

-Translation-

Opinion of the Independent Financial Advisor on the
Tender Offer for the Securities
Of

Thai Plaspac Public Company Limited

Tender Offeror

Mr. Anuj Lohia and
QAMA Investments Limited

Prepared by



DISCOVER
MANAGEMENT

Abbreviation**Meaning****Abbreviation**

| | |
|---|--|
| Thai Plaspac Public Company Limited: | The Company or TPAC |
| Modernform Group Public Company Limited: | MODERN |
| QAMA Investments Limited | QAMA |
| 1. Modernform Group Public Company Limited | Ex major shareholders |
| 2. Mr. Theerawit Busayapoka | |
| 3. Mr. Niwat Hongpitakpong | |
| 4. Mr. Nopadol Hongpitakpong | |
| 5. Ms. Patra Hongpitakpong | |
| 6. Mr. Cholatit Hongpitakpong | |
| 7. Ms. Nantawan Manajit | |
| Announcement of Intention to Make a Tender Offer (Form-247-3) on 12 October 2015: | Announcement of Intention form , Form 247-3 |
| Tender Offer (Form 247-4) of Thai Plaspac Public Company Limited on 13 October 2015: | Tender Offer Form 247-4 , Tender Offer |
| Tender Offeror (Acting In Concert): Mr. Anuj Lohia | Tender Offeror |
| QAMA Investments Limited | |
| Discover Management Company Limited: | Independent Financial Advisor ,Discover |
| Bualuang Securities Public Company Limited: | Tender Offer Preparer, Tender Offer Agent, BLS |
| Bangkok Property Appraisal Co., Ltd: | Appraiser, BA |
| The Securities and Exchange Commission: | SEC |
| The Stock Exchange of Thailand: | SET |
| Market for Alternative Investment: | MAI |
| Extraordinary General Meeting: | EGM |
| Warrant to purchase ordinary shares of Thai Plaspac Public Company Limited: | TPAC-W1, warrant |
| Warrant to purchase ordinary shares of Thai Plaspac Public Company Limited allocated to management and / or employees | TPAC-ESOP |
| Polyethylene Terephthalate | PET |
| Indorama Ventures Public Company Limited | IVL |

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This English Translation has been prepared solely for the convenience of the foreign shareholders of Thai Plaspac Public Company Limited and should not be relied upon as the definitive and official opinion of the Company on the tender offer. The Thai language version of the Opinion of the Company on the Tender Offer is the definitive and official document and shall prevail in all respects in the event of any inconsistency with the English translation.

Opinion of the Independent Financial Advisor on the Tender Offer to purchase the securities of Thai Plaspac Public Company Limited

[28 October] 2015

Subject: Opinion of the Independent Financial Advisor on the Tender Offer to purchase the securities of Thai Plaspac Public Company Limited

To: The Board of Director and the shareholders of Thai Plaspac Public Company Limited

Reference:

1. Board of Directors meeting resolution of Thai Plaspac Public Company Limited No. 5/2015 held on 9 October 2015
2. Board of Directors meeting resolution of Thai Plaspac Public Company Limited No. 6/2015 held on 12 October 2015
3. Annual Registration Statement for 2014 of Thai Plaspac Public Company Limited
4. Audited financial statements of Thai Plaspac Public Company Limited year end as of 31 December 2012 - 2014 and reviewed financial statements of Thai Plaspac Public Company Limited (6 months) as of 30 June 2015.
5. Announcement of Intention to Make a Tender Offer (247-3) by the Tender Offeror
6. Submission of Tender Offer form (Form 247-4) by the Tender Offeror and its amendments
7. Related Documents

Disclaimers:

1. The study results of Discover Management Company Limited (“Discover” or “Independent Financial Advisor” or “IFA”) in this report are based on information and assumptions provided by the management of Thai Plaspac Public Company Limited (“TPAC” or “Company”), the information of the Company disclosed to the public on the websites of the Securities and Exchange Commission (www.sec.or.th) and the Stock Exchange of Thailand (www.set.or.th) and the information of the Tender

Offerors disclosed to the public on the websites of the Securities and Exchange Commission (www.sec.or.th) and the Stock Exchange of Thailand (www.set.or.th)

2. IFA shall not be responsible for the profits or the losses and any impacts resulting from this transaction.
3. IFA conducted the study with knowledge, skills, and cautiousness on the basis of professional ethics.
4. IFA considers and provides opinion based on the situation and information at the present time. If such situation and information changes significantly in the future, the results of the study in this report may be affected.

Thai Plaspac Public Company Limited (“TPAC” or “Company”) was informed by its major shareholders (“Sellers”) on 9th October 2015 that the major shareholders of the Company had sold ordinary shares of TPAC totaled 126,407,400 shares or equivalent to 60.55% of the issued and paid up capital of the Company (ordinary shares with voting rights) and warrants to purchase ordinary shares of the Company (“TPAC-W1”) totaled 26,601,850 units or equivalent to 57.96% of total outstanding warrants issued to two investors 1) . Mr. Anuj Lohia and 2). QAMA Investments Limited (both are Acting in Concert) hereinafter would be referred to as the “Tender Offeror”. The tender offer price is Baht 7.80 per ordinary share and Baht 2.80 for per unit of TPAC-W1. The Sellers received payment from the Tender Offeror for the stated ordinary shares and TPAC-W1 for Baht 985,977,720.00 and Baht 74,485,180.00 respectively on 12 October 2015 with detail as follows:

Ordinary shares

| Name | Type of shares | Number of shares | Percentage in comparison with the total number of outstanding shares ^{1/} | Percentage in comparison with the total voting right |
|---|-----------------|------------------|--|--|
| I. Tender Offeror | | | | |
| (A) Mr. Anuj Lohia | Ordinary shares | 126,407,300 | 60.55 | 60.55 |
| (B) QAMA Investments Limited | | 100 | 0.00 | 0.00 |
| II. Acting in In Concert | | | | |
| III. Persons Referred to in Section 258 of I and II | - | - | - | - |
| IV. Other conditions that would make person of I to III receive more shares | - | - | - | - |
| | Total | 126,407,400 | 60.55 | 60.55 |

Remarks: 1/ Shares that can be sold = ordinary shares + preferred shares – shares that have been bought back by the Company and remained at the end of month of previous month during the Announcement of Intention to Make a Tender Offer. On 12 October 2015, the Company had paid up shares totaled 208,766,400 shares and warrants issued and not yet exercised total 45,900,081 units.

2/ Form 247-3

Mr. Anuj Lohia, as the Offeror would like to disclose concert parties pursuant to Notification of the Capital Market Supervisory Board No. TorChor. 7/2552 Re: Acting in concert as a result of the nature of a relationship or behavior and requirements under Section 246 and 247 dated 20 February 2009 (as amended), where the persons considered concert parties with the Offerors in this Tender Offer are (1) QAMA Investments Limited (2) Mrs.Suchitra Lohia (3) Mrs.Aradhana Lohia Sharma and (4) Mr. Kevin Kumar Sharma where person in (2) to (4) are mother, sister and brother-in-law of Mr.Anuj Lohia, respectively and Mrs.Suchitra Lohia and Mrs.Aradhana Lohia Sharma are major shareholders of QAMA Investments Limited which collectively hold 100% of ordinary share in QAMA Investments Limited. In addition, Mr. Anuj Lohia has agreed to allocate only tendered share up to 100 shares to QAMA Investments Limited. For tendered warrants, Mr. Anuj Lohia will purchase all of tendered warrants.

Convertible Securities

| Name | Convertible Securities | | Number of units | Number of shares ^{1/} | Percentage in comparison with the total number of outstanding shares ^{2/} |
|---|------------------------|---|-----------------|--------------------------------|--|
| | Type | | | | |
| I. Tender Offeror | | | | | |
| (A) Mr. Anuj Lohia | warrant | 1 | 26,601,850 | 26,601,850 | 12.74 |
| (B) QAMA Investments Limited | warrant | 1 | - | - | - |
| II. Acting in In Concert | | | | | |
| III. Persons Referred to in Section 258 of I and II | - | - | - | - | - |
| IV. Other conditions that would make person of I to III receive more convertible securities | - | - | - | - | - |
| | | | Total | 26,601,850 | 12.74 |

Remarks: 1/ Number of shares = unit multiplied by number of shares that will receive from the rights to buy or exercised per unit of that particular security.

2/ Number of paid up shares = number of ordinary shares + number of preferred shares – shares that the company bought back and remained as at the end of the month before submitting Announcement of Intention to Make a Tender Offer. On 12 October 2015, the Company had paid up shares totaled 208,766,400 shares and warrants issued and not yet exercised total 45,900,081 units.

3/ Form 247-3

When consider the detail of this tender offer calculated from percentage of paid up shares after exercising:

| Type of securities | Section | Number of securities being tendered (share/unit) | Securities being tendered (percentage of) | | | Price / unit (Baht) ^{3/} | Offered value (Baht) |
|---------------------------|---------|--|---|---|---|-----------------------------------|----------------------|
| | | | Of number of shares / warrants issued and paid up as of 12 October 2015 | Of issued and paid up shares after exercising all warrants of the Company ^{2/} | Of voting rights after exercising all warrants of the Company ^{2/} | | |
| Ordinary shares | | 82,359,000 | 39.45 | 32.32 | 32.32 | 7.80 | 642,400,200 |
| Preferred shares | | - | - | - | - | - | - |
| Warrants | 1 | 19,298,231 | 42.04 | 7.57 | 7.57 | 2.80 | 54,035,047 |
| Convertible securities | | - | - | - | - | - | - |
| Other securities (if any) | | - | - | - | - | - | - |
| Total | | | | | 39.87 | Total | 696,435,247 |

Remarks 1/ On 12 October 2015, the Company had paid up shares totaled 208,766,400 shares and outstanding warrants totaled 45,900,081 units.

2/ BOD's resolution No.1/2013 approved the Company to increase registered capital, newly issued ordinary shares and warrants resulting in number of paid up shares after the exercising of warrants would be 255,000,000 shares. However because the Company was unable to sell all warrants in the first round with 19 units as leftovers (Form F35-4 as of 3 June 2013) thus making number of shares issued and paid up equals 254,999,981 shares.

3/ Investors that are selling securities in the tender offer has to pay for the brokerage fee at 0.25% of selling price and VAT 7% on such brokerage fee. Hence the selling price for ordinary shares is Baht 7.779135 per share and Baht 2.79251 per warrant.

4/ Form 247-3

Thus, the Tender Offeror has to make a mandatory tender offer to purchase all the 82,359,000 ordinary shares as well as all the remaining outstanding TPAC-W1 19,298,231 units, accounting for 32.32% and 7.57% respectively of the issued and paid up capital in the case that all warrants have been exercised ("Fully Diluted"). On a fully diluted basis on exercise of all outstanding warrants the Company would have 254,999,981 ordinary shares. According to notification of the Capital Market Supervisory Board No. Tor Jor 12/2554 Re: Rules, Conditions, and Procedures for the Acquisition of Securities for Business Takeovers ("The Notification of the Capital Market Supervisory Board No. Thor Jor. 12/2554").

According to form 247-4 dated 13 October 2015, the Offering Price is Baht 7.80 per share ("Offering Price of share") and the Offering price is Baht 2.80 for each unit of warrant ("Offering Price of warrants"). The Tender Offer Period is set for 25 business days during 14 October 2015 to 18 November 2015 from 9.00 a.m. to 4.00 p.m. on every business day ("Lunch break from 12.30 p.m. to 1.30 p.m."). The Offering Price is the final

price and the Tender Offeror will not change the Offering Price and the final offering period that shall not be extended (Final Period). The Tender Offeror may cancel the Tender Offer, after the submission of the Tender Offer to the Securities and Exchange Commission ("SEC") but before the end of the Tender Offer Period, upon the occurrence of one or more of the following events:

The Tender Offeror may reduce the offering price or extend the offering period upon an occurrence of any event or action which causes or may cause a material adverse effect to the assets or status of the Company during the Offer Period.

