

THAI PLASPAC PUBLIC COMPANY LIMITED “TPAC”
Management Discussion and Analysis for Q1/2018 Ending 31 March 2018
Profit and Loss (Thailand Only)

THB Million	Q1'18	Q4'17	% Δ from Q4'17	Q1'18	Q1'17	% Δ from Q1'17
Sales	418.3	379.7	10.1%	418.3	392.8	6.5%
Cost of sales	353.3	313.2	12.8%	353.3	330.9	6.8%
Gross Profit	65.0	66.5	-2.3%	65.0	61.8	5.1%
Gross Profit Margin %	15.5%	17.5%	-2.0%	15.5%	15.7%	-0.2%
SG&A	44.9	47.2	-4.8%	44.9	37.6	19.2%
Other income	2.9	4.1	-30.2%	2.9	2.0	43.2%
EBITDA	57.7	56.8	1.5%	57.7	59.2	-2.6%
Core EBITDA	61.2	64.5	-5.1%	61.2	59.2	3.4%
Core EBITDA Margin %	14.6%	17.0%	-2.4%	14.6%	15.1%	-0.4%
Depreciation and amortization	34.6	33.3	4.0%	34.6	33.0	5.0%
EBIT	23.0	23.5	-2.1%	23.0	26.2	-12.2%
Core EBIT	26.5	31.2	-14.9%	26.5	26.2	1.3%
Core EBIT Margin %	6.3%	8.2%	-1.9%	6.3%	6.7%	-0.3%
Interest expense	0.1	0.0	4239.7%	0.1	0.1	-46.6%
Profit Before Tax	22.9	23.5	-2.4%	22.9	26.1	-12.1%
Income tax expense	3.2	2.6	20.8%	3.2	2.8	13.5%
Net Profit	19.8	20.9	-5.3%	19.8	23.3	-15.1%
Core Net Profit	22.6	27.0	-16.4%	22.6	23.3	-3.0%
Core Net Profit Margin %	5.4%	7.1%	-1.7%	5.4%	5.9%	-0.5%

Note: SG&A is selling, general and administrative expense. EBIT is earnings before interest and tax. EBITDA is earning before interest, tax, depreciation and amortization.

Non-Recurring income/(expenses) (THB Million)	Q1'18	Q4'17	Q1'17
Sunrise Containers M&A Related Expenses	-2.9	-7.7	0.0
Custom Pack M&A Related Expenses	-0.6	0.0	0.0
Total	-3.5	-7.7	0.0

- TPAC Q1'18 Core EBITDA Baht 61.2m, increase of 3.4% versus same period last year, but 5.1% lower compared to previous quarter.
- Core numbers exclude 1-off transaction expenses related to M&A activity.
- Q1'18 reported volume growth of 3% versus the previous quarter (Q4'17), but gross margin reduced from the previous quarter due to the increase in underlying raw material prices.
- Raw material prices have been on the uptrend in Q1'18 following the price increases in the crude oil markets
- This led to an overall reduced raw material spread and reduced operating margins, compared to the previous quarter, even though volume growth was up 3%.
- Typically, raw material price variations take about 1 quarter before being passed to the customer as is customary industry standard practice.
- Volume growth in Q1'18 was also up 3% versus the same period last year (Q1'17).
- Start of year volume growth is encouraging sign, and management is focused on sustaining this growth trend and normalizing our raw material spread.

Balance Sheet (Thailand Only)

THB Million	As at 31 Mar'18	As at 31 Dec'17	% Δ
Cash and cash equivalents	6.8	105.5	-93.6%
Trade and other receivables	414.0	411.1	0.7%
Inventories	102.4	114.4	-10.5%
Other current assets	24.7	29.3	-15.8%
Total current assets	547.8	660.4	-17.0%
Property, plant and equipment	530.7	547.1	-3.0%
Advance for purchase of molds	8.8	7.2	22.5%
Investment in subsidiary	111.0	0.1	217500.0%
Other assets	63.9	58.7	8.9%
Total assets	1,262.1	1,273.4	-0.9%
Short term loans	5.0	0.0	N/A
Trade and other payables	142.5	180.1	-20.9%
Other current liabilities	7.8	7.5	4.6%
Total current liabilities	155.3	187.6	-17.2%
Other liabilities	22.5	21.2	6.0%
Total liabilities	177.8	208.8	-14.9%
Issued and paid-up capital	253.8	253.8	0.0%
Retained earnings	502.1	482.3	4.1%
Other reserves	328.4	328.4	0.0%
Total shareholders' equity	1,084.3	1,064.5	1.9%
Total liabilities and shareholders' equity	1,262.1	1,273.4	-0.9%

- TPAC Packaging India, a wholly owned subsidiary company of TPAC, was formed towards the end of Q4'17.
- At closing of the Sunrise Containers M&A transaction, it is expected that Sunrise Containers will merge into TPAC Packaging India, with TPAC Packaging India being the surviving entity.
- 'Investment in subsidiary' line item in balance sheet of TPAC relates to the initial equity injected into TPAC Packaging India by TPAC in the amount of Baht 111m.

