

**INFORMATION MEMORANDUM ON SHARE ACQUISITION OF
THAI PLASPAC PUBLIC COMPANY LIMITED (LIST 1)**

April 24, 2019

The Board of Directors' Meeting No. 2/2019 of Thai Plaspac Public Company Limited (the "**Company**") held on April 24, 2019 resolved to approve the investment by the Company or a newly established entity to be wholly owned by the Company (the "**SPV**") in Sun Packaging Systems (FZC) ("**Sunpack**"), a limited liability company incorporated in the Sharjah Airport International Free Zone (the "**SAIF**") in the United Arab Emirates (the "**UAE**") engaging in plastic containers manufacturing business, by acquisition of 89% shares in Sunpack from the Sellers (as detailed in item 2) with the total consideration and expenses for the Transaction of not exceeding USD 14.80 million (equivalent to approximately THB 472.09 million¹) (the "**Maximum Acquisition Costs**") (collectively, the "**Transaction**"). For the disclosure purpose in this document, unless specified otherwise, reference to the "Company" shall mean to include the SPV.

In this regard, the Company has agreed to pay the Sellers on the Completion Date (as detailed in item 3.1) an initial consideration equal to the amount of USD 12.02 million (or equivalent to approximately THB 383.25 million) after adjustments (as detailed in item 3.2) (the "**Completion Day Payment**"). The Company and the Sellers have also agreed to calculate the actual share purchase price based on certain formula where such actual share purchase price may be higher (but not more than the Maximum Acquisition Costs) or lower than the amount of the Completion Day Payment (as detailed in item 3.2) paid on the Completion Date. Consequently, the Company may be required to make an additional payment or receive a part of the consideration afterwards, and the Company will inform the Stock Exchange of Thailand ("**SET**") and the shareholders when such payment is completed.

The Transaction constitutes an acquisition of assets pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2547 (2004) (as amended) (the "**Acquisition and Disposition Notifications**"). The transaction size of the Transaction calculated based on the net profit from operating results criterion, which gives the highest transaction value, is equivalent to 154.45%. Moreover, the Company has had another acquisition transaction within the past six months, i.e., the investment in solar rooftop business as approved at the Board of Directors' Meeting No. 1/2019 held on February 26, 2019 whose transaction size calculated based on the total value of consideration criterion was equivalent to 0.72%. The transaction size of the Transaction calculated based on the total value of consideration criterion is equivalent to 11.28%, which, after computation with the transaction size of the Company's other acquisition transaction within the past six months, will amount to a total transaction size of 12.00% based on the total value of consideration criterion. The transaction size calculation is based on the Company's latest audited financial statements for the fiscal year ended December 31, 2018. The Transaction, therefore, is deemed as a Class 4 Transaction, i.e., a transaction with a transaction size of more than 100%, constituting a backdoor listing transaction; however, the Transaction qualifies for the backdoor listing exemptions under the Acquisition and Disposition Notifications (as detailed in item 3.2) where the Company is required to disclose information on the Transaction to the SET; obtain approval from the shareholders' meeting of the Company with votes of not less than three-fourths of the total votes of the shareholders attending the meeting and having the right to vote, excluding shareholders having interests; and appoint an independent financial advisor to provide an opinion on the Transaction and submit such opinion to the Office of the Securities and Exchange Commission (the "**SEC**"), the SET, and the shareholders of the Company for their consideration. In this regard, the Company has appointed Avantgarde Capital Co., Ltd. as the independent financial advisor.

¹ It is based on the exchange rate of USD 1 = THB 31.8978 announced by the Bank of Thailand as of April 23, 2019, and this rate will be used for reference only throughout this document.

In addition, the Transaction constitutes a purchase or acceptance of transfer of the business of another company or private company by the Company pursuant to Section 107(2)(b) of the Public Company Limited Act B.E. 2535 (1992) (as amended) (“**PLC Act**”), where the Company is required to obtain approval from the shareholders’ meeting of the Company with votes of not less than three-fourths of the total votes of the shareholders attending the meeting and having the right to vote, excluding shareholders having interests.

The Company would like to disclose information on the said Transaction to the SET in accordance with the Acquisition and Disposition Notifications as follows:

1. Transaction Date

After the meeting of the Board of Directors of the Company approved the Transaction, the Company will execute a share sale and purchase agreement with respect to the Transaction with the Sellers (the “**SPA**”) (as detailed in item 3.1 below) no later than April 24, 2019. The completion of the Transaction is expected to take place within July 31, 2019 after all conditions precedent under the SPA have been fully satisfied or otherwise waived by the relevant parties, and the completion obligations under the SPA have been undertaken.

