

(Translation)

Independent Financial Advisor's Opinion Report on
the Acquisition of Assets

Reporting to
Shareholders of Thai Plaspac Public Company Limited



Prepared by

Avantgarde Capital Company Limited



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Subject: Independent Financial Advisor's Opinion Report on the Acquisition of Assets

To: Shareholders of Thai Plaspac Public Company Limited

Refer to:

1. Resolution of the Board of Directors' meeting of Thai Plaspac Public Company Limited No. 2/2019 dated 24 April 2019
2. Information Memorandum regarding the Acquisition of Assets for Class 1 Transaction of Thai Plaspac Public Company Limited dated 24 April 2019
3. Sun Packaging System's Financial Statement audited by auditor year 2016 - 2018
4. Information of Thai Plaspac Public Company Limited (the "Company"), directors and shareholders of the Company related to the Transaction and information publicly available
5. Legal Due Diligence Report on Sun Packaging Systems (FZC) ("Sunpack")
6. Financial Due Diligence Report on Sun Packaging Systems (FZC) ("Sunpack") dated 23 April 2019

Remark: Profile of Sunpack's auditor, 2 firms which perform legal due diligence and financial due diligence would be elaborated in detail in Appendix

The Board of Directors' Meeting No. 2/2019 of Thai Plaspac Public Company Limited ("SVP") held on April 24, 2019 resolved to approve the investment by the Company or a newly established entity to be wholly owned by the Company (the "SPV") in Sun Packaging Systems (FZC) ("Sunpack"), a limited liability company incorporated in the Sharjah Airport International Free Zone (the "SAIF") in the United Arab Emirates (the "UAE") engaging in plastic containers manufacturing business, by acquisition of 89% shares in Sunpack from the Sellers (as detailed in item 2) with the total consideration and expenses for the Transaction of not exceeding USD 14.80 million (equivalent to approximately THB 472.09 million¹) (the "Maximum Acquisition Costs") (collectively, the "Transaction"). For the disclosure purpose in this document, unless specified otherwise, reference to the "Company" shall mean to include the SPV. In this regard, the Company has agreed to pay the Sellers on the Completion Date (as detailed in item 2.5) an initial consideration equal to the amount of USD 12.02 million (or equivalent to approximately THB 383.25 million) after adjustments (as detailed in item 2.5) (the "Completion Day Payment"). The Company and the Sellers have also agreed to calculate the actual share purchase price based on certain formula where such actual share purchase price may be higher (but not more than the Maximum

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

Acquisition Costs) or lower than the amount of the Completion Day Payment (as detailed in item 2.5) paid on the Completion Date. Consequently, the Company may be required to make an additional payment or receive a part of the consideration afterwards, and the Company will inform the Stock Exchange of Thailand (“SET”) and the shareholders when such payment is completed.

The Transaction constitutes an acquisition of assets pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2547 (2004) (as amended) (the “Acquisition and Disposition Notifications”). The transaction size of the Transaction calculated based on the net profit from operating results criterion, which gives the highest transaction value, is equivalent to 154.47%. The transaction size calculation is based on the Company’s latest audited financial statements for the fiscal year ended December 31, 2018. The Transaction, therefore, is deemed as a Class 4 Transaction, i.e., a transaction with a transaction size of more than 100%, constituting a backdoor listing transaction; however, the Transaction qualifies for the backdoor listing exemptions under the Acquisition and Disposition Notifications (as detailed in item 2.5) where the Company is required to disclose information on the Transaction to the SET; obtain approval from the shareholders’ meeting of the Company with votes of not less than three-fourths of the total votes of the shareholders attending the meeting and having the right to vote, excluding shareholders having interests; and appoint an independent financial advisor to provide an opinion on the Transaction and submit such opinion to the Office of the Securities and Exchange Commission (the “SEC”), the SET, and the shareholders of the Company for their consideration. In this regard, the Company has appointed Avantgarde Capital Co., Ltd. as the independent financial advisor.

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

Avantgarde Capital Company Limited is appointed as the Independent Financial Advisor (the “IFA”) from the Board of Directors of the Company to render IFA’s opinion on the Transaction. The IFA has considered information prepared by the Company and its financial advisor and from interview with the management regarding business policy of the Company as well as gathering and analysis of financial data of Sunpack, plastic industry and other qualitative data of Sunpack, in order to analyze reasonableness of entering into the Transaction. This also includes an analysis and review of assumptions to estimate future performance in order to value appropriate value of Sunpack’s share compared with the Company’s buying price. In this report, the IFA has referred to and analyzed the information as follows:

- Information Memorandum regarding the Acquisition of Assets for Class 1 Transaction of Thai Plaspac Public Company Limited dated 24 April 2019
- Sun Packaging System's Financial Statement audited by auditor year 2016 - 2018
- Information of Thai Plaspac Public Company Limited (the "Company"), directors and shareholders of the Company related to the Transaction and information publicly available
- Legal Due Diligence Report on Sun Packaging Systems (FZC) ("Sunpack")
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The IFA has prepared this report on the opinion regarding the Transaction, and hereby certified that the IFA has studied and analyzed information complying with professional standard and rendered our opinion based on information and unbiased analysis with regards to the best benefit of the shareholders. However, it is important to note that the IFA's opinions are based on an assumption that information, assumptions and documents received are reliable, complete and accurate without any changes or amendments after they are received by the IFA. Hence, if such information is found to be inaccurate and/or incomplete and/or unreliable and/or have any significant changes which might affect the opinion provided by the IFA especially change of the appropriate buying price. As a result, the shareholders should carefully study the information, assumptions, advantages, disadvantages and opinion on the Transaction before making a decision on the approval of transaction, which is the sole discretion of the shareholders. In this regard, the opinion of the IFA does not certify the success of the Transaction as well as any possible impacts. The IFA does not hold any responsibilities for the impacts that might arise from such transaction both directly and indirectly.

