,769)
Inventories	46,060,054	(1,402,895)	(6,062,307)	(1,402,895)
Other current assets	10,572,547	(1,553,637)	1,501,206	(1,553,637)
Other non-current assets	(14,800,995)	393,883	(10,090,167)	393,883
Operating liabilities increase (decrease)				
Trade and other payables	15,233,657	15,362,413	(20,860,952)	15,362,413
Other current liabilities	15,129,883	(3,166,034)	(8,944,423)	(3,166,034)
Provision for long-term employee benefits	(3,238,844)	(2,191,402)	(1,039,131)	(2,191,402)
Cash flows from operating activities	457,166,072	251,524,955	197,967,687	251,524,955
Cash receipt from refund of withholding tax deducted				
at source	20,006,224	47,998,252	20,006,224	47,998,252
Cash paid for corporate income tax	(43,514,753)	(42,904,787)	(43,506,579)	(42,904,787)
Net cash flows from operating activities	433,657,543	256,618,420	174,467,332	256,618,420

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

Thai Plaspac Public Company Limited and its subsidiaries

Statement of cash flows (continued)

For the year ended 31 December 2018

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from investing activities				
Proceeds from sales of machinery and equipment	1,990,325	7,854,699	665,095	7,854,699
Acquisition of land, machinery and equipment	(148,745,853)	(56,596,898)	(44,174,446)	(56,596,898)
Acquisition of intangible assets	(1,064,785)	-	-	-
Cash paid for investment in subsidiaries	(2,257,095,912)	-	(1,694,216,217)	(51,500)
Interest income	439,230	310,560	209,175	310,560
Net cash flows used in investing activities	(2,404,476,995)	(48,431,639)	(1,737,516,393)	(48,483,139)
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans from banks	214,855,489	(55,034,908)	221,000,000	(55,034,908)
Increase from restricted bank deposits	(51,632,207)	-	-	-
Cash receipt from long-term loans from banks	1,394,975,000	-	1,280,000,000	-
Cash receipt from debentures	600,990,000	-	-	-
Repayment of long-term loans	(55,359,773)	-	(8,000,000)	-
Cash paid for financial fees	(36,499,996)	-	(5,000,000)	-
Interest expenses	(74,254,124)	(226,613)	(17,142,497)	(226,613)
Dividends paid	(7,614,530)	(53,301,712)	(7,614,530)	(53,301,712)
Net cash flows from (used in) financing activities	1,985,459,859	(108,563,233)	1,463,242,973	(108,563,233)
Decrease in exchange differences on translation of financial statements in foreign currency	(56,278,234)	(1,185)	-	-
Net increase (decrease) in cash and cash equivalents	(41,637,827)	99,622,363	(99,806,088)	99,572,048
Cash and cash equivalents at beginning of year	105,592,437	5,970,074	105,542,122	5,970,074
Cash and cash equivalents at end of year (Note 7)	63,954,610	105,592,437	5,736,034	105,542,122
	-	-	-	-
Supplemental cash flows information				
Non-cash items consist of:				
Increase (decrease) in accounts payable for purchasing of fixed assets	2,626,986	(2,046,668)	(672,961)	(2,046,668)
Acquisition of fixed assets for which payments were paid in prior year	-	46,937,603	-	46,937,603
Increase in liabilities associated with put options granted to holders of non-controlling interests	463,194,829	-	-	-

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

1. General information

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

2. Basis of preparation

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

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

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

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Thai Plaspac Public Company Limited ("the Company") and the following subsidiary companies ("the subsidiaries"):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2018	2017
			Percent	Percent
Subsidiaries held by the Company				
TPAC Packaging India Private Limited	Manufacturing and distribution of plastic packaging	India	80	100
TPAC Packaging (Bangna) Company Limited	Manufacturing and distribution of plastic packaging	Thailand	100	-

2.2.1 TPAC Packaging India Private Limited

On 7 December 2017, the Company registered and established TPAC Packaging India Private Limited in India for the purpose to invest 80% in Sunrise Containers Limited and amalgamated on 28 August 2018 as described in Note 12 to the financial statements.

These consolidated interim financial statements are included financial position of TPAC Packaging India Private Limited as at 31 December 2018, and profit or loss of TPAC Packaging India Private Limited (before amalgamation) as from 1 January 2018 to 27 August 2018, and profit or loss of TPAC Packaging India Private Limited (after amalgamation) as from 28 August 2018 to 31 December 2018. The excess of cost of business combination over the fair value of the net assets acquired shall recognised as goodwill. During the fourth quarter of the current year, the Company considered the draft appraisal of the net assets acquired from the independent valuation specialist. The Company's management is currently in the process of assessing the fair value of the identified assets acquired and liabilities assumed at amalgamation date. The Company expects to complete within evaluation period of 12 months from amalgamation date according to Thai Financial Reporting Standard 3, (revised 2017) Business combination. The Company will complete the accounting recording of the amalgamation within the year 2019, and the amount recorded as at 31 December 2018 may change.

Details of the net book value of Sunrise Containers Limited as at amalgamation date are as follows:

(Unit: Thousand Baht)

	Fair value	Net book value
Assets		
Cash and cash equivalents	14,820	14,820
Trade and other receivables	342,535	342,535
Inventories	200,358	200,358
Property, plant and equipment, net (Note 13)	884,224	527,042
Intangible asset - tradename (Note 14)	222,946	-
Intangible asset - customer relationship (Note 14)	179,014	-
Other assets	169,122	169,122
Total assets	2,013,019	1,253,877

(Unit: Thousand Baht)

	Fair value	Net book value
Liabilities		
Bank overdrafts	71,500	71,500
Trade and other payables	82,563	82,563
Long-term loans from banks (Note 19)	44,805	44,805
Provision for long-term employee benefits (Note 22)	1,637	1,637
Deferred tax liabilities	48,793	37,861
Other liabilities	11,129	9,251
Total liabilities	260,427	247,617
Net assets value	1,752,592	1,006,260
Equity of the subsidiary (%)	80	
Net assets value attributable to the subsidiary's investment	1,402,074	
The excess of the fair value of the net assets over the purchase price	775,514	
Purchase price	2,177,588	
Less: Cash and cash equivalents of the subsidiary	(14,820)	
Net cash paid for amalgamation of the subsidiary	2,162,768	

Details of acquisition of the subsidiary are presented as follows.

(Unit: Thousand Baht)

Purchase price	
Cash paid	2,177,588
Fair value of net assets received	(1,402,074)
Goodwill - Equity holders of the Company	775,514
Goodwill - Non-controlling interests of the subsidiaries	161,457
Goodwill	936,971

The revenue and loss of the subsidiary from the acquisition date to 31 December 2018 amounting to Baht 711 million and Baht 46 million, respectively, are included in the consolidated financial statements.

TPAC Packaging India Private Limited granted benefits from amalgamation. The subsidiary is able to utilise tax benefit in respect of difference between fair value and book value of property, plant and equipment, intangible assets and goodwill.

2.2.2 TPAC Packaging (Bangna) Company Limited

On 2 May 2018, the Company paid amounting to Baht 107 million for purchasing all ordinary shares or 100% of Custom Pack Company Limited totaling 10,143,137 shares with par value of Baht 10 each. The Company registered the change of its name from "Custom Pack Company Limited" to "TPAC Packaging (Bangna) Company Limited" with the Ministry of Commerce on the same date.