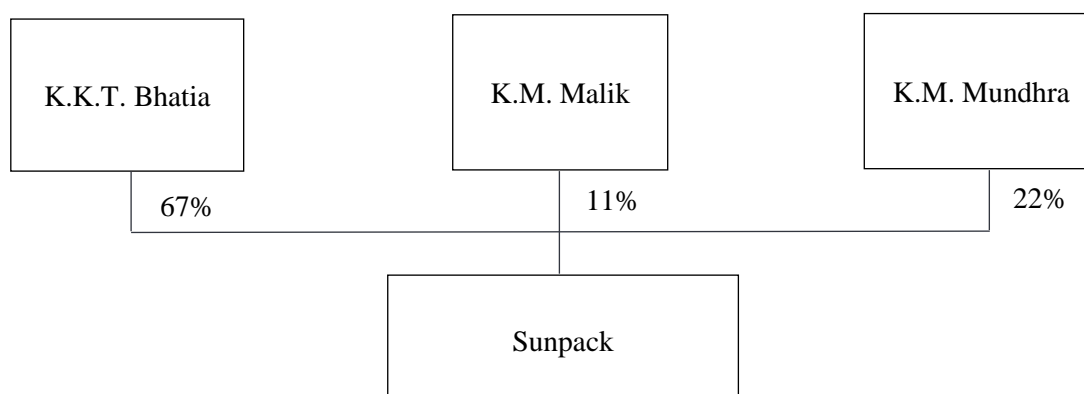
2. Contractual Parties and Relationship with the Company

Purchaser	:	The Company
Sellers	:	1. Kishore Kumar Tarachand Bhatia (“ K.K.T. Bhatia ”) (holding 67% shares in Sunpack) 2. Khalid Mahmood Malik (“ K.M. Malik ”) (holding 11% shares in Sunpack) 3. Kanhaiyalal Mannalal Mundhra (“ K.M. Mundhra ”) (holding 22% shares in Sunpack)
Relationship with the Company	:	The Sellers, including their related persons, do not have any relationship with the Company and are not the Company’s connected persons. The Transaction, therefore, is not considered a connected transaction under the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 (2003).

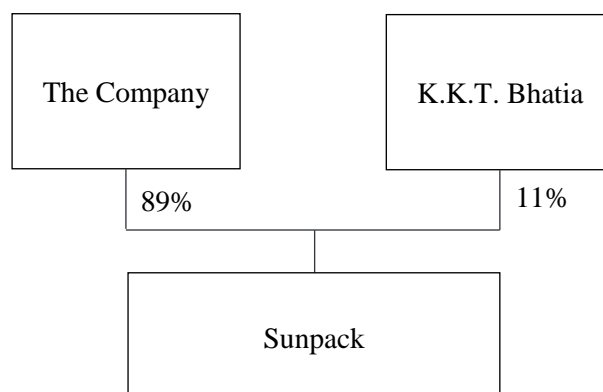
3. General Characteristics and Transaction Size

3.1 General Characteristics

The current shareholding structure of Sunpack is as follows:



According to the SPA, the Company will acquire 89% shares in Sunpack from the Sellers, and K.K.T. Bhatia (the “**Continuing Shareholder**”) will be the continuing shareholder holding 11% shares in Sunpack. The post-acquisition shareholding structure will be as follows:



Key terms and conditions of the SPA are set out below.

- Key conditions precedent** :
- 1) The Company must have obtained all necessary corporate approvals to enter into and complete the Transaction. (The Company will hold the Extraordinary General Meeting of Shareholders No. 1/2019 to approve the Transaction on July 4, 2019.)
 - 2) The Sellers or the Company must have completed all steps with the SAIF authority in relation to the transfer of shares in Sunpack to the Company.
 - 3) The Sellers must obtain confirmation from the SAIF authority in relation to the rental payments for Sunpack’s properties following completion of the Transaction.
 - 4) The Sellers must deliver to the Company the evidence of applications for the registration of “Sunpack” and “Sunpet” trademarks with the relevant authority in the UAE.
 - 5) There must be no material adverse effect on Sunpack.

All conditions precedent under the SPA must be satisfied or otherwise waived by the relevant parties on or before the Longstop Date (as defined below).

- Longstop Date** :
- 1) The Longstop Date is the date falling 90 days after execution of the SPA.

