

Thai Plaspac Public Company Limited

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

Tel. +66 (0) 28972250, +66 (0) 28972529 Fax. +66 (0) 28974694

www.thaiplaspac.com



THAIPLASPAC 2016 ANNUAL REPORT

NSOHS



Thai Plaspac Public Company Limited

Annual Report 2016

Performance Highlights **P.2**

Message from Chairman and Managing Director **P.5**

General Information **P.6**

Calendar of Events **P.7**

Board of Directors **P.8**

Management Structure **P.16**

Major Shareholders and Dividend Policy **P.30**

Awards and Recognition **P.32**

Strategy and Overview Business Operation **P.34**

Nature of Business **P.35**

Management Discussion and Analysis (MD&A) **P.38**

Risk Factor, Internal Control & Risk Management **P.43**

Related Party Transactions **P.47**

Corporate Governance Report **P.49**

Corporate Social Responsibility and Sustainability **P.56**

Report of Audit Committee and other Subcommittees **P.60**

Report of Board of Directors Responsibilities for the Financial Statements
P.66

Independent Auditors Report and Audited Financial Statement **P.67**

PERFORMANCE HIGHLIGHTS

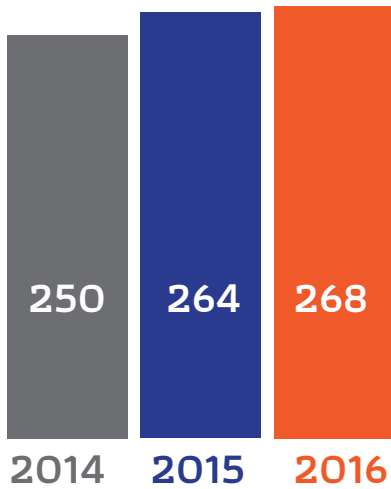
Performance Highlights (Figures in Mill Baht)

	2014	2015	2016
Revenue	1,686	1,596	1,534
Gross Profit	250	264	268
Gross Profit Margin	14.8%	16.6%	17.5%
EBITDA	246.8	269.2	257.1
EBITDA Margin	14.6%	16.9%	16.8%
Net Profit	93	104	105
Net Profit Margin	5.5%	6.5%	6.8%
Net Debt / Equity	0.3	0.2	0.1
ROCE*	13.6%	15.1%	12.0%

* ROCE in 2016 was lower partially attributable due to the increased equity base as a result of warrant exercise in 2016

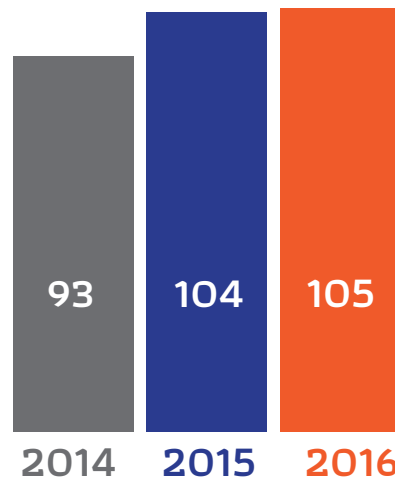
Gross Profit

(Figures in Mill Baht)



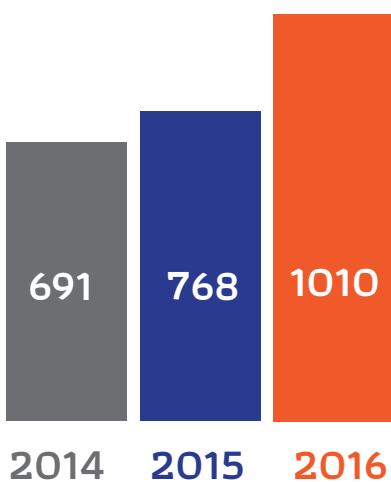
Net Profit

(Figures in Mill Baht)



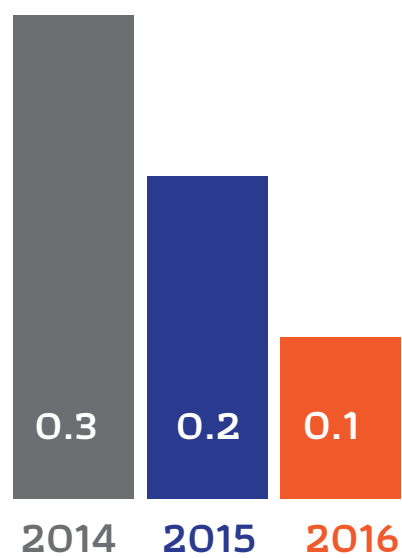
Shareholders' Funds

(Figures in Mill Baht)



Net Debt / Equity

(times)





Kavin Sharma
Chairman and Chief
Executive Officer

Theerawit Busayapoka
Managing Director

Message from Chairman & CEO and Managing Director

Dearest Shareholders,

2016 marked a year of resilience for TPAC despite a soft domestic consumption environment. We maintained our EBITDA margin at 16.8% and further grew our volumes organically by 1%. Net Profits were up 0.7% for the year at Baht 104.9 MM.

Promisingly for our business were new projects which we secured in '16 (partially to come on stream in '17), some of which were from the world's leading consumer brands. The awarding of these projects to TPAC demonstrate our customers continued trust in us as Thailand's leading rigid plastic consumer packaging company. It is this trust placed in TPAC that we take seriously. Undoubtedly, today we are a small player (relative to the size our industry and the global companies that operate within it) but our people, processes, technology and R&D platform are world class. Our customers continued trust in us is testament to this.

Our Bangkok factory shop floors are buzzing with activity as we introduce new technologies to cater for these new projects. More and more so our manufacturing platform is moving towards high speed, large cavitation systems which are further complimented with robotic take out, inspection and packing systems.

The introduction of robotic take out and packing systems marks the next phase in our evolution as a leader in rigid plastic consumer packaging solutions. It is this commitment to investing on behalf of our customers and our ability to carefully select and seamlessly operate the right technologies that will ensure we maintain our leadership position within the consumer rigid plastic space.

We are also very proud of the role we have played by proactively engaging with our customers to deliver tangible results through light weighting via our Research and Development platform. Same functionality, same design but the decreased use of raw material resulting in cost savings and very importantly, a more sustainable product for our world. This value added technical expertise is an integral part of our DNA and through our continued investment into our R&D platform we are achieving increased levels of customer intimacy. With innovations such as light weighting our industry is in a healthy space with growth rates for rigid plastics forecasted to be around 5%.

Therefore, with our industry in a healthy growing position, the combination of our proactive management culture backed up by deep rooted technical expertise, we are confident TPAC will continue to bring in new customers and products further diversifying our portfolio.

On the exciting topic of TPACs inorganic growth ambitions, we remain committed to our strategy of value accretive M&A. Yes, it has been almost a year and half since we shared with you our ambitions for inorganic growth. We can assure you however, that even though we are yet to strike, the time has been well spent. By studying growth opportunities, we have broadened our perspective, deepened our understanding of the industry which we operate in, and achieved better clarity on the type of company we want to be. Undoubtedly, the deal we do, when we do it, will be transformational for our company. We have added to our executive management pool to ensure we are ready to capitalize swiftly on opportunities as they present themselves. Our balance sheet remains robust and ready. We are ready, and we stay ready to capitalize.

Thank you for your continued support.



Kavin Sharma
Chairman and Chief
Executive Officer



Theerawit Busayapoka
Managing Director

General Information

Name :	Thai Plaspac Public Company Limited
Symbol :	TPAC
Type of Business :	Customized rigid plastic packaging solutions
Website :	www.thaiplaspac.com
Company Registration Number :	0107547000575
Established :	August 1, 1983
Registered Share Capital :	Baht 255,000,000 divided into 255,000,000 ordinary shares of par value at Baht 1 each
Issued and Paid-up Share Capital :	Baht 253,817,676 divided into 253,817,676 ordinary shares of par value at Baht 1 each
Head Office :	77 Soi Thian Thaley 30 Bang Khun Thian-Chay Thaley Road, Tha Kham, Bang Khun Thian Bangkok 10150, Thailand Tel. +66 (0) 28972250, +66 (0) 28972529 Fax. +66 (0) 28974694
Branch 0001 :	3-3/1 SoiThian Thaley 15, Bang Khun Thian-Chay Thaley Road, Sameadum, Bang Khun Thian, Bangkok 10150 Tel. 02-892-0261-4
Share Registrar :	Thailand Securities Depository Company Limited 93 Ratchadaphisek Road, Dindaeng Bangkok 10400, Thailand Tel. +66 (0) 20099000 Fax. +66 (0) 20099991
Auditor :	Miss. Pimjai Manitkhajonkit or Mr. Sophon Permsirivallop or Mr. Chayapol Supasetanond or Miss Rungnapa Lertsuwankul Certified Public Accountants (Thailand) EY Office Limited (Ernst & Young) 33rd Floor, Lake Rajada Office Complex 193/136-137 Rajadapisek Road, Klongtoey, Bangkok 10110, Thailand Tel. +66 (0) 22640777 Fax. +66 (0) 22640789
Investor Relations	Mr. Alok Kothari, kothari@thaiplaspac.com
Secretarial & Compliance :	Ms. Anong Sompittayanurak, anong@thaiplaspac.com

Calendar of Events 2016

January 22

Board of Directors meeting to approve Business Plan 2016

February 29

Board of Directors meeting and Audit Committee meeting for Quarter 4 / 2015

May 11

Board of Directors meeting and Audit Committee meeting for Quarter 1 / 2016

May 19

Dividend pay out for 2015

April 21, 2016

Annual General Meeting (AGM) for 2016

August 10

Board of Directors meeting and Audit Committee meeting for Quarter 2 / 2016

August 15

Opportunity Day Presentation

September 8

2016 Interim Dividend pay out

November 9

Board of Directors meeting and Audit Committee meeting for Quarter 3 / 2016
Nomination and Remuneration Committee meeting No.1 / 2016

November 15

Corporate Governance Committee meeting No.1 / 2016
Risk Management Committee meeting No.1 / 2016

December 15

Board of Directors meeting for approval of Capex Plan 2017
Nomination and Remuneration Committee meeting No.2 / 2016
Corporate Governance Committee meeting No.2 / 2016
Risk Management Committee meeting No.2 / 2016



Mr. Kevin Kumar Sharma

Position

Chairman of Board of Director and Chief Executive Officer

Director Type

Executive Director

Age 33 years

Retire and Re-Appointment Date 29 February 2016

Education

- Masters in Science - Mathematical Trading and Finance, Cass Business School City University, London, UK

- Bachelor of Engineering (Honors) - Civil Engineering, University College London, UK

Training Program

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

Working Experience

Listed Company: Director Position

2015 – Present: Thai Plaspac Public Company Limited
Chairman and Chief Executive Officer,

Non-listed Company: Director Position

Nil

Other Position

2013 – 2014 Associate Director, European Special Situations, La Salle Investment Management, London, UK

2010 – 2013 Associate, European Distressed Debt Acquisitions, Colony Capital, London, UK

2007 – 2010, Analyst, Fixed Income Trading Division, Credit Suisse, London, UK

Shareholding in TPAC as of 31 December 2016

Nil

Mr. Theerawit Busayapoka

Position

Managing Director

Director Type

Executive Director

Age 57 years

Retire and Re-Appointment Date 29 February 2016

Education

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

Training Program

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

Working Experience (over the past 5 years)

Listed Company: Director Position

1986 – Present Thai Plaspac Public Company Limited,
Bangkok, Thailand
Managing Director

Non-listed Company: Director Position

Nil

Shareholding in TPAC as of 31 December 2016

10,560,000 shares



BOARD OF DIRECTORS







Mr. Anil Kumar Kohli

Position: Executive Director, Technical

Director Type: Executive Director

Age: 56 years

Retire and Re-Appointment Date :

29 February 2016

Education:

- Post Graduate Diploma, Marketing Management, Pune University, India

- Bachelor in Technology (Chemicals), Harcourt Butler Technological Institute, Kanpur University, India

Training Program

Nil

Work Experience (over the past 5 years)

Listed Company: Director Position

2016 – Present	Thai Plaspac Public Company Limited, Bangkok, Thailand Executive Committee
----------------	---

Non-listed Company: Director Position

1998 - 2013	Petform Limited, Lopburi, Thailand Technical Director.
-------------	---

Shareholding in TPAC as of 31 December 2016

Nil



Mrs. Aradhana Lohia Sharma

Position: Director

Director Type: Non-Executive Director

Age: 31 years

Appointment Date

9 October 2015

Education:

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

Training Program

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

Work Experience (over the past 5 years)

Listed Company: Director Position

2015 – Present	Thai Plaspac Public Company Limited, Bangkok, Thailand Director
----------------	--

Non-listed Company: Director Position

Nil

Other Position

2008 - Present	Vice President, Wool and Recycling business, Indorama Holdings Limited, Bangkok, Thailand
----------------	---

Shareholding in TPAC as of 31 December 2016

Nil



Mr. Yashovardhan Lohia

Position: Director

Director Type: Non-Executive Director

Age: 29 years

Appointment Date:

12 October 2015

Education:

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

Training Program

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

Work Experience (over the past 5 years)

Listed Company: Director Position

	Thai Plaspac Public Company Limited, Bangkok, Thailand
2015 – Present	Director

Non-listed Company: Director Position

	Aurus Specialty Company Limited, Bangkok, Thailand
2009 - 2012	Managing Director

Other Position

	Indorama Ventures Global Services Limited, Bangkok, Thailand
2012 - Present	Vice President , Global Commercial

Shareholding in TPAC as of 31 December 2016

Nil

VISION

To be a world class plastic packaging company with a leadership in high growth markets .

OUR BRAND VALUES

- Partnership Focused
- Quality in Consistency
- Rigid Plastic Innovation
- Passionate Professionals
- Governance



Mr. Virasak Sutanthavibul

Position : Independent Director and Chairman of the Audit Committee

Director Type : Independent Director

Age: 59 years

Appointment Date :

9 October 2015

Education :

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

Training Program

- Director Accreditation Program (DAP) Class 21/2003, Thai Institute of Directors Association, Thailand
- The Joint State-Private Sector Class 18/2005, The National Defence College of Thailand
- Certificate, Capital Market Academy (CMA), Class 10/2010

Working Experience (over the past 5 years)

Listed Company: Director Position

	Thai Plaspac Public Company Limited Bangkok, Thailand
2015 - Present	Independent Director and Chairman of Audit Committee Nomination and Remuneration Committee
2012 - Present	Bangpakong Terminal Company Limited, Thailand Independent Director and Audit Committee Member
2005 - Present	Bangkok Insurance Public Company Limited, Thailand. Independent Director and Chairman of the Corporate Governance Committee

2004 - Present	Krungthai Industries Public Company Limited, Thailand Independent Director and Audit Committee Member
2002 - Present	Bangkok Bank Public Company Limited, Thailand Senior Executive Vice President, Head of Commercial Banking

Non-listed Company: Director Position

Nil

Shareholding in TPAC as of 31 December 2016

Nil



Mr. Kittiphat Suthisamphat

Position : Independent Director and Member of the Audit Committee

Director Type : Independent Director
Age: 46 years

Appointment Date :
9 October 2015

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

Training Program
- Director Certificate Program Class 72/2006, Thai Institute of Directors Association, Thailand

Working Experience (over the past 5 years)

Listed Company: Director Position	
2016 - Present	National Power Supply Company Limited Bangkok, Thailand Director
2015 - Present	Thai Plaspac Public Company Limited, Bangkok, Thailand Independent Director and Audit Committee Member Nomination and Remuneration Committee Member
2000 - Present	A.J. Plast Public Company Limited Managing Director

Non-listed Company: Director Position
Nil

Shareholding in TPAC as of 31 December 2016

Nil



Mr. Gran Chayavichitsilp

Position : Independent Director and Member of the Audit Committee

Director Type : Independent Director
Age : 45 years

Appointment Date :
12 October 2015

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

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

Working Experience (over the past 5 years)