These consolidated financial statements include the statement of financial position of the Company as at 31 December 2018 and the statement of comprehensive income for the period from the investment date to 31 December 2018. The Company has recorded the net assets acquired at their fair value of the subsidiary as at the acquisition date. The remaining excess of the fair value of the net assets acquired over the purchase price has been recorded as "Gain from a bargain purchase" in the consolidated statement of comprehensive income. During the second quarter of the current year, the Company considered the appraisal of the machinery from the independent valuation specialist. The Company's management assessed the fair value of assets acquired and liabilities assumed of the subsidiary at acquisition date.

Details of the fair value and net book value of Custom Pack Company Limited are as follows:

(Unit: Thousand Baht)

	Fair value	Net book value
Assets		
Cash and cash equivalents	12,673	12,673
Trade accounts receivable	72,335	72,335
Inventories	25,885	25,885
Machinery and equipment, net (Note 13)	68,967	68,967
Other assets	3,373	3,373
Total assets	183,233	183,233

(Unit: Thousand Baht)

	Fair value	Net book value
Liabilities		
Trade and other payables	23,376	23,376
Provision for long-term employee benefits (Note 22)	10,847	10,847
Other liabilities	851	851
Total liabilities	35,074	35,074
Net assets value	148,159	148,159
Equity of the subsidiary (%)	100	
Net assets value attributable to the Company's investment	148,159	
The excess of the purchase price under the fair value of the net assets	(41,159)	
Purchase price	107,000	
Less: Cash and cash equivalents of the subsidiary	(12,673)	
Net cash paid for purchase of the subsidiary	94,327	

Details of acquisition of the subsidiary are presented as follows.

(Unit: Thousand Baht)

Purchase price	
Fair value of net assets received	148,159
Cash paid	(107,000)
Gain from a bargain purchase	41,159

The revenue and loss of the subsidiary from the acquisition date to 31 December 2018 amounting to Baht 192 million and Baht 8 million, respectively, are included in the consolidated financial statements.

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

f) Material balances and transactions between the Company and its subsidiaries companies have been eliminated from the consolidated financial statements.

g) 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) and new accounting treatment guidance 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) including new accounting treatment guidance, 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 recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

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 that will become effective for fiscal years beginning on or after 1 January 2020

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

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation

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.

Interest income

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

4.2 Cash and cash equivalents

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

4.3 Trade accounts receivable

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

4.4 Inventories

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

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

4.5 Investments in subsidiaries

Investments in subsidiaries is accounted for in the separate financial statements using the cost method.

4.6 Cost of molds for amortisation

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

4.7 Property, plant and equipment/Depreciation

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

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

Building and building improvement	10 - 50	years
Furniture and office equipment	3 - 15	years
Machinery and equipment	3 - 15	years
Motor vehicles	5 - 7	years

Depreciation is included in determining income.

No depreciation is provided on land and land improvement and assets under construction.

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

4.8 Intangible assets and Amortisation

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

	Useful lives
Trade name	25 years
Customer relationship	7.5 years
Computer software	5 - 10 years

4.9 Goodwill

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

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

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

4.10 Related party transactions

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

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

4.11 Long-term leases

Leases of property, plant or 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.

4.12 Foreign currencies

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

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

Gains and losses on exchange are included in determining income.

4.13 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries performs impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Company and its subsidiaries also carries out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company and its subsidiaries could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company and its subsidiaries 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.

4.14 Employee benefits

Short-term employee benefits

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

Post-employment benefits and other long-term employee benefits

Defined contribution plans

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

Defined benefit plans and other long-term employee benefits

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

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

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

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

4.15 Provisions

Provisions are recognised when the Company and its subsidiaries 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.

4.16 Income tax

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

Current tax

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

Deferred tax

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

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

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

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

4.17 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The 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 maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

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

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company 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.

4.18 Liabilities associated with put options granted to holders of non-controlling interests

The Company granted put options to holders of non-controlling interests. The Company does not have unconditional right to avoid the delivery of cash if holders of non-controlling interests exercise their put options. The Company recognises liabilities associated with put options, calculated by present value of expected exercise price, and presents in non-current liabilities in the consolidated statement of financial position as non-interest bearing debt. The amount also presents offset from non-controlling interests of the subsidiary in the consolidated statement of financial position and the consolidated statement of changes in shareholders' equity. The amount is to revalue at the end of reporting period, whereby the difference is to recognise in shareholders' equity.

5. Significant accounting judgements and estimates

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

Allowance for doubtful accounts

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

Allowance for diminution in value of inventories

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

Property, plant and equipment/Depreciation

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

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

Goodwill and intangible assets

The initial recognition and measurement of goodwill and intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Liabilities associated with put options granted to holders of non-controlling interests

The Company estimated the liabilities associated with put options granted to holders of non-controlling interests. The Company's management requires judgements to estimate exercise price, which holders of non-controlling interests will exercise and the exercise period. The estimation should be concerned about the performance of the subsidiary in the future and appropriateness of discount rate for calculation the above liabilities.

Deferred tax assets

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

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

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

6. Related party transactions

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

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

During the years, the Company 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: Million Baht)

	Consolidated financial statements		Separate financial statements		
	2018	2017	2018	2017	Transfer pricing policy
Transactions with subsidiaries					
(Eliminated from consolidated financial statements)					
Sales of goods	-	-	10	-	Close to market price
Service expense	-	-	7	-	Close to market price
Transaction with related company					
Purchase of goods	67	101	67	101	Close to market price
Transaction with related persons					
Dividend paid	5	32	5	32	Baht 0.03 per share (2017: Baht 0.21 per share)

As at 31 December 2018 and 2017, the balances of the accounts between the Company, the subsidiaries and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Trade receivables - related parties				
(Note 8)				
Subsidiaries	-	-	8,682	-
Total	-	-	8,682	-
Trade payables - related parties				
(Note 17)				
Subsidiaries	-	-	3,390	-
Related company	4,488	19,299	4,488	19,299
Total	4,488	19,299	7,878	19,299

Directors and management's benefits

During the year ended 31 December 2018 and 2017, the Company and its subsidiaries had employee benefit expenses payable to its directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Short-term benefits	75,493	32,636	38,226	32,636
Post-employment benefits	2,449	1,907	2,111	1,907
Other long-term benefits	15	12	15	12
Total	77,957	34,555	40,352	34,555

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Notes 19 and 20 to financial statements.

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash	325	50	54	50
Cash at banks	63,630	105,542	5,682	105,492
Total	63,955	105,592	5,736	105,542

As at 31 December 2018, cash at banks carried interests between 0.38 and 10.3 percent per annum (The Company only: between 0.38 and 0.75 percent per annum)

(31 December 2017: between 0.38 and 1.40 percent per annum (The Company only: between 0.38 and 1.40 percent per annum)).