- Key completion obligations** :
- 1) No later than five business days after the last conditions precedent under the SPA is satisfied or waived by the relevant parties, the Company and the Sellers shall execute the relevant transfer documents relating to the Transaction; and any other documents as required under the SPA and submitted to the SAIF authority to be registered as the owner of the shares in Sunpack.

- 2) Completion of the Transaction shall take place no later than one business day after the date of receipt by the Company of a license from the SAIF authority showing that the Company and the Continuing Shareholder are shareholders of Sunpack (the “**Completion Date**”).
- 3) The Company shall pay the Completion Day Payment (as detailed in item 3.2) to the Sellers on the Completion Date.

Other key terms : The Sellers agree not to, directly or indirectly, compete with the business of Sunpack for a period of three years from the Completion Date.

In addition, the Company, the Continuing Shareholder and Sunpack will enter into a shareholders’ agreement (the “**SHA**”) on the same date as the SPA. Key terms and conditions of the SHA are set out below.

Board members : The Company shall decide the number of the Board of Directors. The Continuing Shareholder shall be entitled to nominate 1 director so long as he holds 8% shares in Sunpack.

Board quorum and vote : The quorum, venue and proceeding shall be decided by the Company in its absolute discretion, subject to applicable law.

Fundamental issues : Fundamental issues require prior written consent or an affirmative vote of the Continuing Shareholder, unless his shareholding is less than 8%.

Such fundamental issues include, amongst others, the following:

- purchase or lease of any real estate for non-business use;
- passing any resolution for winding up or entering into any arrangement with creditors or taking any action for the amalgamation, merger, or consolidation or any other restructuring, reorganization, or cessation of the whole or any material part of business, or applying for the appointment of a receiver or an administrator over assets;
- creation of encumbrances on assets, except to secure the borrowings in the ordinary course of business;
- change of the financial year; and
- entering into agreement with a shareholder or its affiliates, or any director nominated by such shareholder or affiliates, unless it is entered into on an arm’s length basis or the value is not significant.

- Share transfer restrictions** :
- The Continuing Shareholder shall not transfer his shares to any entity engaged on its own or through other persons in a business, or having substantial interest in a business which is similar to, or is in competition with Sunpack’s business. In addition, a party may transfer any of its shares to its affiliates, and the Continuing Shareholder, subject to agreement between both parties, may transfer his shares to a separate special purpose vehicle owned and controlled by the Continuing Shareholder.
 - In the event that the Continuing Shareholder wishes to transfer all of his shares to a third party, such shares must be first offered to the Company before the said shares can be offered and sold to such third party.
 - In the event that the Company proposes to sell its shares to a third party, the Company has the right (but not the obligation) to require the Continuing Shareholder to sell all of his shares to such third party together with the Company’s shares. On the other hand, the Continuing Shareholder has the right (but not the obligation) to require a third-party purchaser to purchase his shares together with the Company’s shares.
- Call Option** :
- For the period of six months from the expiry of three or five years from the signing date of the SHA, the Company has the call option to request the Continuing Shareholder to sell all of his shares to the Company at the Liquidity Price.
- Other share acquisitions by the Company** :
- The Company has the right to purchase all of the Continuing Shareholder’s shares in case where (i) the Continuing Shareholder is in breach of the SHA or (ii) the parties cannot agree on the fundamental issues, at the Liquidity Price.
- Liquidity Price** :
- Liquidity Price means the price per share that is calculated as follows:
- $$\text{Liquidity Price} = \text{Liquidity Valuation} / \text{Total outstanding shares of Sunpack.}$$
- Where Liquidity Valuation = Liquidity EV – Debt + Cash + (Difference between Working Capital and the Exit Normalised Working Capital) + Add Back Amounts.
- Where Liquidity EV shall mean the following:
- (1) if the Liquidity Price is being calculated after 24 months from the Completion Date,

$$\text{Liquidity EV} = 5 * (\text{Average of TTM EBITDA 1 and TTM EBITDA 2})$$
 - (2) if the Liquidity Price is being calculated prior to 24 months from the Completion Date,

$$\text{Liquidity EV} = \text{Maximum of } [(5 * \text{TTM EBITDA 1}) \text{ and USD 13.50 million}]$$

Where:

TTM EBITDA 1 = Adjusted EBITDA of the recent trailing 12 months

TTM EBITDA 2 = Adjusted EBITDA of the trailing 12 months for the period prior to TTM EBITDA 1

Adjusted EBITDA = earnings before interest, tax, depreciation and amortization, and shall not include, any (a) one-time, non-recurring, non-operational, exceptional or extraordinary income/expense of Sunpack (b) any operating expenditure incurred exclusively in relation to any capital expenditure which is not commercialised as at end of previous trailing 12 months period.