Listed Company: Director Position	
2015 - Present	Thai Plaspac Public Company Limited, Bangkok, Thailand Independent Director and Audit Committee Member Chairman of Nomination and Remuneration Committee
2007 - Present	Dhanarak Asset Development Company Limited Senior Director of Corporate Communication

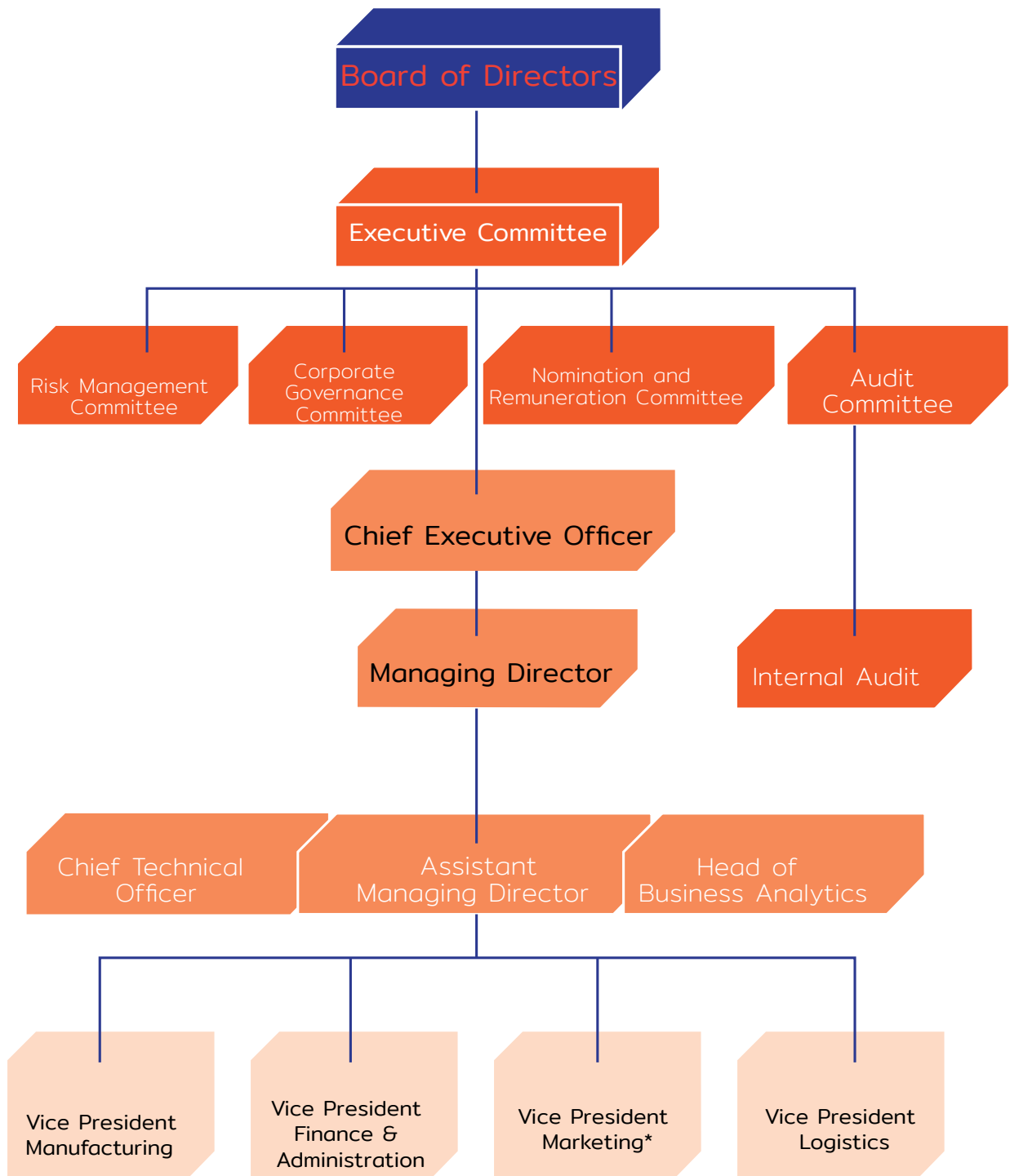
Non-listed Company: Director Position
Nil

Shareholding in TPAC as of 31 December 2016

Nil

MANAGEMENT STRUCTURE

Company's management structure consist of Board of Director and 4 subcommittees as following details



*After accounting period before submitting the 56-1 company has changed the executive position from Vice . President Marketing to Vice President of Business Development

Board of Directors

According to Extraordinary General Meeting of Shareholders No. 3/2004 dated May 21, 2004 and resolution of the Annual General Meeting of Shareholders No. 1/2005 on April 27, 2005, and the Board of Directors Meeting No. 6/2015 held on October 12, 2015 appointed The Board of Directors as following persons.

NO	Name	Position	Meeting Attendance 2015	Meeting Attendance 2016	Date of Appointment	Date of Resigned	Shareholding in TPAC for year 2016	Shareholding in TPAC for year 2015
1	Mr. Kevin Kumar Sharma	Chairman and CEO	3/3	6/6	29/02/2016	29/02/2016	-	-
2	Mrs. Aradhana Lohia Sharma	Director	3/3	6/6	09/10/2015		-	-
3	Mr. Yashovardhan Lohia	Director	2/2	4/6	12/10/2015			-
4	Mr. Anil Kumar Kohli	Executive Director	2/2	6/6	29/02/2016	29/02/2016	-	-
5	Mr. Theerawit Busayapoka	Managing Director	7/8	6/6	29/02/2016	29/02/2016	10,560,000	8,560,000
6	Mr. Virasak Sutanthavibul	Independent Director and Chairman of Audit Committee	3/3	5/6	09/10/2015	-	-	-
7	Mr. Kittiphat Suthisamphat	Independent Director and Audit Committee	3/3	6/6	09/10/2015	-	-	-
8	Mr. Gran Chayavichitsilp	Independent Director and Audit Committee	2/2	6/6	09/10/2015	-	-	-

Ms. Anong Sompittayanurak is Company Secretary to the Board of Directors.

Main Shareholder of Company

	จำนวน(คน)	จำนวนหุ้น	%
1. Strategic Sharehold			
1.1 Controlling Shareholders	1	153,009,150	60.28
1.2 Directors, executives and their related party	1	10,560,000	4.16
1.3 Share holder holding more than 5% and their related party	2	38,597,700	15.21
2 Non-Strategic Shareholder		51,650,826	20.35
Total		253,817,676	100

Remark: This information is from XO booking date at as December 30, 2016

Authorized Directors

The authorized directors to sign on behalf of the Company are any one from Group A which includes Mr. Kevin Kumar Sharma or Mrs. Aradhana Lohia Sharma or Mr. Yashovardhan Lohia and any one from Group B which includes Mr. Theerawit Busayapoka or Mr. Anil Kumar Kohli to jointly sign with the Company's seal affixed.

Role and Responsibility of the Board of Directors

To comply with laws, Securities and Exchange Act, the objects and the articles of association of the Company, and the resolutions of the Board of Directors and the Shareholders Meetings in good faith, with due care and responsibility and to preserve the interests of the Company and of the shareholders under the principles of good corporate governance.

To determine the policy, direction, goal, and business plan of the Company.

To consistently oversee the performance of executives so that stipulated goals and policies are effectively and efficiently met in order to increase the economic value of the enterprise resulting in shareholder return.

To disclose information as per SET regulations and guidelines and treat information disclosure as significant and essential for decisions pertaining to investing in the company's securities.

To maintain reliable and proper accounting, financial reporting and auditing systems under the generally accepted accounting principles reflective of the true and fair position of the Company.

To maintain adequate internal controls, as well as an appraisal system to evaluate the adequacy of the internal controls and the effectiveness of the internal audit.

To maintain an appropriate risk management system and to periodically evaluate the potential risks and the corresponding mitigates.

To appoint various committees consisting of an audit, executive, risk management and others as deemed necessary to assist in the control and supervision of the Companies operations. The Board of Directors may revoke, terminate or amend such authority any time provided that such authorization shall not extend to the authority of giving approval for any matter in which such person may have any form of conflict of interest with that of the Company or the Company's subsidiary or affiliate. Any such authorization shall be in accordance with the resolution of the Board of Directors in a meeting which is attended by its independent directors.

To disclose the interest of the directors and their related persons to the Company.

To maintain performance evaluation guidelines for the Board of Directors whereby each director annually evaluates the company's results.

To recruit people who have knowledge, experience and qualifications appropriate for directorship, audit committee and Chief Executive Officer position.

Chief Executive

The authority of Chief Executive

The Board of Directors will appoint the CEO.

The CEO will be a person with the highest personal and professional integrity, with demonstrated and exceptional ability and judgment and who shall be most effective in serving the long-term interests of the Company.

Role and Responsibility of CEO

- Designated as authorized person in administering the Company's business and/or day-to-day operation to be in line with the objectives, articles of association, policies, rules, regulations, instructions and resolutions of the Board of Directors Meeting and/or resolutions of the Shareholders Meeting.
- Arrange to prepare the Company's business policies, business plans and budget to be proposed to

- the Board of Directors for approval and has a duty to report the progress on such approved business plans and budget to the Board of Directors according to the period specified by the Board of Directors.
- Manage the Company's business operations in line with the Company's business policies, business plans and budget, and to meet financial goals as approved by the Board of Directors.
 - Establish performance goals, allocate resources and comply with the policies for management.
 - Ensure the Company's overall business growth in accordance with the Company's objectives and business plans.
 - Maintain good relationship with the Company's stakeholders.
 - Ensure compliance with the law and ethical standards and maintain transparency.
 - Ensure the organization's public standing.
 - Take the lead in growth and marketing strategy.
 - Determine, monitor and strengthen organization's standards that are essential to keep its competitive edge and create organization value through continuously working on the people and products.
 - Analyze the current and potential overall global industrial condition for hints of future changes within the industry and adjust the Company's strategy.
 - Ensure appropriate returns to all stakeholders
 - Work closely with Managing Directors, Chief Financial Officers and Chief Operating Officers of various business groups to deliver organization value.
 - Set up the employee performance evaluation standards and review such standards periodically.
 - Ensure effective implementation of the Board of Directors' resolution.
 - Recruit, appoint, remove, relocate, adjust, reduce or deduct salary or wages, impose disciplinary sanctions on officers and employees as well as dismiss officers and employees from their positions in accordance with the rules prescribed by the Board of Directors, except for executive officers or those in comparable or higher positions, which shall require prior approval from the Board of Directors.
 - Be authorized to delegate authority to others to perform specific duties on his behalf. Such delegation of authority shall be within the scope of and in accordance with the power of attorney granted and/or shall be in accordance with the internal regulations, rules or instructions given by the Board of Directors and/or the Company. The authorization of duties and responsibilities of the CEO shall not constitute an authorization or sub-authorization which may cause the CEO or his authorized person(s) to be able to approve any transaction in which they, or any person who may have a conflict of interest (as defined in the notification of the Securities and Exchange Commission or the notification of the Capital Markets Supervisory Board), may have an interest or may gain benefit in any manner, or in which they may have any other conflict of interest with the Company or its subsidiaries, unless the approvals of such transactions are consistent with the policies and criteria approved by the Shareholders Meeting or the Board of Directors Meeting.

Audit Committee

Board of Director has a duty to appoint the audit committees, independent directors, to increase the efficiency for enhancing the Corporate Governance operation of organization. The company audit committee consists of three members who are all independent directors and at least one director must have knowledge of accounting and finance. The term of taking this position is three years and maximum three terms consecutive. But, if any directors are appropriate to continuously hold a position the board of director need to report to the shareholder meeting for approval. Directors who are retired by rotation can be reappointed by the board of director within three months in order to have a full member as company's regulation. The replacement person will be in office only the remaining term of that audit committee. The audit committee need to arrange

the meeting at least four times per year or every quarter.

The Independent Director and Audit Committee

No.	Name	Position	Meeting Attendance 2015	Meeting Attendance 2016
1	Mr. Virasak Sutanthavibul	Independent Director and Chairman of Audit Committee	1 / 1	4 / 4
2	Mr. Kittiphath Suthisamphat	Independent Director and Audit Committee	1 / 1	4 / 4
3	Mr. Gran Chayavichitsilp	Independent Director and Audit Committee	1 / 1	4 / 4

Ms. Kejkaew Ngamlamyai is Secretary to the Audit Committee.

Role and Responsibility of the Audit Committee

1. To review and ensure that the Company's financial report is proper and with adequate disclosure in accordance with the generally accepted accounting standards, including the assurance that quarterly and annual financial reports are accurate, complete, and justifiable before the submission to the Board of Directors for approval.
2. To review and ensure that the Company has an appropriate and efficient internal control system and to annually assess the results of the internal control.
3. To ensure that the Company has complied with the securities laws and regulations of the SEC and the SET or other laws relating to the business of the Company.
4. To select and recommend to the Board of Directors the appointment of the external auditor and suggest remuneration for approval in the annual general meeting of the shareholders' meeting and to meet with the external auditor without participation of the management at least once a year.
5. To ensure a common understanding between the Board of Directors, the external auditor, and the internal auditor.
6. To review and disclose related party transactions or any conflict of interests as stipulated by the corresponding regulations such that the Company is not unfairly affected.
7. To prepare a report of the audit committee's activities as may be required in line with SET regulation.
8. To review and revise the audit committee charter to properly align with the Securities and Exchange Act and the SET's regulations and guidelines.
9. To consider, review, and approve the internal audit.
10. To ensure that the internal audit department addressed all essential business control functions, proposes solutions and opinions to the management, and monitors the execution of the proposed solutions within the provided time period.
11. To report findings of the audit committee to the Board of Directors for annual evaluation
12. To be empowered to call for opinions or attendance at the meeting or provision of any related documents, as the audit committee may deem relevant or necessary, from the management or any related staff.
13. To seek counsel from independent professionals from varying fields when deemed necessary on the expense of the Company acknowledgment at least 4 times a year.
14. To do any other functions as may be designated by the Board of Directors with consent of the audit committee.
15. To evaluate and assess the performance of the audit committee annually for possible improvement.
16. To review independence of internal audit unit reporting directly to the Chairman of the Audit Committee. Including giving consent to the appointment, revocation, transfer or termination of internal audit unit. To consider and approve budgets and manpower of the internal audit unit.

Executive Committee

According to the Board of Director Meeting No. 6/2015 held on 12 December 2015 appointed 4 executive committees.

K'Ashok Jain resigned in 2016. So, there are 3 remain members of Executive Committees as follow:

Name	Position
Mr. Kevin Kumar Sharma	Chairman and CEO
Mr. Theerawit Busayapoka	Managing Director
Mr. Anil Kumar Kohli	Chief Technical Officer

Role and Responsibility of the Executive Committee

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

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

Management

No.	Name	Position
1	Mr. Kevin Kumar Sharma	Chief Executive Officer
2	Mr. Theerawit Busayapoka	Managing Director
3	Mr. Pairoj Pongpong	Assistant Managing Director
4	Mr. Anil Kumar Kohli*	Chief Technical Officer
5	Mr. Alok Kothari*	Head of Business Analytics
6	Ms. Anong Sompitthayanurak	Vice President Finance and Administration
7	Mr. Chakkaphan Sukhinhawarin	Vice President Production
8	Ms. Nipapan Ponvanid	Assistant Vice President Marketing
9	Mr. Yuti Pukkanasut	Assistant Vice President Logistics
10	Ms. Rungthiva Klainoi*	Assistant Vice President Finance and Administration

*No4 and No5: Starting a working during year 2016

*No10: Resign during year 2017 before publishing the annual report

Role and Responsibility of the Managing Director

The Managing Director is appointed by the Board of Directors who will hold office as Managing Director of the Company only so that he will have sufficient time to manage the affairs and activities of the Company in accordance with the objective of the Company and for the best benefit of the shareholders. The Managing Director is under direct command of and report to the Chief of the Executive Committee and his performance will be evaluated by the Executive Committee annually, including fixing his remuneration. The duty and responsibility of the Managing Director is as follows:

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

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

Nomination for the directors and executives

The Board of Director meeting at as 10 August 2016 had a resolution to appoint the nomination and remuneration committees having 6 committees and half of directors are independent directors. So, the selection process of the candidates selected and appointed to be a director and top executive will be depended on the consideration process of nomination and remuneration committees. For the nomination of directors who are retired by rotation the nomination and remuneration committees will select the nominees equal to the number of retired directors.

