

(Translation)

No. TPAC019/2563

September 22, 2020

**Subject:** Acquisition of the remaining shares in TPAC Packaging India Private Limited

**Attention:** The President  
The Stock Exchange of Thailand

**Enclosure:** Information Memorandum on Share Acquisition by Thai Plaspac Public Company Limited (List 2)

Thai Plaspac Public Company Limited (the “**Company**”) would like to inform you that the Board of Directors’ Meeting No. 6/2020 held on September 22, 2020, resolved to approve the acquisition of the remaining 42,153,915 shares or equivalent to 20% shares in TPAC Packaging India Private Limited (“**TPAC India**”), the Company’s subsidiary in which the Company currently holds 80% shares, from Mr. Kanhaiyalal Mundhra and Mr. Hitesh Kumar Mundhra (the “**Sellers**”) for a total consideration of approximately THB 550 million, comprising (a) purchase price of INR 1,115,814,130 or approximately THB 506.47 million (based on the Bank of Thailand’s average selling exchange rate of THB 0.4539 to INR 1 as of September 18, 2020) and (b) transaction costs (the “**Transaction**”). The Transaction is in line with the Company’s strategy to further expand its rigid plastic packaging material manufacturing business by acquiring the remaining shares in TPAC India whereby the Company will hold 100% shares in TPAC India after completion of the Transaction.

In this regard, the Board of Directors also resolved to approve the entry into a share purchase agreement in respect of the Transaction (the “**SPA**”) with the Sellers and the delegation of power to the authorized directors as shown in the corporate affidavit of the Company or the Chief Executive Officer to undertake all necessary actions in connection with the proposed Transaction, including, but not limited to, the following: (a) negotiating terms and conditions in relation to the SPA and any other definitive agreements in connection with the Transaction (if any); (b) determining and/or amending other details in relation to the Transaction; (c) signing agreements and documents in relation to the Transaction, including, but not limited to the SPA and any other definitive agreements in connection with the Transaction; (d) signing applications, as well as other documents and evidence which are necessary for and in relation to the Transaction, including contacting and filing such applications, documents, and evidence with the relevant governmental authorities and/or competent agencies; and (e) undertaking any other actions which are necessary for and in relation to the completion of the Transaction.

The proposed Transaction does not constitute a connected transaction under the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transaction 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 (as amended), but 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 Asset B.E. 2547 (as amended) (the “**Acquisition and Disposition Notification**”). The transaction size of such Transaction calculated based on the reviewed financial statement of the Company and TPAC India’s financial information for the six months ended June 30, 2020 and the net tangible asset (NTA) value criterion, which gives the highest transaction value, is equivalent to 35.28% where the Company has not had any other acquisition of assets within six months prior to the date of the Board of Directors’ Meeting No. 6/2020.

**Thai Plaspac Public Company Limited**

77 Soi Thian Thaley 30, Bang Khun Thian–Chay Thaley Road, Tha Kham, Bang Khun Thian, Bangkok 10150, Thailand

t 66-2 897 2250-1 | 66-2 897 2529-30 f 66-2 897 2531 | 66-2 897 2426 w www.tpacpackaging.com

COMPANY REGISTRATION NO. AND TAX ID : 0107547000575

The Transaction, therefore, is deemed a Class 2 transaction, i.e. a transaction whose transaction size is more than 15%, but less than 50%, where the Company is required to disclose information on the Transaction to the Stock Exchange of Thailand (the “**SET**”) and send a circular to the shareholders of the Company within 21 days after the date of information disclosure, the details of which are as shown in the **Enclosure**.

Please be informed accordingly.

Sincerely yours,

Mr. Kevin Kumar Sharma  
Chairman of the Board of Directors and Group Chief Executive Officer

(Translation)

**INFORMATION MEMORANDUM ON SHARE ACQUISITION BY  
THAI PLASPAC PUBLIC COMPANY LIMITED (LIST 2)**

September 22, 2020

The Board of Directors' Meeting No. 6/2020 of Thai Plaspac Public Company Limited (the "**Company**") held on September 22, 2020 resolved to approve the acquisition of the remaining 42,153,915 shares or equivalent to 20% shares in TPAC Packaging India Private Limited ("**TPAC India**"), the Company's subsidiary in which the Company currently hold 80% shares, from Mr. Kanhaiyalal Mundhra and Mr. Hitesh Kumar Mundhra (the "**Sellers**") for a total consideration of approximately THB 550 million, comprising (a) purchase price of INR 1,115,814,130 or approximately THB 506.47 million<sup>1</sup> and (b) transaction costs (the "**Transaction**").