Debt = borrowings or funds owed to any banking, financial, lending or other similar institution or organisation or other person or entity as at the date on which the share acquisition right has been exercised.

Cash = the aggregate of the Sunpack's cash whether in hand or credited to any account within any banking or financial institution and its cash equivalents e.g. liquid funds and treasury investments that are actively traded or easily converted into cash as at the date on which the share acquisition right has been exercised.

Working Capital = the working capital of Sunpack as at the date on which the share acquisition right has been exercised.

Exit Normalised Working Capital = the normalised working capital of Sunpack as agreed between the parties at the time of the relevant exit of the Continuing Shareholder.

Add Back Amounts = the aggregate of the following amounts: (a) debt undertaken or cash spent for project capex to the extent any ongoing growth project remains not commercialised as at end of previous trailing twelve months period; and (b) accrued/paid interest therein on such amount in (a).

3.2 Transaction Size

According to the SPA, the Company has agreed to pay the Sellers a consideration, which comprises the Completion Day Payment (as defined below) (i) **minus** 89% of the difference between the actual and estimated debt as at the Completion Date, (ii) **plus** 89% of the difference between the actual and estimated cash as at the Completion Date, and (iii) **plus** 89% of the difference between the actual and estimated working capital as at the Completion Date.

In this regard, the Company has agreed to pay the Sellers on the Completion Date the Completion Day Payment, which comprises the initial consideration of USD 12.02 million (or equivalent to approximately THB 383.25 million) (i) **minus** 89% of the estimated debt as at the Completion Date, (ii) **plus** 89% of the estimated cash as at the Completion Date, (iii) **plus** 89% of the difference between the estimated working capital as at the Completion Date and the target working capital of USD 1.82 million (or equivalent to approximately THB 57.90 million), and (iv) **plus** 89% of the sum of the agreed capital expenditure of USD 0.16 million (or equivalent to approximately THB 5.10 million) which is also subject to actual payment and receipt of materials by Sunpack; however, the Completion Day Payment is not the actual share purchase price, both parties have agreed to calculate the actual share purchase

price based on the formula as specified in the previous paragraph as at the Completion Date where such actual share purchase price may be higher (but not more than the Maximum Acquisition Costs) or lower than the amount of the Completion Day Payment paid on the Completion Date. Consequently, the Company may be required to make an additional payment or receive a part of the consideration afterwards, and the Company will inform the SET and the shareholders when such payment is completed. Moreover, the Company expected that the Maximum Acquisition Costs would not exceed USD 14.80 million (or equivalent to approximately THB 472.09 million), divided into the initial consideration of USD 12.02 million (or equivalent to approximately THB 383.25 million); the estimated debt in the amount USD 0 (or equivalent to approximately THB 0); the estimated cash in the amount USD 0.445 million (or equivalent to approximately THB 14.19 million); the estimated working capital in the amount USD 0.89 million (or equivalent to approximately THB 28.39 million); the estimated capital expenditure in the amount of USD 0.445 million (or equivalent to approximately THB 14.19 million); and the estimated related transactional expenses of USD 1 million (or equivalent to approximately THB 31.90 million).

Details on the calculation of the transaction size are as follows:

- (1) Calculation under the net tangible asset (NTA) value criterion:

$$\begin{aligned}
 \text{Transaction size} &= \frac{(\text{NTA of Sunpack} \times 89\%) \times 100}{\text{NTA of the Company}} \\
 &= \frac{(\text{THB } 206.28 \text{ mm} \times 89\%) \times 100}{\text{THB} - 304.46 \text{ mm}} \\
 &= \text{This criterion is not applicable as the NTA of the Company is expressed as a negative.}
 \end{aligned}$$

- (2) Calculation under the net profit from operating results criterion:

$$\begin{aligned}
 \text{Transaction size} &= \frac{(\text{Net profit of investment in Sunpack} \times 89\%) \times 100}{\text{Net profit of the Company}} \\
 &= \frac{(\text{THB } 54.63 \text{ mm} \times 89\%) \times 100}{\text{THB } 31.48 \text{ mm}} \\
 &= 154.45\%
 \end{aligned}$$

- (3) Calculation under the total value of consideration criterion:

$$\begin{aligned}
 \text{Transaction size} &= \frac{\text{Value of consideration paid} \times 100}{\text{Total assets of the Company}} \\
 &= \frac{\text{THB } 472.09 \text{ mm} \times 100}{\text{THB } 4,185.22 \text{ mm}} \\
 &= 11.28\%
 \end{aligned}$$

- (4) Calculation under the equity issued as consideration for the assets criterion:

This criterion is not applicable as no new share of the Company will be issued as payment.