The nomination and remuneration committees must consider from the nature of business and future plan in order to limit the appropriate qualification. By righting of director and shareholder to propose nominees to be elected as directors in advance or any source that can be referred. Including with the committees, form major holder, having various experiences and talents which is benefit to the company and also dedicate the time in order to strengthen the company to have a strong directors team. So, all of committees are limited to take a position in listed company not more than 5 companies and need to report to shareholder meeting for approval and the resolutions must be more than one-third of the shares present at the meeting

By determination one share one vote per one shareholder and each shareholder must use entirety votes to select at least one person to be a committee. The person receiving the highest score will be selected

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

In the case of the position is vacant due to the other reason, retirement by rotation. The Board of Director need to select, by having a resolution not less than three fourth, replacement committee in order to attend for the next meeting. the executive committee have a duty to nominate and select the appropriate executive who is suitable for each position by giving an authority to managing director.

Remark: The charter of nomination and remuneration committees approved by Board of Director Meeting No.6/2016 held on 15 December 2016 and disclosed on company website, www.thaiplaspac.com

Risk Management Committee

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

No.	Name	Position	Meeting Attendance
1.	Mr. Kevin Kumar Sharma	Chairman of subcommittee	2 / 2
2.	Mr. Theerawit Busayapoka	subcommittee	2 / 2
3.	Mr. Alok Kothari	subcommittee	2 / 2
4.	Mr. Anil Kumar Kohli	subcommittee	2 / 2
5.	Ms. Anong Sompitthayanurak	subcommittee	2 / 2

Ms. Kajkaew Ngamlamyai is Secretary to the Risk Management Committee.

Role and Responsibility of the Risk Management Committee

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

12. Making a sub-committee's performance report, following by the regulation of Stock Exchange of Thailand, for disclosing in annual report.
13. Regularly review the charter of sub-committee in order to appropriate and relate with the Securities and Exchange and also the regulation of Stock Exchange of Thailand.
14. Reporting the performance report of sub-committee to the Board of Director at least 2 times per year.
15. Annually evaluate the performance report of sub-committee for the purpose of improvement process.

Corporate Governance Committee

This sub-committee was appointed by the Board of Directors on 10 August 2016.

No.	Name	Position	Meeting Attendance
1.	Mr. Kevin Kumar Sharma	Chairman of subcommittee	2 / 2
2.	Mr. Theerawit Busayapoka	subcommittee	2 / 2
3.	Mr. Alok Kothari	subcommittee	2 / 2
5.	Ms. Anong Sompitthayanurak	subcommittee	2 / 2

Ms. Kajkaew Ngamlamyai is Secretary to the Corporate Governance Committee

Role and Responsibility of the Corporate Governance Committee

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

Nomination and Remuneration Committee

This sub-committee was appointed by the Board of Directors on 10 August 2016.

No.	Name	Position	Meeting Attendance
1.	Mr. Gran Chayavichitsilp	Chairman of subcommittee	2 / 2
2.	Mr. Virasak Sutanthavibul	subcommittee	1 / 2
3.	Mr. Kittiphat Suthisamphat	subcommittee	1 / 2
4.	Mr. Kevin Kumar Sharma	subcommittee	2 / 2
5.	Mr. Theerawit Busayapoka	subcommittee	2 / 2
6.	Mr. Alok Kothari	subcommittee	2 / 2

Ms. Anong Sompittayanurak is acting Secretary to the Nomination and Remuneration Committee

Role and Responsibility of the Nomination and Remuneration Committee

1. To consider the succession plan for executive and top executive
2. To recruit person who is suitability to be nominated for Chief Executive Officer, Managing Director and top executive by following the relevant law
 - 2.1 To define the criteria for recruitment person who is suitability to be nominated for Chief Executive Officer, Managing Director and top executive
 - 2.2 The criteria need to accord with the relevant law and requirements. And also the person need to have a qualification that relevant to the law and the requirements of Stock Exchange of Thailand
3. The Nomination and Remuneration Committee has a duty for consideration the remuneration as follow:
 - 3.1 To present the remuneration of committee and subcommittee to the Board of Director for approval and present to the shareholder meeting for approval.
 - 3.2 To present the remuneration of top executive to the Board of Director for acknowledgement
4. To consider the remuneration of executive, apart from no.3, to the Board of Director for approval and pass to the managing director for operation.
5. All subcommittee have a duty to make a self-assessment in both individual and as a whole for evaluation and report to Board of Director in order to disclose in annual report.
6. Chairman of subcommittee has a duty to make a self-assessment report in order to present to the Board of Director and disclose in annual report.
7. Making a sub-committee's performance report, following by the regulation of Stock Exchange of Thailand, for disclosing in annual report
8. Regularly review the charter of sub-committee in order to appropriate and relate with the Securities and Exchange and also the regulation of Stock Exchange of Thailand
9. Reporting the performance report of sub-committee to the Board of Director at least 2 times per year
10. Annually evaluate the performance report of sub-committee for the purpose of improvement process

The remuneration for Board of Director and Audit Committee fees

Company has a policy to pay an allowance for committee's compensation

- In 2015 the company has paid an allowance compensation in total 2,180,000 Baht

- In 2016 the company has paid an allowance compensation in total 2,180,000 Baht

Other remuneration -None-

The cash remuneration for executives

- In year 2015 the company has paid a compensation to 9 executives and consultants; salary, Bonus and Provident Fund in total 18.19 million Baht.
- In year 2016 the company has paid a compensation to 10 executives and consultants; salary, Bonus and Provident Fund in total 26.75 million Baht.

*This total amount is included salary and compensation of Chief Executive Officer

The cash remuneration for auditor

Audit firm	Audit Fee	
Ernst & Young Office Limited	2014	650,000
Ernst & Young Office Limited	2015	700,000
Ernst & Young Office Limited	2016	900,000

Remark: This amount is not included the transportation fee

*During the year company has paid the transportation fee to auditor in total 42,472 Baht

*Company does not have any interrelated person with auditor in both direct and indirect.

The following table shows the remuneration of committees and subcommittees.

Remuneration of Directors (Attendance fee included)

Name	Position					Administrative Position	Remuneration for each quarter						Total Remuneration for year
	Company Committee	Audit Committee	Nomination and Remuneration Committee	Corporate Governance Committee	Risk Management Committee		Company Committee	Company Committee and Audit Committee	Nomination and Remuneration Committee	Nomination and Remuneration Committee	Corporate Governance Committee	Risk Management Committee	
Executive Committee													
1 Mr. Kevin Kumar Sharma	S	-	M	S	S	Chief Executive Officer	70,000	-	Nil	Nil	Nil	Nil	280,000
2 Mr. Theerawat Busayapoka	M	-	M	M	M	Managing Director	55,000	-	Nil	Nil	Nil	Nil	220,000
3 Mr. Anil Kumar Kohli	M	-	-	-	M	Chief Technical Officer	55,000	-	Nil	-	-	Nil	220,000
Non-Executive Committee													
4 Mrs. Aradhana Lohia Sharma	M	-	-	-	-		55,000	-	-	-	-	-	220,000
5 Mr. Yashovadhan Lohia	M	-	-	-	-		55,000	-	-	-	-	-	220,000
Audit Committee													
6 Mr. Virasak Sutanthavibul	M	S	M	-	-		55,000	30,000	Nil (Year 16)	-	-	-	340,000
7 Mr. Gran Chayavichitslip	M	M	S	-	-		55,000	30,000	Nil (Year 16)	-	-	-	340,000
8 Mr. Kittiphath Suthisamphat	M	M	M	-	-		55,000	30,000	Nil (Year 16)	-	-	-	340,000
Executive (Non-Committee)													
Mr. Alok Kumar Kothari	-	-	M	M	M	Chief Finance Officer Company Group	-	-	-	Nil	Nil	Nil	-
Ms. Anong Sompittayanurak	-	-	-	M	M	Vice President of Finance and Administration	-	-	-	-	Nil	Nil	-
Total							455,000	90,000	-	-	-	-	2,180,000

Remark: s = Chairman of committee M = Committee

The remuneration for other subcommittee

- In year 2015 the company appointed the risk management committee (Don't have any remuneration due to all of committees are executives)
- In year 2016 the company appointed 2 subcommittees as follow:
 1. Corporate Governance Committee (Don't have any remuneration due to all of committees are executives)
 2. Nomination and remuneration Committee (Exception in compensation for year 2016)

Personnel

At as 31 December 2016 company has 938 employees in total

field of work	Total Employees	
	2015	2016
Production Department	767	749
Administrative and Finance Department	158	159
Marketing Department	13	12
total	938	920

cash remuneration for employees

Detail	2015	2016
Salary / Bonus / Other	246.72 million Baht	260.80 million Baht



our shop floor is buzzing as we move towards high speed, large cavitation systems complimented with robotic take out, inspection and packing systems.

Major Shareholders

List of major shareholders as of register of shareholders book closing date on December 31, 2016 is as follows;

No.	Name	Number of shares	Percentage of Holding
1	Mr. Anuj Lohia	153,009,150	60.28
2	Mr. Eakawut Nuangjamnong	22,260,000	8.77
3	Thai NVDR Co.,Ltd.	16,337,700	6.44
4	Mr. Theerawit Busayapoka	10,560,000	4.16
5	Miss. Anuttree Nuangjamnong	6,600,000	2.60
6	Mr. Suthiphot Ariyasuthiwong	4,272,900	1.68
7	Mr. Niti Nuangjamnong	3,749,900	1.48
8	Miss. Yothin Nuengchamnong	2,050,000	0.81
9	Mrs. Somsalit Ploybuth	1,490,000	0.59
	Sub-Total	220,329,650	86.81%
	Others	33,488,026	13.19
	Total	253,817,676	100

Source: Thailand Securities Depository Company Limited

Dividend Policy

Not less than 50 percent of net profit after corporate income tax and appropriation to legal reserve. However, the board of directors may consider to adjust the dividend payment depending on liquidity requirement, cash flow requirement for expansion and investment and other requirement in the future.

Thai Plaspac Public Company Limited has consistently paid dividend to shareholders for following years

Financial Year	Cash Dividend per Share (฿)	Dividend Payment
2016*	0.10	Sep, 2016
2015	0.25	May, 2016
2014	0.30	May, 2015

*The company paid a interim half year dividend of ฿ 0.10 per share, and the board of directors has recommended a final dividend of ฿ 0.11 per share to give a total 2016 dividend of ฿ 0.21 per share. Final dividend subject to approval at 2017 AGM.

During the past 3 years, the company has not paid ordinary shares as a stock dividend.



AWARD AND RECOGNITION



ISO 9001 : 2008

GMP Certificate



2016 JOHNSON & JOHNSON
SUPPLIER BEST PERFORMANCE
AWARD

SUPPLY CHAIN RECOGNITION
FOR 2016 SUPPLIER
ENGAGEMENT PROGRAM

STRATEGY AND OVERVIEW BUSINESS OPERATION

Strategy

To reiterate the words of Michael Porter (Harvard strategy professor),

“Sound strategy starts with having the right goal”

Below are 4 key goals we are currently working towards: ¹

1) Broaden our manufacturing footprint

Demographics are positive and we believe in our growth story. Packaging company fragmentation is high, exciting opportunities to consolidate inorganically exist. We are committed towards value accretive M&A

2) Further develop our brand as the leader in rigid plastic packaging

For the markets that we are present in we want to be the leader. We will stay focused on rigid plastics, avoiding other forms of packaging.

Our specialised R&D platform will be invested towards ensuring best in class lead times and packaging solutions.

3) Further diversify our customer base

TPAC today is uniquely set up to work across a multitude of corporate types.

Be it a multinational corporation or a domestic small enterprise, we have for decades provided packaging solutions across all.

We aim to build on this unique experience and further diversify our customer and revenue base

4) Develop our Investor Relations platform

We are pleased to announce that 2016 saw TPAC make progress in the areas of governance.

The progress we made in 2016 is just the start of our investor relations activities. In the coming years we expect to bring on board fully dedicated passionate IR professionals to help us interact more effectively with our stakeholders.

NATURE OF BUSINESS

Thai Plaspac is Thailand's leading rigid plastic packaging solutions company with a proud 33 years track record in partnership with the world's leading consumer brands.

We operate across the food & beverage, pharmaceutical & personal care, home care and precision tools sectors.

Throughout our history, we have exclusively focused on the use of plastic substrates to create bespoke rigid packaging solutions, nothing else.

All our packaging solutions are bespoke, uniquely designed and manufactured.

Our packaging solutions predominantly take the form of bespoke closures, cups, bottles and specialty containers.

Sustainability, functionality, aesthetics and cost effectiveness all form part of what we call the TPAC solution.

Utilizing proprietary technology as developed by our in-house industry recognized R&D platform, our team of specialist formulate optimum material composition as deemed suitable to form and function.

2D technical CAD drawings and 3D printed prototypes are developed.

Utilizing our extensive relationships with mould makers around the globe, we work closely with mold makers judged to possess the highest level of technical craftsmanship best suited for our individual projects.

Our commercial manufacturing processes include injection molding, stretch-blow molding and extrusion molding.

We also have developed in house facilities for product printing and shrink wrapping.

Our systems and processes are ISO 9001: 2008 and Good Manufacturing Practice accredited and we offer Clean Room infrastructure.

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

1. Food & Beverage:

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

1.1 Dairy & Coffee

The dairy business packaging solutions are mainly for milk and yoghurt products.

Milk packaging includes small individual sized bottles up to large multi gallons bottles.

Yoghurt packaging includes thin walled cups and bottles.

Closures systems applied for dairy products include snap-on-screw-off caps, screw caps and snap-on snap-off caps.

Additionally we are also active in the coffee market with products including screw top caps and bottles for coffee powder / beans .

1.2 Food condiments

Comprise packaging solutions for ketchup, chilli, oyster and other food condiments.

Products include squeeze bottles and closure systems for the ketchup and chilli sauce industry.

Specialised barrier properties to the bottles are often required in order to mitigate any negative affects of oxidation to the filled product.

Our product range also includes closure systems for Ketchup, Chilli and Oyster sauce bottles.

Closure systems can range from internal tamper evident flip top caps, external tamper evident flip top caps and closures with a broad range of orifice sizes.

1.3 Edibles

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

1.4 Cutlery

The focus of this business is a range of creatively designed disposable convenient cutlery. This business focuses on the instant noodle market.

Our products can include foldable forks and spoons which can be conveniently placed into the overall packaging system together with the food ingredients. These products are often made for our instant noodle partners.

Additionally we produce other types of cutlery such as scoops, sporks (spoons combined with forks) with additional features such as an attachment of the cutlery to the corresponding closure or lid.

1.5 Beverages

Here we cater to the medium volume niche beverage market. For example we recently worked with premium brands in the coconut water and green tea market.

Our customized designed beverage bottles are likely to differ in size and shape from the more commonly seen commoditized beverage bottles in the market.

2. Pharmaceutical & Personal care:

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

3. Homecare:

Our packaging solutions for the homecare market cater towards cleaning detergents, pest sprays and air refreshner gels.

For cleaning detergents, the packaging typically involves bottles with plug systems inserted at the bottles mouth and further overlaid with snap or screw caps.

Our pest spray solutions comprise of spray caps. Spray caps are typically single piece items which have an orifice to release the spray upon the application of pressure to a top lying button.

Air refreshners gels are housed within customized containers. These containers can be of various shapes and sizes unique to our customers design preference and may incorporate multiple pieces that assemble together.

4. Precision Tools:

This is our smallest business segment and it consists of plastic components for measuring tapes and engineering levellers.

The characteristic of the plastics applied here include a high level of heat and impact resistance.

Income	2014		2015		2016	
	MM Baht	%	MM Baht	%	MM Baht	%
Local Income	1,524	90%	1,435	90%	1,382	90%
Export Income	149	9%	149	9%	142	9%
Total Income	1,673	99%	1,584	99%	1,524	99%
Other Income	13	1%	12	1%	10	1%
Grand Total	1,686	100%	1,596	100%	1,534	100%

Other income includes sales of waste / moulds / machinery and equipment.