The Offeror may amend the Offer or extend the Offer Period in order to compete with the other offeror if there is another offeror who submits a competing Tender Offer during the Offer Period,

The Tender Offeror may cancel the Tender Offer upon the occurrence of one or more of the following events during the period between the submission of the Tender Offer document to the Office of the Securities and Exchange Commission ("the SEC") and the end of the Tender Offer period:

1. Any event or action occurring, after the submission of the Tender Offer documents, to the SEC but before the end of the Tender Offer Period, which have or may have a material adverse effect on the Company's status or assets, and where such event or action is not the result of the Offeror's actions under the responsibility of the Offeror; or

2. Any event or action done by the Company after the submission of the Tender Offer documents, to the SEC but before the end of the Tender Offer Period which causes significant fall in the price of the ordinary share.

Discover as an Independent Financial Advisor has provided an opinion on this Tender Offer based on Tender Offer form (Form 247-4) of the Company dated 13 October 2015, including the amendment, information received from the Company, public information, related information, auditor's report and financial statements of the Company, the valuation of independent appraisers, as well as interviews with executives and related persons. The opinion provided by Independent Financial Advisor ("IFA") is based on the assumptions that information and documents provided are accurate and true without any significant changes. Consideration on economy and information is based on the time of study only. If any factors mentioned above has significant changes from the current situation, the Company may be affected by such changes, which may cause significant changes on business operations, financial projections, as well as the opinion of the IFA and the decision of the shareholders in the tender offer.

In addition, the IFA has provided an opinion in Thai and its English translation for the benefit of the foreigner shareholders. If there is any variation between the Thai and English version, than reliance to be made on the opinion provided in Thai only.

In consideration to whether or not to accept or reject this Tender Offer, the shareholders of Thai Plaspac Public Company Limited can study the Information and Opinion of the Independent Financial Advisor on various issues presented in this report. However, the decision to accept or reject the tender offer is at the discretion and privacy of each shareholder. The IFA has no conflict of interest in this offer, and does not hold any of TPAC securities, ordinary shares and warrants.

From all considerations mentioned above which may have impact on the Company and its shareholders, IFA has an opinion that shareholders should reject this Tender Offer (tender offer for ordinary shares and warrants) with details as follow.

1. Independent Financial Advisor's Opinions on the Offering Price of the TPAC's Securities

1.1. The Appropriateness of the TPAC's Security Offering Price

1.1.1. Fair value of TPAC ordinary shares

For share valuation of TPAC, the Independent Financial Advisor considers based on information from the management interview, audited financial statements, an asset appraisal report for the purpose of public's interest by the independent appraiser certified by SEC, and other publicly disclosed information. Nonetheless, the Independent Financial Advisor's opinion is based on the assumptions from all received information and documents are correct and true. IFA also considers the economic condition and the information prevalent at the time of this study. Thus, any significant change in those factors from the current circumstance may pose impact on the TPAC's operation and valuation including the shareholders' decision

In order to determine the fairness of the Transaction fair price, the IFA has evaluated the TPAC's share price valuation by using the 6 following approaches.

1. Book Value Approach
2. Adjusted Book Value Approach
3. Market Price Approach
4. Price to Book Value Ratio Approach or P/BV Ratio
5. Price-to-Earnings Ratio Approach
6. Discounted Cash Flow Approach

Except for Market Price Approach, all the valuation approaches that the independent financial advisor valued the share value is between the current share value and the share value in case of fully diluted. Due to the uncertainties in the conversion (the Company has TPAC-W1 which accounts for 20.31% after conversion). However, TPAC-W1 at 12.74% after conversion belongs to the tender offeror and the tender offeror has made a clear intention in the form 247-4 that this investment would be a long term investment in order to generate profit from the operation of the business in the future, the IFA therefore assumes that all of the TPAC-W1 will be exercised with in the year 2016 (The tender offeror has 26,601,850 units of the warrants, accounting for 57.96% of total TPAC-W1 and have not exercised the warrant). Hence, the Company is expected to receive funding from the TPAC-W1 exercise amount Baht 229.67 million in May 2016 and total paid up capital would be Baht 255 million.

I. Book Value Approach

This valuation approach is considered a value of the share price of TPAC which can obtain from its financial statement at a certain point in time. This valuation approach will apply the book value of the net asset (total assets minus total liabilities) or the shareholders' equity and then dividing the net asset value by the number of share. The result is the book value per share from the TPAC. In this case, the TPAC's share valuation is based on the financial statement as of 30 June 2015. The summary of the TPAC's share valuation is as follow:

| No. | Details | Baht Million |
|-----|---|---------------|
| 1 | Paid up capital | 206.03 |
| 2 | Premium on share capital | 111.17 |
| 3 | Surplus from share based payments | 25.39 |
| 4 | Retain earnings appropriated | 386.54 |
| 5 | Equity attributable to owners of the Company (5) = (1)+(2)+(3)+(4) | 707.06 |
| 6 | Issued and paid-up (shares) (million shares) ^{1/} | 206.03 |
| 7 | Book value per share (Baht) | 3.43 |
| 8 | Equity attributable to owners of the Company (after fully diluted TPAC-W1 and ESOP^{2/}) | 948.86 |
| 9 | Issued and paid-up (shares) after fully diluted TPAC-W1 และ ESOP (million shares) | 255.00 |
| 10 | Book value per share (Baht) when Fully Diluted | 3.72 |

Remark: 1/ Par value Baht 1.00 as of 12 October 2015

2/ As of 30 June 2015, the Company had issued warrants not yet exercised amount 45.94 million units (convertible price Baht 5 per unit and convertible ratio 1:1) and has TPAC-ESOP not yet exercised 3.03 million units (convertible price Baht 4 per unit and convertible ratio 1:1) totaling Baht 241.81 million.

The IFA has an opinion that Book Value Approach considers a financial position as of 30 June 2015 only. It does not reflect the current market value of the asset and capability to earn future profit considering the Company's competitiveness and the industry outlook. According to the Book Value approach, in the case of fully diluted the Company's share value is **Baht 3.43 - 3.72 per share** which is lower than the Offering Price of Baht 7.80 per share by Baht (4.37) - (4.08) or (56.03%) - (52.31%) of the offering price respectively.

II. Adjusted Book Value Approach

By this method, the share value is derived from the total assets, deducted by total liabilities including commitments and contingent liabilities as shown in the financial statements dated 30 June 2015, and adjusted by the items occurred after the end of accounting period or the items that may reflect the actual value of the company such as asset revaluation or impairment, reversal of allowance for doubtful account or bad debt, business licenses, goodwill, patent, brand value, losses carried forward, etc., to reflect current market value and then divided by total number of issued shares.

Using this approach, the IFA used Book value of the Company as of 30 June 2015 reviewed by the auditor and adjusted by the increase and decrease in the revaluation of fixed assets, according to the

independent appraisal report, dated 20 October 2015 by Bangkok Property Appraisal Co., Ltd (BA) which is the company assessed property value in the capital market and accredited by The Valuers Association of Thailand (“VAT”) and the SEC.

IFA has adjusted the increase and decrease in the revaluation of fixed assets according to the independent appraisal report and adjusted the book value according to land value using the market approach and machines and equipment used replacement cost in consideration of depreciation expense. The changes as of 30 June 2015 can be summarized as follows.

a. Appraisal on Land

The Company's land consists of 4 areas located close to each other at Soi Thien-talay 15 and Soi Thien-talay 30 Bangkuntian District, Bangkok. The appraiser used comparable market price to appraise the land value. The appraised value was higher than the book value by Baht 91.17 million due to the Company having purchased the land for more than 10 years and have always recorded them as book value. The Company have never adjusted the value according to the market price.

Detail on land

| <u>Land No.</u> | <u>Size</u> (Rai-Ngan- Wa) | <u>Location</u> | <u>Appraised</u> <u>value</u> (Baht/Wa) | <u>Appraised</u> <u>value</u> (Million Baht) | <u>Book Value of</u> <u>Land and Land</u> <u>Improvement</u> (Million Baht) | <u>Increase</u> <u>(Decrease)</u> (Million Baht) |
|-----------------|----------------------------------|--|---|---|--|--|
| 87813 | 6-0-28 | Soi Thien-talay 30 Bangkuntian Road - Chaitalay Bangkuntian District | 16,500.00 | 40.06 | 29.51 | 10.55 |
| 87807 | 3-0-16.5 | Soi Thien-talay 30 Bangkuntian Road - Chaitalay Bangkuntian District | 18,000.00 | 21.90 | 15.75 | 47.64 |
| 87806 | 5-3-4.8 | Soi Thien-talay 30 Bangkuntian Road - Chaitalay Bangkuntian District | 18,000.00 | 41.49 | | |
| 74377 | 3-0-0 | Soi Thien-talay 15 Bangkuntian Road - Chaitalay Bangkuntian District | 35,000.00 | 42.00 | 9.02 | 32.98 |
| <u>รวม</u> | | | | <u>145.45</u> | <u>54.28</u> | <u>91.17</u> |

b. Appraisal on Building and improvement on building

Building and improvement on building that were appraised were factory buildings and office building, warehouse and other building improvement on the Company's land. Total value was Baht 86.21 million (work in process building values Baht 4.27 million was not included). The appraiser used replacement value deducted by depreciation expense with reference to the standard construction cost as of 2013 of The Valuers Association

of Thailand. The appraised value was higher than the book value by Baht 27.70 million. The appraised value of building and improvements on building were higher than the book value due to the standard of construction cost in 2013 is higher than the Company's cost of construction. Furthermore, one of the product sector of the Company is food packaging thus it requires continuous improvement on buildings resulting in buildings being in good conditions. From the factors above, the appraised value of land and land improvement is higher than the book value.

c. Appraisal on machines and equipment

Machines and equipment consist of injection machine, blow machine, mold and other machines in total approximately 300 lists. The appraiser only appraised the main machines of the Company totaling Baht 334.16 million or 82% of total machines and equipment using Replacement Cost method. The reason that the machines and equipment's appraised value were higher than the book value is because in the past the Company recorded useful life of machines for 5 years only while the actual useful life of the machines were 10 – 20 years and some are still in use. The appraised values of machines that were fully depreciated is Baht 40.32 million higher than the book value. The appraised values of machines that are in use and depreciating is Baht 114.43 million higher than the book value. In total, the appraised value is Baht 154.75 million higher than the book value. The main reason that the appraised value is higher than the book value for machines is because the appraiser estimated the majority of the core machines to have useful life at 20 years while the Company estimated at 10 years. Furthermore, the appraiser appraised the working conditions of the machines to be 80 - 99% making the values of the machines appraised higher than the book value. IFA views that the Company did not have an intension to make the book value lower than its actual worth but has estimated the useful life of the machines differently to the appraiser. The appraisal is in line with the comments in the notes of financial statements as of 31 December 2014 under the section "Property, plant and equipment" which stated that certain items of plant and equipment items were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 310 million

Unit: Baht Million

| Main Machines in use | Book value | Appraised value | Appreciation on machines |
|--------------------------------|---------------|-----------------|--------------------------|
| <u>Machines - Injection</u> | | | |
| - Fully depreciated items | 0.00 | 28.51 | 28.51 |
| - In use and depreciating | 174.82 | 248.36 | 73.54 |
| <u>Machines - Blowing</u> | | | |
| - Fully depreciated items | 0.00 | 9.99 | 9.99 |
| - In use and depreciating | 70.92 | 96.43 | 25.50 |
| <u>Mold and other machines</u> | | | |
| - Fully depreciated items | 0.00 | 1.83 | 1.82 |
| - In use and depreciating | 88.42 | 103.80 | 15.38 |
| Total | 334.16 | 488.92 | 154.75 |

Summary on appraised value of assets

(Unit: Baht Million)

| Appraisal Assets | Book Value as of 30 June 2015 | Appraisal Price | Price higher than the Book Value |
|---|-------------------------------|-----------------|----------------------------------|
| Land | 54.28 | 145.44 | 91.17 |
| Building | 86.21 | 113.91 | 27.70 |
| Machines and equipment | 334.16 | 488.92 | 154.75 |
| <u>Machines and equipment not appraised</u> | <u>75.02</u> | <u>NA.</u> | <u>NA.</u> |
| Total | | | 273.62 |

Source: BA's appraisal report

Remarks: Due to the Company has a large number of machines, only the important ones were appraised. It accounts for 82% of total value of machines which was Baht 334.16 million.