Details on the transaction size calculation can be summarized as follows:

Calculation Criteria	Transaction Size (%)
1. Net tangible asset (NTA) value	Not applicable
2. Net profit from operating results	154.45
3. Total value of consideration	11.28
4. Value of equity issued as consideration for the assets	Not applicable

The transaction size of the Transaction calculated based on the net profit from operating results criterion, which gives the highest transaction value, is equivalent to 154.45%. Moreover, the Company has had another acquisition transaction within the past six months, i.e., the investment in solar rooftop business as approved at the Board of Directors' Meeting No. 1/2019 held on February 26, 2019 whose transaction size calculated based on the total value of consideration criterion was equivalent to 0.72%. The transaction size of the Transaction calculated based on the total value of consideration criterion is equivalent to 11.28%, which, after computation with the transaction size of the Company's other acquisition transaction within the past six months, will amount to a total transaction size of 12.00% based on the total value of consideration criterion. The transaction size calculation is based on the Company's latest audited financial statements for the fiscal year ended December 31, 2018. As a result, the Transaction is classified as a Class 4 Transaction pursuant to the Acquisition and Disposition Notifications, i.e., a transaction with a transaction size of more than 100%, constituting a backdoor listing transaction. However, the Transaction qualifies for the backdoor listing exemptions under the Acquisition and Disposition Notifications for the following reasons:

1. The business to be acquired is similar to and complements the business of the Company.

Both the Company and Sunpack are in the same line of business, which is the manufacturing of plastic packaging/containers. In addition, both companies share the following similarities in terms of business operation:

- Raw materials: Both companies use plastic resins, such as PET (Polyethylene Terephthalate) and PP, and color masterbatches/colorants as the main raw materials.
- Production process: Both companies have the same manufacturing process, which includes injection, and injection stretch blow molding (ISBM), and also use the same type of machines.
- Customers: The majority of both companies' customers are in the food and beverage, pharmaceutical, or fast-moving consumer goods (FMCG) industries.

Therefore, the business to be acquired from entering into the Transaction is in the same line of business as the Company.

2. The Company does not have a policy to materially change its core business.

The Company has an expertise in manufacturing plastic packaging/containers and it does not have a policy to materially change its core business. The main purpose of the Transaction is to fulfill the Company's expansion strategy to provide strong profits to its shareholders where the Company will still maintain its business of manufacturing plastic packaging/containers after entering into the Transaction.

3. The Company's group, as a result of the acquisition of the business, will remain qualified for listing on the Market for Alternative Investment.

The SET and the Market for Alternative Investment require listed companies to maintain their listing status throughout the period of their listing as detailed as follows:

Criteria	The Company (after the Transaction)
<p>1. The directors, executives, and controlling persons of a listed company must:</p> <ul style="list-style-type: none"> a. possess qualifications and not possess any prohibited characteristics or any characteristics indicating a lack of appropriateness to be relied on to manage a company whose shares are publicly held in accordance with the relevant laws on securities and exchange or the Securities and Exchange Commission's regulations. b. not be a person who violates any rules, regulations, notifications, orders, board resolutions, listing agreements with the SET, as well as the required SET circulars, where such violation may have a material adverse effect on the rights, benefits, or decision-making of any shareholders, investors, or change in securities prices. 	<p>The directors, executives, and controlling persons of the Company are qualified under both criteria.</p>
<p>2. One third of the members of the board of directors of a listed company must be independent directors and the listed company must have at least three independent directors and three audit committee members in total.</p>	<p>As of April 24, 2019, the Company's Board of Directors comprised eight members, three of whom were both independent directors and members of the Audit Committee.</p>
<p>3. The auditor(s) of a listed company must be approved by the SEC.</p>	<p>The Company's auditors from EY Office Company Limited are approved by the SEC.</p>