Glossary

“the Company”	Thai Plaspac Public Company Limited
“Target Company” or “Sunpack”	Sun Packaging Systems
“Independent Valuer”	Land Sterling
“Purchaser”	Thai Plaspac Public Company Limited
“Seller”	Kishore Kumar Tarachand Bhatia, Khalid Mahmood Malik and Kanhaiyalal Mannalal Mundhra
“SPA”	Share Sale and Purchase Agreement in respect of the Transaction with the Sellers
“Rules on Acquisition or Disposal of Assets”	The Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposition of Assets B.E. 2547 (2004) dated 29 October 2004
“PET”	Polyethylene Terephthalate
“PP”	Polypropylene
“Transaction”	Acquisition of Sun Packaging Systems (FZC)
“CAGR”	Compound Annual Growth Rate
“DCF”	Discounted Cash Flow
“EV/EBITDA”	Enterprise Value/Earnings before interest, tax, depreciation and amortization
“FCFF”	Free Cash Flow to Firm
“Kd”	Cost of Debt
“Ke”	Cost of Equity
“P/BV”	Price to Book Value Ratio
“P/E”	Price to Earning Ratio
“VWAP”	Volume Weighted Average Price
“WACC”	Weighted Average Cost of Capital
“Wd”	Weight of Debt
“We”	Weight of Equity
“SET”	The Stock Exchange of Thailand
“Independent financial advisory” or “IFA”	Avantgarde Capital Company Limited
“SEC”	Securities and Exchange Commission
“Capital IQ”	S&P CAPITAL IQ is the service provider that offers research and a variety asset analysis to investment adviser and fund manager worldwide.
“SHA”	Agreement with Sunpack and Kishore Kumar Tarachand Bhatia

“SAIF”	The Sharjah Airport International Free Zone
“Maximum Acquisition Costs”	Total Consideration and Expenses for the Transaction
“Completion Day Payment”	An initial consideration after adjustments
“PLC Act”	Public Limited Companies Act
“Continuing Shareholder”	Kishore Kumar Tarachand Bhatia
“Completion Date”	Completion of the Transaction shall take place no later than one business day after the date of receipt by the Company of a license from the SAIF authority showing that the Company and the Continuing Shareholder are shareholders of Sunpack

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1. Executive Summary

The Board of Directors' Meeting No. 2/2019 of Thai Plaspac Public Company Limited ("SVP") held on April 24, 2019 resolved to approve the investment by the Company or a newly established entity to be wholly owned by the Company (the "SPV") in Sun Packaging Systems (FZC) ("Sunpack"), a limited liability company incorporated in the Sharjah Airport International Free Zone (the "SAIF") in the United Arab Emirates (the "UAE") engaging in plastic containers manufacturing business, by acquisition of 89% shares in Sunpack from the Sellers (as detailed in item 2) with the total consideration and expenses for the Transaction of not exceeding USD 14.80 million (equivalent to approximately THB 472.09 million²) (the "Maximum Acquisition Costs") (collectively, the "Transaction"). For the disclosure purpose in this document, unless specified otherwise, reference to the "Company" shall mean to include the SPV.

In this regard, the Company has agreed to pay the Sellers on the Completion Date (as detailed in item 2.5) an initial consideration equal to the amount of USD 12.02 million (or equivalent to approximately THB 383.25 million) after adjustments (as detailed in item 2.5) (the "Completion Day Payment"). The Company and the Sellers have also agreed to calculate the actual share purchase price based on certain formula where such actual share purchase price may be higher (but not more than the Maximum Acquisition Costs) or lower than the amount of the Completion Day Payment (as detailed in item 2.5) paid on the Completion Date. Consequently, the Company may be required to make an additional payment or receive a part of the consideration afterwards, and the Company will inform the Stock Exchange of Thailand ("SET") and the shareholders when such payment is completed.

When entering the transaction, the Company will have an increased financial obligation. The increase of financial obligation would be no more than THB 500 million. This would increase interest bearing debt from 2018 which was THB 2,232.8 million (Refers from 2018 consolidated financial statements) to THB 2,499.7 million in 2019 (During 2019, the Company paid off principle approximately THB 233.19 million and had a financial obligation from loan THB 500 million) or amount to interest bearing debt to equity (IBD/E) of 2.1 (Refers from 2018 consolidated financial statements) and 1.9 (From the calculation of IFA which would be mentioned in section 3.4 Analyses of capabilities in paying off principle and interests from the transaction).

² It is based on the exchange rate of USD 1 = THB 31.8978 announced by the Bank of Thailand as of April 23, 2019, and this rate will be used for reference only throughout this document.

The Transaction constitutes an acquisition of assets pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2547 (2004) (as amended) (the "Acquisition and Disposition Notifications"). The transaction size of the Transaction calculated based on the net profit from operating results criterion, which gives the highest transaction value, is equivalent to 154.47%. The transaction size calculation is based on the Company's latest audited financial statements for the fiscal year ended December 31, 2018. The Transaction, therefore, is deemed as a Class 4 Transaction, i.e., a transaction with a transaction size of more than 100%, constituting a backdoor listing transaction; however, the Transaction qualifies for the backdoor listing exemptions under the Acquisition and Disposition Notifications (as detailed in item 2.5) where the Company is required to disclose information on the Transaction to the SET; obtain approval from the shareholders' meeting of the Company with votes of not less than three-fourths of the total votes of the shareholders attending the meeting and having the right to vote, excluding shareholders having interests; and appoint an independent financial advisor to provide an opinion on the Transaction and submit such opinion to the Office of the Securities and Exchange Commission (the "SEC"), the SET, and the shareholders of the Company for their consideration. In this regard, the Company has appointed Avantgarde Capital Co., Ltd. as the independent financial advisor.