8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Trade receivables - related parties				
Aged on the basis of due dates				
Not yet due	-	-	8,682	-
Total trade receivables - related parties	-	-	8,682	-
Trade receivables - unrelated parties				
Aged on the basis of due dates				
Not yet due	547,451	292,109	292,419	292,109
Past due				
Up to 1 month	152,853	98,948	73,006	98,948
1 - 2 months	42,288	13,252	7,676	13,252
2 - 3 months	16,319	3,711	236	3,711
3 months - 1 year	20,658	3,107	5,153	3,107
1 year - 2 years	206	-	-	-
Over 2 years	621	-	-	-
Total	780,396	411,127	378,490	411,127
Less: Allowance for doubtful account	(4,287)	-	(3,424)	-
Total trade receivables - unrelated parties	776,109	411,127	375,066	411,127
Other receivables - unrelated parties				
Value added tax refundable	23,769	-	-	-
Discount receivables	30,495	-	-	-
Other receivables	3,208	-	-	-
Total other receivables - unrelated parties	57,472	-	-	-
Total trade and other receivables	833,581	411,127	383,748	411,127

9. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2018	2017	2018	2017	2018	2017
Finished goods	151,438	49,943	(1,467)	(75)	149,971	49,868
Work in process	20,988	12,537	(258)	-	20,730	12,537
Raw materials	96,903	38,728	(2,329)	(299)	94,574	38,429
Packing materials	24,821	10,352	(625)	(162)	24,196	10,190
Factory supplies	3,845	3,397	(54)	(54)	3,791	3,343
Total	297,995	114,957	(4,733)	(590)	293,262	114,367

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2018	2017	2018	2017	2018	2017
Finished goods	52,119	49,943	(319)	(75)	51,800	49,868
Work in process	11,515	12,537	-	-	11,515	12,537
Raw materials	39,685	38,728	(180)	(299)	39,505	38,429
Packing materials	13,855	10,352	(305)	(162)	13,550	10,190
Factory supplies	3,846	3,397	(54)	(54)	3,792	3,343
Total	121,020	114,957	(858)	(590)	120,162	114,367

During the current year, the Company and its subsidiaries reduced cost of inventories by Baht 1.8 million (The Company only: Baht 0.6 million) (31 December 2017: 0.4 million (The Company only: Baht 0.4 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 0.4 million (The Company only: Baht 0.3 million) (31 December 2017: Baht 0.3 million (The Company only: Baht 0.3 million)), and reduced the amount of inventories recognised as expenses during the year.

10. Other current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Prepaid expenses	3,562	2,945	2,620	2,945
Cost of molds for amortisation	15,072	24,705	15,072	24,705
Advance payment	3,260	-	-	-
Others	1,128	1,674	497	1,674
Total	23,022	29,324	18,189	29,324

11. Restricted bank deposits

These represent fixed deposits pledged with the banks on behalf of the subsidiary to secure letter of credit facilities and bank of guarantees carrying interest rate at 6 - 8 percent per annum. In addition, these represent fixed deposits for the next interest payment with the trustee under the terms and conditions of the debenture issuers.

12. Investments in subsidiaries

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

Company's name	Paid-up capital		Shareholding percentage		Cost	
	2018	2017	2018	2017	2018	2017
			(%)	(%)	(Thousand Baht)	(Thousand Baht)
TPAC Packaging India Private Limited	1,686 Million Rupee	0.1 Million Rupee	80	100	1,587,268	51
TPAC Packaging (Bangna) Company Limited (formerly known as "Custom Pack Company Limited")	101 Million Baht	-	100	-	107,000	-
Total					1,694,268	51

During the year ended 31 December 2018 and 2017, the Company has no dividend received from the subsidiaries.

TPAC Packaging India Private Limited

1. On 7 December 2017, the Company registered and established TPAC Packaging India Private Limited in India and invested at 100% of its shares with an initial registered share capital of INR 0.1 million which comprise of 10,000 shares with par value of INR 10 each. The purpose of the Company is to invest at 80% of shares in Sunrise Containers Limited, an Indian non-listed public limited company engaging in the PET (Polyethylene Terephthalate) and PP (Polypropylene) preforms and containers, manufacturing business in India.
2. On 15 January 2018, the Extraordinary General Meeting of Shareholders No. 1/2018 approved to invest in Sunrise Containers Limited. The total consideration and expense for the transaction will not exceed INR 4,692 million, or Baht 2,383 million.

3. On 3 January 2018, TPAC Packaging India Private Limited registered an increase in share capital from INR 0.1 million to INR 300 million which comprise of 30,000,000 shares with par value of INR 10 each, and already called for share capital of 11,000,000 shares amount INR 110 million and share premium amount INR 110 million. The Company already paid such investment in subsidiary in total of INR 220 million or Baht 110.9 million on 30 January 2018.

4. On 6 February 2018, TPAC Packaging India Private Limited deposited USD 3 million to secure its obligation to pay the consideration to former shareholders.

5. On 6 April 2018, the subsidiary entered into a loan agreement with Sunrise Containers Limited of INR 150 million or Baht 71.8 million with interest rate at 10% per annum. The principal is payable within six months or when the Company invests in Sunrise Containers Limited. This loan is unsecured.

6. On 29 May 2018, the Company entered into Implementation Agreement (Second Amendment) between the Company, Sunrise Containers Limited and former shareholders to extend the amalgamation's approval date by the Competent Authority of India from by 23 June 2018 to by 31 August 2018. The Competent Authority of India already granted the amalgamation's approval for TPAC Packaging India Private Limited and Sunrise Containers Limited on 12 July 2018.

7. On 24 July 2018, the Extraordinary General Meeting of Shareholders of the subsidiary (TPAC Packaging India Private Limited) passed a resolution to increase share capital from INR 300 million to INR 1,500 million (150,000,000 shares with par value of INR 10 each) and called for share capital of 157,605,600 shares amount INR 1,576 million with share premium amount INR 1,532 million. The Company already paid such investment in subsidiary in total of INR 3,108 million or Baht 1,476 million on 20 August 2018.

8. On 28 August 2018, TPAC packaging India private Limited paid cash consideration to group of exerting shareholders at 80% of Sunrise Containers Limited, amounting to INR 4,735 million or Baht 2,178 million as stated in Note 2.2.1. Cash consideration is calculated as follow:

	(Unit: Million INR)
80% of enterprise value and adjustments	4,260
Add: Interest expenses of 11% p.a. based on 80% of enterprise value and adjustments from cut-off date to completion date	193
Adjusted value from an order of the Competent Authority of India	282
Total	4,735

Sources of fund for cash consideration consist of three parts as follow:

1. Investment from the Company paid for shares and premium of the subsidiary (Including deposit amount USD 3 million) which are from long-term loan from bank of Baht 1,200 million of the Company, and the remaining are from cash on hand, and short-term loans from banks.
2. Subsidiary's long-term loan from bank amounting to INR 250 million
3. Subsidiary's debentures issuance amounting to INR 1,300 milllion

TPAC Packaging India Private Limited acquired all assets and liabilities of Sunrise Containers Limited through amalgamation of TPAC Packaging India Private Limited and Sunrise Containers Limited under the Indian laws, whereby TPAC Packaging India Private Limited is the operating entity, and already issued 20% new shares of the subsidiary (after amalgamation) to 2 persons of former shareholders in total of 42,153,195 shares. The Company has percentage of shareholding at 80% in the subsidiary (after amalgamation). In addition, on 28 August 2018 the subsidiary appointed 2 persons of former shareholders as the directors of the subsidiary (after amalgamation), and paid joining bonus at INR 32.55 million each, in total of INR 65.1 million.