Income by Segment:

Segment	2014		2015		2016	
	MM Baht	%	MM Baht	%	MM Baht	%
Food & Beverage	826	49%	810	51%	787	51%
Household / Home care	307	18%	428	27%	448	29%
Furniture & Tools	52	3%	305	19%	256	17%
Personal Care & Pharmaceuticals	488	29%	41	3%	33	2%
Total	1,673	99	1,584	99%	1,524	99%
Other Income	13	1	12	1%	10	1%
Grand Total	1,686	100%	1,596	100%	1,534	100%



Food & Beverage



Pharmaceutical & Personal care



Homecare



Precision Tools:

MANAGEMENT DISCUSSION AND ANALYSIS

THAI PLASPAC PUBLIC COMPANY LIMITED "TPAC"

Management Discussion and Analysis for Year Ending 2016.

Profit and Loss

	+/- %	2559	2558
Sales	-3.8%	1,523.8	1,584.2
Cost of Sales	-4.9%	1,266.3	1,331.5
Gross Profit	1.9%	257.5	252.7
Gross Profit Margin %	0.9%	16.9%	15.9%
SG & A	12.4%	139.5	124.1
Other Income	-11.2%	10.4	11.7
EBITDA	-4.5%	257.1	269.2
EBITDA Margin%	-0.1%	16.9%	17.0%
Depreciation and amortization	-0.1%	128.8	128.9
EBIT	-8.5%	128.3	140.3
EBIT Margin%	-0.4%	8.4%	8.9%
Interest expense	-78.9%	2.0	9.3
Profit Before Tax	-3.5%	126.3	130.9
Income Tax Expense	-19.8%	21.4	26.7
Net Profit	0.7%	104.9	104.2
Net Profit Margin%	0.3%	6.9%	6.6%

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

- Net Profit ฿104.9 MM Baht, a 0.7% YoY increase.
 - The Net Profit Margin increased to 6.9% in 2016 from 6.6% in 2015 partially attributable to reduction in interest costs due to repayment of all Long-term debts in 2016.
 - In terms of our market dynamics, the rigid plastic packaging market continues to grow fueled by local consumer trends and as a result of TPACs long established 33 years leadership track record, TPAC made strong wins of new projects in 2016 and management is optimistic this momentum will continue into 2017
- TPAC has also recorded another year of positive volume growth
 - Sales volumes increased 1% YoY despite a slow start to 2016.
 - In 2016 management invested a further ฿123.3 MM of growth capex into new machinery and molds and most of the volume growth from these investments are expected to yield results in 2017 as production from these projects comes on line.

- As TPAC moves into the packaging space which demand increased levels of technical complexity due to the large volumes (high speed production) and certain non-standard product specifications, this has resulted in more sophisticated moulds, machinery, robotic take-out systems and inherently more stringent product qualification procedures.
- This in turn results in a longer lead time to commercial production, therefore some 2016 project wins will only begin commercial production in 2017.
- Management is also further strengthening our R&D platform and mould shop capabilities to shorten this lead time in 2017 ensuring we deliver best in class service to our customers.
- Top line Sales lower YoY attributable to lower underlying raw material costs.
- TPAC 2016 Gross Profit increased to ฿257.5MM in 2016 from ฿252.7MM in 2015.
 - Gross Profit Margin widened 100 basis points to 16.9% because of the higher sales volumes achieved.
- 2016 EBITDA ฿257.1MM Baht
 - EBITDA Margins are steady at 16.9% against 17.0% in 2015 but EBITDA 4.5% lower YoY due to increased SG&A costs.
 - Increased SG&A partially attributable to an increase in executive management personnel and their associated payroll.
 - Additional management expertise were brought on board in 2016 to prepare TPAC for our inorganic (M&A) growth aspirations (management continues to study areas of growth that will result in synergies for our business) and our increased operational excellence focus.
 - Newly formed Operational excellence program with clearly laid out KPIs will target an optimization in SG&A costs throughout the course of 2017.

Balance Sheet

฿ million	%Δ	As at	As at
	'16 vs '15	31-Dec-16	31-Dec-15
Cash and cash equivalents	61.7%	6.0	3.7
Trade and other receivables	10.0%	392.9	357.3
Inventories	25.7%	113.1	90.0
Other current assets	1,411.3%	33.4	2.2
Total current assets	20.3%	545.4	453.2
Property, plant and equipment	4.0%	569.8	548.0
Advance for purchase of molds	9.7%	80.4	73.3
Other assets	-21.3%	66.1	84.0
Total assets	8.9%	1,261.6	1,158.5
Short term loans	7.5%	55.0	51.2
Trade and other payables	-17.6%	166.9	202.4
Current portion of loans	-100.0%	0.0	37.3
Other current liabilities	-10.7%	10.7	11.9
Total current liabilities	-23.2%	232.6	302.9
Non-current portion of loans	-100.0%	0.0	73.8
Other liabilities	33.0%	18.6	14.0
Total liabilities	-35.7%	251.2	390.7
Registered share capital	0.0%	255.0	255.0
Issued and paid-up capital	21.6%	253.8	208.8
Retained earnings	4.3%	428.2	410.5
Other reserves	121.1%	328.4	148.5
Total shareholders' equity	31.6%	1,010.4	767.8
Total liabilities and shareholders' equity	8.9%	1,261.6	1,158.5

- TPAC balance sheet further strengthened this year with 8.9% increase in Total Assets.
- The continued strong free cash flow generation in combination with the successful warrant subscription program has enabled a full pay down of long term bank debt.
- Current ratio as of end 2016 now at 2.3x, a significant increase from 1.5x at end 2015.
- Shareholders' equity 31.6 % higher at ฿1,010.4 MM, an increase of ฿242.6 MM comprising:
 - ฿224.9 MM cash injection via the successful exercise of a portion of the company's warrants (TPAC-W1 and TPAC ESOP)¹.
 - ฿59.4MM paid out as annual dividend for year 2015 from retained earnings and ฿25.4MM paid out from earnings of first half of 2016 as interim dividend in Q3-2016.
 - ฿102.5MM increase in retained earnings from net profit for 2016, net of balance sheet items.

¹ TPAC-W1 with ฿ 5.00 strike and optional maturity dates 21st May-2016. 44,717,776 number of TPAC-W1 warrants were exercised in H1-2016 with total value of ฿223.59MM Baht
 TPAC ESOP with ฿ 4.00 strike and optional maturity dates of 21st May-2016. 333,500 number of TPAC-ESOP warrants were exercised in H1-2016 with total value of ฿1.33MM Baht.

Cash Flow (Baht 'MM)

Million Baht	Ø1-Jan-16	Ø1-Jan-15
Period Beginning From Up To Period Ending	31st Dec-2016	31st Dec-2015
Cash and Cash Equivalents - Beginning period Balance	3.7	60.8
Cash flow from Operating Activities		
Profit Before Tax	126.3	130.9
Adjustments: Depreciation and Amortisation	128.8	128.9
Adjustments: Other adjustments ⁽²⁾	5.1	12.4
Profit from operating activities before changes to working capital	260.2	272.2
Net changes to Working Capital	-111.8	-77.2
Cash flows from Operating Activities	148.4	195.0
Cash paid for corporate income tax	-40.8	-44.8
Net Cash Flows from Operating Activities	107.6	150.2
Cash flow from Investing Activities		
Acquisition of Fixed Assets	-136.6	-68.4
Interest income	0.1	0.3
Proceeds from equipment sales	0.5	1.4
Net Cash Flow used in Investing Activities	-135.9	-66.7
Cash flow from Financing Activities		
Cash from Warrants	224.9	33.8
Repayment in long-term loans	-110.8	-78.7
Dividend Paid Out	-84.8	-61.8
Decrease in short-term bank loans	3.7	-22.9
Interest Expense	-2.1	-10.5
Repayment of finance lease payments	-0.4	-0.5
Net Cash Flow from Financing Activities	30.6	-140.6
Increase in Cash and Cash Equivalents	2.3	-57.1
Cash and Cash equivalents - Closing Period Balance	6.0	3.7

- TPAC continues to generate visible and positive free cash flow from our operations.
- Cash flow from operating activities before changes to working capital ฿260.2 million is sufficient to fund net cash outflow for working capital and corporate tax totaling ฿152.6 million leaving a surplus of ฿107.6 million net cash from operating activities.
- The company has a cash balance at the end of Dec-2016 at ฿6.0 MM.

Ratios

Liquidity Ratio	31-Dec-16	31-Dec-15
Current Ratio	2.3	1.5
Leverage Ratio	31-Dec-16	31-Dec-15
Net Debt / Equity	0.0	0.2
Interest Bearing Debt / Equity	0.1	0.2

- Financing ratios robust and further strengthened this year.
- TPAC is very well positioned in terms of our human capital and balance sheet robustness to move swiftly and capitalize on growth opportunities within the packaging sector.

TPAC Contacts:

Alok Kothari (Group CFO) +662 8972 250 Ext: 216 Email: kothari@thaipaspac.com

Anong Sompittayanurak (Company Secretary) +662 8972 250 Ext:180: Email: anong@thaipaspac.com

Notes

Always read MD&A together with the published financial statements to get complete details and understanding.

Forward-looking Statements

The statements included herein contain “forward-looking statements” about the [financial condition and results of operations] of Thai Plaspac Public Company Limited (the “Company”), which are based on management’s current beliefs, assumptions, expectations and projections about future economic performance and events, considering the information currently available to the management. Any statements preceded by, followed by or that include the words “targets”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “anticipates”, “would”, “plans”, “could”, “should”, “predicts”, “projects”, “estimates”, “foresees” or similar expressions or the negative thereof, identify or signal the presence of forward-looking statements as well as predictions, projections and forecasts of the economy or economic trends of the markets, which are not necessarily indicative of the future or likely performance of the Company. Such forward-looking statements, as well as those included in any other material discussed at the presentation, are not statements of historical facts but concern future circumstances and results and involve known and unknown risks, uncertainties and other important factors beyond the Company’s control that could cause the actual results, performance or achievements of the Company to be materially different from the expectations of future results, performance or achievements expressed or implied by such forward-looking statements.

Factors that could contribute to such differences include, but are not limited to: the highly competitive nature of the industries in which the Company operates; exposures to macro-economic, political, legal and regulatory risks; dependence on availability, sourcing and cost of raw materials; ability to maintain cost structure and efficient operation of manufacturing facilities; shortages or disruptions of supplies to customers; operational risks of production facilities; changes in laws and regulations relating to consumer packaging; the impact of environmental, health and safety laws and regulations.

All such factors are difficult or impossible to predict and contain uncertainties that may materially affect actual results.

The results of operations for the periods reflected herein are not necessarily indicative of results that may be achieved for future periods, and the Company’s actual results may differ materially from those discussed in the forward-looking statements as a result of various factors not foreseen at the time of giving this presentation. This statement must not be treated as advice relating to legal, taxation, financial, accounting or investment matters. You acknowledge that you will be solely responsible for your own assessment of the market and the market position of the Company and of the risks and merits of any investment in the Shares, and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the Company’s business.

RISK FACTOR, INTERNAL CONTROL & RISK MANAGEMENT

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

The identified risks are as follows:

1. Raw material price and supply risk

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

The monthly price movement of Polyolefins is correlated to the movement of oil and the relative supply demand dynamics for the specific polyolefin.

To manage this raw material volatility, we have customer arrangements which allow us to adjust our pricing to be in line with price movement of Polyolefins, however there may a quarter lag period before the pricing can be adjusted.

In terms of supply demand there may be instances where producing plants are required to shut down for a period of time resulting in a short term supply disruptions.

To minimize the risk of supply disruptions, multiple suppliers are maintained.

Also with our 33 years of close relationships with many of these suppliers, we are often forewarned of any impending supply disruptions ensuring we have enough time to make alternative arrangements.

2 Competition Risk

The rigid plastics packaging business has multiple manufacturers in Thailand and market share can be gained as well as lost.

The experience and passion of our management team is crucial here in order to ensure we continue to deliver a product that is competitively priced and of consistent high quality.

3. Business Operation Risk

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

TPAC is in operation for 33 years and is also ISO 9000 Certified. It has built adequate procedures and systems in place and continuously improving procedures and systems through regular customer Audits and also Internal audits to minimize employee errors and system failures.

4. Security of property risk

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

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

5. Overstocking of inventory risk

We have a large number of customers and product SKUs numbering in the thousands and increasing. Inventory control, warehousing and logistics are all important processes to facilitate the on-time delivery to customers.

For inventory management, management information systems covering raw material procurement, planning & production, and logistics are in place. Supply chain infrastructure was further enhanced in 2015 with the construction of a 6,000 sq m new distribution warehouse.

6. Foreign exchange financial risk

Approximately 10% of the company's revenues are denominated in USD arising from export sales. The company's costs are denominated in Baht.

There is a timing gap between the invoicing of the sale and the actual receipt of the foreign funds. During this time period it is possible that the USD loses value against Baht thereby resulting in a potential loss of expected revenue.

The company is able to hedge this risk by entering into forward FX contracts at the time of invoicing.

7. Investment Projects risk

Investment projects are subjected to various forms of risk that can impact the performance expected. The factors coming from the external environment, as well as the factors specific to the operational and functional structure of the organization. This may result in different result than the one anticipated initially, and thus there is the risk of the project to fail or reaching the expected results.

Investment Projects and CAPEX proposals at TPAC are critically evaluated for the payback and ROI (return on investment) with SWOT analysis and the risk management committee focusses on eliminating the negative aspects introduced by the risk probability & analyses the potential threats that can affect the projects profitability in the future in detail.

8. Corruption risk

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

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

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

TPAC has a proactive risk management approach to corruption prevention as under:

- Creating open channel in TPAC website –Stake holder can directly contact to Head of Compliance (whistle Blowing Policy)
- Policy to protect person who notices and gives data & information on corruption.

Provide in house training on the Anti-Corruption training course and updating for the knowledge.

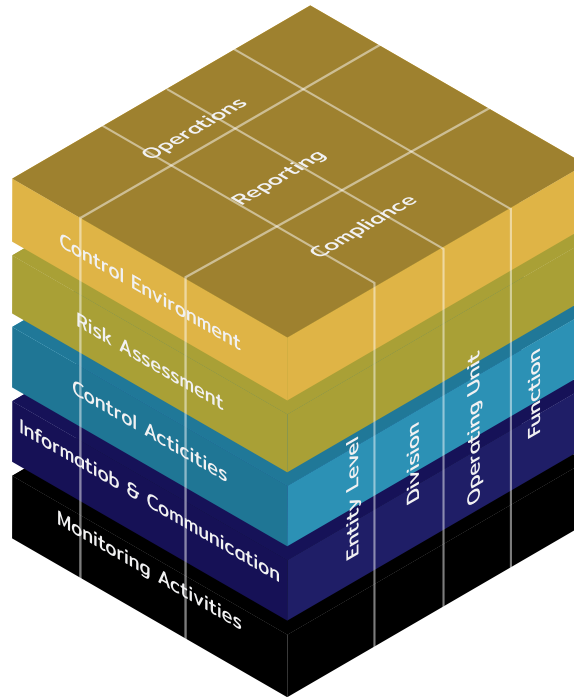
9. Internal Control

Internal control is a continuous process and valuable for effective and efficient business operations at Thai Plaspac Public Company Limited. The Board of Directors has assigned the Audit Committee to review the assessment and adequacy of the internal control system to ensure accurate and credible reporting from the accounting system which is consistent and in compliance with the financial reporting standards and in line with the rules and regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).

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

The Company has an external internal auditor to verify the internal control process. The audit committee has appointed Deloitte Touche Tohmatsu Jaiyos Advisory Company Limited as internal auditor for the year 2017. The internal auditor will assess entity level and function level control environment, risk assessment, control activities, information and communication and monitoring activities with an objective of effective operations, reporting and compliance. The internal auditor will report to the audit committee on a quarterly basis.