Thus, the valuation of the shares using the adjusted book value approach that takes into account the items mentioned above results in the following share values

(Unit: Baht Million)

| | Current Capital | Fully Diluted |
|--|-----------------|---------------|
| Shareholders' Equities | 707.06 | 948.86 |
| Adjust - Increase (Decrease) value form appraisal assets | 273.62 | 273.62 |
| Shareholders' Equities after adjustment of property, plant and equipment | 980.68 | 1,222.48 |
| Total Paid-up shares (million shares) ^{1/} | 206.03 | 255.00 |
| Book value per share after adjustment (THB) ^{1/} | 4.76 | 5.93 |

Remarks: 1/ Par value Baht 1.00

The Adjusted Book Value approach reflects the financial position of the Company and the adjusted value as of 30 June 2015. It does not reflect Company's ability to make profits in the future, the competitiveness of the business, as well as economic trends and industry overview. According to the valuation using the adjusted book value approach, the Company has a value of **Baht 4.76 – 5.93 per share**; lower than the offer price of Baht 7.80 per share by Baht (3.04) - (1.87) or (38.97) – (23.97)% higher than the offer price.

III. Market Price Approach

This valuation approach uses the weighted average market price of the trading value of securities of the Company through the SET. ~~IFA refers to the "market price" as defined by the SEC Office, namely, the weighted average closing price of ordinary shares in the SET not less than 7 consecutive days but not more than 15 consecutive days over~~ An analysis is based on the past period from 7 days, 15 days, 30 days, 60 days, 90 days, 120 days, 180 days and 360 days consecutive business days prior to the date of determination of the offering price as the independent financial advisor has viewed that the said time period can reflect the

movement of the share value in the stock market and it is in line with the business operation of the Company which involves consumer products that has different level of demand throughout the year.

In the assessment by this approach, the IFA has considered the information up to 9 October 2015 (one business day prior to the date on which the Tender Offeror discloses Form 247-3). In this regard, the market price of the Company's ordinary shares by this market value approach is calculated as follows:

| (Unit: Baht) | TPAC's Weighted Average (Day) | | | | | | | |
|--------------|-------------------------------|------|------|------|------|------|------|------|
| | 7 | 15 | 30 | 60 | 90 | 120 | 180 | 360 |
| High | 7.75 | 7.75 | 7.75 | 7.95 | 7.95 | 7.95 | 7.90 | 7.75 |
| Low | 7.40 | 7.35 | 6.59 | 6.00 | 5.80 | 5.70 | 5.40 | 5.40 |
| Average | 7.56 | 7.52 | 7.43 | 7.26 | 7.17 | 7.01 | 6.81 | 6.74 |

Source: Stock Exchange of Thailand (www.setsmart.com)

Valuation by Market Price approach yields a fair value of the Company's shares between **Baht 6.74-7.56 per share** (price 7 – 360 days) which is lower than the offering price at Baht 7.80 per share by (1.06) - (0.24) or (13.59) - (3.08) percent. During the last three years the value of the Company's shares is highest at Baht 19 before the capital increase (the Company had increased its capital by 155 million new ordinary shares making the Company has 255 million shares in total) and the lowest price is at Baht 5.00 per share.

The highest and lowest prices of Company's in each quarter over the past 3 years

| Year | Quarter | Maximum and Minimum Price (Baht per Share) | |
|------|----------------------------|--|---------|
| | | Maximum | Minimum |
| 2015 | July – 9 October | 7.95 | 5.90 |
| | April - June | 6.75 | 5.65 |
| | January - March | 7.25 | 5.40 |
| 2014 | October - December | 6.10 | 5.40 |
| | July - September | 6.20 | 5.80 |
| | April - June | 7.10 | 5.90 |
| | January - March | 7.10 | 6.00 |
| 2013 | October - December | 6.40 | 5.25 |
| | July - September | 6.00 | 5.00 |
| | April - June ^{1/} | 19.00 | 5.15 |
| | January - March | 15.80 | 10.40 |
| 2012 | October - December | 11.00 | 10.00 |
| | July - September | 11.10 | 9.30 |

Remark: 1/ Value of the share before the issuance of 155.00 million newly issued ordinary shares with par value at Baht 1 (100 million ordinary shares for stock dividend, 50 million shares for warrants and 5 million shares for ESOP ("TPAC-ESOP"))

2/ Source: Stock Exchange of Thailand (www.setsmart.com)

Graph representing values of TPAC's share before and after the disclosure of Intention (247-3)



Source: Stock Exchange of Thailand (www.setsmart.com)

Market Price Approach is determined by the supply and demand of investors on the company's stock, which can reflect the value of the stocks at that time, the fundamentals of the stock and the needs of investors on the company's future growth potential and is well tolerated. The share value of the company in the past therefore could be used as a reference price to reflect the actual price of the company's shares.

IV. Price to Book Value Ratio Approach or P/BV Ratio

This valuation approach is based on the book value of the Company according to the latest consolidated financial statements as at 30 June 2015 as reviewed by the Company's auditor approved by SEC which is Baht 3.72 per share (Fully diluted) multiplied by moving average of 7 days, 15 days, 30 days, 60 days, 90 days, 120 days, 180 days and 360 days of price per book value of listed companies in the same sector as the Company (currently the Company is listed in Industrial Group of MAI) which is Industrial Group of MAI and Packaging Sector of SET as of 9 October 2015. The moving average of the ratio of price to book value of the listed companies to be compared is calculated by the moving average of the company during the above mention period, divided by the book value of the company according to the financial statements as of 30 June 2015. Currently there are 32 companies in Industrial Group of MAI and 16 companies in Packaging Sector of SET. However, IFA has selected only companies that are PET plastic packaging manufacturer with similar raw materials and production process. After considering the criteria, only three companies are comparable to TPAC which are Prodigy Public Company Limited, Panjawattana Plastic Public Company Limited and Nippon Pack (Thailand) Company Limited. However, PDG and NPP have assets and revenue which are quite different than the Company and thus using Price to Book Value ratio may yield inaccurate result.

Comparable Companies that were selected (as of 30 June 2015)

| <u>Initial</u> | <u>Revenue (1 Jan – 30 June 2015)</u> Baht Million | <u>Total Assets</u> Baht Million | <u>Total Liabilities</u> Baht Million | <u>Market Cap as of 9 October 2015</u> |
|----------------|---|-------------------------------------|--|--|
| TPAC | 398.92 | 1,150.79 | 443.73 | 1,607.50 |
| PDG | 179.58 | 690.92 | 179.20 | 1,074.60 |
| PJW | 621.92 | 2,350.13 | 1,542.39 | 1,343.35 |
| NPP | 88.13 | 1,254.00 | 154.91 | 1,771.38 |

Source: SETSMART

List of the Companies that have similar business to the Company

| Company | Stock | Nature of business | Listed |
|---|-------|--|--------|
| PRODIGY PUBLIC COMPANY LIMITED | PDG | Manufacture and sell of plastic packaging e.g. oil bottle, water bottle, sauce bottle | MAI |
| PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED | PJW | Manufacture and sell of plastic packaging e.g. bottle, lid, plastic parts of automobiles | MAI |
| NIPPON PACK (THAILAND) PUBLIC COMPANY LIMITED | NPP | Manufacture and sell of plastic packaging e.g. plastic film, plastic bottle | SET |

Source: Stock Exchange of Thailand

Following is the summary of details

| P/BV: | Moving Average (as of 30 June 2015) | | | | | | | |
|---|-------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------------|
| | 7 | 15 | 30 | 60 | 90 | 120 | 180 | 360 |
| PDG | 2.05 | 2.06 | 2.10 | 2.11 | 2.22 | 2.23 | 2.16 | 1.90 |
| PJW | 1.41 | 1.49 | 1.57 | 1.70 | 1.78 | 1.85 | 1.86 | 2.02 |
| NPP | 1.67 | 1.70 | 1.65 | 1.54 | 1.53 | 1.55 | 1.89 | 2.10 |
| Median | 1.67 | 1.70 | 1.65 | 1.70 | 1.78 | 1.85 | 1.89 | 2.02 |
| TPAC share value (Baht/share) Fully Diluted | 6.23 | 6.33 | 6.13 | 6.31 | 6.63 | 6.87 | 7.02 | 7.53 |
| TPAC share value (Baht/share) | 5.74 | 5.84 | 5.66 | 5.92 | 6.12 | 6.34 | 6.48 | 6.94 6.85 |
| Booking closing 9 Oct 2015 | 5.67 | 5.76 | 5.58 | 5.75 | 6.04 | 6.25 | 6.40 | |

Source: Stock Exchange of Thailand (www.setsmart.com)

According to the Price to Book Ratio approach, share value of the Company is between Baht ~~5.74~~ – ~~6.94~~ ~~5.67~~ – ~~6.85~~ and ~~6.13~~ – ~~7.53~~ per share in case of fully diluted which is lower than the Tender Offering price at Baht 7.80 per share by Baht ~~(1.67)~~ - ~~(0.27)~~ or ~~(21.41)~~ – ~~(3.46)~~ percent of the Tender Offering price.

V. Price-to-Earnings Ratio Approach

This approach is using earnings per share for the last 4 quarters ended 30 June 2015 reviewed by auditor approved by SEC. The earning per share is Baht 0.38 per share (fully diluted) multiply by Moving Average 7, 15, 30, 60, 90, 120, 180 and 360 days of P/E of listed companies in the same sector (Industrial Group of MAI and Packaging Sector of SET as of 9 October 2015).

The IFA chose the manufacturers of plastic which is considered substitute products and has raw materials and manufacturing process that are in line with the Company. The moving average of earning per share of the Company that are used to compare are computed according to periods mentioned above with reference to the latest financial report as of 30 June 2015. [The detail on the selection criteria is described in Price to Book Value Ratio Approach.](#)

List of the Companies that have similar business to the Company

| Company | Stock | Nature of business | Listed |
|---|-------|--|--------|
| PRODIGY PUBLIC COMPANY LIMITED | PDG | Manufacture and sell of plastic packaging e.g. oil bottle, water bottle, sauce bottle | MAI |
| PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED | PJW | Manufacture and sell of plastic packaging e.g. bottle, lid, plastic parts of automobiles | MAI |
| NIPPON PACK (THAILAND) PUBLIC COMPANY LIMITED | NPP | Manufacture and sell of plastic packaging e.g. plastic film, plastic bottle | SET |

Source: Stock Exchange of Thailand

Following is the summary of details

| P/E: | Moving Average (as of 30 June 2015) | | | | | | | |
|--|-------------------------------------|---------|---------|---------|---------|---------|---------|---------|
| | 7 | 15 | 30 | 60 | 90 | 120 | 180 | 360 |
| PDG | 14.17 | 14.23 | 14.46 | 14.55 | 15.29 | 15.36 | 14.92 | 13.13 |
| PJW | 78.52 | 82.75 | 87.12 | 94.45 | 99.18 | 102.77 | 103.68 | 112.60 |
| NPP | (15.82) | (16.08) | (15.58) | (14.51) | (14.45) | (14.67) | (17.84) | (19.81) |
| Median | 14.17 | 14.23 | 14.46 | 14.55 | 15.29 | 15.36 | 14.92 | 13.13 |
| TPAC share value (Baht/share) Fully Diluted | 5.45 | 5.47 | 5.56 | 5.60 | 5.88 | 5.91 | 5.74 | 5.05 |
| TPAC share value (Baht/share) Booking closing 9 Oct 2015 | 6.75 | 6.77 | 6.89 | 6.93 | 7.28 | 7.32 | 7.10 | 6.25 |
| | 6.66 | 6.69 | 6.80 | 6.84 | 7.18 | 7.22 | 7.01 | 6.17 |

Source: Stock Exchange of Thailand (www.setsmart.com)

According to the Price to Earnings Ratio approach, share value of the Company is between Baht ~~6.25 – 7.32~~ 6.17 – 7.22 and Baht 5.05 – 5.91 per share in case of fully diluted which is lower than the Tender Offering price at Baht 7.80 per share by Baht (2.75)- (1.89) or (35.26) – (24.23) percent of the Tender Offering price

VI. Discounted Cash Flow Approach

This valuation approach will consider the future operation of the Company by projecting Free Cash Flow (FCF) using the appropriate discount rate. The IFA calculated Weighted Average Cost of Capital (WACC) in order to calculate present value of FCF of the Company for the projection period of 6 years (2015-2020) under the assumption that packaging business of TPAC is still operated on a going concern basis under the current economy and situation.