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IFA appointed by the Company has made a comprehensive analysis on the Transaction and concluded that it is reasonable to entering into the Transaction with regards to valuation and appropriateness with details below.

Appropriateness of the Transaction

To consider the appropriateness of the Transaction, Avantgarde Capital Company Limited has been appointed as the Independent Financial Advisor (IFA) of the Transaction. The IFA reviewed and analyzed the purpose of the Transaction, Sunpack's business operating policy and the situation of economic outlook related to business including the analysis of Sunpack's operating performance and financial health in the past years. The IFA concluded that the transaction is appropriate. The Company would be able to create growth opportunity and business expansion. Moreover, the IFA has analyzed Pros and Cons of entering into the Transaction including risk factors of the Transaction as following details:

1) Investing in the rest of “Sunpet”



Product of “Sunpet”

When the Company bought Sunrise Containers Limited (“Sunrise”) (Currently, it is TPAC Packaging India Private Limited) in India during 2018. The Company acquired “Sunpet”, a brand for consumer packaging products. Sunpack and Sunrise have the same shareholder (K.M. Mundhra). Sunpack and Sunrise have the same brand which is Sunpet. Sunpet is a very strong brand in Dubai. Sunpet products in Dubai have been placed in Carrefour and LouLou which are retail supermarkets. From surveying the competitive landscape of Sunpack, according to section 2.6.8, Sunpet is the only brand which monopolized in both retail supermarkets. This strong brand presence gives rise to Sunpet’s popularity among the plastic consumers. This allows Sunpack to have a strong operating performance and increases the demand growth for plastic consumption, particularly, the wide mouth jar products.

The objective of the Company is to acquire the remaining of Sunpet business in order for the Company to strengthen the Sunpet brandname for synergistic marketing strategies. The Company would be able to promote Sunpet brand in the same direction both in India and UAE.

2) Developing production base to meet customer’s needs geographically

Customer bases of the Company are mostly FMCG corporations. Dubai is a reputable city and attracts many FMCG corporations. Sunpack has been doing business in GCC and UAE. So, the Company could expand customer bases from this transaction. The Company could also give value-added products to customers from blended expertises with Sunpack. This would also be a geographical diversification as every country has different kinds of advantages, disadvantages, and risk factors. The Company could have decreased risks and business volatility from this transaction. Sunpack is an expert in PET and Polypropylene which are used in product packaging for food, spice, mayonnaise, nuts, dried fruits, soaps, perfume and cleaning liquid. The Company could have an expanded customer base from this transaction and increased profit margin.

3) Increasing the Company’s performance and capabilities

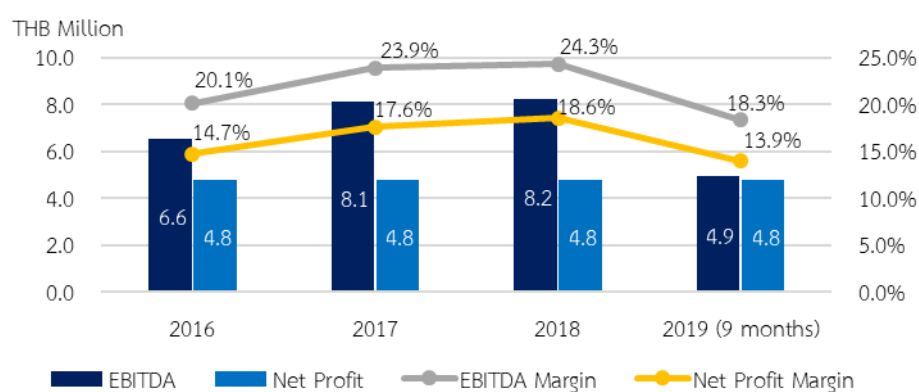
The Company and Sunpack emphasize Consumer Rigid Plastic Molding Technologies. Both companies have capabilities and expertise in this industry. This transaction will directly lead to exchange of knowledge, expertise, research and development because Sunpack is an expert in PET production. This will increase the capabilities and reputation of both companies in this industry. The Company and Sunpack will also have an increased of negotiation power because

both companies use same types of raw materials such as plastics, PET and PP. Increased negotiation power will lead to economies of scale. Economies of scale will help improving profitability and operational efficiency ratios. At last, the Company will have an increase in competitive advantage in the long run.

4) Increasing financial stability from the Transaction which is considered to be a Financially Accretive Deal

The Company expects to increase financial stability because from the last 3 years from 2016-2018, Sunpack had a strong EBITDA which was 20.1%, 23.9% and 24.3% respectively. 3-year average EBITDA margin would be 22.8%. Sunpack has also a strong net profit which was 14.7%, 17.6% and 18.6% respectively. 3- year average net profit margin would be 17.0%. An increase in EBITDA margin in 2016-2018 was caused by maintenance cost in 2016. Furthermore, Sunpack has a very stable cash flow from operation so that the Company will be able to use this cashflow to be invested to support long term growth of the Company. The Company will also have an improved capability to pay dividend and pay off debts.

EBITDA margin and net profit margin of Sunpack of the latest 3 years have been high and impressive in comparison with the ones of the Company. The Company has 3-year average EBITDA margin of 5.4%. The Company has 3-year average net profit margin of 4.9%. Thus, the Company is likely to have an improved EBITDA margin and net profit margin after acquiring Sunpack because the averages will be pulled up by Sunpack's financial ratios.



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

IFA has analyzed pros, cons and risk factors of entering into the Transaction. This would be under the next section.