Internal Control Framework;



Risk Management

The Company's business operations for certain activities are exposed to both internal risks and external risks. The Company assesses and controls these risks to minimize the possible negative impacts on business operations. The Executive Management and Internal Audit are assigned to assess and monitor these risks. In risk assessment, every business department is required to identify risk factors which may have impact on the business in terms of strategic risk, financial risk, operational risk, IT risk and compliance risk. The Executive Management and Internal Audit facilitates the business department to put in place actions for risk mitigation in order to address the negative impacts of risk. Risk management and effectiveness of risk mitigation is a continuous process. The Risk Management Committee members are given in Section 6. Management Structure.

RELATED PARTY TRANSACTIONS

Related Party Transactions

Policy and Procedure

The Audit Committee emphasizes the need for careful review and consideration before granting approval for connected transactions, related transactions or transactions that may cause conflict of interest.

If a business transaction in the Company is to be carried out with connected persons who may have a conflict of interest with the Company than such transaction needs to be reported and approved by the Audit Committee and informed to the Board of Directors. All connected transactions are evaluated primarily for their benefit contribution to the Company and whether are being done on a arms length basis. The directors or employees who possess conflict of interest do not participate in approval process. In case the transactions fall under relevant rules and regulations of the Stock Exchange of Thailand, the Company observes that all rules and regulations are being adhered to strictly by the Company

The Company internal policy requires all approved related party transactions to be reported on a quarterly basis to the Audit Committee and the Board of Directors and disclosed in the reviewed quarterly financial statements, audited annual financial statements, annual registration statement (Form 56-1) and annual report.

Details of relationship of the Company to related party are as follows

Name	Nature of relationship
Modernform Group PCL.	Shareholder and directors related to company's management
Mr.Anuj Lohia	Major shareholder
Inorama Polymer PCL., Inorama Venture Polymer (Rayong) PCL.	Shareholder and director related to company's management, directors and major shareholder
Related person	Directors, executives and related person to directors and executives

For the year 2016, Thai Plaspac Public Company Limited engaged in following business with common major shareholders or directors as disclosed in the notes to accounts of the audited financial statements. The connected transactions are reasonable and undertaken in the best interests of the Company. The details of connected transactions are as below;

Modern Form Group PCL.

Major shareholder and director was related to the Company's management before 12 Oct,2015

No	Description	Connected Transaction Amount (Million Bht.)			Reason / Remark	Audit committee comment
		2014	2015	2016		
1	Sale and purchase of goods and services				Purchasing / Sale Order done by normal practice process, traditional condition at market price	Normal of business practice, reasonable price and normal process purchasing, consistent report to Audit Committee quarterly
	Sale	1	0.8	0.6	Approx. market price	Normal of business practice, reasonable price and normal process purchasing, consistent report to Audit Committee quarterly
	Purchase of goods	0.2	2	0.3	Approx. market price	
	Consulting fee	1	0.9	0	1.2 Million Baht a year	Purchasing / Sale Order done by normal business practice process, traditional condition at market price
	Internal Audit fee	0.4	0.3	0	as per contract	
	Rental	0	0.7	1	as per contract	Purchasing / Sale Order done by normal business practice process, traditional condition at market price
	Outstanding	0	0	0		
	Total Sales amount	1,686	1,596	1,534		
	% to sales	0.0	0.12%	0.02%		

Indorama Venture Polymer (Rayong) PCL.

Major shareholder and director are related to the Company's management after 12 Oct,2015

No	Description	Connected Transaction Amount (Million Bht.)			Reason / Remark	Audit committee comment
		2014	2015	2016		
1	Raw material PET				PET required as a raw material for our production	Arms length commercial transaction at market
	- Purchase product	0	0.1	29.5		
	- Account Payable	0	0.1	0.0		
	Total Sales amount	1,686	1,596	1,534		
	% purchase to sales	0%	.01%	1.92%		

Indorama Polymer PCL.

Major shareholder and director was related to the Company's management after 12 Oct,2015

No.	Description	Connected Transaction Amount (Million Bht.)			Reason / Remark	Audit committee comment
		2014	2015	2016		
1	Raw material PET				PET required as a raw material for our production	Arms length commercial transaction at market
	- Purchase product	0	0.1	33.6		
	- Account Payable	0	0.1	20.2		
	Total Sales amount	1,686	1,596	1,534		
	% purchase to sales	0%	.01%	2.19%		

CORPORATED GOVERNANCE REPORT

Sustainability management

Company's sustainability means growing of company together with stakeholders which consists of customers, suppliers, shareholders, employees, social and environment. We need to emphasize not only to the customers but also employees, who are the key for driving the organization. Also focusing on the supply chain from receiving the raw material until the safe delivery and quality products to customers. All of these will lead to the sustained growth of the organization.

Corporate Governance Report

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

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

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

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

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

1. Rights of shareholders
2. Equal treatment of shareholders
3. Role of stakeholders
4. Disclosure and transparency
5. Responsibility of the board of directors

1. Rights of Shareholders

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

In year 2016, the Company had held an annual general meeting of shareholders no. 1/2016 on 21 April 2016 at 15:00 – 17:00 o'clock at The Boardroom 2, Queen Sirikit National Convention Center, 60 New Rachadapisek Road, Klongtoey, Bangkok 10110. The Company through the share registrar, Thailand Securities Depository, had send notice of shareholders AGM and the annual report to all its shareholders 21 days prior to the meeting on April 4, 2016. The agenda for shareholders meeting included minutes of the last shareholders meeting, auditors report and audited financial statements, dividend policy, proposed dividend with comparison to dividend paid in past year, appointment of directors and remuneration, appointment of auditors and remuneration, articles of association relevant to shareholders meeting, proxy form with option to appoint independent directors as proxy and documents required for attending through a proxy and to vote for each agenda item of the meeting, copy of annual report and others. Further, the Company had published the notice of AGM 1/2016 on the company website (www.thaiplaspac.com) on March 30, 2016 to provide shareholders sufficient time to read all the information.

On the day of shareholders meeting the registration of shareholders was opened one hour inadvance of the meeting to allow shareholders sufficient time. All the member of the board of directors, audit committee and statutory auditors attended the AGM 1/2015. The Chairman of the board of directors presided over the shareholders meeting, informed the procedure of the meeting, appointed two individual shareholders to monitor the proceedings and counting of votes, informed the number of shareholders holding number of shares present in the meeting, informed right of one share – one vote and opportunity for all shareholders to ask questions verbally or in writing and on voting of each resolution announced the result of shareholders voting. The minutes of the shareholders meeting were uploaded on the Company Website within fourteen days of the date of annual general meeting of shareholders.

2. Equal treatment of shareholders

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

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

Results in damage to the Company

- 1) The Company can file a petition on the court and claim such damages. Does not result in damage to the Company
- 2) The practice is treated as unethical, is recorded and warning is given to such director, management or employee. During the past year, directors, management and employees have been strictly in compliance of the code of conduct and standard of ethics.

3. Role of Stakeholders

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

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

Shareholders

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

Employees

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

Customers

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

Suppliers

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

Competitors

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

Society

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

Duty of employees.

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

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

4. Disclosure and transparency

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

5. Responsibility of the board of directors

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

The internal guidelines of the Company on related party transactions and the relevant rules and regulations of SET/SEC provide basis for avoiding conflict of interest. The board of directors meet at least once in each quarter wherein approve financial statements, business plan, capex and investment plan, auditors, remuneration, policy and plans. At the board meetings and informal meetings with the CEO and the Managing Director the Board gets updated on the business performance, strategy and industry trends. The audit committee and the board of directors approved the 2015 annual audited financial statements.

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

The Board has established and maintained an effective internal control system. The Board every year evaluates the efficiency and sufficiency of the internal controls of the Company through the internal auditor and the management. Further, it evaluates the risk management to safeguard the assets and operations of the Company. The risk management evaluates the business risk, finance risk, legal risk and others. Further details on internal control are provided in the section "Internal Control" and the section "Audit Committee"

Control on the use of inside information

The Company has a written policy on the use of confidential and/or internal information so as to prevent any unlawful use. The policy which has been informed to directors, management and employees prohibits from buying, selling, transferring or accepting the transfer of shares or other securities of the Company by using confidential and/or internal information in any manner that may take advantage of outsiders by using inside information. For transparency, directors and management are restricted from purchasing and selling of shares or other securities of the Company fifteen days prior to the disclosure of financial statements to the public. The audit committee and the board of directors meeting are held on the same day to review and approve the quarterly reviewed financial statements and annual audited financial statements of the Company and on approval are immediately submitted to the Stock Exchange of Thailand on the same day or following day prior to start of trading. The directors, management and auditors of the Company are required to report purchase or selling of shares or other securities of the Company, such persons have to report on purchase or selling to the SEC within the time prescribed by the Office of the Securities and Exchange Commission under the Securities Act of 2535

Whistle Blowing Policy

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

Self Assessment Report for 2016

Committee	Self-Assessment	
	As a whole	Individual basis
Board Of Director	90.31 %	94.02 %
Audit Committee	92.12 %	96.20 %
Risk Management Committee	85.00 %	90.45 %
Corporate Governance Committee	87.72 %	85.22 %
Nomination and remuneration committee	83.42 %	89.54 %

Evaluation Criteria

More Than 85% Excellent More Than 75% Very Good More Than 65% Good More Than 50% Fail
Less Than 50% unsatisfied



CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY

Social Responsibility and Sustainability

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

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

- Respect the rights of stakeholders: We operate our business efficiently utilizing our physical assets and our human resources. We do not take any action or encourage infringement of intellectual property rights.
- Promote social responsibility to our business partners: We conduct and promote conduct of business with fairness to our business partners. The Company has a policy to conduct business with stakeholders are fair in their business practices, follow the regulatory environment, do not use child labor in the business and promote prevention of drugs for a better society.

The Company follows a clear policy and practice of transparency and accuracy to conduct its business.

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

1. Create awareness and provide training to employees for conduct of business with fairness and integrity.
2. A system of checks and balances with appropriate authority to prevent fraud and corrupt practices.
3. Directors and employees are prohibited to engage in interested party transactions or persuade others to engage in interested party transactions which maybe for their own benefits and may cause loss or damage to the Company.
4. The employees are required to conduct business with transparency and to promote a healthy working environment in the organization.



The Company's policy and practice is to respect human rights.

The directors, management and employees are required to conduct business with respect for human rights;

1. Respect human dignity, to select and employ individuals through a proper channel of recruitment to work in the company. In the selection process should not have any limitation of gender and age.
2. To support and respect the protection of human rights, to conduct business with stakeholders who are

not violating human rights. Violating of human rights includes using child labor and forced labor to operate their business. The Company monitors the policy and practice of stakeholders in relation to respect of human rights.

3. To encourage employees to use their constitutional right to vote.
4. To inform clearly to stakeholders our policy to respect human rights.

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

1. Employment and labour relations, employment without restriction of age and gender. Employees to be employed on fair terms in contract and in compliance with Bureau of Labor Standards, Ministry of Labor, Thailand. The Company is responsible for the welfare and well-being of its employees.
2. Safety and health of employees, the Company to focus on safety and a healthy work environment for its employees. The Occupational Health and Safety Committee monitors and supervises the safety and health of all employees. The Company provides for annual physical examination of all employees.
3. Treat all employees equally, the manual for ethics approved by the Department of Labor requires all employees to be treated equally whether of any gender, race and education qualification.

Stakeholder responsibility, the company has adopted the five principles of good corporate governance;

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

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



Buddhist ceremony - Gold reward

Sustainability Project (Sustainability CSR – for employees and society for Year 2016)

Project's Name	Project's Detail	Budget
Welfare project for employees		
1. The scholarships for company employees' descendant.	<u>Project Detail</u>	228,000 Baht
To support the educations for employees' descendant.	Primary School 3,000 Baht Secondary School 3,000 Baht High School or equivalent 5,000 Baht Undergraduate Degree 10,000 Baht	
<u>The criteria for selection</u>		
- More than 5 years employment in company.		
- Have a good 3 years history for working performance.		
- Do not have any misconduct in both career and person.		
- Scholarship for each family.		
2. Sport day	<u>Activity</u>	127,000 Baht
- To support the harmony and teamwork of employees.	Cheerleader and sport competition.	
- To support the health of employees in both body and mind.		
3. Run for health project	Depending on occasion and the company	-
- To support the harmony and teamwork of employees.	also support charter bus / drinking water.	
- To support the health of employees in both body and mind.		
The project for society		
1. To support the school children day activity	<u>Project Detail</u>	
To emphasize for children and young adults	Offering the scholarship to school.	19,000 Baht
	Offering the scholarship to young adult and 8 societies.	24,000 Baht
2. CSR Charity And Anti-Corruption Project	Ban Jun Day school	100,000 Baht
To assist for the disadvantageous young adults.	Kranchanaburi province	
To provide knowledge about the risk of corruption.		
	Total (For year 2016)	498,000 Baht

The society and community development

During year 2016 TPAC has continuously done various sustainability CSR projects. TPAC strongly recognizes about the emphasis of society and community and provided 2 projects. Our company arranges our team to join CSR activity with SNP Shipping. In this year we provided a project, Charity and Anti-Corruption project. TPAC arranged this project in order to be a part of social assistance. The project focuses on assisting in developing community. In order to provide an opportunity for disadvantaged children and also prevent the future social corruption.

On 28 May 2016, TPAC and SNP Shipping went to Baan Junday School, Tha Kha-Nun, Thong Pha Phun District, Kanchanaburi. Most of the students here are disadvantaged young adults. The budget of this project was 100,000 Baht as following activities:

1. Renovating Library
2. Providing the essential donation for school and students
3. Anti-Corruption activity

Project details

Our 15 volunteers went to this school on 25 – 26 May 2016 for events & shows activities and offering stationaries, sport equipment and scholarships as follow:

1. Providing 60 mattresses for the kindergarten students. Total cost was 8,400 Baht
2. Providing 20 volleyballs. Total cost was 10,000 Bath.
3. Providing 2 scholarships, each one is 24,000 Baht. Total was 48,000 Baht.
4. Providing lunch for students and Anti-Corruption dramatics show.
5. Out of pocket expense for staffs, food and accommodation. Total was 30,000 Baht.

For the scholarships we would coordinate with school representatives to select students who have a good behavior, diligent and social responsibility. We will let the school manages this amount of money until they are in university education and also follows the school record for those students.

Moreover, TPAC also provides the occupational health and safety care service by starting from organization and all levels of staff in order to encourage the skill for both annual internal training and external training. The company also focuses on employees by reaching to the Thai labor standard system and ISO system, and also customer security system, from production process until supply chain system, following by the GMP system. Even establish the reducing the los project for developing the working ability and creative idea for working process of employees through KAIZEN project.

Energy conservation plan for electrical

Energy Conservation Plan

Project	Purpose	Time	Budget	status	Measurement	Goal	Actual
Installation the auto controlling machine of the air compressor. (TPAC 2)	To reduce the air compressor operation.	Jan 16 – April 16	180,000	Done	Kilowatt	7	7.37
					Kilowatt-Hour/year	35,280	37,145
					Baht/year	123,480	130,007
Changing the 1,920 light bulbs from T8 -28,36 W to LED 14.5, 18, 20 W TPAC 1, 2, 3	To reduce the using of lighting energy	Jan 16 – Aug 16	757,750	Done	Kilowatt	1,200	1,146
					Kilowatt-Hour/year	360,000	343,714
					Baht/year	1,260,000	1,202,998
Changing 4 machines (Full Electric) to replace the previous machine (Hydraulic)	To reduce the motor operation.	June 16 - Sep 16	11,126,540	Done	Kilowatt	50	58.32
					Kilowatt-Hour/year	399,600	466,080
					Baht/year	1,398,600	1,631,280
Installation the insulation on the barrel of 4 injection machines.	To reduce the heater operation.	Aug 14 – Sep 14	59000	Done	Kilowatt	2.5	2.04
					Kilowatt-Hour/year	18,000	13,220
					Baht/year	63,000	46,270

The statistics in of accident in 2016

	TPAC1	TPAC2	TPAC3
Goal (Working hour)	727,200	1,543,200	489,600
Goal (Working day)	900 day	300 day	300 day
Best Statistics	447,632	1,157,400	517,968
Recently Statistics	641,552	315,840	117,216
Recerded date	794 day	60 day	74 day



Report of Audit Committee and other Subcommittee

Dear Shareholders

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

Name	Surname	Position	Meetings Attended
Mr. Virasak	Sutanthavibul	Independent Director and Chairman of Audit Committee	4/4
Mr. Kittiphat	Suthisamphat	Independent Director and Member of Audit Committee	4/4
Mr. Gran	Chayavichitsilp	Independent Director and Member of Audit Committee	4/4

Note : The present audit committee members were appointed in the board of directors meeting no. 6 / 2015 held on 12th October 2015. They have replaced past independent directors and audit committee members. As Ms. Anong Sompittayanurak is company secretary and audit committee secretary.