The Transaction is in line with the Company's strategy to further expand its rigid plastic packaging material manufacturing business by acquiring the remaining shares in TPAC India whereby the Company will hold 100% shares in TPAC India after completion of the Transaction, which is expected to take place within October 31, 2020 after all of the conditions precedent under the SPA (as defined in item 1) are fully satisfied or otherwise waived by the relevant parties.

The proposed Transaction does not constitute a connected transaction under the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transaction 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 (as amended) (the "**Connected Transaction Notifications**"), but 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 Asset B.E. 2547 (as amended) (the "**Acquisition and Disposition Notifications**"). The transaction size of such Transaction calculated based on the reviewed financial statement of the Company and TPAC India's financial information for the six months ended June 30, 2020 and the net tangible asset (NTA) value criterion, which gives the highest transaction value, is equivalent to 35.28% where the Company has not had any other acquisition of assets within six months prior to the date of the Board Directors' Meeting No. 6/2020. The Transaction, therefore, is deemed a Class 2 transaction, i.e. a transaction whose transaction size is more than 15%, but less than 50%, where the Company is required to disclose information on the Transaction to the Stock Exchange of Thailand (the "**SET**") and send a circular to the shareholders of the Company within 21 days after the date of information disclosure.

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

---

<sup>1</sup> Except for item 4.2, the translations between INR and THB used herein were calculated by using the average selling exchange rate announced by the Bank of Thailand on September 18, 2020, which was THB 0.4539 to INR 1.

## 1. Transaction Date

After the meeting of the Board of Directors of the Company approves the Transaction, the Company expects to execute a share purchase agreement in respect of the Transaction (the “SPA”) with the Sellers (as detailed in item 2 below) on or before September 30, 2020. The completion of the Transaction is expected to take place within October 31, 2020 after all of the conditions precedent under the SPA are fully satisfied or otherwise waived by the relevant parties.

## 2. Contractual Parties and Relationship with the Company

<b>Purchaser</b>	: The Company
<b>Sellers</b>	: 1. Mr. Kanhaiyalal Mundhra (holding 13.68%) and 2. Mr. Hitesh Kumar Mundhra (holding 6.32%)
<b>Relationship with the Company</b>	: The Sellers 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 Connected Transactions Notifications.

## 3. General Characteristics and Transaction Size

### 3.1 General Characteristics

The Company will purchase the remaining 42,153,915 shares or equivalent to 20% shares in TPAC India from the Sellers for a total consideration of approximately THB 550 million, comprising (a) purchase price of INR 1,115,814,130 or approximately THB 506.47 million and (b) transaction costs. The Transaction is in line with the Company’s strategy to further expand its rigid plastic packaging material manufacturing business by acquiring the remaining shares in TPAC India whereby the Company will hold 100% shares in TPAC India after completion of the Transaction.

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

<b>Key conditions precedent</b>	: 1) The Company must have obtained approval from its board of directors before entering into the Transaction. 2) There must be no injunction, restraining order or other order or any other legal or regulatory restraint or prohibition by any governmental authority which prevents the consummation of the Transaction.
---------------------------------	--

The conditions precedent above must be satisfied or waived by the relevant parties within the period specified under the SPA.

<b>Termination</b>	Prior to the completion date of the Transaction, the SPA can be terminated: 1) upon mutual agreement between the parties; or 2) by the Company in its sole discretion if there is any material breach of the representations and warranties or any other material covenant or agreement by the Sellers and such material breach has not been cured within the period specified under the SPA.
--------------------	---

### 3.2 Transaction Size

The Company has calculated the transaction size of the Transaction under the Acquisition and Disposition Notifications based on the reviewed financial statement of the Company and TPAC India's financial information for the six months ended June 30, 2020, the details of which are as follows:

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

$$\begin{aligned} \text{Transaction size} &= \frac{(\text{NTA of TPAC India} \times 20\%) \times 100}{\text{NTA of the Company}} \\ &= \frac{(\text{THB } 853.13 \text{ million} \times 20\%) \times 100}{\text{THB } 483.60 \text{ million}} \\ &= 35.28\% \end{aligned}$$

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

$$\begin{aligned} \text{Transaction size} &= \frac{(\text{Net profit of TPAC India} \times 20\%) \times 100}{\text{Net profit of the Company}} \\ &= \frac{(\text{THB } 103.49 \text{ million} \times 20\%) \times 100}{\text{THB } 242.04 \text{ million}} \\ &= 8.55\% \end{aligned}$$

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

$$\begin{aligned} \text{Transaction size} &= \frac{\text{Total value of consideration paid} \times 100}{\text{Total assets of the Company}} \\ &= \frac{\text{THB } 550 \text{ million} \times 100}{\text{THB } 4,687.97 \text{ million}} \\ &= 11.73\% \end{aligned}$$

- (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 consideration.