The IFA prepared the projection of TPAC as the consolidated financial statement basis by referring to the information and assumptions obtained from the Company and the interview with the management and employees for the purpose of evaluating the fair value of the Company's ordinary share for offering the newly-issued ordinary share. If there is any significant change of economy and other external factors, which may affect the Company's operation resulting in the significant changes of assumptions, the fair value of the Company will change accordingly. In order to understand the business operation of the Company, IFA would like to summarize the Company's business in general. TPAC is a bottle and caps manufacturing contractor in which the core raw material is PET. Due to it being a commodity product, the cost of the raw materials are accessible to both the Company and its customer. The Company therefore uses Cost Plus method whereby an agreement between TPAC and its customer would be based on raw material cost at the time of the purchase order. Thus, sales revenue of the Company can increase with production capacity and raw material cost and the profitability depends on the efficiency in the production process.

Assumptions of TPAC are as follows:

a. Revenue

The Company's core business begins from contacting clients across different industries such as Food and Drink packaging, Personal Care packaging, Household and kitchenware packaging and Mechanic parts and furniture. Once the Company receives purchase order, the Company will hire an outsource company to create mold for different products and enter into contract with clients for approximately 1 – 3 years depending on the cases. After that the Company will plan on production process together with the client according to the purchase order. The Company continues to increase production capacity in order to serve the increasing demand of the customer and to replace the machines that had old technologies. Usually the Company's actual production is 80 -85% of capacity because there is a switching time when changing the mold format for different products (Downtime) or the machines could be in maintenance period. Thus, the revenue assumptions are as follow.

- The Company's main revenue is from manufacturing plastic packaging such as bottles, caps and other parts as requested by clients across different industries. Packaging that the Company produces can be classified into 4 types which are Food and Drink packaging, Personal Care packaging, Household and kitchenware packaging and Mechanic parts and furniture. The Company also has revenue from selling of plastic scraps, expired molds selling back to the client and profit from selling of assets not used.
- The IFA has assumed that the production capacity in 2015 (full capacity at 20,000 ton per year) will increase by 5%, per year and will have actual production at 80.5% of total production capacity. This will be constant across the projection life which is in line with the past actual production of the Company. From the management interview, production rate at 80.5% is the maximum utilization rate. This can be observed in the production in 2014 which went up to 88.5% but the profit was less than that of 2013.
- The IFA has set the selling price with reference to the average price as of half year of 2015 and fix it constant all the way through the projection. From the past performance, the Company uses cost plus method in setting the price and compare with the competitors (if any) which would make the gross profit margin relatively constant. and the growth rate is 2.5% per year following the inflation rate.
- For other revenue, the IFA considered the past average (2012 – 2014) and has set at 0.9% of revenue from sales. This will be constant across the projection life.

(Unit: Million Baht)

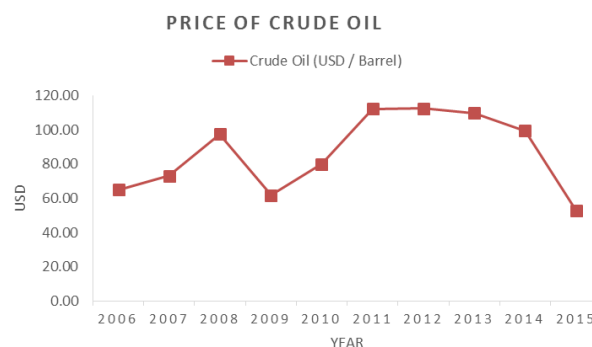
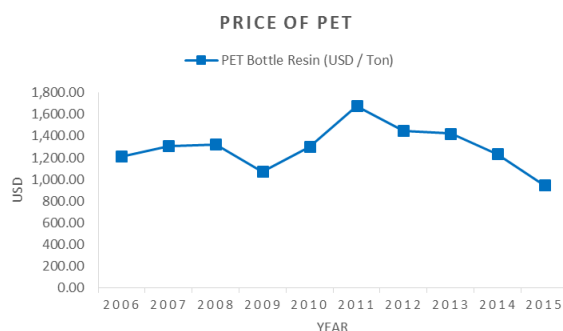
| Revenue | 2012A | 2013A | 2014A | 2015F | 2016F | 2017F | 2018F | 2019F | 2020F |
|--------------------------------------|----------|----------|----------|----------|-------------------------------|-------------------------------|----------|-------------------------------|-------------------------------|
| Production capacity (ton) | 15,455 | 17,000 | 17,000 | 20,000 | 21,000 | 22,050 | 23,153 | 24,310 | 25,526 |
| Actual production (ton) | 12,354 | 14,302 | 15,047 | 16,100 | 16,905 | 17,750 | 18,638 | 19,570 | 20,548 |
| Production rate | 79.9% | 84.1% | 88.5% | 80.5% | 80.5% | 80.5% | 80.5% | 80.5% | 80.5% |
| Average selling price (Baht per ton) | 111,282 | 109,916 | 111,199 | 100,162 | 100,162+0 0.163 | 100,162+0 0.164 | 100,162 | 100,162+0 0.166 | 100,162+0 0.617 |
| Revenue from sales | 1,374.73 | 1,572.02 | 1,673.18 | 1,612.60 | 1,693.23 | 1,777.89 | 1,866.78 | 1,960.12 | 2,058.13 |
| Other revenue | 12.58 | 19.13 | 13.02 | 14.64 | 15.37 | 16.14 | 16.94 | 17.79 | 18.68 |
| Total revenue | 1,387.31 | 1,591.15 | 1,686.20 | 1,627.24 | 1,708.59 | 1,794.03 | 1,883.73 | 1,977.91 | 2,076.81 |

b. Cost of sales

From past performance, the cost of sales structure of the Company has not changed much all through the years due to it being Cost Plus operation. IFA has used 3 years average of cost of sales and set it constant all the way through the projection. The detail is as follows,

- The main cost of sales is the plastic polymers such as polypropylene, polyethylene, ABS etc. The IFA has used the 3 year average selling price as the reference price and has set it constant all the way through the projection life. The cost of raw materials move in the same trend as the oil price in the world market whereby since the beginning of 2015, the oil price has declined significantly compared to previous years and it has been forecasted to go down further. The lower cost of oil price leads to lower

cost of raw materials which results in lower revenue due to it being a Cost Plus business. Although cost of raw materials decrease, it does not affect the profitability of the Company much. IFA uses the 3 years average cost to sales revenue which was 43.8% and set it constant all the way through the projection. From the graphs below, it illustrates that for the past 10 years, cost of raw materials at present is lower than that of year 2006.



Source: www.ISH.com

- Other raw materials such as additional liquid, foam, film, membrane etc. The IFA has set the cost to sales revenue using 3 year average selling price equals 12.6% of and has set it constant all the way through the projection life.
- The labor cost, the IFA uses 3 years average cost to revenue ratio which was between 10.7 – 11.3% in which the reason that the labour cost in average of the past have been stable due to the more efficiency in machines which results in lower uses of labour. Therefore, labour cost to sales revenue ratio is relatively stable. The Company needs to modify and invest in new machines in order to improve efficiency and reduce cost of production. Therefore, IFA uses the most updated labour cost to sales revenue as of 2015 which was 12.00% and sets it constant all the way through the projection.
- For other expenses related to production expenses, IFA uses 3 years average cost to revenue ratio which was 10.2% and sets it constant all the way through the projection.
- Depreciation expense consists of depreciation expense of existing assets and newly acquired assets that must be invested to replace the old ones especially the machines and equipment. IFA uses 20 years useful life for building and 10 years useful life for machines and 5 years useful life for office appliances to be in line with the Company's financial statement.

(Unit: Million Baht)

| Cost of sales | 2015F | 2016F | 2017F | 2018F | 2019F | 2020F |
|---------------------------|--------|--------|----------|----------|----------|----------|
| Raw materials | 912.00 | 957.60 | 1,005.48 | 1,055.75 | 1,108.54 | 1,163.97 |
| Labour cost | 195.35 | 205.12 | 215.38 | 226.14 | 237.45 | 249.32 |
| Other production expenses | 166.22 | 174.53 | 183.26 | 192.42 | 202.04 | 212.14 |
| Depreciation | 105.84 | 115.84 | 126.84 | 136.84 | 147.82 | 158.53 |

| | | | | | | |
|----------------------------------|----------|----------|----------|----------|----------|----------|
| Cost of sales | 1,379.41 | 1,453.09 | 1,530.95 | 1,611.16 | 1,695.85 | 1,784.96 |
| Proportion from sale revenue (%) | 85.5% | 85.8% | 86.1% | 86.3% | 86.5% | 86.7% |

c. Selling expenses

- For selling expense, this is mostly transportation expense for delivering goods to clients, accounting for 65-68% of the selling expenses. Other expenses which are travelling expenses, vehicles depreciation, and maintenance are relatively stable compared to revenue from the past. The IFA has set the selling expense to sales revenue using 3 year average selling price which equals 3.1% as the reference price and has set it constant all the way through the projection life.

(Unit: Million Baht)

| Selling expenses | 2012A | 2013A | 2014A | 2015F | 2016F | 2017F | 2018F | 2019F | 2020F |
|-----------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Selling expenses | 43.13 | 48.32 | 50.88 | 49.86 | 52.35 | 54.97 | 57.72 | 60.61 | 63.64 |
| Proportion from total revenue (%) | 3.1% | 3.0% | 3.0% | 3.1% | 3.1% | 3.1% | 3.1% | 3.1% | 3.1% |

d. Administrative expenses

- For administrative expense, this is mostly employee related expense including salaries of employees and management and employee's benefits accounting for 80% of administrative expense such as utilities expense, depreciation of office appliances, showroom rent and consulting fee. The growth rate is assumed to be 2.5% per year and constant all the way through the projection life. the IFA has set the cost to sales revenue using 3 year average selling price as the reference price and has set it constant all the way through the projection life.