Criteria	The Company (after the Transaction)
4. The internal control system of a listed company must be in line with the relevant notifications of the Capital Market Supervisory Board.	The Company's internal control system complies with the relevant notifications of the Capital Market Supervisory Board. The Company has reviewed the internal control system of Sunpack from its due diligence exercise and has found no material issue. The Company will undertake to ensure that the internal control system of Sunpack complies with the relevant notifications of the Capital Market Supervisory Board or any other relevant notifications after completion of the Transaction.
5. A listed company and its subsidiaries must not have any conflicts of interests (including having conflicts of interests with a director, executive, or major shareholder) in accordance with the relevant notifications of the Capital Market Supervisory Board.	There are no conflicts of interest. Indorama Ventures Public Company Limited ("IVL") is a listed company whose major shareholders are connected person to the major shareholder of the Company. IVL's primary business is manufacturing of chemicals and it also manufactures PET preforms and PET bottles for packaging of beverages. IVL's packaging products are different from the Company's packaging products. IVL is focused on packaging for the water and carbonated soft drink segment, whereas the Company is focused on packaging for food, personal care and the pharmaceutical segment. However, IVL is one of the Company's suppliers for raw material, and there will be continuing related-party transactions between IVL and the Company. The related party transactions are disclosed in the audited financial statements of the Company and such related-party transactions are considered and reviewed by the Audit Committee to see if they contribute benefits to the Company and if they are entered into on an arm's length basis in line with the SEC's policy, and are eventually reported to the Board of Directors.
6. A listed company must maintain its free float qualification so that there are no less than 150 retail shareholders collectively holding shares of not less than 15% of the company's paid-up capital.	As of March 22, 2019, the Company had 591 minority shareholders collectively holding shares of approximately 21.20% of the Company's paid-up capital.
7. A listed company must have a provident fund in accordance with the laws on provident funds.	The Company has set up a provident fund for its employees in accordance with the Provident Fund Act B.E. 2530 (1987) (as amended) which is Ayudhya Fixed Income Registered Provident Fund.

After considering qualifications and suitability of the group company post-acquisition, the Company views that its group of companies remains qualified and suitable for listing on the Market for Alternative Investment.

4. There will be no significant change to the Board of Directors of the Company, the control over the Company, or the shareholders having control over the Company.

Following completion of the Transaction, the Board of Directors and the major shareholders of the Company will remain the same.

Nevertheless, the Company is required to disclose information on the Transaction to the SET; obtain approval from the shareholders' meeting of the Company with votes of not less than three-fourths of the total votes of the shareholders attending the meeting and having the right to vote, excluding shareholders having interests; and appoint an independent financial advisor to provide an opinion on the Transaction and submit such opinion to the SEC, the SET, and the shareholders of the Company for their consideration. In this regard, the Company has appointed Avantgarde Capital Co., Ltd. as the independent financial advisor.

In addition, the Transaction constitutes a purchase or acceptance of transfer of the business of another company or private company by the Company pursuant to Section 107(2)(b) of the PLC Act, where the Company is required to obtain approval from the shareholders' meeting of the Company with votes of not less than three-fourths of the total votes of the shareholders attending the meeting and having the right to vote, excluding shareholders having interests.

4. Details of Assets Acquired

The Company will invest in 89% shares in Sunpack, whose pertinent details are as follows:

Name	:	Sun Packaging Systems (FZC)
Incorporated under the laws of	:	The UAE
Class of company	:	Limited liability company
Registered address	:	600 M2 Warehouse B3-01, 02, 03 Plot Land T3-02, 03, 04 and 05, P.O. Box 7784, Sharjah, the UAE
Registered capital	:	AED 0.45 million (equivalent to approximately THB 3.91 million ²)
Paid-up capital	:	AED 0.45 million (equivalent to approximately THB 3.91 million)

4.1 Sunpack's Business

Sunpack, a limited liability company incorporated in the SAIF in the UAE, is one of the most distinguished and reputed manufacturer and exporter of all types of plastic wide mouth jars and bottles, including consumer jars, cosmetic jars, mayonnaise jars and spice jars within the Gulf Cooperation Council.

4.2 Sunpack's Key Financial Information

The financial year of Sunpack is from April 1 to March 31. Sunpack's key financial information based on the audited financial statements of Sunpack as of March 31, 2016; March 31, 2017; and March 31, 2018 is as summarized below.

² It is based on the exchange rate of AED 1 = THB 8.6842 announced by the Bank of Thailand as of April 23, 2019, and this rate will be used for reference only throughout this document.