#### Transaction Size Calculation Summary

Calculation Criteria	Transaction Sizes (%)
1. Net tangible asset (NTA) value	35.28
2. Net profit from operating results	8.55
3. Total value of consideration	11.73
4. Value of equity issued as consideration for the assets	Not applicable

The transaction size of such Transaction calculated based on the net tangible asset (NTA) value criterion, which gives the highest transaction value, is equivalent to 35.28% where the Company has not had any other acquisition of assets within six months prior to the date of the Board Directors' Meeting No. 6/2020. The Transaction, therefore, is deemed a Class 2 transaction, i.e. a transaction whose transaction size is more than 15%, but less than 50%, where the Company is required to disclose information on the Transaction to the SET and send a circular to the shareholders of the Company within 21 days after the date of information disclosure.

#### 4. Details of Assets Acquired

The Company will acquire the remaining 42,153,915 shares or equivalent to 20% shares in TPAC India upon completion of the Transaction.

##### 4.1 Nature of Business

<b>Name</b>	:	TPAC Packaging India Private Limited
<b>Type of business</b>	:	Manufacturing of rigid plastic packaging material
<b>Registered address</b>	:	405 Acme Industrial Park Off I B Patel Road, Goregaon East Mumbai, Mumbai City, Maharashtra, 400063, India
<b>Registered capital</b>	:	INR 2,450 million or approximately THB 1,112.06 million
<b>Paid-up capital</b>	:	INR 2,108 million or approximately THB 956.82 million

##### 4.2 Key Financial Information

The following table presents key financial information of TPAC India for the six months ended June 30, 2020 and the twelve months ended December 31, 2019, which had been adjusted to TFRS for consolidation to the Company's financial statements. The translations between INR and THB used in this item 4.2 were calculated by using the average mid-rate announced by the Bank of Thailand on June 30, 2020, which was THB 0.41 to INR 1.

###### Financial Position<sup>2</sup>

Details	Unit: INR millions		Unit: THB millions	
	As of June 30, 2020	As of December 31, 2019	As of June 30, 2020	As of December 31, 2019
Cash and bank balances	484.07	32.66	198.47	13.39
Trade and other receivables	620.61	715.98	254.45	293.55
Inventories	254.40	330.20	104.30	135.38
Net PPE	2,169.33	2,077.17	889.43	851.64
Goodwill	1,767.70	1,767.70	724.76	724.76
Intangible assets	746.07	782.44	305.89	320.80
<b>Total assets</b>	<b>6,223.02</b>	<b>6,071.01</b>	<b>2,551.44</b>	<b>2,489.11</b>
Trade and other payables	238.40	182.06	97.74	74.64
Borrowings	1,380.56	1,462.72	566.03	599.72
<b>Total liabilities</b>	<b>1,829.35</b>	<b>1,794.27</b>	<b>750.03</b>	<b>735.65</b>
Paid-up capital	2,107.70	2,107.70	864.16	864.16
Premium on share	2,029.46	2,029.46	832.08	832.08
Retained earnings	256.51	139.58	105.17	57.22
<b>Total shareholders' equity</b>	<b>4,393.67</b>	<b>4,276.74</b>	<b>1,801.41</b>	<b>1,753.46</b>

<sup>2</sup> Total in table may not sum-up to line items, as only key balance sheet line items are shown.

## Operating Results

Details	Unit: INR millions		Unit: THB millions	
	Six months ended June 30, 2020	Twelve months ended December 31, 2019	Six months ended June 30, 2020	Twelve months ended December 31, 2019
Total revenues	2,021.16	4,452.66	828.67	1,825.59
Cost of goods sold	1,547.41	3,588.37	634.44	1,471.23
Gross profit	433.93	794.12	177.91	325.59
SG&A expenses	232.81	447.81	95.45	183.60
EBITDA	404.44	741.69	165.82	304.09
EBIT	240.94	416.49	98.78	170.76
Finance costs	81.69	176.32	33.49	72.29
Tax expenses (income)	41.74	(24.62)	17.11	(10.09)
<b>Net profit</b>	<b>117.51<sup>3</sup></b>	<b>264.78</b>	<b>48.18</b>	<b>108.56</b>