(Unit: Million Baht)

| Administrative expenses | 2012A | 2013A | 2014A | 2015F | 2016F | 2017F | 2018F | 2019F | 2020F |
|-----------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Administrative expenses | 52.98 | 63.81 | 69.29 | 60.84 | 61.77 | 62.82 | 64.50 | 66.24 | 68.02 |
| Proportion from total revenue (%) | 3.8% | 4.0% | 4.1% | 3.7% | 3.6% | 3.5% | 3.4% | 3.3% | 3.3% |

e. Capital Expenditure

The Company plans to purchase machines and equipment every year in order to replace the machines that had low technologies or low efficiency to increase production capacity to serve the demand of the clients (the old machines would be sold as scraps and recorded as Other Income. IFA has estimated other income in the projection and considers the income from selling of scraps machines to be insignificant to the Company's performance). The Company also renovates some parts of buildings and invests in office equipment and vehicles. The IFA has assumed that the total fund invested yearly would be approximately Baht 90.00 – 120.00 million all the way through the projection life, this is in line with past performance. The details can be summarized as follow:

(Unit: million baht)

| Main Capital Expenditure | 2015F | 2016F | 2017F | 2018F | 2019F | 2020F |
|---------------------------|-------|-------|-------|-------|-------|-------|
| Buildings and renovations | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 |
| Office appliances | - | 5.0 | - | - | 5.0 | - |
| Machines and equipment | 80.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Vehicles | - | 5.0 | - | - | 5.0 | - |
| Total | 90.0 | 120.0 | 110.0 | 110.0 | 120.0 | 110.0 |

Remark: *Machines and equipment includes the fixing of machines, purchasing new machines and new mold.

f. Corporate income tax

Corporate income tax rate is 20%.

g. Other ratios in Statement of financial position

| Other ratios | 2012A | 2013A | 2014A | 2015-Q2 | 2015F | 2016F | 2017F | 2018F | 2019F | 2020F |
|---|-------|-------|-------|---------|-------|-------|-------|-------|-------|-------|
| Average collection day of account receivables (Day) | 77.13 | 78.84 | 82.93 | 90.17 | 82.27 | 82.27 | 82.27 | 82.27 | 82.27 | 82.27 |
| Average inventories day (Day) | 29.98 | 25.45 | 23.21 | 24.48 | 25.78 | 25.78 | 25.78 | 25.78 | 25.78 | 25.78 |
| Average payment day of account payables (Day) | 57.54 | 59.50 | 61.88 | 65.65 | 61.14 | 61.14 | 61.14 | 61.14 | 61.14 | 61.14 |

- Average collection day of account receivables with reference to half year of 2015 equals 82.27 days and set constant all the way through the projection life.
- Average payment day of account payables with reference to half year of 2015 equals 25.78 days and set constant all the way through the projection life.
- Average inventories day of inventories with reference to half year of 2015 equals 61.14 days and set constant all the way through the projection life.

According to the assumptions above TPAC's financial statement for years 2012 – 2019 is shown below.

| (Baht Million) | 2012A | 2013A | 2014A | 2015F | 2016F | 2017F | 2018F | 2019F | 2020F |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| <u>Statement of financial position</u> | | | | | | | | | |
| Total assets | 1,056.35 | 1,161.45 | 1,235.71 | 1,170.32 | 1,386.17 | 1,399.97 | 1,437.61 | 1,505.47 | 1,579.23 |
| Total liabilities | 520.68 | 510.10 | 545.10 | 407.58 | 347.10 | 312.45 | 299.05 | 314.81 | 331.26 |
| Total shareholders' equity | 535.67 | 651.35 | 690.61 | 762.74 | 1,039.08 | 1,087.52 | 1,138.56 | 1,190.66 | 1,247.97 |
| <u>Statement of comprehensive income</u> | | | | | | | | | |
| Total revenue | 1,387.31 | 1,591.15 | 1,686.20 | 1,627.25 | 1,708.60 | 1,794.03 | 1,883.73 | 1,977.91 | 2,076.81 |
| Total expenses | 1,287.35 | 1,468.08 | 1,592.81 | 1,525.57 | 1,600.93 | 1,680.99 | 1,764.86 | 1,854.49 | 1,945.45 |
| Net Profit (Loss) | 99.96 | 123.07 | 93.39 | 101.68 | 107.68 | 113.04 | 118.87 | 123.42 | 131.36 |

h. Terminal Value

IFA estimate the terminal value at 2.50% per year growth in free cash flow in line with the inflation estimated by the Bank of Thailand. [IFA views that the Company's revenue is derived from selling of consumer goods to the general consumers especially food and drinks, personal care products and medical products. Setting the growth rate to be the inflation rate should reflect the Company's business operation.](#)

i. Discount Rate

The discount rate applied to the calculation of the present value of free cash flow is the Weighted Average Cost of Capital (WACC) capital based on the Company's capital structure, which derived from the weighted average of Cost of Debt (Kd) and Cost of Equity (Ke) based on the following formula;

| | | |
|------|---|--|
| WACC | = | $Ke * E / (D + E) + Kd * (1 - T) * D / (D + E)$ |
| Ke | = | Cost of equity or shareholders' required rate of return (Re) |
| Kd | = | Cost of debt or loan interest rate |
| T | = | Corporate income tax rate |
| E | = | Total shareholders' equity |
| D | = | Interest-bearing debt |

Cost of equity (Ke) or the required rate of return for shareholders (Re) is derived from the Capital Asset Pricing Model (CAPM) as follows;

$$K_e \text{ (or } R_e) = R_f + \beta (R_m - R_f)$$

Whereby

Risk Free Rate (R_f) = 3.58% per annum based on 25-year government bond yield (information as of 9 October 2558), which is the government bond yield that is aligned with the period of the projection and under the assumption that the business is on an on-going basis

[\(Source: Thai BMA\)](#)

Beta (β) = Based on the average Beta of TPAC 1 year period [\(due to it being the most suitable timing to reflect the price movement\)](#) equals 0.66

[\(Source: Data from SET\)](#)

Market Risk (R_m) = 13.31% per annum, which is the 25-year average rate of return from the investment in market portfolio of the Stock Exchange of Thailand (1990 – October 2015).

However, the IFA did not take into account the market returns during 1975 – 1989 because they were returns during the establishment of the SET when few companies were listed and trading volume was still limited. Therefore, they may not reflect the actual market return

From the information, the required rate of return (R_g) is 9.97% p.a. While, the Company cost of debt (K_d) is 5.75% p.a., resulting in the WACC 9.08 – 9.97% p.a. throughout the projection period.

j. Capital Increase

From the financial statement of the Company as of 30 June 2015, the company has warrants as follows

1. TPAC-W1 totaled 45,935,081 units with conversion price of Baht 5 per share.
Conversion ratio is 1 unit: 1 ordinary share. This will expire on 21 May 2016.
2. ESOP totaled 3,033,000 units with conversion price of Baht 4 per share.
Conversion ratio is 1 unit: 1 ordinary share. This will expire on 21 May 2016.

As the tender offeror has made a clear intention in the form 247-4 that this investment would be a long term investment in order to generate profit from the operation of the business in the future, the IFA therefore assumes that all of the TPAC-W1 will be exercised with in the year 2016 (The tender offeror has 26,601,850 units of the warrants, accounting for 57.96% of total TPAC-W1. The Company therefore is expected to receive funding from the TPAC-W1 exercise amount Baht 229.67 million in May 2016 and total paid up capital would be Baht 255 million. For TPAC-ESOP, IFA forecasts that all units will be exercised within 2015 (due to employees have already exercised the right to purchase ordinary shares up to 3,000,000 shares in quarter3 of 2015). The Company expects to receive capital increase from this portion amount Baht 12.13 million within 2015. IFA has taken in account the increase in capital of 2015 and 2016 and it affects the Discount Rate. The cash received from exercising of TPAC-W1 and TPAC-ESOP in the future is part of the cash flow from financing thus it very small impact on the result of the Discounted Cash Flow valuation Approach.

| | 2558F | 2559F | 2560F | 2561F | 2562F | 2563F |
|----------|-------|-------|-------|-------|-------|-------|
| D/E | 0.20 | 0.07 | 0.03 | = | = | = |
| WACC (%) | 9.08% | 9.60% | 9.83% | 9.97% | 9.97% | 9.97% |

Therefore, Free Cash Flow: FCF can be summarized as follows

(Free Cash Flow: FCF)

| (Unit: Baht Million) | 2015F | 2016F | 2017F | 2018F | 2019F | 2020F |
|-------------------------------|---------|----------|----------|----------|----------|----------|
| EBIT | 137.13 | 141.39 | 145.29 | 150.35 | 155.23 | 161.19 |
| Tax | (25.42) | (26.92) | (28.26) | (29.72) | (30.86) | (28.88) |
| Depreciation and write off | 109.08 | 116.95 | 128.04 | 138.12 | 149.20 | 160.01 |
| Investment | 90.00 | (120.00) | (110.00) | (110.00) | (120.00) | (110.00) |
| Change in net working capital | (12.36) | (11.24) | (11.70) | (12.44) | (13.01) | (13.74) |
| FCF | 118.44 | 100.19 | 123.37 | 136.33 | 140.57 | 168.59 |
| Present Value | 113.40 | 87.32 | 97.58 | 97.75 | 91.65 | 99.96 |

(unit: Baht Million)

| | |
|---|-----------------|
| PV of Terminal Value | 1,371.37 |
| Total PV of FCF | 1,959.00 |
| Add: Cash and Available-for-sale investments as of 30 June 2015 | 9.44 |
| Less: Interest bearing debt as of 31 March 2014 | 188.50 |
| Net Free Cash Flow | 1,779.95 |
| Total paid-up shares (share) | 206.03 |
| FCF per share (Baht / share) | 8.64 |

| | |
|---|-----------------|
| Add: Cash received from ESOP exercise amount 3 million units | 12.00 |
| Net Free Cash Flow | 1,791.95 |
| Total paid-up shares (including new shares from the capital increase) | 255.00 |
| FCF per share (Baht / share) (Fully Diluted) | 7.03 |

Remark: IFA has adjusted the additional cash due to in quarter3/2558, employees have exercised the ESOP amount 3 million shares.

Moreover the IFA has provided the Sensitivity Analysis on Discount Rate or WACC of 0.50% per year.

| | Sensitivity of WACC | WACC (%) (Year1-5) | Share Value (Baht/share) Current capital | Share Value (Baht/share) (Fully Diluted) |
|-----------------------|---------------------|--------------------|--|--|
| Case 1 | + 0.50% | 9.58% - 10.47% | 8.03 | 6.54 |
| Normal Case | 0.00% | 9.08% - 9.97% | 8.64 | 7.03 |
| Case 2 | - 0.50% | 8.58% -9.47% | 9.34 | 7.59 |
| Average (Baht /share) | | | 8.67 | 7.05 |

According to the Sensitivity Analysis on the WACC, the share value of the Company is between Baht 7.05 – 8.67 per share while the offering price is Baht 7.80 per share. The offering price is appropriate as it falls within the range.

The projections have been prepared based on the assumptions of TPAC under current economic conditions, so if there are any changes. About the business plan TPAC and policies of economic change or natural disasters that affect disease. Make a significant difference from the current business of the Company or changes to the estimates and defined variables. May result in estimates that are established under the assumption that the above changes significantly. And may affect the value of the estimated TPAC have changed as well.

1.2. Summary of the Appropriateness of the TPAC's Security Offering Price

The table below compares fair value of the Company's Shares from Various Share Valuation Approaches

(Unit: Baht / Share)

| Valuation Approach | Price | Offering Price | Higher (Lower) than the Offering Price | Higher (Lower) than the Offering Price (%) |
|------------------------------|-------------|----------------|--|--|
| 1) Book Value | 3.43 – 3.72 | 7.80 | (4.37) - (4.08) | (56.03) - (52.31) |
| 2) Adjusted Book Value | 4.76 – 5.93 | 7.80 | (3.04) - (1.87) | (38.97) - (23.97) |
| 3) Market Price | 6.74 – 7.56 | 7.80 | (1.06) - (0.24) | (13.59) - (3.08) |
| 4) Price to Book Value Ratio | 6.14 – 7.53 | 7.80 | (1.67) - (0.27) | (21.41) - (3.46) |
| 5) Price to Earnings Ratio | 5.45 – 5.91 | 7.80 | (2.75) - (1.89) | (35.26) - (24.23) |
| 6) Discounted Cash flow* | 7.05 – 8.67 | 7.80 | (0.75) – 0.87 | (9.62) – 11.15 |

Remark: * Based on the current business plan of the Company and WACC is between 8.58% - 10.47%

Each valuation approach has pros and cons and will reflect the value of the share differently as shown below.

1) Book Value Approach will take into account the financial position at any one point in time and the value of the property as it was recorded. Without regard to their ability to make profits and results of operations in future, the competitiveness of the company or the economic, and industry overview. Thus, the IFA believes this valuation method is not suitable to be used to estimate the fair value of the Company's shares and does not reflect the real value of the equity shares of the company

2) Adjusted Book Value Approach better reflects the net asset value of the valuation of the above approach because this is the book value as identified in section1, then adjusted by the market value of land, building and structures and then divided by the number of shares. However, this method does not take into account the ability to make a profit and operating results in the future. Thus, the IFA believes this method may not reflect the real value of the equity shares of the company.