Key Summary of Sunpack's Statements of Financial Position

Details	Unit: AED million			Unit: THB million		
	As of March 31, 2016	As of March 31, 2017	As of March 31, 2018	As of March 31, 2016	As of March 31, 2017	As of March 31, 2018
Cash and bank balances	4.69	7.33	10.94	40.72	63.63	94.96
Deposits, prepayment & advances	1.92	1.42	2.06	16.69	12.35	17.91
Amount due from related party	0.13	0.00	0.00	1.17	0.00	0.00
Accounts receivables	5.15	5.68	5.33	44.73	49.31	46.32
Inventories	1.32	1.62	1.78	11.49	14.07	15.43
Capital work-in-progress	4.36	0.00	0.00	37.86	0.00	0.00
Property, plant & equipment	4.12	8.33	6.83	35.77	72.38	59.33
Total assets	21.70	24.38	26.94	188.43	211.74	233.96
Accounts payable	2.47	2.04	1.55	21.44	17.71	13.44
Provisions, accruals & other liabilities	1.18	1.60	1.42	10.23	13.92	12.29
Employee end of service benefits	0.17	0.19	0.22	1.50	1.62	1.95
Total liabilities	3.82	3.83	3.19	33.17	33.24	27.68
Share capital	0.45	0.45	0.45	3.91	3.91	3.91
Reserves & surplus	19.99	21.46	23.25	173.55	186.39	201.94
Shareholders' current account	-2.56	-1.36	0.05	-22.20	-11.79	0.43
Total equity & shareholders' funds	17.88	20.56	23.75	155.26	178.50	206.28

Source: Financial statements audited by and auditor's report of Kothari Auditors & Accountants

Key Summary of Sunpack's Statements of Income

Details	Unit: AED million			Unit: THB million		
	As of March 31, 2016	As of March 31, 2017	As of March 31, 2018	As of March 31, 2016	As of March 31, 2017	As of March 31, 2018
Revenue	32.61	33.99	33.91	283.21	295.17	294.50
Direct costs	21.29	22.14	21.69	184.89	192.27	188.39
Gross profit	11.32	11.85	12.22	98.32	102.90	106.12
Other income	0.18	0.19	0.34	1.53	1.67	2.97
Selling costs	2.93	3.16	3.19	25.41	27.41	27.74
Administrative costs	3.77	2.89	3.06	32.72	25.11	26.56
EBITDA	6.57	8.12	8.25	57.02	70.56	71.62
Depreciation	1.76	2.13	1.94	15.30	18.50	16.84
EBIT	4.80	5.99	6.31	41.72	52.06	54.78
Finance costs	0.02	0.02	0.02	0.13	0.14	0.15
PBT	4.79	5.98	6.29	41.59	51.91	54.63
Tax	-	-	-	-	-	-
Net profit	4.79	5.98	6.29	41.59	51.91	54.63

Source: Financial statements audited by auditor's report of Kothari Auditors & Accountants

4.3 Board of Directors and Shareholders of Sunpack

Board of Directors

Current Board of Directors	Board of Directors post-Transaction ³
1. K.K.T. Bhatia (General Manager and Director)	1. Kevin Kumar Sharma
2. K.M. Malik (Director)	2. Anil Kumar Kohli
3. K.M. Mundhra (Director)	3. Nimit Bhatia

Shareholders

Current shareholders			Shareholders post-Transaction		
Name	No. of Shares	%	Name	No. of Shares	%
1. K.K.T. Bhatia	201	67	1. The Company	267	89
2. K.M. Malik	33	11	2. K.K.T. Bhatia	33	11
3. K.M. Mundhra	66	22	-	-	-
Total	300	100	Total	300	100

³ In addition, additional directors nominated by the Company may be appointed on the board of directors, if required, in accordance with the laws of the UAE.

5. Total Value of Consideration and Payment Terms

5.1 Total Value of Consideration

The total value of consideration for the Transaction will not exceed the Maximum Acquisition Costs or USD 14.80 million (or equivalent to approximately THB 472.09 million) as detailed in item 3.2 above.

5.2 Payment Terms

The Company will pay the Completion Day Payment to the Sellers on the Completion Date after all conditions precedent under the SPA are fully satisfied or otherwise waived by the relevant parties, and the completion obligations under the SPA have been undertaken. However, such consideration is an estimated value as at the Completion Date, and the parties have agreed to calculate the actual share purchase price in accordance with the terms and conditions of the SPA, following which the Company or the Sellers (as the case may be) must pay the difference between the Completion Day Payment and the adjusted share purchase price to the other party within the timeframe specified in the SPA, which the Company expected to be completed within five months following the Completion Date.