Scope of Duties and Responsibility

The Audit Committee officiate their duties under the scope of responsibilities which are assigning by the board of committees following by the company charter, appointed on the Board Meeting as at 15 December 2016.

Annual performance report

The Audit Committee arranged 4 meeting including with giving any comments to executives and internal auditor and the external auditor as following topics:

1. To consider and acknowledgement the report of internal audit by quarter and by year
2. To consider and acknowledgement the financial statement by quarter and by year
3. To review the Company's financial reporting process to ensure that it is accurate to the accounting standard and principles
4. To review the process of Accounting Software

The Audit Committee has selected and recommended to the Board of Directors to seek approval from the annual general meeting of shareholders for appointment of EY Office Limited as external auditor for the year 2017 represented by Miss. Pimjai Manithajonkit, CPA registration no. 4521, or Mr. Sophon Pemsirivallop,

CPA registration no. 3182, or Mr. Chayapol Supasetanond CPA registration no. 3972or

Miss Rungnapa Lertsuwankul, CPA registration no. 3516 The proposed audit fee is 1.3 million Baht for the year 2017. The audit committee has nominated the external auditor team based on independence, skills, competence, and experience in packaging business and audit fees.

The Audit Committee has selected and recommended to the Board of Directors for appointment of Deloitte Touche Tohmatsu Jaiyos Advisory Company Limited as internal auditor for the year 2017. The audit committee has nominated the internal auditor team based on independence, skills, competence, experience in packaging business, quality reporting and audit fees. The objective of review are to perform internal audit services that complies with the Professional Practice of Internal Audit, the applicable laws and regulations and to provide recommendations that will add value to the Company.

The Audit Committee performed its tasks in accordance with the scope of its responsibilities as assigned by the Board of Directors, as per the Audit Committee Charter and required by applicable regulations of the Stock Exchange.

In year 2016, the board of directors and management of Thai Plaspac Public Company Limited have operated the business professionally, with due care of good corporate governance practices and effective internal controls in every quarter.



Virasak Sutanthavibul
Chairman of the Audit Committee

Report of Corporate Governance Committee 2016

Dear Shareholders

Corporate Governance Committee consists of four persons having experience for Corporate Governance and privilege of shareholder which are appropriate to be a Corporate Governance Committee of company. According to the regulation of the Securities and Exchange Commission (SEC) and The Stock Exchange of Thailand (SET) the Corporate Governance Committees have 2 years for holding a position. In the case of any Corporate Governance Committees are holding in the position of board of director and the term is expired by rotation. It's mean that the term of this subcommittee is expired on the same day. Depending on which committee is earlier. The Corporate Governance Committees are as follow:

Name	Surname	Position	Meetings Attended
Mr. Kevin	Qumar Shama	Chairman of Corporate Governance Committee	2/2
Mr.Theerawit	Busayapoka	Committee	2/2
Mr. Alok	Kumar Kothari	Committee	2/2
Ms. Anong	Sompittayanurak	Committee	2/2

Note This Corporate Governance Committee has been appointed on the Board Meeting No. 5/2016 (9 November 2016) As Ms. Kejkaew Ngamlamyai is secretary of Corporate Governance Committee

Scope of Duties and Responsibility

The Corporate Governance committees officiate their duties under the scope of responsibilities which are assigning by the board of committees following by the company charter, appointed on the Board Meeting as at 15 December 2016. More details are announced on www.Thaiplaspac.com

The operation results of committees' performance including by the agendas and presented to the Board of Directors for approval.

1. Review the Code of Ethic for directors and employees
2. Review the policy and charter of 4 subcommittee
3. To consider the report of self-assessment performance report of the committees and sub committees in each grouping member and individual.
4. Review the operation result of Investor Relationship
5. To consider to improvement the AGM Score Card topic for preparing next AGM meeting.

Corporate Governance Committee is responsible to follow the scope defining by board of director and regulation of Stock Exchange of Thailand. In 2016 Thai Plaspac Public Limited Company have continuously done a good performance for corporate governance. Additional with completed the self-assessment performance report of the committees and sub committees in each grouping member and individual. Including with, reporting the overall performance and also giving key issues comment to board of director in every quarter.



Mr. Kevin Qumar Shama
The Chairman of Corporate Governance Committee

Report of Risk Management Committee 2016

Dear Shareholders

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

Name	Surname	Position	Meetings Attended
Mr. Kevin	Qumar Sharma	Chairman of Risk Management Committee	2/2
Mr. Theerawit	Busayapoka	Committee	2/2
Mr. Anil	Kumar Kohli	Committee	2/2
Mr. Alok	Kothari	Committee	2/2
Ms. Anong	Sompitthayanurak	Committee	2/2

Note This Risk Management Committee has been appointed on the Board Meeting No. 2/2016 (29 February 2016) As Ms. Kejkaew Ngamlamyai is secretary of Risk Management Committee

Scope of Duties and Responsibility

The Risk Management Committee officiate their duties under the scope of responsibilities which are assigning by the board of committees following by the company charter, appointed on the Board Meeting as at 15 December 2016.

Annual performance report

1. To consider the financial risk / Investment Projects risk / the security of property risk / raw material risk / business operation risk / the marketing risk / the data and data using / the Internal control risk / the corruption risk
2. To review the company strategy for both short term and long term.
3. To review the investment in new projects.
4. To review the investment plan and investment budget for year 2017.

Risk Management Committees have a responsibility for following the regulative framework by Board of Director and charter approving from Board of Director. In year 2016 Thai Plaspac Public Company conducted by following the Corporate Governance and reviewed the policy of risk management. Additional with continuously review every departments to be within the risk management framework.



Mr. Kevin Qumar Sharma
The Chairman of Risk Management Committee

Report of Nomination and Remuneration Committee 2016

Dear Shareholders

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

Name	Surname	Position	Meetings Attended
Mr. Gran	Chayavichitsilp	Chairman of Nomination and Remuneration Committee	2/2
Mr. Kevin	Qumar Shama	Committee	2/2
Mr.Theerawit	Busayapoka	Committee	2/2
Mr. Alok	Kumar Kothari	Committee	2/2
Mr. Virasak	Sutanthavibul	Committee	1/2
Mr. Kittiphat	Suthisamphat	Committee	1/2

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

Scope of Duties and Responsibility

The Nomination and Remuneration Committee officiate their duties under the scope of responsibilities which are assigning by the board of committees following by the company charter, appointed on the Board Meeting as at 15 December 2016.

Annual performance report

The Nomination and Remuneration Committee arranged 2 meeting including with giving any comments to executives as following topics:

1. To consider the succession plan of top executive of company.
2. To consider the criteria of nomination for top executive of company.
3. To consider the criteria of remuneration for CEO, executive, committee and subcommittee.
4. To consider the charter of Nomination and Remuneration Committee

Nomination and Remuneration Committee is responsible to follow the scope defining by executive and regulation of Stock Exchange of Thailand. In 2016 Thai Plaspac Public Limited Company have done a good performance for corporate governance.



Mr. Gran Chayavichitsilp
The Chairman of Nomination and Remuneration Committee



Report of the Board of Directors Responsibilities for the Financial Statements

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

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

The Board of Directors is satisfied that the internal control system and the internal audit are reliable and the audited financial statements of Thai Plaspac Public Company Limited provide a true and fair view of the financial position, results of operations and cash flows for the year ended December 31, 2016.



Kevin Kumar Sharma

Chairman & CEO



Theerawit Busayapoka

Managing Director

Thai Plaspac Public Company Limited

Report and financial statements

31 December 2016

Independent Auditor's Report

To the Shareholders of Thai Plaspac Public Company Limited

Opinion

I have audited the accompanying financial statements of Thai Plaspac Public Company Limited (the Company), which comprise the statement of financial position as at 31 December 2016, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Thai Plaspac Public Company Limited as at 31 December 2016, its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

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

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

Revenue recognition

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

I have examined the revenue recognition of the Company by

- Assessing and testing the Company's IT system and its internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.

- Applying a sampling method to select sales documents to assess whether revenue recognition was consistent with the conditions of the relevant agreement, and whether it was in compliance with the Company's policy.
- On a sampling basis, examining supporting documents for actual sales transactions occurring during the year and near the end of the accounting period.
- Reviewing credit notes that the Company issued after the period-end.
- Performing analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period.

Allowance for diminution in value of inventory

Estimating the net realisable value of inventory, as disclosed in Note 9 to the financial statements, is an area of significant management judgment, particularly with regard to the estimation of allowance for diminution in the value of slow-moving and obsolete inventory. This requires detailed analysis of the product life cycle and the competitive environment. There is a risk that the provision set aside for diminution in the value of inventory will be inadequate, causing the Company to overstate the value of inventory.

I assessed and tested the internal controls of the Company relevant to the determination of allowance for diminution in the value of inventory by making enquiry of responsible executives, and gaining an understanding of the designed controls. In addition, I also assessed the method and the assumptions applied by the management in determining such allowance. The procedures that I performed included:

- Gaining an understanding of the basis applied in determining the allowance for diminution in value of inventory and reviewing the consistency of the application of that basis.
- Comparing the inventory holding periods and inventory movements to identify product lines with indicators of lower than normal inventory turnover.
- Comparing the net income from sales occurring after the date of the financial statements to the cost of inventory by product line.

Other Information

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

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

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

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

Responsibilities of Management and Those Charged with Governance for the Financial

Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

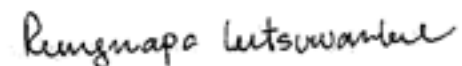
I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

From the matters communicated with those charged with governance, I determine those matters that were

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

The engagement partner on the audit resulting in this independent auditor's report is Miss Rungnapa Lertsuwankul



Rungnapa Lertsuwankul
Certified Public Accountant (Thailand) No. 3516
EY Office Limited
Bangkok: 27 February 2017

Thai Plaspac Public Company Limited
Statement of financial position
As at 31 December 2016

	Note	31 December 2016	31 December 2015	(Unit: Baht) 1 January 2015
Assets				
Current assets				
Cash and cash equivalents		5,970,074	3,693,352	60,806,192
Trade and other receivables		392,911,912	357,332,888	412,486,410
Inventories		113,122,560	90,011,573	95,141,576
Other current assets		33,370,390	2,209,028	4,255,601
Total current assets		545,374,936	453,246,841	572,689,779
Non-current assets				
Advance payment for purchase of molds and equipment		80,390,285	73,258,796	21,515,958
Property, plant and equipment		569,752,428	548,003,378	585,204,921
Intangible assets		4,564,027	1,442,394	1,546,978
Deferred tax assets		3,802,512	2,683,792	2,504,810
Withholding tax deducted at source		36,959,368	48,082,561	30,174,936
Other non-current assets		20,770,927	31,741,416	22,069,485
Total non-current assets		716,239,547	705,212,337	663,017,088
Total assets		1,261,614,483	1,158,459,178	1,235,706,867

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

Thai Plaspac Public Company Limited
Statement of financial position (continued)
As at 31 December 2016

	Note	31 December 2016	31 December 2015	(Unit: Baht) 1 January 2015
Liabilities and shareholders' equity				
Current liabilities				
Short-term loans from banks	14	55,034,908	51,185,297	74,051,776
Trade and other payables	6, 15	166,875,876	202,429,418	262,162,609
Current portion of finance lease payable		-	309,846	510,775
Current portion of long-term loans from banks	16	-	36,989,509	57,279,441
Other current liabilities	17	10,666,731	11,940,556	6,689,225
Total current liabilities		232,577,515	302,854,626	400,693,826
Non-current liabilities				
Finance lease payable - net of current portion		-	46,477	356,323
Long-term loans from banks - net of current portion	16	-	73,799,140	132,179,984
Provision for long-term employee benefits	18	18,598,910	13,981,371	11,871,287
Total non-current liabilities		18,598,910	87,826,988	144,407,594
Total liabilities		251,176,425	390,681,614	545,101,420

Thai Plaspac Public Company Limited
Statement of financial position (continued)
As at 31 December 2016

	Note	31 December 2016	31 December 2015	(Unit: Baht) 1 January 2015
Shareholders' equity				
Share capital	19			
Registered				
255,000,000 ordinary shares of Baht 1 each		<u>255,000,000</u>	<u>255,000,000</u>	<u>255,000,000</u>
Issued and paid-up				
253,817,676 ordinary shares of Baht 1 each (2015: 208,766,400 ordinary shares of Baht 1 each, 2014: 201,327,025 ordinary shares of Baht 1 each)		<u>253,817,676</u>	<u>208,766,400</u>	<u>201,327,025</u>
Premium on ordinary shares	19	302,920,904	122,649,100	92,210,925
Capital reserve for share - based payment transactions	20	-	400,200	3,533,030
Retained earnings				
Appropriated - statutory reserve	21	25,500,000	25,500,000	20,900,000
Unappropriated		<u>428,199,478</u>	<u>410,461,864</u>	<u>372,634,467</u>
Total shareholders' equity		<u>1,010,438,058</u>	<u>767,777,564</u>	<u>690,605,447</u>
Total liabilities and shareholders' equity		<u>1,261,614,483</u>	<u>1,158,459,178</u>	<u>1,235,706,867</u>
		-	-	-

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

Thai Plaspac Public Company Limited
Statement of comprehensive income
For the year ended 31 December 2016

		(Unit: Baht)	
	Note	2016	2015
Profit or loss:			
Revenues			
Sales	6	1,523,803,867	1,584,159,514
Other income		<u>10,355,983</u>	<u>11,666,841</u>
Total revenues		<u>1,534,159,850</u>	<u>1,595,826,355</u>
Expenses			
Cost of sales	6	1,266,340,514	1,331,489,205
Selling expenses		57,908,324	52,575,532
Administrative expenses	6	<u>81,597,641</u>	<u>71,501,442</u>
Total expenses		<u>1,405,846,479</u>	<u>1,455,566,179</u>
Profit before finance cost and income tax expenses		128,313,371	140,260,176
Finance cost		<u>(1,975,515)</u>	<u>(9,346,635)</u>
Profit before income tax expenses		126,337,856	130,913,541
Income tax expenses	23	<u>(21,404,613)</u>	<u>(26,676,634)</u>
Profit for the year		<u>104,933,243</u>	<u>104,236,907</u>
Other comprehensive income:			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Actuarial loss for post - employment benefits plan		(2,995,515)	-
Less: Income tax effect		<u>599,103</u>	<u>-</u>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		<u>(2,396,412)</u>	<u>-</u>
Other comprehensive income for the year		<u>(2,396,412)</u>	<u>-</u>
Total comprehensive income for the year		<u><u>102,536,831</u></u>	<u><u>104,236,907</u></u>
Earnings per share			
25			
Basic earnings per share		<u>0.44</u>	<u>0.51</u>
Diluted earnings per share		<u>0.43</u>	<u>0.47</u>

Thai Plaspac Public Company Limited
Cash flow statement
For the year ended 31 December 2016