TPAC Packaging (Bangna) Company Limited

On 24 April 2018, the Annual General Meeting of the Company's shareholders approved to invest in Custom Pack Company Limited, who is principally engaged in the manufacture and distribution of plastic packaging, in total of Baht 107 million. On 2 May 2018, the Company paid amounting to Baht 107 million for purchasing all ordinary shares of Custom Pack Company Limited which comprised of 10,143,137 shares with par value of Baht 10 each. The Company registered the change of its name from "Custom Pack Company Limited" to "TPAC Packaging (Bangna) Company Limited" with the Ministry of Commerce on the same date.

12.2 Details of investments in subsidiaries that have material non-controlling interests

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Loss allocated to non-controlling interests during the year		Dividend paid to non-controlling interests during the year	
	2018	2017	2018	2017	2018	2017	2018	2017
	(%)	(%)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
TPAC Packaging India Private Limited	20	-	39,934	-	(8,846)	-	-	-

12.3 Summarised financial information that based on amounts before inter-company elimination about subsidiaries that have material non-controlling interests.

Summarised information about financial position

(Unit: Million Baht)

	TPAC Packaging India Private Limited	
	2018	2017
Current assets	608	-
Non-current assets	2,311	-
Current liabilities	215	-
Non-current liabilities	1,191	-

Summarised information about comprehensive income

(Unit: Million Baht)

	TPAC Packaging India Private Limited	
	For the year ended 31 December	
	2018	2017
Revenue	710.8	-
Loss	(43.9)	-
Other comprehensive income	(0.1)	-
Total comprehensive income	(44.0)	-

Summarised information about cash flow

(Unit: Million Baht)

	TPAC Packaging India Private Limited	
	For the year ended 31 December	
	2018	2017
Cash flow from operating activities	193	-
Cash flow from investing activities	(2,427)	-
Cash flow from financing activities	2,279	-
Net increase in cash and cash equivalents	45	-

13. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements						
	Land and land improvement	Building and building improvement	Furniture and office equipment	Machinery and equipment	Motor vehicles	Assets under construction	Total
Cost:							
1 January 2017	54,275	204,638	11,654	1,196,324	15,283	131	1,482,305
Additions	-	338	552	73,947	-	26,581	101,418
Transfer in (out)	-	2,580	-	11,548	-	(14,128)	-
Disposals	-	-	(157)	(15,836)	(1,186)	-	(17,179)
31 December 2017	54,275	207,556	12,049	1,265,983	14,097	12,584	1,566,544
Additions	66,822	5,048	2,282	61,236	28	15,958	151,374
Increase from acquisition/ amalgamation of subsidiaries	137,050	163,206	5,984	627,443	3,154	16,354	953,191
Transfer in (out)	-	-	-	12,020	-	(12,020)	-
Disposals/write-off	-	-	(1,001)	(6,913)	(1,815)	-	(9,729)
Translation adjustment	(74)	(89)	(3)	(306)	(2)	(7)	(481)
31 December 2018	258,073	375,721	19,311	1,959,463	15,462	32,869	2,660,899
Accumulated depreciation:							
1 January 2017	-	111,528	7,366	782,421	11,121	-	912,436
Depreciation for the year	-	7,994	1,280	107,779	1,444	-	118,497
Depreciation on disposals	-	-	(157)	(10,306)	(1,186)	-	(11,649)
31 December 2017	-	119,522	8,489	879,894	11,379	-	1,019,284
Depreciation for the year	-	9,804	1,975	150,210	1,155	-	163,144
Depreciation on disposals/ write-off	-	-	(768)	(3,325)	(1,806)	-	(5,899)
Translation adjustment	-	59	10	1,057	5	-	1,131
31 December 2018	-	129,385	9,706	1,027,836	10,733	-	1,177,660
Allowance for impairment loss:							
31 December 2017	-	-	-	117	-	-	117
31 December 2018	-	-	-	117	-	-	117
Net book value:							
31 December 2017	54,275	88,034	3,560	385,972	2,718	12,584	547,143
31 December 2018	258,073	246,336	9,605	931,510	4,729	32,869	1,483,122
Depreciation for the year							
2017 (Baht 115 million included in manufacturing cost, and the balance in selling and administrative expenses)							118,497
2018 (Baht 161 million included in manufacturing cost, and the balance in selling and administrative expenses)							163,144

(Unit: Thousand Baht)

	Separate financial statements						
	Land and land improvement	Building and building improvement	Furniture and office equipment	Machinery and equipment	Motor vehicles	Assets under construction	Total
Cost:							
1 January 2017	54,275	204,638	11,654	1,196,324	15,283	131	1,482,305
Additions	-	338	552	73,947	-	26,581	101,418
Transfer in (out)	-	2,580	-	11,548	-	(14,128)	-
Disposals	-	-	(157)	(15,836)	(1,186)	-	(17,179)
31 December 2017	54,275	207,556	12,049	1,265,983	14,097	12,584	1,566,544
Additions	-	1,202	1,031	17,351	-	23,917	43,501
Transfer in (out)	-	-		12,020	-	(12,020)	-
Disposals/write-off	-	-	(747)	(4,268)	(1,806)	-	(6,821)
31 December 2018	54,275	208,758	12,333	1,291,086	12,291	24,481	1,603,224

(Unit: Thousand Baht)

	Separate financial statements						
	Land and land improvement	Building and building improvement	Furniture and office equipment	Machinery and equipment	Motor vehicles	Assets under construction	Total
Accumulated depreciation:							
1 January 2017	-	111,528	7,366	782,421	11,121	-	912,436
Depreciation for the year	-	7,994	1,280	107,779	1,444	-	118,497
Depreciation on disposals	-	-	(157)	(10,306)	(1,186)	-	(11,649)
31 December 2017	-	119,522	8,489	879,894	11,379	-	1,019,284
Depreciation for the year	-	7,440	1,291	100,742	972	-	110,445
Depreciation on disposals/ write-off	-	-	(746)	(3,107)	(1,806)	-	(5,659)
31 December 2018	-	126,962	9,034	977,529	10,545	-	1,124,070
Allowance for impairment loss:							
31 December 2017	-	-	-	117	-	-	117
31 December 2018	-	-	-	117	-	-	117
Net book value:							
31 December 2017	54,275	88,034	3,560	385,972	2,718	12,584	547,143
31 December 2018	54,275	81,796	3,299	313,440	1,746	24,481	479,037
Depreciation for the year							
2017 (Baht 115 million included in manufacturing cost, and the balance in selling and administrative expenses)							118,497
2018 (Baht 108 million included in manufacturing cost, and the balance in selling and administrative expenses)							110,445

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 of those assets amounted to approximately Baht 1,066 million (The Company only: Baht 670 million) (31 December 2017: Baht 518 million (The Company only: Baht 518 million)).

As at 31 December 2018, the Company has pledged all machinery of TPAC Packaging (Bangna) Company Limited amounting to Baht 59 million (31 December 2017: Nil) as collateral against long-term loan from bank. In addition, all property, plant and equipment of TPAC Packaging India Private Limited has been pledged as collateral against long-term loan from bank and non-convertible-debenture as stated in Note 19 and 20 to financial statements and partial property, plant and equipment of the subsidiary has been pledged as collateral against bank overdrafts as stated in Note 16 to financial statements.