Pros and Cons of entering into the Transaction

Pros of entering into the Transaction

- 1) The transaction price is fair

IFA evaluated Sunpack's value by many methodologies which would be mentioned in section 3.5 in this report in order to find an appropriate price of Sunpack. IFA concluded that Discounted Cash Flow is an appropriate valuation method because it reflects future cash flow from operations under assumptions of business strategies which are quite reasonable. Valuation of Sunpack ranges between THB 1,616,359.9 – 1,859,109.9 per share or equal to 89% equity value of THB 431,568,092.8 – 496,382,341.2. The transaction price is THB 1,768,117.8 per share or transaction value of THB 472,087,440.0 which is in the valuation range. The minimum price is lower than the transaction price by THB 151,757.9 per share or THB 40,519,347.2 of equity value which is 8.6% of transaction price. The maximum price is above the transaction price by THB 90,992.1 per share or THB 24,294,901.2 of equity value which is 5.1% of transaction price. Thus, the transaction is reasonably fair.

- 2) Plastic industry growth of UAE and Gulf Cooperation Council (GCC)

IFA analyzed plastic industry in countries which contribute revenue for Sunpack. Those countries are UAE, Kuwait, Oman, Qatar, Bahrain and Saudi Arabia which constitute GCC countries. Many years in the past, Plastic industry in UAE and GCC have a high growth rate. Sunpack which is a company that conducts business with these countries normally gains direct benefits from the growth of plastic industry. From many researches, there are many indicators which indicate growth of the plastic industry such as GCC Polymers production capacity (Compound Annual Growth Rate or CAGR from 2006 – 2016 equals to 11.0%), GCC Polymers consumption (CAGR from 2006 – 2016 equals to 7.6%), GCC Volume and Value of Polymers exports, Plastic consumption per capita in UAE, GCC Employment rate in Plastic sector (CAGR 2006-2016 equals to 11.0%) and GCC Polymers production expansion, UAE plastic production volume and plastic consumption volume of UAE (CAGR from 2009 – 2020 equals to 18.2% and 4.0% respectively) and UAE Plastic export volume (CAGR 2009-2015 equals to 27.1%). These figures reveal trend in consumption and production of plastics in both UAE and GCC with high growth rate which benefits Sunpack.

- 3) Creation for the Opportunities of Business Expansion and Growth of the Company to intercontinental stage (Intercontinental investment)

The transaction will create the opportunities for business expansion and growth of the Company to global stage with business synergies. Although the Company and Sunpack operate business in the same industry, both companies have differences in term of client base (The Company has 90% of revenue sources from Thailand and other 10% from Japan, Malaysia, Taiwan, China and Australia. Sunpack has 77% of revenue sources from UAE and 23% from other GCC countries), nature and revenue structure of products, future business policy as well as business operation expertise etc. This would be a diversification of risks and enhancement of revenue growth for the long run. Attraction of new global investors would also be facilitated.

- 4) Sunpack is located in Sharjar Airport International Free Zone (SAIF) which facilitates and supports business operation

Sunpack is located in SAIF which has many advantages such as guarantee of free corporate tax for 50 years, right for 100% foreign ownership and free of transferring fee. This is considered to be advantage over conducting business in Thailand because Thailand has got corporate taxation and limitation of foreign ownership.

- 5) Value creation through synergies

The Company will be able to offer more variety of products through higher number of sale channels and the expansion of client data base which will enhance the ability of the Company to meet clients' needs from clients in each segment, which will strengthen the sale channels to global level. Moreover, the Company will also gain benefits from the economies of scale from higher bargaining power toward the suppliers as well as lower cost of goods and services.

- 6) Increase in earning per share (EPS)

IFA projected earning per share of Sunpack in the future for the next 5 years which will increase earning per share of 0.09 from year 2018 (Refers from 2018 financial statements). After the Transaction, the Company would have an increased earning per share from 0.09 to 0.16 which is 81.5% increase. All the assumptions used would be mentioned in section 3.5.7 Discounted Cash Flow. The table shows details below.

Table of earning per share of Sunpack

Year	2019F	2020F	2021F	2022F	2023F
Estimated net profit of Sunpack ^{1/} (THB Million)	42.5	41.9	42.7	48.8	53.2
Interest paid ^{2/} (THB Million)	25.0	24.1	21.4	17.8	14.3
Earning per share of the Company after the Transaction (THB)	0.07	0.07	0.08	0.12	0.15

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

1/ Estimation made by IFA and assumptions used would be mentioned in section 3.5.7

2/ Average interest rate 5% refers from negotiated draft term sheet

- 7) Diversification of Geographical risk

Sunpack has revenue sources from GCC, while the Company has revenue sources from South East Asia. Hence, the Transaction will diversify geographical risk, which may have different factors to be impacted including economic, demographic, social, natural disaster etc. This diversification may reduce financial cost by lowering interest rates which would as well increase the enterprise value in the long run.

- 8) Political Stability

UAE has a very high stability in terms of politics in comparison with other GCC countries. The projection of revenue and earnings would be more accurate because the negative effects of political instability such as revolt and revolution are reduced to a certain level. The political instability sometimes could have a negative significant effect on the firm's assets.

9) Strengths of Balance Sheet and Profit & Loss statement of Sunpack

Sunpack has been good at controlling gross profit margin and there was a maintenance cost of factory on year 2016 so the gross profit of year 2016 is lower than those of 2017-2018. Financial statements from year 2016 – 2018 of Sunpack disclose that 3-year average gross profit margin is approximately 40.9%. Sunpack has been also good at controlling SG&A expenses so EBITDA margin has been stable around average 22.74%. There was director remuneration expense on year 2016 so SG&A expenses was higher than those of year 2017-2018. Furthermore, Sunpack is a company without interest bearing debt. So, after the Company acquiring Sunpack, Sunpack would not place financial burden for the Company. Sunpack would also decrease D/E ratio of the Company and increase interest coverage ratio because D/E ratio of Sunpack is lower than that of the Company and interest coverage ratio is higher than that of the Company.