	(Unit: Baht)	
	2016	2015
Cash flows from operating activities		
Profit before tax	126,337,856	130,913,541
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	128,783,792	128,894,185
Gain on sales of equipment	(539,417)	(561,777)
Reduction of inventory to net realisable value (reversal)	148,584	(306,744)
Long-term employee benefits expenses	4,286,912	3,243,864
Actuarial gain for other long-term employee benefits plan	(679,322)	-
Share-based payment transactions	-	951,220
Unrealised gain on exchange rate	(55,564)	(44,568)
Interest income	(64,400)	(250,441)
Interest expenses	1,975,515	9,346,635
Profit from operating activities before changes in operating assets and liabilities	260,193,956	272,185,915
Operating assets (increase) decrease		
Trade and other receivables	(35,410,719)	55,272,721
Inventories	(23,259,571)	5,436,747
Other current assets	(965,974)	2,046,573
Other non-current assets	(11,927,339)	(85,567,955)
Operating liabilities increase (decrease)		
Trade and other payables	(37,119,808)	(59,659,128)
Other current liabilities	(1,161,945)	6,374,331
Provision for long-term employee benefits	(1,985,566)	(1,133,780)
Cash flows from operating activities	148,363,034	194,955,424
Cash paid for corporate income tax	(40,783,486)	(44,763,241)
Net cash flows from operating activities	107,579,548	150,192,183

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

Thai Plaspac Public Company Limited
Cash flow statement (continued)
For the year ended 31 December 2016

	(Unit: Baht)	
	2016	2015
Cash flows from investing activities		
Acquisition of plant, equipment and intangible assets	(136,551,508)	(68,391,640)
Interest income	64,400	250,441
Proceeds from sales of equipment	549,119	1,444,668
Net cash flows used in investing activities	<u>(135,937,989)</u>	<u>(66,696,531)</u>
Cash flows from financing activities		
Increase (decrease) in short-term loans from banks	3,743,866	(22,941,296)
Cash receipt from long-term loans	-	15,800,000
Repayment of long-term loans	(110,788,649)	(94,470,776)
Repayment of finance lease payable	(356,323)	(510,775)
Interest expenses	(2,087,394)	(10,469,635)
Dividends paid	(84,799,217)	(61,809,510)
Share subscription received in advance from exercise of warrants	224,922,880	33,793,500
Net cash flows from (used in) financing activities	<u>30,635,163</u>	<u>(140,608,492)</u>
Net increase (decrease) in cash and cash equivalents	2,276,722	(57,112,840)
Cash and cash equivalents at beginning of year	3,693,352	60,806,192
Cash and cash equivalents at end of year (Note 7)	<u>5,970,074</u>	<u>3,693,352</u>
	-	-
Supplemental cash flows information		
Non-cash items:		
Increase (decrease) in accounts payable for purchasing fixed assets	1,559,270	(73,877)
Acquisition of fixed assets for which payment was paid in prior year	22,104,649	5,380,825
Actuarial loss for post - employment benefits plan	(2,995,515)	-

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

Thai Plaspac Public Company Limited
Statement of changes in shareholders' equity
For the year ended 31 December 2016

	(Unit: Baht)						
Note	Issued and paid-up share capital	Premium on ordinary shares	Capital reverse for share - based payment transactions	Retained earnings	Unappropriated	Total	
				Appropriated - Statutory reserve			
Balance as at 1 January 2015	201,327,025	92,210,925	3,533,030	20,900,000	372,634,467	690,605,447	
Profit for the year	-	-	-	-	104,236,907	104,236,907	
Other comprehensive income for the year	-	-	-	-	-	-	
Total comprehensive income for the year	-	-	-	-	104,236,907	104,236,907	
Issuance of ordinary shares during the year from the exercise of warrants	7,439,375	30,438,175	(4,084,050)	-	-	33,793,500	
Capital reserve for share - based payment transactions	-	-	951,220	-	-	951,220	
Dividends paid	-	-	-	-	(61,809,510)	(61,809,510)	
Unappropriated retained earnings transferred to statutory reserve	-	-	-	4,600,000	(4,600,000)	-	
Balance as at 31 December 2015	208,766,400	122,649,100	400,200	25,500,000	410,461,864	767,777,564	
Balance as at 1 January 2016	208,766,400	122,649,100	400,200	25,500,000	410,461,864	767,777,564	
Profit for the year	-	-	-	-	104,933,243	104,933,243	
Other comprehensive income for the year	-	-	-	-	(2,396,412)	(2,396,412)	
Total comprehensive income for the year	-	-	-	-	102,536,831	102,536,831	
Issuance of ordinary shares during the year from the exercise of warrants	45,051,276	180,271,804	(400,200)	-	-	224,922,880	
Dividends paid	-	-	-	-	(84,799,217)	(84,799,217)	
Balance as at 31 December 2016	253,817,676	302,920,904	-	25,500,000	428,199,478	1,010,438,058	

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

Thai Paspac Public Company Limited
Notes to financial statements
For the year ended 31 December 2016

1. General information

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

2. Basis of preparation

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

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

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

3. New financial reporting standards

a. Financial reporting standards that became effective in the current year

During the year, the Company has adopted the revised (revised 2015) and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company’s financial statements.

b. Financial reporting standard that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards.

The management of the Company believe that the revised financial reporting standards and interpretations and new accounting treatment guidance will not have any significant impact on the financial statements when they are initially applied.

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

Interest income

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

4.2 Cash and cash equivalents

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

4.3 Trade and other receivables

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

4.4 Inventories

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

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

4.5 Cost of molds

The Company records costs of molds as assets. Costs of molds with an expected remaining useful life of not more than 1 year are recorded as current assets, while costs of molds with an expected remaining useful life of more than 1 year are recorded as other assets. Costs of molds are amortized to cost of goods sold as goods are delivered to its customers.

4.6 Property, plant and equipment/Depreciation

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

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

Building and building improvement	20	years
Furniture and office equipment	5	years
Machinery and equipment	3 years, 5 years and 10	years
Motor vehicles	5	years

Depreciation is included in determining income.

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

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

4.7 Borrowing costs

Borrowing costs directly attributable to the acquisition of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.8 Intangible assets and Amortisation

Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortized on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

Intangible assets with finite useful lives of the Company are computer software which has useful lives of 5 years and 10 years.

4.9 Related party transactions

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

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

4.10 Foreign currencies

The financial statements are presented in Baht, which is also the Company's functional currency.

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

Gains and losses on exchange are included in determining income.

4.11 Long-term leases

Leases of equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases.

Operating leases payments are recognized as an expense in profit or loss on a straight-line basis over the lease term.

4.12 Impairment of assets

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

An impairment loss is recognized in profit or loss.

In the assessment of asset impairment if there is any indication that previously recognized impairment losses may no longer exist or may have decreased, the Company estimates the asset's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss.

4.13 Employee benefits

Short-term employee benefits

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

Post-employment benefits and other long-term employee benefits

Defined contribution plans

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

Defined benefit plans and other long-term employee benefits

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

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

Actuarial gains and losses arising from post-employment benefits are recognized immediately in other comprehensive income.

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

4.14 Provisions

Provisions are recognized when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.15 Income tax

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

Current tax

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

Deferred tax

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

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

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

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

4.16 Equity-settled share-based payment transactions

The Company recognises share-based payment transactions when services from employees are rendered, based on the fair value of the share options on the grant date. The expenses are recorded over the vesting period, in accordance with the conditions regarding length of service rendered by employees stipulated in the share-based payment plan, together with a corresponding increase in "Capital reserve for share-based payment transactions" in shareholders' equity.

4.17 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

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

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

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

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

At the end of each reporting period, the Company determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

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

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgment and

estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Allowance for diminution in value of inventories

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

Property, plant and equipment/Depreciation

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

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

Deferred tax assets

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

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

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

6. Related party transactions

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

Name of entities	Nature of relationships
Modernform Group Public Company Limited ⁽¹⁾	Major shareholder
Mr. Anuj Lohia	Major shareholder
Indorama Ventures Public Company Limited	Shareholder and director is related to the Company's management
Indorama Ventures Polymers (Rayong) Public Company Limited	Shareholder and director is related to the Company's management
Indorama Polymers Public Company Limited	Shareholder and director is related to the Company's management
Related persons	Director, executive officer and related persons with director and executive office

⁽¹⁾ Modernform Group Public Company Limited was the Company's related party until October 2015 (due to change in shareholding and management structure)

On 9 October 2015, the meetings of the Company's Board of Directors passed the resolution to acknowledge the entry into the Securities Sales and Purchase Agreement among the 7 major securities holders, as the securities sellers and Mr. Anuj Lohia and QAMA Investments Limited as the securities purchasers, in order to sell and purchase the securities of the Company which comprised of (i) 126,407,400 ordinary shares equivalent to 60.55% of the issued and paid-up capital on that day by including the ordinary shares resulting from the exercise of warrants on 30 September 2015 at the purchase price of Baht 7.80 per share (ii) 26,601,850 warrants equivalent to 57.96% of outstanding warrants representing right to purchase ordinary shares of the Company Number 1 for existing shareholders (TPAC-W1), at the purchase price of Baht 2.80 per unit.

On 12 October 2015, the meeting of the Company's Board of Directors approved the resolution of the entry into the aforementioned Securities Sales and Purchase Agreement and approved new appointment of directors and board of directors of the Company, in order to be aligned with new securities holding structure of the Company.

During the year, the Company had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and that related party.

(Unit: Million Baht)

	2016	2015	Transfer pricing policy
Sales of goods	-	1	Close to market price
Purchases of goods	63	2	Close to market price
Consultant fee	-	1	Baht 1.2 million per year
Rental expense	-	1	As stipulated in the agreement
Dividends paid	54	30	Baht 0.35 per share (2015: Baht 0.30 per share)

As at 31 December 2016 and 2015, the balances of the accounts between the Company and those related companies are as follows:

(Unit: Thousand Baht)

	2016	2015
<u>Trade and other payables - related parties (Note 15)</u>		
Related companies		
Indorama Polymers Public Company Limited	20,244	-
Indorama Ventures Polymers (Rayong) Public Company Limited	-	73
Total	<u>20,244</u>	<u>73</u>

Directors and management's benefits

During the years ended 31 December 2016 and 2015, the Company had employee benefit expenses payable to its directors and management as below.

	(Unit: Thousand Baht)	
	2016	2015
Short-term benefits	26,745	18,194
Post-employment benefits	21,726	10,333
Other long-term benefits	162	170
Share-based payment (Note 20)	-	321
Total	<u>48,633</u>	<u>29,018</u>

7. Cash and cash equivalent

	(Unit: Thousand Baht)	
	2016	2015
Cash	51	57
Cash at banks	5,919	3,636
Total	<u>5,970</u>	<u>3,693</u>

As at 31 December 2016 and 2015, bank deposits in saving accounts carried interests between 0.38% and 0.75% per annum.

8. Trade and other receivables

	(Unit: Thousand Baht)	
	2016	2015
<u>Trade accounts receivable - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	294,275	271,543
Past due		
Up to 1 month	82,714	66,102
1 - 2 months	11,677	18,605
2 - 3 months	3,975	872
Over 3 months	271	62
Total trade accounts receivables - unrelated parties	<u>392,912</u>	<u>357,184</u>
Trade accounts receivable	<u>392,912</u>	<u>357,184</u>
Other receivables	-	149
Total trade and other receivables	<u>392,912</u>	<u>357,333</u>

9. Inventories

(Unit: Thousand Baht)

	Cost		Reduce cost to net realisable value		Inventories - net	
	2016	2015	2016	2015	2016	2015
Finished goods	60,400	50,730	(12)	-	60,388	50,730
Raw materials	42,170	29,660	(420)	(283)	41,750	29,377
Packing materials	7,744	6,230	-	-	7,744	6,230
Factory supplies	3,240	3,675	-	-	3,240	3,675
Total	113,554	90,295	(432)	(283)	113,122	90,012

During the current year, the Company reduced cost of inventories by Baht 149 million to reflect the net realisable value. This was included in cost of sales. In addition, during the year 2015, the Company reversed the write-down of inventories by Baht 0.3 million, and reduced the amount of inventories recognised as expenses during the year to reflect the net realisable value.

10. Other current assets

(Unit: Thousand Baht)

	2016	2015
Withholding tax deducted at source receivable	30,195	-
Prepaid expenses	2,601	1,676
Others	574	533
Total other current assets	33,370	2,209

11. Property, plant and equipment

(Unit: Thousand Baht)

	Land and land improvement	Building and building improvement	Furniture and office equipment	Machinery and equipment	Motor vehicles	Assets under construction	Total
Cost:							
1 January 2015	54,275	178,449	8,002	1,058,595	11,014	-	1,310,335
Additions	-	1,175	718	52,448	2,445	16,665	73,451
Disposals	-	-	(187)	(15,102)	-	-	(15,289)
31 December 2015	54,275	179,624	8,533	1,095,941	13,459	16,665	1,368,497
Additions	-	3,941	3,197	118,522	1,824	7,099	134,583
Transfer in (out)	-	21,073	-	2,560	-	(23,633)	-
Disposals	-	-	(76)	(20,699)	-	-	(20,775)
31 December 2016	54,275	204,638	11,654	1,196,324	15,283	131	1,482,305

(Unit: Thousand Baht)

	Land and land Improvement	Building and building Improvement	Furniture and office equipment	Machinery and equipment	Motor vehicles	Assets under construction	Total
Accumulated depreciation:							
1 January 2015	-	93,423	6,060	617,149	8,381	-	725,013
Depreciation for the year	-	8,595	786	99,039	1,350	-	109,770
Depreciation on disposals	-	-	(187)	(14,219)	-	-	(14,406)
31 December 2015	-	102,018	6,659	701,969	9,731	-	820,377
Depreciation for the year	-	9,510	773	101,151	1,390	-	112,824
Depreciation on disposals	-	-	(66)	(20,699)	-	-	(20,765)
31 December 2016	-	111,528	7,366	782,421	11,121	-	912,436
Allowance for impairment loss:							
1 January 2015	-	-	-	117	-	-	117
31 December 2015	-	-	-	117	-	-	117
31 December 2016	-	-	-	117	-	-	117
Net book value:							
31 December 2015	54,275	77,606	1,874	393,855	3,728	16,665	548,003
31 December 2016	54,275	93,110	4,288	413,786	4,162	131	569,752
Depreciation for the year							
2015 (Baht 107 million included in manufacturing cost, and the balance in selling and administrative expenses)							<u>109,770</u>
2016 (Baht 110 million included in manufacturing cost, and the balance in selling and administrative expenses)							<u>112,824</u>

As at 31 December 2015, the Company had vehicles with net book values of Baht 0.6 million (2016: Nil) which were acquired under finance lease agreements.

As at 31 December 2016, certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 417 million (2015: Baht 331 million).

The Company has pledged its land and construction thereon and part of its machinery amounting to approximately Baht 107 million (2015: Baht 155 million) as collateral against bank overdrafts, short-term loans, long-term loans and credit facilities received from banks.

12. Intangible assets

The net book value of intangible assets which are computer software as at 31 December 2016 and 2015 is presented below.

	(Unit: Thousand Baht)	
	2016	2015
Cost	7,209	3,681
Less: Accumulated amortisation	(2,645)	(2,239)
Net book value	<u>4,564</u>	<u>1,442</u>

A reconciliation of the net book value of intangible assets which are computer software for the years

2016 and 2015 is presented below.

	(Unit: Thousand Baht)	
	2016	2015
Net book value at beginning of year	1,442	1,547
Additions	3,528	247
Amortisation	(406)	(352)
Net book value at end of year	4,564	1,442

13. Withholding tax deducted at source

This represents the withholding tax deducted at source as at 31 December 2016 and 2015 as the following details:

	(Unit: Thousand Baht)	
Years	2016	2015
2013	-	10,150
2014	-	20,025
2015	17,908	17,908
2016	19,051	-
	36,959	48,083

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

In December 2016, the Company already received the documents from the Revenue Department to refund the withholding tax for the years 2013 and 2014 totalling by Baht 30.2 million.

14. Short-term loans from banks

	(Unit: Thousand Baht)			
	Interest rate (% per annum)			
	2016	2015	2014	2013
Short-term loans from banks	2.15	2.15 - 2.37	30,000	42,000
Trust receipt	0.81	0.88 - 1.47	25,035	9,185
Total			55,035	51,185

Bank overdrafts are secured by the mortgage of the Company's land and construction thereon, and short-term loans from banks are secured by the mortgage of the Company's land and construction thereon as well as the pledge of part of its machinery.