As at 31 December 2017, the Company has pledged its land and construction thereon and part of its machinery amounting to Baht 66 million as collateral against bank overdrafts, short-term loans and credit line facilities received from banks.

14. Intangible assets

The net book value of intangible assets as at 31 December 2018 and 2017 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements				Separate financial statements	
	Tradename	Customer relationship	Computer software	Total	Computer software	Total
As at 31 December 2018						
Cost	222,946	179,014	9,156	411,116	7,279	7,279
Less: Accumulated amortisation	(2,978)	(7,970)	(3,929)	(14,877)	(3,846)	(3,846)
Less: Allowance for diminution in value	-	-	(510)	(510)	(510)	(510)
Translation adjustment	(196)	(297)	(1)	(494)	-	-
Net book value	219,772	170,747	4,716	395,235	2,923	2,923
As at 31 December 2017						
Cost	-	-	7,279	7,279	7,279	7,279
Less: Accumulated amortisation	-	-	(3,364)	(3,364)	(3,364)	(3,364)
Net book value	-	-	3,915	3,915	3,915	3,915

A reconciliation of the net book value of intangible assets for the years 2018 and 2017 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Net book value at beginning of year	3,915	4,564	3,915	4,564
Increase of tradename from amalgamation of subsidiary	222,946	-	-	-
Increase of customer relationship from amalgamation of subsidiary	179,014	-	-	-
Increase of computer software from amalgamation of subsidiary	812	-	-	-
Acquisition of computer software	1,065	70	-	70
Amortisation	(11,513)	(719)	(482)	(719)
Impairment loss	(510)	-	(510)	-
Translation adjustment	(494)	-	-	-
Net book value at end of year	395,235	3,915	2,923	3,915

Acquisition during the year

TPAC Packaging India Private Limited assessed the identified assets on the date of amalgamation between TPAC Packaging India Private Limited and Sunrise Containers Limited as follows:

1) Tradename

The subsidiary granted tradename "Sunpet" registered in four countries which are India, Saudi Arabia, United Kingdom and United Arab Emirates amounting to Baht 223 million. The expected useful life is 25 years.

2) Customer relationship

The subsidiary granted long-term relationship with customer, from Sunrise Containers Limited amounting to Baht 179 million. The expected useful life is 7.5 years.

15. Withholding tax deducted at source

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Withholding tax in 2016	-	20,006	-	20,006
Withholding tax in 2017	22,844	22,844	22,844	22,844
Withholding tax in 2018	35,562	-	35,546	-
Total	58,406	42,850	58,390	42,850

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

16. Short-term loans from banks

(Unit: Thousand Baht)

	Interest rate (% per annum)		Consolidated financial statements	
	2018	2017	2018	2017
Short-term loans from banks	1.99 - 9.55	-	286,355	-
Total			286,355	-

(Unit: Thousand Baht)

	Interest rate (% per annum)		Separate financial statements	
	2018	2017	2018	2017
Short-term loans from banks	1.99 - 2.10	-	221,000	-
Total			221,000	-

Under the credit facility agreement for short-term and long-term loans, the Company and its subsidiaries have to comply with certain financial terms as specified in the agreement, such as maintenance of debt to equity ratio and debt service coverage ratio, to be in line with the rates stipulated in the agreement.

Overdraft credit facility of TPAC Packaging India Private Limited are secured by the mortgage of property, plant and partial equipment.

17. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Trade accounts payable - related parties	4,488	19,299	7,878	19,299
Trade accounts payable - unrelated parties	145,270	96,591	84,705	96,591
Accounts payable for purchasing of fixed assets	11,294	8,561	7,888	8,561
Accrued expenses	126,503	44,568	45,868	44,568
Other payables	16,328	11,127	12,250	11,127
Total	303,883	180,146	158,589	180,146

18. Other current liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Advance received for molds	8,504	5,204	2,288	5,204
Others	6,697	2,297	2,146	2,297
Total	15,201	7,501	4,434	7,501

19. Long-term loans from banks

(Unit: Thousand Baht)

Loan	Interest rate p.a. (%)	Repayment schedule	Consolidated financial statements 2018	Consolidated financial statements 2017	Separate financial statements 2018	Separate financial statements 2017
1	Prime Rate - 2	Quarterly installments as from 31 July 2018	72,000	-	72,000	-
2	9.50 and as specified in the agreement	Quarterly installments as from 26 November 2018	112,614	-	-	-

(Unit: Thousand Baht)

Loan	Interest rate p.a. (%)	Repayment schedule	Consolidated financial statements 2018	Consolidated financial statements 2017	Separate financial statements 2018	Separate financial statements 2017
3	MLR - 1.75	Quarterly installments as from 25 February 2019	1,200,000	-	1,200,000	-
Total			1,384,614	-	1,272,000	-
Less: Deferred financial fees			(5,976)	-	(4,513)	-
Net			1,378,638	-	1,267,487	-
Less: Current portion			(208,455)	-	(192,368)	-
Long-term loans, net of current portion			1,170,183	-	1,075,119	-

Movement of the long - term loans account during the year ended 31 December 2018 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2018	-	-
Add: Additional borrowings	1,394,975	1,280,000
Increase of borrowings from amalgamation of subsidiary	44,805	-
Financial fees amortisation	911	487
Less: Repayment	(55,360)	(8,000)
Financial fees paid	(6,633)	(5,000)
Translation adjustment	(60)	-
Balance as at 31 December 2018	1,378,638	1,267,487

Loan 1

On 24 April 2018, the Company entered into a loan agreement with a bank in the amount of Baht 80 million for the acquisition of TPAC Packaging (Bangna) Company Limited (Formerly known as Custom Pack Company Limited). Such loans are secured by the mortgage of machinery and all shares in TPAC Packaging (Bangna) Company Limited, with interest at a prime rate -2 percent per annum and are due for repayment principle by quarterly installments not less than Baht 4 million from the period of 5 years from the drawdown date. The Company has fully drawn down on 30 April 2018.

Under the loan agreement, the Company and TPAC Packaging (Bangna) Company Limited have to comply with certain financial terms as specified in the agreement, such as maintenance of debt to equity ratio, and maintenance debt service coverage ratio.

Loan 2

On 23 July 2018, the meeting of Board of Directors of a subsidiary (TPAC Packaging India Private Limited) passed a resolution to approved a loan from a bank in India in total amount not exceed than INR 1,300 million to invest 80% of shares in Sunrise Containers Limited and as a working capital of the subsidiary. Subsequently, on 8 August 2018, the subsidiary entered into a loan agreement with a bank of INR 250 million. The loan carries interest at the rate of 9.50% per annum during the first 12 months from drawdown date and the interest rate after the first 12 months will be renegotiated as specified in the agreement. The loan was unsecured but guaranteed by the Company (Corporate Guarantee). The loan is repayable by quarterly installments not less than INR 5 million within 5 years from the drawdown date. The subsidiary has fully withdrawn the loan on 28 August 2018.