Cons of entering into the Transaction

1) Financial obligation from the Transaction

When entering the transaction, the Company will have an increased financial obligation. The increase of financial obligation would be no more than THB 500 million. This would increase interest bearing debt from 2018 which was THB 2,232.8 million (Refers from 2018 consolidated financial statements) to THB 2,499.7 million in 2019 (During 2019, the Company paid off principle approximately THB 233.19 million and had a financial obligation from loan THB 500 million) or amount to interest bearing debt to equity (IBD/E) of 2.1 (Refers from 2018 consolidated financial statements) and 1.9 (From the calculation of IFA which would be mentioned in section 3.4 Analyses of capabilities in paying off principle and interests from the transaction).

Strategies to pay off debts would mainly come from working capital in the Company. The Company expects that this transaction would increase the Company's revenue and the Company's capabilities to pay off loans. IFA also analyzed the Company's future operating performance and found out that the Company has got adequate cash flow to pay off loans even when the scenario is conservative which the revenue growth is limited (Conservative Case would be mentioned in section 3.4 Analyses of capabilities in paying off principle and interests from the transaction) and conform to conditions from the financial institution which strictly limits the IBD/E ratio of consolidated financial statement and separate financial statement for no more than 2.5 and 2.0 respectively. The DSCR ratio needs to be equal to or more than 1.1. IFA also forecasted cash flow of the Company after the transaction and found out that there would be limitation on the abilities to pay dividends which would be mention in the next section.

Projection of forecasted financial statements of the Company after the Transaction & Projection of operational performance of the Company according to draft term sheet after the Transaction.

Unit : THB Million	2016A	2017A	2018A	Q12018	2019F	2020F	2021F	2022F	2023F
Cash after paid off debts	6.0	105.6	64.0	78.9	94.1	164.1	253.6	368.5	525.6
Total Assets	1,261.6	1,273.4	4,185.2	4,126.1	4,880.2	4,799.7	4,708.6	4,634.9	4,588.1
Interest bearing debts	55.0	-	2,232.8 ^{1/}	2,191.8	2,499.7	2,173.4	1,818.2	1,463.1	1,121.9
Total liabilities	251.2	208.8	3,112.6	3,008.6	3,536.8	3,226.7	2,888.4	2,550.6	2,227.5
Equity	1,010.4	1,064.5	1,072.6	1,117.5	1,343.4	1,573.0	1,820.3	2,084.2	2,360.6
IBD/E from consolidated FS under 2.5	0.05	-	2.08	1.96	1.86	1.38	1.00	0.70	0.48
IBD/E from separate FS under 2.0	0.05	-	1.34	1.35	1.65	1.36	1.07	0.82	0.59
EBITDA					637.7	665.3	694.9	725.2	756.1
Paid off principles					255.3	326.3	355.1	355.1	341.2
Interests					146.2	130.1	110.2	89.2	68.7
DSCR equal to or more than 1.1					1.6	1.5	1.5	1.6	1.8

Remark: - Financial ratios in the table are forecasted financial ratios of 2019 and no setting up of assumption of fair value adjustment in consolidated financial statements such as goodwill which might increase or decrease the asset.

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

1/ Acquisition increased debts

2) Effects on the ability to pay dividends

The transaction which the Company would make uses all the sources of fund from financial institution. This would affect the Company to have an increased interest bearing debt from 2018 which was THB 2,232.8 million (Refers from 2018 consolidated financial statement) to THB 2,499.7 million in 2019 (the Company would pay off principle for approximately THB 233.19 million in 2019 and has a financial obligation of loan of THB 500 million). IFA predicted that in the next 5 years (2019-2023), the Company would have an annual financial obligation to pay off principle and interests for approximately THB 463.8 million. This might affect the company with regards to inadequate cash flow to pay dividends to shareholders. But in the case of better operating performance of the Company, the Company would be able to pay dividends to shareholders in the long run.

3) Risk from business operation performance of Sunpack does not meet expectation and global economic recession

In case that Sunpack has got a worse operating performance or a loss on the income statement, the Company would have to carry this burden as well. There is also a possibility of economic risks especially recession in GCC countries. This is because most sources of income of Sunpack comes from GCC countries especially UAE. There might be a country risk also.

Risk Factors

1) Operation Performance of Sunpack does not meet expectation

In case that Sunpack has got a worse operating performance or a loss on financial statement. This would drastically affect the Company. But operating performance of Sunpack has been stable for the last two years and all the economic indicators and plastic industry indicators have been good. IFA has got an opinion that the Company would have a low risk of worse operating performance of Sunpack.

2) Exchange rate risk

The exchange rate risk would affect the Company before investing in Sunpack. Because from now until the day of the transaction, exchange rate of Thai Baht might depreciate. This would affect the Company in a negative way because the Company got to pay higher price for Sunpack. Currently, the Company expects that the Maximum Acquisition price would be no more than USD 14.8 million (Or equal to THB 472.1 million). But if the exchange rate fluctuates, the Company might need to pay in Thai Baht for more or less than THB 472.1 million.

Furthermore, After the Transaction, the Company got an export revenue from GCC also so there is a possibility of exchange rate risk in this aspect also. The future exchange rate of Thai Baht might appreciate against AED currency and the consolidated financial statements might have a gain or a loss from translation of exchange rate which is considered to be an uncertainty in the Company's profit. However, even though the Company has got some source of revenue which are foreign currency but the Company also got some expenses as foreign currency as well. This is considered a reduced risk by natural hedging.