15. Trade and other payables

	(Unit: Thousand Baht)	
	2016	2015
Trade accounts payable - a related party	20,244	73
Trade accounts payable - unrelated parties	84,857	143,481
Accounts payable for purchasing of machineries	10,607	9,048
Accrued expenses	40,119	34,227
Other payables	11,049	15,600
Total trade and other payables	<u>166,876</u>	<u>202,429</u>

16. Long-term loans from banks

	(Unit: Thousand Baht)			
Loan	Interest rate (% per annum)	Repayment schedule	2016	2015
1	MLR - 2 to MLR - 1	Monthly installment as from January 2011 to November 2020	-	54,357
2	Prime rate - 1.25	Monthly installment as from December 2012 to December 2019	-	56,432
Total			-	110,789
Less: Current portion due within one year			-	(36,990)
Long-term loans - net of current portion			<u>-</u>	<u>73,799</u>

The loans are secured by the mortgage of land and construction thereon and pledge of certain machinery of the Company. The loan agreements contain covenants as specified in the agreements that among other things, require the Company to maintain debt to equity and debt service coverage ratio at according to the agreements.

During the current year, the Company made fully repayment of long-term loans.

As at 31 December 2016, the long-term credit facilities of the Company which have not yet been drawn down amounted to Baht 371.9 million (2015: Baht 296.3 million).

17. Other current liabilities

	(Unit: Thousand Baht)	
	2016	2015
Advance received for molds	9,769	11,119
Others	898	822
Total other current liabilities	<u>10,667</u>	<u>11,941</u>

18. Provision for long-term employee benefits

Provision for long-term employee benefits as at 31 December 2016 and 2015 were as follows:

	(Unit: Thousand Baht)	
	2016	2015
Provision for compensation on employees' retirement	14,603	9,774
Provision for long service awards	3,996	4,207
Total	<u>18,599</u>	<u>13,981</u>

Provision for long-term employee benefits, which represents compensation payable to employees after

they retire from the Company, was as follows:

	(Unit: Thousand Baht)	
	2016	2015
Provision for long-term employee benefits at beginning of year	13,981	11,871
Included in profit or loss :		
Current service cost	3,867	2,761
Interest cost	420	483
Past service costs	(679)	-
Included in other comprehensive income :		
Actuarial loss arising from		
Demographic assumptions changes	192	-
Financial assumptions changes	1,829	-
Experience adjustments	975	-
Benefits paid during the year	(1,986)	(1,134)
Provisions for long-term employee benefits at end of year	<u>18,599</u>	<u>13,981</u>

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

	(Unit: Thousand Baht)	
	2016	2015
Cost of sales	2,628	2,431
Selling and administrative expenses	1,659	813
Total expenses recognised in profit or loss	<u>4,287</u>	<u>3,244</u>

The Company expects to pay Baht 2.5 million of long-term employee benefits during the next year (2015: Baht 1.7 million).

As at 31 December 2016, the weighted average duration of the liabilities for long-term employee benefit is 10 years (2015: 12 years).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)	
	2016	2015
Discount rate	3	4
Salary increase rate	0 - 5	2 - 3
Turnover rate	0 - 30	0 - 24

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2016 and 2015 are summarised below:

	(Unit: Million Baht)			
	Increase 1%		Decrease 1%	
	2016	2015	2016	2015
Discount rate	(1.3)	(1.1)	1.6	1.2
Salary increase rate	1.4	1.0	(1.2)	(0.9)
Turnover rate	(1.4)	(1.2)	0.5	0.6

19. Share capital

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

	Number of ordinary shares (Thousand Shares)	Paid-up capital (Thousand Baht)	Premium on ordinary shares (Thousand Baht)
<u>Issued and paid-up share capital</u>			
1 January 2015	201,327	201,327	92,211
Increase in capital from exercising of the rights of the warrants: TPAC-W1 (Note 20)	4,036	4,036	16,144
Increase in capital from exercising of the rights of the warrants: TPAC- ESOP (Note 20)	3,403	3,403	14,294
31 December 2015	208,766	208,766	122,649
Increase in capital from exercising of the rights of the warrants: TPAC-W1 (Note 20)	44,718	44,718	178,871
Increase in capital from exercising of the rights of the warrants : TPAC- ESOP (Note 20)	334	334	1,401
31 December 2016	253,818	253,818	302,921

On 4 April 2016 and 26 May 2016, the Company registered its paid-up share capital of Baht 28.9 million and Baht 16.1 million, respectively, with the Ministry of Commerce according to the exercise of such warrants.

20. Warrants/Capital reserve for share-based payment transaction

Details of the warrants, which were issued by the Company, are as follows:

20.1 TPAC-W1

On 22 May 2013, the Company allotted warrants (TPAC-W1) to the Company's ordinary shares in an amount of 50 million units. The details are as follows:

No. of the warrants:	50,000,000 units
No. of warrants subscribed:	49,999,981 units
Offering price:	Baht 0.00 per unit
Allocation of the warrants:	The warrants shall be allotted to the Company's existing shareholders in proportion to their holding at the offering ratio of 2 existing ordinary shares to 1 unit of warrant
Term:	3 years from the issuance date of warrants
Expiry date:	21 May 2016
Exercise price:	Baht 5.00 per share

Exercise ratio:	1 ordinary share per 1 warrant (The exercise ratio may be changed in accordance with the specified adjustment condition)
Period of exercise:	Twice a year, on 31 March and 30 September of each year and the last exercise date on 19 May 2016.

Movements in the number of warrants, TPAC- W1 during the current year are as follows:

Number of warrants at the beginning of the year	45,900,081 Unit
Exercise during the year	(44,717,776) Unit
Number of expired warrant	(1,182,305) Unit
Outstanding number of warrants	- Unit

20.2 TPAC-ESOP

On 22 May 2013, the Company allotted warrants under Employee Stock Option Plan (TPAC-ESOP) to directors and employees of the Company in an amount of 5 million units. The details are as follows:

No. of the warrants:	5 million units
Offering price:	Baht 0.00 per unit
Term:	3 years from the issuance date of warrants
Expiry date:	21 May 2016
Exercise price:	Baht 4.00 per share
Exercise ratio:	1 ordinary share per 1 warrant (The exercise ratio may be changed in accordance with the specified adjustment condition)
Period of exercise:	Twice a year, on 31 March and 30 September of each year and the last exercise date on 19 May 2016.
Restriction of exercise:	Warrants shall be exercised within 12 months from the date of issuance and offering and not more than 25% of the total warrants allotted.

Warrants shall be exercised after 12 months from the date of issuance and offering and entitled to an addition of not more than 25% of the number of warrants allotted.

Warrants shall be exercised after 24 months from the date of issuance and offering and entitled to the rest of the warrants allocated.

In case the holders of the warrants do not exercise warrants during the period of exercise or do not exercise all warrants to which they are eligible, the right to exercise warrants can be carried forward to the next period of exercise until the maturity date.

The estimated fair value of each share option granted is Baht 1.2. This was calculated using the Black-Scholes-Merton Model. The model inputs were the share price at price determination date of Baht 5.1027,

exercise price of Baht 4.00, expected volatility of 31.69%, expected dividend yield of 5.06%, life of share options of 3 years, average life of share options of 1.61 years, and a risk-free interest rate of 2.63%.

During the year ended 31 December 2015, the Company recorded expenses of the TPAC- ESOP amounting to Baht 1.0 million (2016: Nil) as personnel expenses.

As at 31 December 2015, the Company has capital reserve for share-based payment transactions was Baht 0.4 million (2016: Nil)

Movements in the number of warrants, TPAC- ESOP during the current year are as follows:

Number of warrants at the beginning of the year	333,500	Unit
Exercise during the year	(333,500)	Unit
Outstanding number of warrants	-	Unit

21. Statutory reserve

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

22. Expenses by nature

Significant expenses classified by nature are as follow:

	(Unit: Thousand Baht)	
	2016	2015
Salaries, wages and other employee benefits	217,814	275,107
Depreciation and amortisation	113,230	110,122
Raw materials and consumables used	811,706	862,662
Changes in inventories of finished goods	(9,658)	361

23. Income tax expenses

Income tax expenses for the years ended 31 December 2016 and 2015 are made up as follows:

	(Unit: Thousand Baht)	
	2016	2015
Current income tax:		
Corporate income tax for the year	21,732	26,856
Deferred tax:		
Relating to origination and reversal of temporary differences	(327)	(179)
Income tax expense reported in the statement of comprehensive income	21,405	26,677

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2016 and 2015 are as follows:

	(Unit: Thousand Baht)	
	2016	2015
Deferred tax relating to actuarial loss for post-employment benefits plan	599	-

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

	(Unit: Thousand Baht)	
	2016	2015
Accounting profit before tax	126,338	130,914
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by income tax rate	25,268	26,183
Effects of:		
Non-deductible expenses	127	698
Additional expense deductions allowed	(4,176)	(391)
Others	186	187
Total	(3,863)	494
Income tax expenses reported in the statement of comprehensive income	21,405	26,677

The components of deferred tax assets and deferred tax liability as at 31 December 2016 and 2015 are as follows:

	(Unit: Thousand Baht)	
	2016	2015
Deferred tax assets		
Allowance for diminution in value of inventories	86	57
Allowance for impairment of assets	23	23
Provision for long-term employee benefits	3,720	2,604
Total	3,829	2,684
Deferred tax liability		
Accumulated depreciation - equipment	27	-
Total	27	-

24. Promotional privileges

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

During the year 2016, the Company had not yet generated revenues from operations in respect of these two certificates.

25. Earnings per share

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

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

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

	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2016	2015	2016	2015	2016	2015
	Basic earnings per share					
Profit for the year	104,933	104,237	240,939	205,634	0.44	0.51
Effect of dilutive potential ordinary shares						
TPAC-ESOP	-	-	43	1,195		
TPAC-W1	-	-	5,176	16,560		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	104,933	104,237	246,158	223,389	0.43	0.47

26. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Company is principally engaged in the manufacturing and distribution of plastic packaging. Its operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

Major customers

For the year 2016, the Company has revenue from three major customers in amount of Baht 313 million, Baht 226 million and Baht 200 million, respectively (2015: Baht 285 million, Baht 226 million and Baht 199 million, derived from three major customers respectively).

27. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act. B.E. 2530. Both employees and the Company contributed to the fund monthly at the rate of 5% of basic salary. The fund, which is managed by Bank of Ayudhaya Public Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2016, the Company contributed by Baht 5 million (2015: Baht 5 million) to the fund

28. Dividends

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
Final dividends for 2014	Annual General Meeting of the shareholders on 27 April 2015	61,809	0.30
Total for 2015		61,809	0.30
Interim dividend for 2016	Board of Directors' Meeting on 10 August 2016	25,381	0.10
Final dividends for 2015	Annual General Meeting of the Shareholders on 21 April 2016	59,418	0.25
Total for 2016		84,799	0.35

29. Commitments and contingent liabilities

29.1 Capital commitments

As at 31 December 2016, the Company had capital commitments totaling approximately Baht 1.0 million, USD 0.3 million, JPY 26 million and CHF 0.3 million (2015: Baht 8.3 million, USD 0.3 million), relating to construction of plant, acquisition of molds and machinery.

29.2 Service commitment

As at 31 December 2015, the Company had the consultant agreement and professional service of Baht 4 million (2016: Nil).

29.3 Guarantees

As at 31 December 2016 and 2015, there were outstanding bank guarantees to guarantee electricity use of Baht 13 million issued by banks on behalf of the Company

29.4 Operating lease and other service commitments

The Company has entered into several agreements in respect of leases of land and other services. The term of the agreements are generally between 1 year and 5 years.

Future minimum rentals and serviced charge payables under these agreements are as follows:

	(Unit: Million Baht)	
	31 December 2016	31 December 2015
Payable within:		
1 year	3	3
2 to 5 years	1	3

29.5 Letter of Credits

As at 31 December 2016, the Company had unused letters of credit facility amounting to Baht 106 million (2015: Baht 80 million)

30. Fair value hierarchy

As at 31 December 2016, the Company had the liabilities that were disclosed at fair value using different levels of inputs (2015: Nil) as follows:

(Unit: Million Baht)

	2016			
	Level 1	Level 2	Level 3	Level 4
Liabilities for which fair value are disclosed				
Derivatives				
Foreign currency forward contracts	-	0.6	-	0.6

31. Financial instruments**31.1 Financial risk management**

The Company's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade and other receivables, short-term loans from banks, trade and other payables, financial lease payable, and long-term loans from banks. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company is exposed to credit risk primarily with respect to trade and other receivables. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company does not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables as stated in the statement of financial position.

Interest rate risk

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

As at 31 December 2016 and 2015, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

As at 31 December 2016							
Fixed interest rates							
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rate
(% per annum)							
Financial assets							
Cash and cash equivalents	-	-	-	3	3	6	0.38 - 0.75
Trade and other receivables	-	-	-	-	393	393	-
	-	-	-	3	396	399	
Financial liabilities							
Short-term loans from banks	55	-	-	-	-	55	0.81 - 2.15
Trade and other payables	-	-	-	-	167	167	-
	55	-	-	-	167	222	

(Unit: Million Baht)

As at 31 December 2015							
Fixed interest rates							
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rate
(% per annum)							
Financial assets							
Cash and cash equivalents	-	-	-	-	4	4	0.38 - 0.75
Trade and other receivables	-	-	-	-	357	357	-
	-	-	-	-	361	361	
Financial liabilities							
Short-term loans from banks	51	-	-	-	-	51	0.88 - 2.37
Trade and other payables	-	-	-	-	202	202	-
Financial lease payable	1	-	-	-	-	1	2.55 - 2.65
Long-term loans from banks	-	-	-	111	-	111	4.75 - 5.75
	52	-	-	111	202	365	

Foreign currency risk

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

As at 31 December 2016 and 2015, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Financial assets as at 31 December		Financial liabilities as at 31 December		Average exchange rate as at 31 December	
	2016 (Thousand)	2015 (Thousand)	2016 (Thousand)	2015 (Thousand)	2016 (Baht per 1 foreign currency unit)	2015
US Dollar	648	675	9	102	35.8037	36.0886
Singapore Dollar	1	1	22	6	24.8010	25.5195
Japanese Yen	-	-	27,900	18,360	0.3080	0.2996
Swiss Franc	-	-	461	-	35.1571	-

As at 30 December 2016, foreign exchange contracts outstanding are summarised below (2015: Nil).

Foreign currency	Bought amount	Contractual exchange rate (Baht per 1 foreign currency unit)	Contractual maturity date
	(Thousand)		
US Dollar	286	34.79 - 35.13	3 February 2017 - 17 April 2017
Japanese Yen	37,225	0.32 - 0.33	24 May 2017 - 14 June 2017
Swiss Franc	561	35.48 - 36.00	22 May 2017 - 14 June 2017

31.2 Fair values of financial instruments

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

The estimated fair value of the derivatives is as follows:

(Unit: Million Baht)

As at 31 December 2016	
	Fair value
	Loss
Derivatives	
Forward exchange contracts	(0.6)

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

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

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

32. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2016, the Company's debt-to-equity ratio was 0.25:1 (2015: 0.51:1).

33. Events after the reporting period

On 27 February 2017, the meeting of the Company's Board of Directors passed a resolution to propose to the annual general meeting of the Company's shareholders to adopt a resolution to pay a dividend from operating results of the year 2016 of Baht 0.11 per share, totaling Baht 27.9 million, in respect of the 2016 earnings. The dividend will be paid and recorded after it is approved by the annual general meeting of the Company's shareholders.

34. Reclassification

Certain accounts in the statement of financial position as at 31 December 2015 have been reclassified to confirm to the current year's classification with no effect to previously reported profit or shareholders' equity. The reclassifications are as follows:

Unit: Thousand Baht)

	As at 31 December 2015		As at 31 December 2015	
	As reclassified	As previously reported	As reclassified	As previously reported
Current assets				
Other current assets	2,209	50,292	4,256	34,431
Non-current assets				
Withholding tax deducted at source	48,083	-	30,175	-

35. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 27 February 2017.