Under the loan agreement, the subsidiary has to comply with certain financial terms as specified in the agreement, such as maintenance of debt to equity ratio and debt service coverage ratio, to be in line with the rates stipulated in the agreement. The subsidiary is required to obtain approval from the financial institutions for dividend payment if their agreed financial ratios are not comply with prescribed terms.

Loan 3

On 9 August 2018, the meeting of the Board of Directors passed a resolution to acknowledge the loan in total amount not exceed than Baht 1,200 million from a bank in Thailand for investment in the subsidiary (TPAC Packaging India Private Limited). Subsequently, on 16 August 2018, the Company entered into a loan agreement with a bank in the amount of Baht 1,200 million. The loan is repayable by quarterly installments Baht 44.4 million each within 7 years from the drawdown date. The Company has fully withdrawn the loan on 20 August 2018. The loan is equivalent to other types of debt of the Company (Pari Passu Inter Se).

Under the loan agreement, the Company has to comply with certain financial terms as specified in the agreement, such as maintaining debt to equity ratio and debt service coverage ratio, to be in line with the rates stipulated in the agreement. The Company is required to maintain a portion of its investment in the subsidiary and required to obtain approval from the financial institutions in various matters, including dividends and assets or income guarantees.

Loan 4

On 28 August 2018, TPAC Packaging India Private Limited transferred its liabilities from Sunrise Containers Limited as a result of the amalgamation of INR 98 million. The loan carries interest at LIBOR + 2% per annum and the principal is repayable by quarterly installments at specified amount in the agreement within 5 years from the drawdown date.

Under the loan agreement, the subsidiary has to comply with certain financial terms as specified in the agreement, such as maintaining debt service coverage ratio, debt to earnings ratio before finance costs, income tax, depreciation and amortisation to be in accordance with the rates stipulated in the agreement.

During the year 2018, the Company made full repayment of long-term loan.

20. Debentures

On 24 April 2018, the Annual General Meeting of the Company's shareholders approved the issuance and offering of debentures in total amount not exceed than Baht 2,000 million. The Company has authority to determine any relevant terms and details such as type of debentures, security, offering amount at each issuance, offering price per unit, term of debentures, maturity period, rights of early redemption, interest rate, repayment method and allocation method, etc. As at 31 December 2018, the Company has not issued the debentures.

On 30 June 2018, the meeting of Board of Directors of TPAC Packaging India Private passed a resolution to issue unsecured non-convertible debentures in total amount not exceed than INR 500 million and to issue secured non-convertible debentures in total amount not exceed than INR 1,300 million, within 1 year from the date of resolution to invest 80% of shares in Sunrise Containers Limited and as a working capital of the subsidiary. The subsidiary has authority to determine any relevant terms and details of the debentures.

On 24 August 2018, the subsidiary has issued non-convertible debentures 1,300 units with a par value of INR 1 million, amounting to INR 1,300 million, with a maturity of 5 years, carrying interest at 9.62% per annum. The interest rate of the debentures can be amended by major holders of debentures if the credit rating of the debentures is lower than BB - assessed by the Credit Rating Agencies or mutual agreement between major shareholders and the subsidiary. The debentures are equivalent to other types of debt of the Company (Pari Passu Inter Se) and are listed on BSE in India. The subsidiary has the right to redeem premature debentures in a defined proportion.

Under the terms and conditions of the debentures issuers, the subsidiary has to comply with certain terms and conditions as specified in the agreement, including maintaining debt to equity ratio and debt service coverage ratio. The Company is required to maintain at 80% of shares in its subsidiary. The collateral for the issuance of such debentures is land, buildings and equipment of the subsidiary (after the amalgamation between TPAC Packaging India Private Limited and Sunrise Containers Limited), as well as the Corporate Guarantee. The subsidiary has to deposit the next interest payment with the trustee as stated in Note 11.

For issuance of debentures, the Company has expenses from issuing such debentures which are deducted from debentures value, and those expenses are recorded as interest expenses.

The outstanding balance of long-term debentures as at 31 December 2018 are detailed below.

(Unit: Thousand Baht)

Debentures	Issue date	Maturity date	Term (years)	Interest rate (% per annum)	Interest payment	Consolidated and Separate financial statements 2018	2017
1	24 August 2018	24 August 2023	5	9.62% / specified condition	every 6 months	597,545	-
Total						597,545	-
Less: Deferred cost of issuing debentures						(29,696)	-
Long-term debentures - net						567,849	-

Movement of debentures during the year ended 31 December 2018 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2018	-	-
Add: Additional borrowings	600,990	-
Less: Cost of issuing debentures	(29,867)	-
Translation adjustment	(3,274)	-
Balance as at 31 December 2018	567,849	-

21. Liabilities associated with put options granted to holders of non-controlling interests

On 15 November 2017, the Company entered into Implementation Agreement and Shareholders Agreement between the Company, Sunrise Containers Limited and former shareholders. Former shareholders have put options which were rights to sell all remaining 20% of shares in TPAC Packaging India Private Limited to the Company. The Company does not have an unconditional right to avoid the delivery of cash if holders of non-controlling interests exercise their put options. Put options granted to holders of non-controlling interests are summarised below.

First exercise of put options:

Within 90 days from the adoption date of the audited accounts of TPAC Packaging India Private Limited at its annual general meeting for the financial year 2020-2021 but no later than 30 June 2021, holders of non-controlling interest have right of put options to sell all their shares at the option price based on specified terms and conditions as stated in the agreement.

Second exercise of put options:

During the period 29 August 2024 - 28 August 2025, holders of non-controlling interest have right of put options to sell all their shares at the fair market value.

22. Provision for long-term employee benefits

Provision for long-term employee benefits as at 31 December 2018 and 2017 were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Provision for compensation on employees' retirement	30,844	16,868	18,641	16,868
Provision for long service awards	3,749	4,319	3,586	4,319
Other provisions	1,336	-	-	-
Total	35,929	21,187	22,227	21,187

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Provision for long-term employee benefits at beginning of year	21,187	18,599	21,187	18,599
Increase of provision for long-term employee benefits from acquisition/amalgamation of subsidiaries	12,484	-	-	-
Included in profit or loss:				
Current service cost	5,658	4,278	3,859	4,278
Interest cost	727	501	506	501
Past service cost	(1,415)	-	(1,415)	-
Included in other comprehensive income:				
Actuarial loss arising from				
Demographic assumptions changes	1,669	-	1,669	-
Financial assumptions changes	336	-	(217)	-
Experience adjustments	(2,566)	-	(2,323)	-
Benefits paid during the year	(2,173)	(2,191)	(1,040)	-
Translation adjustment	22	-	-	-
Provisions for long-term employee benefits at end of year	35,929	21,187	22,227	21,187

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cost of sales	3,469	2,897	2,625	2,897
Selling and administrative expenses	2,916	1,882	1,740	1,882
Total expenses recognised in profit or loss	6,385	4,779	4,365	4,779

The Company and its subsidiaries expect to pay Baht 7.0 million of long-term employee benefits during the next year (The Company only: Baht 5.3 million) (31 December 2017: 1.1 million (The Company only: Baht 1.1 million)).

As at 31 December 2018, the weighted average duration of the liabilities for long-term employee benefit is 12 years (The Company only: 10 years) (31 December 2017: 10 years (The Company only: 10 years)).