3) The Company cannot obtain shareholder's approval to enter into the Transaction

The transaction has got a condition that the Company needs to got an approval from Shareholder's meeting 2/2019 of the Company. The Shareholder's meeting is at 4 July 2019. The number of votes needs to be no less than 3 of 4 of all the votes of shareholders who come to the meeting but excludes shareholders with interests. The transaction would not be successful if the Company does not get the approval from Shareholders. IFA thinks that shareholders would gain benefits from the transaction so the Transaction should be approved.

4) Material adverse effect on Sunpack

If there are changes which drastically and significantly affect business, operating performance, assets or financial performance of Sunpack. The transaction might be unsuccessful which would be according to the conditions of the Transaction.

5) Sunpack's business operation

Currently, Sunpack has got majority of customers which is approximately 77% of 2018 sales from domestic sales. So, there would be risk with regards to UAE's economic situation, rules and regulations. The Company is aware of the risk and would increase more sources of revenue from international sales.

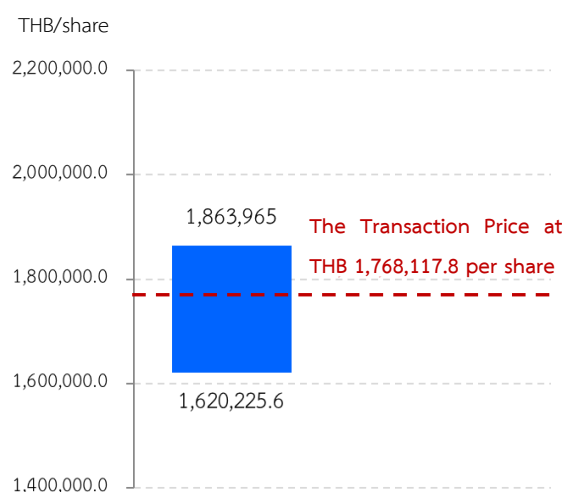
6) Risk of condition in resolution in fundamental issues of contract between shareholders

According to the agreement and conditions in resolution in fundamental issues, the Company needs a written approval or vote from the remaining shareholder of 1 vote except that remaining shareholder holds share below 8%. The remaining shareholder is K.K.T Bhatia (After the Transaction, K.K.T Bhatia would hold 11% of Sunpack). From this condition, it is clear that K.K.T Bhatia has a control in resolution of fundamental issues.

The Company considers that this condition is a commercial term to give minority shareholder to have a say in fundamental issues. However, the Company and IFA consider that the Transaction is amiable and the Company would like to operate business with the remaining shareholder as a business partner. In the long run, IFA have not seen incentives which remaining shareholder might have to veto the resolution of fundamental issues of Sunpack which will drastically affect Sunpack. In the future, the Company also got a right of call option which might be exercised depending on Sunpack's future performance.

For share price perspective, the IFA has the opinion that the Transaction Price at THB 472,087,440.0 or THB 1,768,117.8 per share is appropriate in terms of share price perspective because the Transaction Price is in appropriate range of the Fair values according to the IFA's valuation by Discounted Cash Flow method which is between THB 1,616,359.9 – 1,859,109.9 per share or equal to 89% equity value of THB 431,568,092.8 – 496,382,341.2 million.

Figure of the comparison between fair value and the Transaction Price



IFA has analyzed all the pros, cons, risk factors, valuation and the appropriateness of the Transaction and has concluded that the Transaction is appropriate both in pricing, conditions and appropriateness of the Transaction. So, IFA concludes that shareholders should approve the Transaction. IFA assures that the opinion has been analyzed with carefulness and comprehensiveness according to ethics and shareholders' interests.

2. Nature and Details of the Transaction

2.1 Transaction Date

The Board of Directors' Meeting No. 2/2019 of Thai Plaspac Public Company Limited (the "Company") held on April 24, 2019 resolved to approve the investment by the Company or a newly established entity to be wholly owned by the Company (the "SPV") in Sun Packaging Systems (FZC) ("Sunpack"), a limited liability company incorporated in the Sharjah Airport International Free Zone (the "SAIF") in the United Arab Emirates (the "UAE") engaging in plastic containers manufacturing business, by acquisition of 89% shares in Sunpack from the Sellers (as detailed in item 2) with the total consideration and expenses for the Transaction of not exceeding USD 14.80 million (equivalent to approximately THB 472.09 million³) (the "Maximum Acquisition Costs") (collectively, the "Transaction"). For the disclosure purpose in this document, unless specified otherwise, reference to the "Company" shall mean to include the SPV.

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

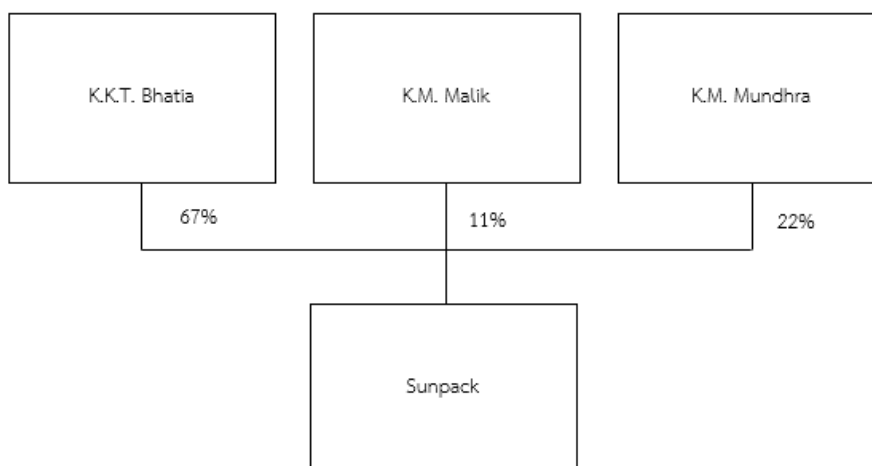
³ It is based on the exchange rate of USD 1 = THB 31.8978 announced by the Bank of Thailand as of April 23, 2019, and this rate will be used for reference only throughout this document.