3) Market Price is a market mechanism, which determined by the supply and demand of investors on the company's stocks. It can reflect the value of the stocks at that time, the fundamentals of the company and the company's future growth potential of the company as well as the past. It can be used as a reference price to reflect the actual price of the shares of the Company.

4) Price to Book Value Ratio Approach is taking into account of the company's financial statement at one point in time by comparing to the set of referral companies without regard to their ability to make profits in the future. This approach assumes that the Company's capability and potential are comparable among the group of companies. However, this method does not take into account the ability to make a profit and operating results in the future. Thus, the IFA believes this valuation method is not suitable to be used to estimate the fair value of the Company's shares and does not reflect the real value of the equity shares of the company

5) Price to Earnings Ratio Approach considers the ability to generate profit in the future by comparing the average of the ratio to the comparable group of companies. This approach is widely used and it is based on the assumption that the Company's capability and potential are comparable among the group of

companies. Although only the comparable companies are selected, they have different customer group, different asset size and different revenue. Thus, the IFA believes this method is not suitable to valuate fair value as it may not reflect the real value of the equity shares of the company.

6) Discounted Cash Flow approach is a reflection of the ability to make profit and generate cash flow of the Company to be in the future. The estimate of the present value of the cash flows expected to be received in the future based on the past, the economy, and its operations in the future, therefore, this method can reflect the true value of the business as well.

IFA has an opinion that the ~~three~~ two suitable valuation approach are ~~1) the adjusted book value (reflect the net asset value of the Company)~~ 1) Market Value approach (reflect the value of the stocks at that time, the fundamentals of the company and the company's future growth potential) and 2) the Discounted Cash Flow Approach which will reflect the ability to generate cash flow of the Company in the future. ~~However, the book value approach is the lowest so Market Approach and Discounted Cash Flow were used.~~ The share value of the Company is between Baht 6.74 – 8.67 per share. Therefore the IFA's opinion on the Tender Offering Price at Baht 7.80 per share is appropriate.

1.3. The Appropriateness of the TPAC's Warrant Offering Price (TPAC-W1)

The IFA evaluates the value of TPAC-W1 by considering 3 evaluation approaches as follows

1. Market Price Approach
2. Intrinsic Value
3. Black-Scholes Model

I. Market Price Approach

This valuation approach uses the weighted average market price of the trading value of TPAC-W1 through the SET. IFA refers to the "market price" as defined by the SEC Office, namely, the weighted average closing price of TPAC-W1 in the SET not less than 7 consecutive days but not more than 15 consecutive days over the past period from 7 days, 15 days, 30 days, 60 days, 90 days, 120 days, 180 days and 360 days consecutive business days prior to the date of determination of the offering price.

In the assessment by this approach, the IFA has considered the information up to 9 October 2015 (one business day prior to the date on which the Tender Offeror discloses Form 247-3). In this regard, the market price of the Company's ordinary shares by this market value approach is calculated as follows:

| (Unit: Baht) | TPAC-W1 Weighted Average (Day) | | | | | | | |
|--------------|--------------------------------|------|------|------|------|------|------|------|
| | 7 | 15 | 30 | 60 | 90 | 120 | 180 | 360 |
| High | 3.28 | 3.28 | 3.28 | 4.44 | 4.44 | 4.44 | 4.44 | 4.44 |
| Low | 2.61 | 2.58 | 2.46 | 1.89 | 1.58 | 1.42 | 1.30 | 0.70 |
| Average | 2.91 | 2.87 | 2.88 | 3.40 | 3.26 | 3.25 | 3.23 | 3.23 |

Source: Stock Exchange of Thailand (www.setsmart.com)

Valuation by Market Price approach yields a fair value of the TPAC-W1 between **Baht 2.87 -3.40 per unit** (price 7 – 360 days). During the said period, the value of the warrant is highest at Baht 4.44 and lowest at Baht 0.70.

The highest and lowest prices of the warrant in each quarter over the past 3 years

| Year | Quarter | Maximum and Minimum Price (Baht per Share) | |
|------|----------------------------|--|---------|
| | | Maximum | Minimum |
| 2015 | July – 9 October | 4.44 | 2.16 |
| | April - June | 2.38 | 1.42 |
| | January - March | 2.10 | 1.30 |
| 2014 | October - December | 2.10 | 0.70 |
| | July - September | 2.36 | 1.96 |
| | April - June | 4.00 | 2.08 |
| | January - March | 3.12 | 1.73 |
| 2013 | October - December | 8 | 1.29 |
| | July - September | 2.96 | 1.17 |
| | April - June ^{1/} | 2.40 | 1.01 |
| | January - March | - | - |

Remark: 1/ Value of the share before the issuance of 155.00 million newly issued ordinary shares with par value at Baht 1 (100 million ordinary shares for dividend, 50 million shares for warrants and 5 million shares for ESOP (“TPAC-ESOP”))
 2/ Source www.setsmart.com

Graph representing values of TPAC-W1 before and after the disclosure of Intention (247-3)



Source: www.setsmart.com

Market Price Approach is determined by the supply and demand of investors on the TPAC-W1, which can reflect the value of the warrant at that time, the fundamentals of the stock and the needs of investors on the company's future growth potential and is well tolerated. The value of the warrant in the past therefore could be used as a reference price to reflect the actual price of TPAC-W1 (weighted average 7 – 360 days) ranges between Baht 2.87 – 3.40 per unit, higher than the offer price at Baht 2.80 per unit by Baht 0.07 – 0.60 or higher by 2.50% - 21.43% of offering price.

II. Intrinsic Value

This approach takes the share price of TPAC evaluated by the IFA deducted by the exercise price of the warrant with details as follow:

| No. | Fair Value approach (Fully Diluted) | Fair Value of TPAC (Baht per share) (1) | Conversion price per unit (2) | Fair value of TPAC-W1 (Baht per share) (3) = (1) - (2) |
|-----|---|---|-------------------------------|--|
| 1 | Book Value Approach | 3.43 - 3.72 | 5.00 | (1.57) - (1.28) |
| 2 | Adjusted Book Value Approach | 4.76 – 5.93 | 5.00 | (0.24) – 0.93 |
| 3 | Market Price Approach | 6.74 – 7.56 | 5.00 | 1.74 – 2.56 |
| 4 | Price to Book Value Ratio Approach (P/BV) | 6.13 – 7.53 | 5.00 | 1.13 – 2.53 |
| 5 | Price-to-Earnings Ratio Approach (P/E) | 5.05 – 5.91 | 5.00 | 0.05 – 0.91 |
| 6 | Discounted Cash Flow Approach (DCF)* | 7.05 – 8.67 7.03 | 5.00 | 2.05 – 3.67 2.03 |

Remark * Using price at Baht 7.03 per share which is fully diluted in order to reflect the total number of shares from the capital increase.

From the table above, the price of TPAC-W1 requires market approach and discount cash flow approach ranges between Baht ~~1.74~~ – ~~3.67~~ 1.74 – 2.56 per unit which is ~~(lower)~~ higher ~~lower~~ than the offering price of Baht 2.80 per unit by Baht ~~(1.06)~~ – ~~0.87~~ (1.06) – (0.24) or ~~(13.59)~~ – ~~11.15%~~ (37.86) – (8.57) of the tender offering price.

III. Black-Scholes Model

The IFA evaluated the fair value of the warrant using Black-Scholes Model by using Intrinsic Value added by the option value and the time value. Thus the fair value of the warrant evaluated using the Black-Scholes Model has a higher value than the Intrinsic value if the price of TPAC share is close to the exercise price and the time to maturity is long. The formula is as follows.

Call Premium = C

$$C = [S * N(d1)] - [X * e^{-Rf*T} * N(d2)]$$

$$d1 = \ln\left(\frac{S}{X}\right) + [Rf + (0.5\sigma^2)] * T / \sigma * \sqrt{T}$$

$$d2 = d1 - (\sigma * \sqrt{T})$$

N() = accumulative normal distribution (Area under the curve)

S = Price of the Company ordinary share as evaluated by IFA at Baht ~~6.49—7.54~~ 7.03 per share. From the discounted cash flow approach, 255 million shares were used in order to reflect the total number of shares in the future.

X = Exercise price Baht 5.00 per share (conversion ratio 1:1)

Rf (Risk Free) = 6 months government bond yield (as of 9 October 2015) as it is close to the time to maturity of the warrant which is 1.47% per year

T = Time to maturity of the warrant (days) calculated from 9 October 2015 (one business day prior to the date on which the Tender Offeror discloses Form 247-3) to the maturity which is 22 May 2016 in this case is 257 days (257/365 = 0.70)

σ = Variance of Constant Asset which in this case is the reference stock whereby IFA uses 1 year average

N(d1) = Normal Distribution of d1

N(d2) = Normal Distribution of d2

Valuation of TPAC-W1 using Black-Scholes Model results in the value of Baht ~~1.76—3.10~~ 1.95 per unit.

1.4. Summary of the Appropriateness of the TPAC-W1 Offering Price

The table below compares fair value of the TPAC-W1 from Various Valuation Approaches

(Unit: Baht)

| Valuation Approach | Value | Offering price | Higher (lower) than the offering price | Higher (lower) than the offering price (%) |
|---------------------------------|-------------------------------------|----------------|---|--|
| 1) Market value approach | 2.87 – 3.40 | 2.80 | 0.07 – 0.60 | 2.50 – 21.43 |
| 2) Intrinsic Value approach | 1.54—2.56 1.74 – 2.56 | 2.80 | (1.26)—(0.24) (1.06) - (0.24) | (16.15)—(3.08) (37.86)—(8.57) |
| 3) Black-Scholes Model approach | 1.76—3.10 1.95 | 2.80 | (1.04)—0.30 (0.85) | (13.33)—3.85 (30.36) |

From the table above, the price of TPAC-W1 usually requires market approach and discount cash flow approach using the intrinsic value ranges between Baht ~~1.54—3.40~~ 1.74—3.40 per unit which is lower than the offering price of Baht 2.80 per unit thus the tender offering price is appropriate as it falls within the range evaluated by the IFA.

1.5. Source of fund of the Tender Offeror

According to Form 247-4, the Offeror will use fund from credit line of financial institutions and savings from Bangkok Bank Public Company Limited in order to pay for the tender offer. On the 9th October 2015, Bangkok Bank PCL has issued a letter to Bualuang Securities Public Company Limited certifying that the tender offeror has credit line and savings account at Bangkok Bank Public which is sufficient for the payment of the total amount of shares in this tender offer transaction. Mr. Anuj Lohia will use the ordinary shares of the Company retrieved as of 9 October 2015 and all the shares from the tender offer transaction to pledge against the credit line.

The IFA has considered the document and has an opinion that the Offeror has sufficient funds for this Tender Offer.

2. Rationales to accept and/or decline the Tender Offer

The Independent Financial Advisor has considered the Tender Offer (Form 247-4) and its amendment, the Offering Price, information in the Tender Offer Document of TPAC and TPAC-W1 and has an opinion that shareholders should decline the Tender Offer to purchase the TPAC's ordinary share and TPAC-W1. The supporting reasons are as follow:

2.1 Tender offer price of the ordinary share

The Independent Financial Advisor has conducted the TPAC's share price valuation by 6 approaches which are 1) Book Value Approach 2) Adjusted Book Value Approach 3)Market Price Approach 4)Price to Book Value Ratio Approach or P/BV Ratio 5) Price-to-Earnings Ratio Approach and 6)Discounted Cash Flow Approach. The summary is illustrated in the table below.