6. Value of Assets Acquired

The value of the shares in Sunpack acquired from the Transaction will not exceed the Maximum Acquisition Costs or USD 14.80 million (or equivalent to approximately THB 472.09 million) as detailed in item 3.2 above.

7. Basis Used to Determine the Value of Consideration

The basis used to determine the value of consideration for the Transaction is the price negotiated and agreed between the Company and the Sellers. The Company has adopted the EV/EBITDA multiple method by using the LTM EV/EBITDA multiples of six times, which were based on a range of trading comparable with average EV/EBITDA multiples of eight times from the Company's historical business acquisition transactions. Based on the LTM EBITDA of Sunpack as of March 31, 2018 of AED 8.25 million (or equivalent to approximately THB 71.62 million) and the LTM EV/EBITDA of six times, the implied enterprise value of Sunpack on a 100% value basis is USD 13.50 million (or equivalent to approximately THB 430.62 million).

8. Expected Benefits for the Company

It is expected that the Transaction will allow the Company to obtain the following benefits:

1. To acquire the remaining of the 'Sunpet' business
 - When the Company acquired the business of Sunrise Containers Limited ("Sunrise") (now known as TPAC Packaging India Private Limited) in India in 2018, the Company acquired the 'Sunpet' brand which is a branded range of consumer packaging.
 - Sunpack shares a common shareholder with the former Sunrise and also operates using the 'Sunpet' brand.
 - Sunpack has built the 'Sunpet' brand very strongly within Dubai, retailing at well-known supermarkets like Carrefour and LouLou in Dubai within their homewares section.

- In summary, the Company would like to acquire Sunpack in order to acquire the remaining business in United Arab Emirates which produces ‘Sunpet’ brand and exports to many country e.g. Bharain, Oman and Saudi Arabia. Therefore, the Company will enter into this Transaction to acquire the entire business who produce ‘Sunpet’ brand.
2. To develop a manufacturing footprint that compliments customers’ geographical focus
 - The Company’s current customer base comprises predominantly multinational FMCG companies and the UAE is a major focus market of the world’s leading FMCG companies. Sunpack focuses on Middle East and Indian companies, many of which have established local manufacturing presence in Dubai.
 - With this acquisition, the Company will be able to serve customers in Thailand, India, and the UAE, thereby further increasing the value proposition offering to customers.
 3. To escalate its competency and capability
 - The Company and Sunpack have been exclusively focused on consumer rigid plastic molding technologies. Both of them have an excellent expertise and capability in this area.
 - With this acquisition, the cross-learnings and sharing of their research and development expertise will further enhance their competence and reputation for best in class rigid plastic packaging design solutions.
 4. To increase bargaining power
 - Sunpack and the Company use the same raw materials such as PET and PP.
 - With the two companies combined, they will be a larger buyer, which will increase their bargaining power.
 5. To diversify customer base and acquire new customer relationships
 - Sunpack has a wide range of customers. With this transaction, the Company will be able to enlarge its customer base and further diversify its revenue stream.
 6. To enter into a financially accretive deal
 - The Company is expected to increase its financial strength as Sunpack has higher gross profit margin, net profit margin and EBITDA margin.
 - Sunpack has strong cash flows from its operations.

9. Sources of Funding

To finance the Transaction, the Company may, according to the draft term sheet of and discussion with a financial institution in Thailand, obtain a loan of not more than THB 500 million from such financial institution, which may or may not be secured by the assets of the Company’s and/or its subsidiaries. The draft term sheet also contains a condition requiring the Company to maintain its debt to equity ratio according to its consolidated and standalone

financial statements to be not more than 2.5 and 2.0, respectively. Other than the foregoing, the said draft term sheet's terms and conditions do not affect the Company's shareholders' rights.

Alternatively, the Company may obtain a loan in USD equivalent of not more than THB 500 million from a foreign financial institution and/or use the Company's working capital to finance the Transaction.

Nevertheless, there are certain uncertainties concerning the terms and conditions of the loans from the said financial institutions as the Company is currently in negotiations with them. In this regard, the Company will further inform the SET and the shareholders if the terms and conditions of the relevant loan affect the shareholders' rights.

10. Opinion of the Board of Directors

The Board of Directors unanimously resolved to approve the Transaction since the Board of Director considered and viewed that the Transaction was appropriate, reasonable, and beneficial to the Company and its shareholders in the long run given the reasons already described in item 8 above.

11. Opinion of the Audit Committee

The Audit Committee did not have any different opinion from that of the Board of Directors as mentioned in item 10 above.