2.2 Contractual Parties and Relationship with the Company

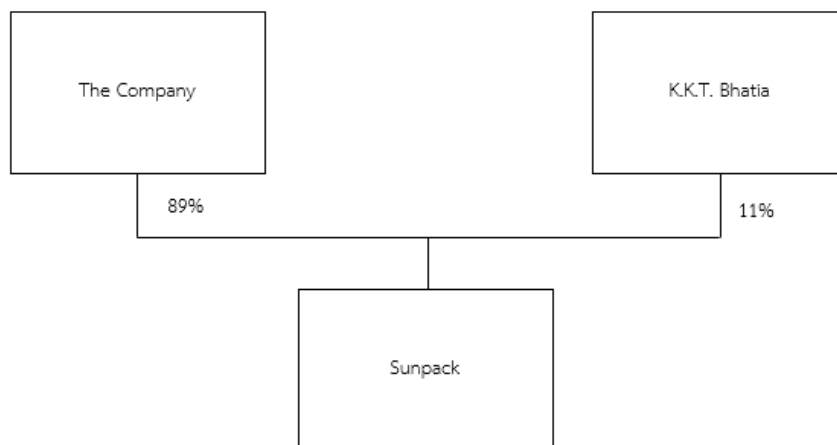
Purchaser	:	The Company
Sellers	:	<ol style="list-style-type: none"> 1. Kishore Kumar Tarachand Bhatia (“K.K.T. Bhatia”) (holding 67% of Sunpack) offered to sell 56% of Sunpack 2. Khalid Mahmood Malik (“K.M. Malik”) (holding 11% shares in Sunpack) offered to sell all shares 3. Kanhaiyalal Mannalal Mundhra (“K.M. Mundhra”) (holding 22% shares in Sunpack) offered to sell all shares
Relationship with the Company	:	The Sellers, including their related persons, do not have any relationship with the Company and are not the Company’s connected persons. The Transaction, therefore, is not considered a connected transaction under the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 (2003).

2.3 General Characteristics

The current shareholding structure of Sunpack is as follows:



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



2.4 Contractual Parties and Relationship with the Company

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

<p>Key conditions precedent</p>	<ol style="list-style-type: none"> 1) The Company must have obtained all necessary corporate approvals to enter into and complete the Transaction. (The Company will hold the Extraordinary General Meeting of Shareholders No. 1/2019 to approve the Transaction on July 4, 2019.) 2) The Sellers or the Company must have completed all steps with the SAIF authority in relation to the transfer of shares in Sunpack to the Company. 3) The Sellers must obtain confirmation from the SAIF authority in relation to the rental payments for Sunpack’s properties following completion of the Transaction. 4) The Sellers must deliver to the Company the evidence of applications for the registration of “Sunpack” and “Sunpet” trademarks with the relevant authority in the UAE to the Company¹. 5) There must be no material adverse effect on Sunpack. All conditions precedent under the SPA must be satisfied or otherwise waived by the relevant parties on or before the Longstop Date (as defined below).
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	*Currently, the Company informed that all the key conditions precedent will be completed by 31 July 2019
Longstop Date	The Longstop Date is the date falling 90 days after execution of the SPA.
Key completion obligations	<ol style="list-style-type: none"> 1) No later than five business days after the last conditions precedent under the SPA is satisfied or waived by the relevant parties, the Company and the Sellers shall execute the relevant transfer documents relating to the Transaction; and any other documents as required under the SPA and submitted to the SAIF authority to be registered as the owner of the shares in Sunpack. 2) Completion of the Transaction shall take place no later than one business day after the date of receipt by the Company of a license from the SAIF authority showing that the Company and the Continuing Shareholder are shareholders of Sunpack² (the "Completion Date"). 3) The Company shall pay the Completion Day Payment (as detailed in item 3.2) to the Sellers on the Completion Date.
Other key terms	The Sellers agree not to, directly or indirectly, compete with the business of Sunpack for a period of three years from the Completion Date.

Remark: 1/ the Sellers must deliver to the Company the evidence of applications for the registration of "Sunpack" and "Sunpet" trademarks with the relevant authority in the UAE to the Company in order for the Company to completely own "Sunpack" and "Sunpet".

2/ Completion of the Transaction shall take place no later than one business day after the date of receipt by the Company of a license from the SAIF authority showing that the Company and the Continuing Shareholder are shareholders of Sunpack which consists of the Company and K.K.T. Bhatia. In addition, the Company, the Continuing Shareholder and Sunpack will enter into a shareholders' agreement (the "SHA") on the same date as the SPA. Key terms and conditions of the SHA are set out below.

Board members	The Company shall decide the number of the Board of Directors. The Continuing Shareholder shall be entitled to nominate 1 director so long as he holds 8% shares in Sunpack.
Board quorum and vote	The quorum, venue and proceeding shall be decided by the Company in its absolute discretion, subject to applicable law.
Fundamental issues	<p>Fundamental issues require prior written consent or an affirmative vote of the Continuing Shareholder, unless his shareholding is less than 8%.</p> <p>Such fundamental issues include, amongst others, the following:</p> <ul style="list-style-type: none"> ● purchase or lease of any real estate for non-business use; ● passing any resolution for winding up or entering into any arrangement with creditors or taking any action for the amalgamation, merger, or consolidation or any other restructuring, reorganization, or cessation of the whole or any material part of business, or applying for the appointment of a receiver or an administrator over assets; ● creation of encumbrances on assets, except to secure the borrowings in the ordinary course of business; ● change of the financial year; and ● entering into agreement with a shareholder or its affiliates, or any director nominated by such shareholder or affiliates, unless it is entered into on an arm's length basis or the value is not significant.