Significant actuarial assumptions are summarised below:

(Unit: Percent per annum)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Discount rate	2.57 - 7.74	2.58	2.72	2.58
Salary increase rate	1 - 8	0 - 5	1- 5	0 - 5
Turnover rate	0 - 32	0 - 30	0 - 32	0 - 30

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2018 and 2017 are summarised below:

(Unit: Million Baht)

	As at 31 December 2018			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(3.5)	4.1	(1.8)	2.1
Salary increase rate	3.7	(3.3)	1.8	(1.5)
Turnover rate	(2.8)	1.1	(1.9)	0.9

(Unit: Million Baht)

	As at 31 December 2017			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(1.7)	1.9	(1.7)	1.9
Salary increase rate	1.8	(1.5)	1.8	(1.5)
Turnover rate	(1.8)	0.8	(1.8)	0.8

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 compensation of not less than that of the last 400 days, based on the final 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 8.8 million (The Company only: Baht 5.5 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.

23. Share capital

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

	Number of ordinary shares	Paid-up capital	Premium on ordinary shares
	(Thousand Shares)	(Thousand Baht)	(Thousand Baht)
31 December 2018	253,818	253,818	302,921
31 December 2017	253,818	253,818	302,921

24. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5% of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

25. Expenses by nature

Significant expenses classified by nature are as follow:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Salaries, wages and other employee benefits	387,395	242,370	253,201	242,370
Depreciation and amortisation	189,522	132,486	125,791	132,486
Raw materials and consumables used	1,422,256	850,677	905,463	850,677
Changes in inventories of finished goods and work in process	4,792	(2,080)	(1,154)	(2,080)

26. Income tax

Income tax expenses for the years ended 31 December 2018 and 2017 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Current income tax:				
Corporate income tax for the year	24,822	20,093	7,961	20,093
Adjustment in respect of income tax of previous year	-	(954)	-	(954)
Deferred tax:				
Relating to origination and reversal of temporary differences	(13,300)	(602)	(632)	(602)
Income tax expense reported in the statement of comprehensive income	11,522	18,537	7,329	18,537

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
Deferred tax relating to actuarial loss	66	-	174	-

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Accounting profit before tax	34,193	125,948	62,795	125,948
Applicable tax rate	20%, 34.94%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	12,559	25,190	12,559	25,190
Effects of:				
Non-deductible expenses	1,408	770	1,408	770
Additional expense deductions allowed	(6,005)	(5,942)	(6,005)	(5,942)
Adjustment in respect of income tax of previous year	-	(954)	-	(954)
Others	3,560	(527)	(633)	(527)
Total	(1,037)	(6,653)	(5,230)	(6,653)
Income tax expenses reported in the statement of comprehensive income	11,522	18,537	7,329	18,537

The components of deferred tax assets and deferred tax liability as at 31 December 2018 and 2017 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Deferred tax assets				
Allowance for diminution in value of inventories	172	118	172	118
Allowance for impairment of assets	125	23	125	23
Accumulated depreciation - equipment	174	80	174	80
Provision for long-term employee benefits	5,528	4,237	4,445	4,237
Contingent liabilities	1,411	-	-	-
Cost of amalgamation of subsidiaries	4,663	-	-	-
Other	1,437	-	-	-
Total	13,510	4,458	4,916	4,458
Deferred tax liabilities				
Accumulated depreciation - equipment	59,825	-	-	-
Cost of issuing debentures	10,339	-	-	-
Total	70,164	-	-	-
Deferred tax assets (liabilities) - net	(56,654)	4,458	4,916	4,458

27. Promotional privileges

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

During the year, the Company had not yet generated revenues from operations in respect of these two certificates.

28. Earnings per share

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

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

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

	Consolidated financial statements					
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2018	2017	2018	2017	2018	2017
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share / Diluted earnings per share						
Profit attributable to equity holders of the parent	31,477	107,411	253,818	253,818	0.12	0.42

	Separate financial statements					
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2018	2017	2018	2017	2018	2017
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share / Diluted earnings per share						
Profit attributable to equity holders of the parent	55,466	107,411	253,818	253,818	0.22	0.42

29. 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. The chief operating decision maker has been identified as Board of Directors. The basis that used to measure operating profit or loss of segment is same as the basis that used to measure operating profit or loss in the financial statements.

For management purposes, the Company and its subsidiaries are principally engaged in the manufacture and distribution of plastic packaging. Their operations are carried on in two geographic areas in Thailand and India, as operated by TPAC Packaging India Private Limited.

The basis of accounting for any transactions between reportable geographical segments is consistent with that for third party transactions.

The revenue and profit (loss) information by geographical segments in the consolidated financial statements for the year ended 31 December 2018 and 2017 are as follows:

(Unit: Thousand Baht)

	For the year ended 31 December							
	Thailand		Overseas country		Elimination of inter-segment revenues		Consolidation	
	2018	2017	2018	2017	2018	2017	2018	2017
Sales to external customers	1,787,890	1,584,143	740,114	-	-	-	2,528,004	1,584,143
Inter-segment sales	16,877	-	93	-	(16,970)	-	-	-
Total sales	1,804,767	1,584,143	740,207	-	(16,970)	-	2,528,004	1,584,143
Segment operating profit (loss)	78,021	126,174	(29,055)	-	41,159	-	90,125	126,174
Unallocated income and expenses:								
Finance cost							(55,932)	(227)
Income tax expense							(11,522)	(18,537)
Profit for the year							22,671	107,410

Major customers

For the year 2018, the Company and its subsidiaries have revenue from 1 major customer in amount of Baht 305 million, arising from Thailand segment (2017: 4 major customers in amount of Baht 278 million, Baht 208 million, Baht 195 million and Baht 176 million, arising from Thailand segment)

30. Provident fund

The Company, its subsidiaries and its employees have jointly established a provident fund in accordance with the Provident Fund Act. B.E. 2530. Both employees and the Company and its subsidiaries contributed to the fund monthly at the rate of 5% of basic salary. The fund, which is managed by Bank of Ayudhaya Public Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2018, the Company and its subsidiaries contributed by Baht 6 million (2017: Baht 6 million) to the fund.

31. Dividends

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
Final dividends for 2017	Annual General Meeting of the shareholders on 24 April 2018	7,614	0.03
Total dividends for 2018		7,614	0.03
Final dividends for 2016	Annual General Meeting of the shareholders on 20 April 2017	27,920	0.11
Interim dividends for 2017	Board of Directors' Meeting on 15 August 2017	25,381	0.10
Total dividends for 2017		53,301	0.21

32. Commitments and contingent liabilities

32.1 Capital commitments

As at 31 December 2018, the Company and its subsidiaries had capital commitments totaling approximately Baht 12.2 million, USD 0.4 million, JPY 2.4 million and INR 14.0 million relating to acquisition of machinery and molds (The Company only: Baht 12.2 million, USD 0.4 million and JPY 2.4 million) (31 December 2017: Baht 3.6 million and USD 0.1 million relating to acquisition of machinery and molds (The Company only: Baht 3.6 million and USD 0.1 million)).

32.2 Service commitment

As at 31 December 2018, the Company and its subsidiaries had no service commitment related to consultant and professional service agreement (31 December 2017: Baht 3 million (The Company only: Baht 3 million).