(Unit: Baht per share)

| valuation Approach (Fully diluted) | Price | Offering Price | Higher (Lower) than the Offering Price | Higher (Lower) than the Offering Price (%) |
|---------------------------------------|-------------|----------------|--|--|
| 1) Book Value | 3.43 – 3.72 | 7.80 | (4.37) - (4.08) | (56.03) - (52.31) |
| 2) Adjusted Book Value | 4.76 – 5.93 | 7.80 | (3.04) - (1.87) | (38.97) - (23.97) |
| 3) Market Price | 6.74 – 7.56 | 7.80 | (1.06) - (0.24) | (13.59) - (3.08) |
| 4) Price to Book Value Ratio | 6.14 – 7.53 | 7.80 | (1.67) - (0.27) | (21.41) - (3.46) |
| 5) Price to Earnings Ratio | 5.05 – 5.91 | 7.80 | (2.75) - (1.89) | (35.26) - (24.23) |
| 6) Discounted Cash flow* | 7.05 – 8.67 | 7.80 | (0.75) – 0.87 | (9.62) – 11.15 |

Remark: * Based on the current business plan of the Company and WACC which ranges between (8.58% - 10.47%)

According to the table above, IFA has an opinion that the ~~three~~ two appropriate approaches are ~~1) Adjusted Book Value (reflect company's fundamental)~~ 1) Market Value Approach (reflect demand and supply of the share being sold in the market) and 2) Discounted Cash Flow (reflects future operation of the Company using discounted cash flow) ~~The adjusted book value approach results in the lowest price. Therefore the IFA~~

~~uses the market price and DCF approach~~ resulting in price ranges Baht 6.74 – 8.67 per share. Therefore, the IFA considers the tender offering price at Baht 7.80 to be appropriate as it falls within the range evaluated.

2.2 Tender Offer price of the Warrant

The independent financial advisor has evaluated the value of TPAC-W1 using 3 approaches 1) Market Price Approach 2) Intrinsic Value and 3) Black-Scholes Model.

(Unit: Baht per share)

| Valuation Approach | Value | Offering price | Higher (lower) than the offering price | Higher (lower) than the offering price (%) |
|---------------------------------|---------------------------------------|----------------|---|---|
| 1) Market value approach | 2.87 – 3.40 | 2.80 | 0.07 – 0.60 | 2.50 – 21.43 |
| 2) Intrinsic Value approach | 1.54 – 2.56 1.74 – 2.56 | 2.80 | (1.26) – (0.24) (1.06) - (0.24) | (16.15) – (3.08) (37.86) – (8.57) |
| 3) Black-Scholes Model approach | 1.76 – 3.10 1.95 | 2.80 | (1.04) – 0.30 (0.85) | (13.33) – 3.85 (30.36) |

From the table above, the IFA views that the valuation of TPAC-W1 based on the 3 approaches reflects the price ranges between Baht ~~1.54 – 3.40~~ 1.74 – 3.40 per unit. Thus, the IFA views that the offering price at Baht 2.80 per unit is appropriate as it is lower than the price evaluated especially the market price.

2.3 Opportunity to sell the TPAC's shares with a price higher than Offering price

The Independent Financial Advisor has an opinion that the price of the share and the volume of the share prior to the 9 October 2015 (one business day prior to the date on which the Tender Offeror discloses Form 247-3) when consider the historical price it ranges between Baht 6.74 - 7.56 per share (price of 7 – 360 days) which is lower than the offering price at Baht or (13.59%) – (3.08%)

However, after 9 October 2015 the share price and the volume increased significantly compared to prior to the announcement of the tender offer. The average market price during 12 – 22 October 2015 is 8.77 Baht per share. The average volume traded is Baht 50.90 million. Comparing to the price and volume of the Company's share during the same period of previous year from 12 -22 October 2014, the average price is Baht 5.98 per share with the average transaction volume at Baht 0.41 million per day. The market price and the volume has already reflected this tender offer transaction already thus during the tender offer period, retail investor have an option to sell TPAC's shares via SET at the price higher than the Offering Price of Baht 7.80 per share (Please see section 1.1.1 III Market price approach).

For the warrant, the evaluated price is higher than the offered price and after 9 October 2015, the warrant's price and the volume traded have increased from 12 – 22 October 2015 with an average price of Baht 4.56 per unit and the average daily volume of Baht 83.76 million. Comparing to the price and volume of the Company's share during the same period of previous year from 12 -22 October 2014, the average price is Baht 2.01 per share with the average transaction volume at Baht 0.04 million per day. The market price and the

volume has already reflected this tender offer transaction already. Therefore, during the tender offer period, retail investors have an option to sell warrant via SET at the price higher than the Offering Price of Baht 2.80 per share.

However, the market price and the liquidity in SET may fluctuate depending on the overall transactions in SET whereby the increase in price and volume traded of the shares and warrants could come from trading activities of the investors. Therefore after the tender offering period, it is possible that the price and the volume traded of the securities may decrease significantly.

2.4 Other Factors for Consideration

In addition to the price offer by the Tender Offeror in form 247-4, IFA has considered other factors as shown below.

2.4.1 Plan to Dispose Major Assets of the Company or its Subsidiaries

According to Form 247-4, within 12 months after the end of tender offer period, the Offeror has no plan to sell or transfer the Company ordinary share significantly.

2.4.2 Objective of the Business

According to Form 247-4, within 12 months after the end of tender offer period, the Offeror has no plan to change any objectives or the operation of the company which are to manufacture and sell plastic packaging.

2.4.3 Financial Structure

According to Form 247-4, the Tender Offeror may consider changes in the shareholder structure of foreign investors from 30% to 49% of the paid up capital. However, this requires approval from the board of directors of the Company and from the shareholders in the shareholders Annual General Meeting "AGM" or Extraordinary General Meeting "EGM".

2.4.4 The Changes in Corporate Structure

According to Form 247-4, within 12 months after the end of tender offer period, the Offeror has no plan to alter or change the core business, operating policy, action plan, assets disposal, significant operating process and dividend policy.

However, the Offeror would like the business to be flexible and efficient in order to become more competitive in the market. The Offeror may adjust organization structure or human resources or financial structure.

2.4.5 Capital Increase

According to Form 247-4, within 12 months after the end of tender offer period, the Offeror has no plan to increase its capital.

2.4.6 Changes of the Shareholding Structure

List of major shareholders according to the Company's shareholders' registration as of September 30, 2015:

| No. | Name | Number of shares | Percentage in comparison with the total number of outstanding shares of the business | Percentage in comparison with the total voting right of the business |
|-----|---|---------------------------------------|--|--|
| 1 | MODERNFORM GROUP PUBLIC COMPANY LIMITED | 100,000,000 | 47.90 48.54 | 47.90 48.54 |
| 2 | Mr. Eakawut Nuangjamnong | 21,583,200 | 10.34 10.48 | 10.34 10.48 |
| 3 | Mr. Niwat Hongphithakphong | 16,407,400 | 7.86 7.96 | 7.86 7.96 |
| 4 | Mr. Theerawit Busayapoka | 16,280,000 | 7.80 7.90 | 7.80 7.90 |
| 5 | Miss Anuttree Nuangjamnong | 5,144,600 | 2.46 2.50 | 2.46 2.50 |
| 6 | Mr. Niti Nuangjamnong | 3,749,900 | 1.80 1.82 | 1.80 1.82 |
| 7 | Mr. Ongart Damrongsakul | 1,725,900 | 0.83 0.84 | 0.83 0.84 |
| 8 | Mr. Thanat Budsayapoka | 1,460,000 | 0.70 0.71 | 0.70 0.71 |
| 9 | Mr. Danuphop Rattanapanich | 1,444,000 | 0.69 0.61 | 0.69 0.61 |
| 10 | Miss Unchana Pinijkusoljit | 40,971,400 1,350,000 | 19.63 0.66 | 19.63 0.66 |
| 11 | Other Shareholders | 40,971,400 36,866,900 | 17.90 | 17.90 |
| | Total | 208,766,400 206,031,900 | 100.00 | 100.00 |

Source: The Company

A list of 8 major shareholders as of closing date of 12 October 2015 after the Tender Offer in the event that the existing shareholder sold its shares to the Tender Offeror and the other shareholders of the Company. The shareholder structure after the Tender Offer is as follows:

| No. | Name | Number of shares | Percentage in comparison with the total number of outstanding shares of the business | Percentage in comparison with the total voting right of the business |
|-----|--------------------------|------------------|--|--|
| 1 | Mr. Anuj Lohia | 126,407,300 | 60.55 | 60.55 |
| 2 | Mr. Eakawut Nuangjamnong | 21,600,000 | 10.35 | 10.35 |
| 3 | Mr. Theerawit Busayapoka | 8,560,000 | 4.10 | 4.10 |

| No. | Name | Number of shares | Percentage in comparison with the total number of outstanding shares of the business | Percentage in comparison with the total voting right of the business |
|-----|----------------------------|---------------------------------|--|--|
| 4 | Miss Anuttree Nuangjamnong | 5,552,100 | 2.66 | 2.66 |
| 5 | Mr. Niti Nuangjamnong | 3,749,900 | 1.80 | 1.80 |
| 6 | Mr. Somsak Laosujritkul | 3,466,800 | 1.66 | 1.66 |
| 7 | Miss Kanyarat Kruewan | 2,000,000 | 0.96 | 0.96 |
| 8 | Mrs. Mantana Sujitjorn | 1,110,000 | 0.53 | 0.53 |
| 9 | Mrs. Pattaya Sittipongsarn | 1,100,000 | 0.53 | 0.53 |
| 10 | Other Shareholders | 35,220,300 | 16.87 | 16.87 |
| | Total | 208,766,400^{1/} | 100.00% | 100.00% |

Source: The Company

[1/ The difference of the total number of shares from book closing date September 30, 2015 due to the exercise of TPAC-W1 and TPAC-ESOP into ordinary shares of the Company](#)

2.4.7 Changes of Board of Directors

According to Form 247-4, changes of board of directors after the tender offeror receive the ordinary shares of the Company are as follow:

| No. | Board of directors as of 8 October 2015 | Board of directors After the tender offer |
|-----|--|---|
| 1 | Mr. Thaksa Busayapoka ^{1/} (executive director) | Mr. Kevin Kumar Sharma ^{1/} (executive director) |
| 2 | Mr. Yothin Nuangjamnong ^{1/} | Mrs. Aradhana Lohia Sharma ^{1/} |
| 3 | Mr. Theerawit Busayapoka ^{1/} | Mr. Theerawit Busayapoka ^{1/} (same director) |
| 4 | Mr. Chatchai Dhammarungruang ^{1/} | Mr. Anil Kumar Kohli ^{1/} |
| 5 | Mr. Niwat Hongphithakphong ^{1/} | Mr. Yashovardhan Lohia ^{1/} |
| 6 | Mr. Surachai Sonthirathi ^{2/} | Mr. Virasak Suthanthavibul ^{2/} |
| 7 | Police Colonel Wichai Songboratsami ^{2/} | Mr. Kittiphath Suthisamphat ^{2/} |
| 8 | Mr. Wisan Santimahakullert ^{2/} | Mr. Gran Chayavichitsilp ^{2/} |

Remark: 1/ Authorized Director

2/ Independent Committee

The IFA has an opinion that there is the major change in the Company's board of directors which may affect the future business policy. However, the Tender Offeror has appointed Mr. Theerawit Busayapoka to remain the executive director and

managing director in order to continue the business. There is no plan to change any significant business operation within 12 months after the end of tender offer period.

2.4.8 Liquidity of TPAC's Stock after the Tender Offer and the Free Float to Retail Investors

If at the end of the Tender Offering period it appears that the majority of retail investors accept the price, it will affect the liquidity of the securities which may result that the shareholders may not be able to sell their shares at the price and in the time they wanted to. The IFA has an opinion that if the majority of the shareholder accept the offer, it will affect the free float portion. The liquidity of the Company's ordinary share will be at risk which will affect the status of the Company as a listed Company regarding the free float portion. However, if the minority of the retail investors sell their shares, the effects would be minimal.

2.4.9 Possibility to be delisted from the Stock Exchange

According to Form 247-4 The Tender Offeror has no intention to delist the Company from the SET within the next 12 months after the end of tender offer period and will not fall into the Cash Company status or other incident which may cause the Company to be delisted.

3. **Benefits or effects from the business plan proposed by the Tender Offeror and its possibility**

IFA has considered the form 247-4 and interview management of the Company regarding to the benefits of effects of the business plan as shown below.