### 4.3 Board of Directors and Shareholders

#### Board of Directors

Pre-Transaction	Post-Transaction
1. Mr. Kanhaiyalal Mundhra (Chairman of the Board)	1. Mr. Kevin Qumar Sharma (Director)
2. Mr. Kevin Qumar Sharma (Director)	2. Mrs. Aradhana Lohia Sharma (Director)
3. Mrs. Aradhana Lohia Sharma (Director)	3. Mr. Anil Kumar Kohli (Director)
4. Mr. Anil Kumar Kohli (Director)	4. Mr. Shrinath Kasi (Director)
5. Mr. Hitesh Kumar Mundhra (Director)	

#### Shareholders

Pre-Transaction			Post-Transaction		
Names	No. of Shares	Percentage (%)	Names	No. of Shares	Percentage (%)
1. The Company	168,615,659	80.00	1. The Company	210,769,574	100.00
2. Ms. Pooja Mahajan	1	0.00	2. Ms. Pooja Mahajan	1	0.00
3. Mr. Kanhaiyalal Mundhra	28,840,658	13.68			
4. Mr. Hitesh Kumar Mundhra	13,313,257	6.32			
<b>Total</b>	<b>210,769,575</b>	<b>100</b>	<b>Total</b>	<b>210,769,575</b>	<b>100</b>

<sup>3</sup> In April 2020, TPAC India's profitability was negatively impacted from plant shutdowns/scale downs due to COVID-19.

## **5. Total Value of Consideration and Payment Terms**

### **5.1 Total Value of Consideration**

The total value of consideration for the Transaction is approximately THB 550 million, comprising (a) purchase price of INR 1,115,814,130 or approximately THB 506.47 million and (b) transaction costs.

### **5.2 Payment Terms**

The Company will pay the purchase price of INR 1,115,814,130 or approximately THB 506.47 million to the Sellers on the completion date of the Transaction.

## **6. Value of Assets Acquired**

The value of the shares in TPAC India acquired as a result of the Transaction will be same amount as the total value of consideration as detailed in item 5.1 above.

## **7. Basis Used to Determine the Value of Consideration**

The basis used to determine the value of consideration for the Transaction included various factors such as the enterprise value and liabilities of TPAC India as well as the price negotiated and agreed between the Company and the Sellers.

## **8. Expected Benefits for the Company**

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

1. To increase financial strength from a financially accretive deal:

The Company will be able to increase its financial strength by entering into the Transaction as TPAC India has high gross profit and EBITDA margin. Moreover, TPAC India has strong cash flows from operations and has a high growth trajectory.

2. To have absolute control over TPAC India:

The Transaction will allow the Company to have absolute control over TPAC India as its wholly owned subsidiary where it will also enjoy 100% share of profit from TPAC India.

## **9. Sources of Funding**

To finance the Transaction, the Company may use its working capital and/or obtain a loan of not more than THB 550 million from financial institutions in Thailand. The Company is currently in negotiations with the financial institutions and if any term under such loan affects the rights of the shareholders of the Company, the Company will proceed to disclose information on such terms and conditions to the SET in due course.

## **10. Opinion of the Board of Directors**

The Board of Directors unanimously resolved to approve the Transaction since the Board of Directors 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.

**12. Board of Directors' Responsibility on the Information Disclosed to the Shareholders**

The Board of Directors has reviewed the information provided to it with due care and was responsible for the information disclosure as stated in this document and any other documents provided to the shareholders. Moreover, the Board of Directors affirms that the information contained in this document and any other documents provided to the shareholders is correct and complete without any material misstatements or concealment of material facts required to be disclosed pursuant to Section 89/20 of the Securities and Exchange Act B.E. 2535 (as amended).

**13. Financial Projections for the Current Fiscal Year (if any)**

-None-

**14. Pending Material Legal Actions or Disputes**

As at September 22, 2020, the Company had no pending material legal action or dispute that may affect its operations.

**15. Benefits or Related Party Transactions between the Company and the Directors, Executives, and Shareholders with a Direct or Indirect Shareholding of 10% or More**

The Company's transactions with its related parties, which have been concluded on commercial terms and agreed upon in the ordinary course of business between the Company and those related parties, for the six months ended June 30, 2020 and the year ended December 31, 2019 are as summarized below.

No.	Related Parties	Relationship	Description	Transaction Value (Unit: THB millions)	
				Six months ended June 30, 2020	Year ended December 31, 2019
1.	Indorama Polymers Public Company Limited	Its shareholder and director are related to the Company's shareholder and management	Purchase of raw materials and/or products	-	7.10
2.	Indorama Petrochem Company Limited	Its shareholder and director are related to the Company's shareholder and management.	Purchase of raw materials and/or products	4.11	8.43

\*\*\*\*\*