32.3 Operating lease and other service commitments

The Company and its subsidiaries have entered into several agreements in respect of leases of land and other services. The term of the agreements are generally between 1 year and 5 years (the Company only: between 1 year and 5 years). Future minimum rentals and serviced charge payables under these agreements are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Payable:				
In up to 1 year	16	3	3	3
In over 1 and up to 5 years	13	1	2	1

32.4 Guarantees

As at 31 December 2018, there were outstanding bank guarantees to guarantee electricity and other utilities use of Baht 34 million issued by banks on benefit of the Company and its subsidiaries (The Company only: Baht 13 million) (31 December 2017: Baht 13 million (The Company only: Baht 13 million)).

32.5 Litigations

TPAC Packaging India Private Limited has been carrying excise duty and service tax under dispute amounting to Rupee 18 million. These contingent liabilities have arisen pursuant to notice received from Indirect tax department. Currently, litigation is in progress pertaining to such disputes at various Courts. The subsidiary has set aside 50% of provision for the potential losses to such case in accordance with the opinion of its management at fair value of Rupee 11 million. The Company received those liabilities since the amalgamation date as specified in Note 2.2.1 to financial statements.

33. Fair value hierarchy

As at 31 December 2018 and 2017, the Company and its subsidiaries had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated and Separate financial statements			
	As at 31 December 2018			
	Level 1	Level 2	Level 3	Total
Assets for which fair value are disclosed				
Derivatives				
Foreign currency forward contracts	-	0.2	-	0.2

(Unit: Million Baht)

	Consolidated and Separate financial statements			
	As at 31 December 2017			
	Level 1	Level 2	Level 3	Total
Liabilities for which fair value are disclosed				
Derivatives				
Foreign currency forward contracts	-	0.1	-	0.1

34. Financial instruments

34.1 Financial risk management

The Company and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, restricted bank deposits, trade and other receivables, trade and other payables, short-term loans from banks, long-term loans from banks, and debentures.

The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade and other receivables. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedure and therefore do not expect to incur material financial losses. In addition, the Company and its subsidiaries do not have high concentrations of credit risk since they have a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivable as stated in the statement of financial position.

Interest rate risk

The Company and its subsidiaries' exposure to interest rate risk relates primarily to their cash at bank, restricted bank deposits and short-term loans from banks, long-term loans from banks and debentures. Most of the Company and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2018 and 2017, 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	Over 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate
							(% per annum)
Financial assets							
Cash and cash equivalents	-	-	-	61	3	64	Note 7
Trade and other receivables	-	-	-	-	834	834	-
Restricted bank deposits	5	18	-	-	29	52	Note 11
	5	18	-	61	866	950	
Financial liabilities							
Short-term loans from banks	136	-	-	150	-	286	Note 16
Trade and other payables	-	-	-	-	304	304	-
Long-term loans from banks	112	-	-	1,267	-	1,379	Note 19
Debentures	568	-	-	-	-	568	Note 20
	816	-	-	1,417	304	2,537	

(Unit: Million Baht)

	Separate financial statements						
	As at 31 December 2018						
	Fixed interest rates						
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate
							(% per annum)
Financial assets							
Cash and cash equivalents	-	-	-	3	3	6	Note 7
Trade and other receivables	-	-	-	-	384	384	-
	-	-	-	3	387	390	
Financial liabilities							
Short-term loans from banks	71	-	-	150	-	221	Note 16
Trade and other payables	-	-	-	-	159	159	-
Long-term loans from banks	-	-	-	1,267	-	1,267	Note 19
	71	-	-	1,417	159	1,647	

(Unit: Million Baht)

	Consolidated financial statements						
	As at 31 December 2017						
	Fixed interest rates						
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
Financial assets							
Cash and cash equivalents	60	-	-	2	44	106	Note 7
Trade and other receivables	-	-	-	-	411	411	-
	60	-	-	2	455	517	
Financial liabilities							
Trade and other payables	-	-	-	-	180	180	-
	-	-	-	-	180	180	

(Unit: Million Baht)

	Separate financial statements						
	As at 31 December 2017						
	Fixed interest rates						
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
Financial assets							
Cash and cash equivalents	60	-	-	2	44	106	Note 7
Trade and other receivables	-	-	-	-	411	411	-
	60	-	-	2	455	517	
Financial liabilities							
Trade and other payables	-	-	-	-	180	180	-
	-	-	-	-	180	180	

Foreign currency risk

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

As at 31 December 2018 and 2017, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Consolidated financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	2018	2017	2018	2017	2018	2017
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 currency unit)	
US Dollar	3,414	1,007	267	67	32.4498	32.6809
Singapore Dollar	-	-	-	2	-	24.4503
Swiss Franc	-	-	-	1	-	33.4067
Euro	2	-	30	-	37.1252	-
Dirham United Arab Emirates	1	-	-	-	8.8342	-
Qatar Riyal	2	-	-	-	8.9116	-
Saudi Riyal	2	-	-	-	8.6491	-
South Africa Rand	5	-	-	-	2.2389	-

Foreign currency	Separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	2018	2017	2018	2017	2018	2017
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 currency unit)	
US Dollar	870	1,007	267	67	32.4498	32.6809
Euro	-	-	20	-	37.1252	-
Singapore Dollar	-	-	-	2	-	24.4503
Swiss Franc	-	-	-	1	-	33.4067

As at 31 December 2018, the Company and its subsidiaries had foreign exchange contracts outstanding are summarised below.

Foreign currency	Consolidated and Separate financial statements				
			Contractual exchange rate		
	Bought amount	Sold amount	Bought amount	Sold amount	Contractual maturity date
	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)		
US Dollar	-	712	-	32.33 - 32.87	9 January 2019 - 9 April 2019

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

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

34.2 Fair values of financial instruments

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

(Unit: Million Baht)

	Consolidated financial statements			
	As at 31 December 2018		As at 31 December 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities				
Debentures	568	559	-	-

The estimated fair value of the derivatives is as follows:

(Unit: Million Baht)

	Consolidated and Separate financial statements	
	As at 31 December 2018	As at 31 December 2017
	Fair value	Fair value
	Gain	Loss
Derivatives		
Forward exchange contracts	0.2	(0.1)

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

a) For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, accounts receivable, accounts payable and short-term loans from banks, their carrying amounts in the statement of financial position approximate their fair value.

b) For fixed rate debentures and long-term loans, their fair value is estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions.

c) For debentures and long-term loans carrying interest approximate to the market rate, their carrying amounts in the statement of financial position approximates their fair value.

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

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

35. Capital management

The primary objective of the Company and its subsidiaries' 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 2.09:1 (2017: 0.20:1) and the Company's debt-to-equity ratio was 1.50:1 (2017: 0.20:1).

36. Events after the reporting period

On 26 February 2019, the Board of Director Meeting No. 1/2019 approved TPAC Packaging (Bangna) Company Limited as a subsidiary of the Company to establish its subsidiary to invest in solar rooftop business.

37. Approval of consolidated financial statements

These consolidated financial statements were authorised for issue by the Company's Board of Directors on 26 February 2019.

บริษัท พลาสติค และหีบห่อไทย จำกัด (มหาชน)

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