3.1 **Summary of the business plan after the Tender Offer (Form 247-4)**

3.1.1 Objectives of the Business

Within 12 months after the end of tender offer period, the Tender Offeror has no plan to significantly change the business and the Tender Offeror has no intention to delist the Company from the SET within the next 12 months period and will not fall into the Cash Company status or other incident which may cause the Company to be delisted.

3.1.2 Business expansion or increase production capacity

Within 12 months after the end of tender offer period, the Tender Offeror has plan to expand existing business in line with the Company growth plan. IFA has views that it is unlikely to have any major investment and the investment or expansion plan may change depending on the exercising of warrants in May 2016.

3.1.3 Organization Structure or hiring of employees

- Board of Directors

The tender offeror has replaced 7 directors out of 8 which is a major change though there is no plan to change the business operation. However, IFA was informed that there would be no changes for the next 12 months after the subscription date.

- Management

The tender offeror has replaced 3 members of executive committee out of 4 while Mr. Theerawit Busayapoka remains executive director and managing director and the responsibilities and authorities remain the same. Other management under Mr. Theerawit Busayapoka remain the same. The replacement is not expected to alter the business operation. Furthermore, the Company may appoint more experienced management team in order to expand the business further.

3.1.4 Plan to dispose major assets of the Company or its subsidiaries

Within 12 months after the end of tender offer period, the Tender Offeror has no plan to dispose major assets of the Company and the company has no subsidiaries. Because the tender offeror did not plan to change any business policy, IFA views that it is unlikely to have any major asset disposal.

3.1.5 Plan to Adjust the Company's Financial Structure

Within 12 months after the end of tender offer period, the Tender Offeror has no plan to adjust the Company's Financial Structure. IFA views that the Company may benefit in finding new source of fund from the new group of shareholders for example, OD credit from financial institutions and the tender offeror intends to invest as a long term investment thus it is likely they will exercise the warrant to purchase ordinary shares which would bring more liquidity to the Company.

3.1.6 Dividend Policy

Within 12 months after the tender offer period, the Tender Offeror has no plan to change the dividend policy of the Company. The Company specifies that the dividend must be paid not less than 50 of net profit after tax.

3.1.7 Related Party Transactions

At present, the Tender Offeror have no related party transaction with the Company. Prior to the tender offer, the Company has had a few transactions with Indorama Ventures Public Company Limited which were for the purchase of raw material. Indorama Ventures Public Company Limited is an affiliated/related party to the Tender Offeror. In future, on purchase of raw material by the Company from Indorama Ventures Public Company Limited were to occur than will fall under the category of normal business transaction with an affiliated/related party. This transaction only occurs once in 2015 where the Company purchased 1 ton of plastic beads worth Baht 30,000. It was a one time transaction. In the future, if the Company considers purchasing the raw materials from IVL would benefit the Company more than buying from other suppliers then the Company may consider doing more transactions with IVL.

However from the interview with the newly appointed directors, it was stated that in the future if the Tender Offeror has related transitions, the Tender Offeror will do every to comply with the rules and regulations of SEC and SET. Moreover for the future connected transactions, the Company will use the normal business transaction to apply for utmost benefits to the Company using Arm's Length Basis and will seek approval from the audit committee to approve the suitable of the transactions according to good corporate governance.

Prior to the tender offer, the Company had 3 contracts with Modernform Group PCL who was their previous major shareholder. After the tender offer, the Company will take actions as follow:

1. Contract on rent of warehouse # 1 (1 April 2015 - 31 July 2018) whereby the rent per month is Baht 120,000. The Company will continue with this contract.
2. Advisory contract (1 January 2012 - 31 December 2016) with the fee of Baht 100,000 per month. This contract will be terminated in October 2015.
3. Contract on internal control (24 October 2014 - 23 October 2015) with the fee of Baht 380,000 per year. This contract will be terminated.

All three contracts are not considered related parties transaction anymore and has no effect on the company's operation.

3.2 The Opinion of the IFA to the business plan of the Tender Offeror

According to the Tender Offeror's business plan, the IFA has opinions as shown below

| Policy and Business plan of the Tender Offeror | IFA's opinions |
|---|---|
| <p>Status of business</p> <p>According to Form 247-4The Tender Offeror has no intention to delist the Company from the SET within the next 12 months after the end of tender offer period and will not fall into the Cash Company status or other incident which may cause the Company to be delisted.</p> | <p>Tender Offeror has no intention to delist the Company from the SET, IFA believes the Company has a clear policy to be listed therefore the shareholders will not be affected.</p> <p>However, the Company will consider changing the shareholder structure of foreign investors from 30% to 49% of the paid up capital. However, this requires approval from BOD and EGM. This may have an effect on shareholder structure but not on the operation.</p> |
| <p>Expansion or Increase in Production Capacity</p> <p>The Tender Offeror does not have any specific plan to expand existing business.</p> | <p>IFA has an opinion that the Company will continue to operate as usual as the tender offeror has no plan to dispose any asset within the next 12 months.</p> <p>Although there is no specific expansion plan, the current capability of the Company should enable the business to continue with no significant impacts.</p> <p>However, Mrs. Suchitra Lohia (mother of Mr. Anuj Lohia who is the tender offeror. She is also a director at Indorama Ventures Public Company Limited and its subsidiaries. Indorama Ventures Public Company Limited is a manufacturer of PET polymers, fibers & yarns, PTA and MEG. The PET polymers are</p> |

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|---|--|
| | <p>used in manufacturing of PET bottles for food and drink. <u>IFA views that the subsidiary of IVL has different market segment and customers therefore it should not be considered a rival company. Furthermore, the tender offerer has made a clear intension to be the sole ownership of the Company with separate management from IVL.</u> The target markets are different hence there should not be any effects.</p> |
| <p>Organization Structure or hiring of employees The tender offeror has replaced 7 directors out of 8.</p> | <p>IFA has an opinion that as the tender offeror has appointed 7 new board members whereby three of them are independent (to comply with SET rules) in replacement of directors that have resigned. The main director remains Mr. Theerawit Busayapoka who will continue to operate as managing director. The new set of directors should be able to support the operation of the company and exchange experience in order to develop the company. <u>Furthermore, the Company may appoint more experienced management team in order to expand the business further.</u></p> |
| <p>Plan to Adjust the Company's Financial Structure Within 12 months after the end of tender offer period, the Tender Offeror has no plan to adjust the Company's Financial Structure.</p> | <p>IFA views that because within 12 months after the end of tender offer period, the Tender Offeror has no plan to adjust the Company's Financial Structure. This should be good for the shareholders because there would be no control dilution and earnings dilution.</p> <p>However, the tender offer also has warrant that will expire in May 2016 which would help in being another source of fund or <u>expand OD credit with financial institution.</u></p> |
| <p>Dividend Policy Within 12 months after the tender offer period, the Tender Offeror has no plan to change the dividend policy of the Company. The Company specifies that the dividend must be paid not less than 50 of net profit after tax. However, dividend payment may</p> | <p>IFA has an opinion that the Company does not have specific plan for expansion and therefore the dividend policy may not be significantly affected.</p> |

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| change according to expansion plan, liquidity and other necessity in the future. Authorized directors will consider that the action will be most beneficial to the shareholders. | |
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3.3 Benefits and impact to Shareholders who reject the offer (only for the case that the tender offer is for delisting)

- No - because this tender offer is not for delisting.

4. Summary of IFA's opinion

Based on the considerations stated, IFA has an opinion that tender offer price for the shares is appropriate as it falls within the range of the fair value appraised by the IFA. The tender offer price is at Baht 7.80 per share which is appropriate whereby the price ranges evaluated by the IFA is between Baht 6.74 – 8.67 per share. The tender offering price is Baht 7.80 per share.

| Valuation Approach (Fully Diluted) | Price | Offering Price | Higher (Lower) than the Offering Price (Baht) | Higher (Lower) than the Offering Price (%) |
|------------------------------------|-------------|----------------|---|--|
| 1) Book Value | 3.43 – 3.72 | 7.80 | (4.37) - (4.08) | (56.03) - (52.31) |
| 2) Adjusted Book Value | 4.76 – 5.93 | 7.80 | (3.04) - (1.87) | (38.97) - (23.97) |
| 3) Market Price | 6.74 – 7.56 | 7.80 | (1.06) - (0.24) | (13.59) - (3.08) |
| 4) Price to Book Value Ratio | 6.14 – 7.53 | 7.80 | (1.67) - (0.27) | (21.41) - (3.46) |
| 5) Price to Earnings Ratio | 5.05 – 5.91 | 7.80 | (2.75) - (1.89) | (35.26) - (24.23) |
| 6) Discounted Cash flow* | 7.05 – 8.67 | 7.80 | (0.75) – 0.87 | (9.62) – 11.15 |

Remark: * WACC is between 8.58% - 10.47%

However, at the time of conducting this opinion, the current market price of TPAC shares are trading higher on the SET than the tender offer price of Baht 7.80 per share. The shareholders should reject this tender offer as the shareholders have an opportunity to sell shares through the SET at a price higher than the tender offer price. The price and the volume that have increased could be a result of a speculation of certain investors which after the tender offering period, share price may drop significantly resulting in investors unable to sell the shares at the price and volume they want after the tender offering period.

| Valuation Approach | Value | Offering price | Higher (lower) than the offering price | Higher (lower) than the offering price (%) |
|---------------------------------|-------------|----------------|--|--|
| 1) Market value approach | 2.87 – 3.40 | 2.80 | 0.07 – 0.60 | 2.50 – 21.43 |
| 2) Intrinsic Value approach | 1.74 – 2.56 | 2.80 | (1.06) - (0.24) | (37.86) – (8.57) |
| 3) Black-Scholes Model approach | 1.95 | 2.80 | (0.85) | (30.36) |

The tender offer price for each warrant is Baht 2.80, IFA has an opinion that the tender offer price is appropriate as this price falls within the range as evaluated by the IFA (Market Price approach and Black-Sholes Model approach) in which the result was between Baht 1.74 – 3.40 per unit.

However, at the time of conducting the opinion, the current market price of warrants are traded higher than the tender offer price of Baht 2.80 per warrant. The warrant holders have an opportunity to sell warrants through the SET at a price higher than the tender offer price. The price and the volume that have increased could be a result of a trading activities of the investors which after the tender offering period, TPAC-W1 price may drop significantly resulting in investors unable to sell the warrants at the price and volume they want after the tender offering period.

Moreover, TPAC-W1 will expire on 21 May 2016. Thus, the TPAC-W1 holder has an option to exercise the warrant into share. If in the future the price of the company shares falls below Baht 7.80, TPAC-W1 would be out of the money and therefore its holder would not be able to gain any benefits.

Considering the situation after the tender offer announcement on 9 October 2015, the share price and the volume increased significantly compared to prior to the announcement of the tender offer. The market price and the volume has already reflected this tender offer transaction. Thus during the tender offer period, shareholders have an option to sell TPAC's shares via SET at the price higher than the tender offer price of Baht 7.80 per share. During 12 -22 October 2015, the average price of the Company's share was Baht 8.77 per share and the average daily volume traded was Baht 50.90 million. At the same time, TPAC-W1 was traded at Baht 4.56 per unit and the average daily volume traded was Baht 83.76 million. The market price and the volume after the form 247-3 have been submitted have already reflected the tender offer transaction. Retail investors can sell at higher price in the SET.

However, the price and the liquidity of the securities may fluctuate depending on the overall transactions of the SET. The increase in the price and volume may be a result of a speculation by certain investors thus after the tender offering period, the price and the volume may drop significantly.

In consideration to whether to accept or reject the Tender Offer, shareholders may consider the rational and opinions on various issues in this IFA report. The decision to accept or reject is entirely up to the discretion of the shareholders.

Discover Management Company Limited as the Independent Financial Advisor hereby certifies that the opinions have prudently been provided in compliance with the professional standards and principles, with due regard to the shareholders' benefits.

Yours sincerely,

Discover Management Company Limited

(Mr. Charatpong Chotigavanich)

Director

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