Cash Flow (Thailand Only)

THB Million	For the period from 01 Jan 2018 to 31 Mar 2018
Cash and Cash Equivalents - Beginning period Balance	105.5
Profit Before Tax	22.9
Adjustment : Depreciation and Amortisation	34.6
Adjustment : Other adjustments	1.6
Profit from operating activities before changes to working capital	59.2
Net changes to working capital	-24.2
Cash flows from Operating Activities	35.1
Cash paid for corporate income tax	-10.9
Net Cash Flows from Operating Activities	24.2
Acquisition of Fixed Assets	-17.0
Proceeds from equipments sales	0.0
Cash paid for investment in subsidiary	-110.9
Interest Received	0.1
Net Cash Flow used in Investing Activities	-127.8
Increase (decrease) in short-term loans from bank	5.0
Interest Expense	-0.1
Net Cash Flow from Financing Activities	4.9
Cash and Cash equivalents - Closing Period Balance	6.8

- Cash balance fell from Baht 105.5m to 6.8m due to an initial equity injection into TPAC Packaging India of Baht 110.9m.
- Fixed Asset acquisition primarily relate to moulds for new projects to further drive volume growth.

Consolidated Profit and Loss (Thailand and India)

THB Million	Q1'18
Sales	418.3
Cost of sales	353.3
Gross Profit	65.0
Gross Profit Margin %	15.5%
SG&A	48.2
Other income	2.9
EBITDA	54.4
Core EBITDA	57.9
Core EBITDA Margin %	13.8%
Depreciation and amortization	34.6
EBIT	19.7
Core EBIT	23.3
Core EBIT Margin %	5.6%
Interest expense	0.1
Profit Before Tax	19.6
Income tax expense	3.2
Net Profit	16.5
Core Net Profit	19.3
Core Net Profit Margin %	4.6%

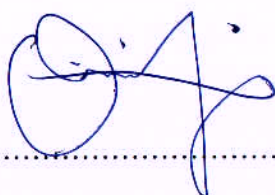
- TPACs newly formed subsidiary in India, TPAC Packaging India, made a trading loss in Q1'18 due to the incurring of certain transactional expenses related to M&A of Sunrise Containers.
- This has resulted in a negative EBITDA of Baht 3.3m for TPAC Packaging India, thus resulting in a reduced consolidated EBITDA and Net Profit for TPAC at the overall consolidated level.
- Only post-closing of the Sunrise Containers M&A transaction, will the business operations of Sunrise Containers get merged into TPAC Packaging India.
- Therefore, management would like to make clear that TPAC Packaging India numbers as currently shown do not reflect Sunrise Containers operations as yet.

Consolidated Balance Sheet (Thailand and India)

THB Million	As at 31 Mar'18	As at 31 Dec'17	% Δ
Cash and cash equivalents	108.7	105.6	3.0%
Trade and other receivables	414.0	411.1	0.7%
Inventories	102.4	114.4	-10.5%
Other current assets	24.9	29.3	-15.2%
Total current assets	649.9	660.4	-1.6%
Property, plant and equipment	530.7	547.1	-3.0%
Advance for purchase of molds	8.8	7.2	22.5%
Other assets	63.9	58.7	8.9%
Total assets	1,253.2	1,273.4	-1.6%
Short term loans	5.0	0.0	N/A
Trade and other payables	143.5	180.1	-20.4%
Other current liabilities	8.0	7.5	6.7%
Total current liabilities	156.5	187.6	-16.6%
Other liabilities	22.5	21.2	6.0%
Total liabilities	178.9	208.8	-14.3%
Issued and paid-up capital	253.8	253.8	0.0%
Retained earnings	498.8	482.3	3.4%
Other reserves	328.4	328.4	0.0%
FX translation gain/loss	-6.7	0.0	671400.0%
Total shareholders' equity	1,074.3	1,064.5	0.9%
Total liabilities and shareholders' equity	1,253.2	1,273.4	-1.6%

- Equity injected into TPAC Packaging India from TPAC is subject to a translation gain / loss depending on quarterly FX movements between the Indian Rupee and Thai Baht.
- Translation loss for Q1'18 equal to 6.7m Baht as the Indian Rupee weakened against the Thai Baht.
- Consolidated Retained earnings also decreased by Baht 3.3m which is equal to negative net profit of TPAC Packaging India.

- Therefore, total consolidated shareholder equity reduction equal to Baht 10m, which comprises the FX translation loss and the negative net profit of TPAC Packaging India.
- Consolidated Debt to Equity of TPAC as of Q1 '18 equal to 0.17X



(Kevin Qumar Sharma)

Chairman