Share transfer restrictions	<ul style="list-style-type: none"> ● The Continuing Shareholder shall not transfer his shares to any entity engaged on its own or through other persons in a business, or having substantial interest in a business which is similar to, or is in competition with Sunpack's business. In addition, a party may transfer any of its shares to its affiliates, and the Continuing Shareholder, subject to agreement between both parties, may transfer his shares to a separate special purpose vehicle owned and controlled by the Continuing Shareholder. ● In the event that the Continuing Shareholder wishes to transfer all of his shares to a third party, such shares must be first offered to the Company before the said shares can be offered and sold to such third party. ● In the event that the Company proposes to sell its shares to a third party, the Company has the right (but not the obligation) to require the Continuing Shareholder to sell all of his shares to such third party together with the Company's shares. On the other hand, the Continuing Shareholder has the right (but not the obligation) to require a third-party purchaser to purchase his shares together with the Company's shares.
Call Option	<p>For the period of six months from the expiry of three or five years from the signing date of the SHA, the Company has the call option to request the Continuing Shareholder to sell all of his shares to the Company at the Liquidity Price.</p>
Other share acquisitions by the Company	<p>The Company has the right to purchase all of the Continuing Shareholder's shares in case where (i) the Continuing Shareholder is in breach of the SHA or (ii) the parties cannot agree on the fundamental issues, at the Liquidity Price.</p>

Liquidity Price	<p>Liquidity Price means the price per share that is calculated as follows:</p> <p>Liquidity Price = Liquidity Valuation / Total outstanding shares of Sunpack.</p> <p>Where Liquidity Valuation = Liquidity EV – Debt + Cash + (Difference between Working Capital and the Exit Normalised Working Capital) + Add Back Amounts.</p> <p>Where Liquidity EV shall mean the following:</p> <p>(1) if the Liquidity Price is being calculated after 24 months from the Completion Date,</p> <p style="padding-left: 40px;">Liquidity EV = 5 * (Average of TTM EBITDA 1 and TTM EBITDA 2)</p> <p>(2) if the Liquidity Price is being calculated prior to 24 months from the Completion Date,</p> <p style="padding-left: 40px;">Liquidity EV = Maximum of [(5 * TTM EBITDA 1) and USD 13.50 million]</p> <p>Where:</p> <p>TTM EBITDA 1 = Adjusted EBITDA of the recent trailing 12 months</p> <p>TTM EBITDA 2 = Adjusted EBITDA of the trailing 12 months for the period prior to TTM EBITDA 1</p> <p>Adjusted EBITDA = earnings before interest, tax, depreciation and amortization, and shall not include, any (a) one-time, non-recurring, non-operational, exceptional or extraordinary income/expense of Sunpack (b) any operating expenditure incurred exclusively in relation to any capital expenditure which is not commercialised as at end of previous trailing 12 months period.</p> <p>Debt = borrowings or funds owed to any banking, financial, lending or other similar institution or organisation or other person or entity as at the date on which the share acquisition right has been exercised.</p> <p>Cash = the aggregate of the Sunpack's cash whether in hand or credited to any account within any banking or financial institution and its cash equivalents e.g. liquid funds and treasury investments that are actively traded or easily converted into cash as at the date on which the share acquisition right has been exercised.</p> <p>Working Capital = the working capital of Sunpack as at the date</p>
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	<p>on which the share acquisition right has been exercised.</p> <p>Exit Normalised Working Capital = the normalised working capital of Sunpack as agreed between the parties at the time of the relevant exit of the Continuing Shareholder.</p> <p>Add Back Amounts = the aggregate of the following amounts: (a) debt undertaken or cash spent for project capex to the extent any ongoing growth project remains not commercialised as at end of previous trailing twelve months period; and (b) accrued/paid interest therein on such amount in (a).</p> <p>IFA analyzed liquidity price and found out that if the Company exercises the right to buy Sunpack referring from latest operation performance of Sunpack, Liquidity price would be THB 1,497,483.9 per share which is lower than the transaction price of THB 1,768,117.8 per share by THB 270,633.9 per share which is 15.3%. The calculation below.</p> <table border="1"> <tr> <td>Liquidity Price</td> <td>= 51,731,324.0 / 300 = 172,437.7 AED/Share</td> </tr> <tr> <td>Liquidity EV</td> <td>= 5 * [(8,108,429.0^{1/} + 8,230,075.0^{2/})/2] = 8,169,252.0 AED</td> </tr> <tr> <td>Liquidity Valuation</td> <td>= 8,169,252.0 - 50,000.0^{3/} + 10,935,064.0^{4/} + 0 + 0 = 51,731,324.0 AED</td> </tr> <tr> <td>Total paid of capital of Sunpack</td> <td>300 Shares</td> </tr> </table> <p>Sources: 2017-2018 Financial statements of Sunpack</p> <p>Remark: Refers from AED/THB from Bank of Thailand at 23 April 2019. 1 AED equaled to THB 8.6842</p> <p>1/ EBITDA of Sunpack in 2017</p> <p>2/ EBITDA of Sunpack in 2018</p> <p>3/ Liabilities of Sunpack at 31 March 2018</p> <p>4/ Cash of Sunpack at 31 March 2018</p> <p>However, the right to buy remaining 11% of total shares will be depended on many factors in the future such as Sunpack's performance. The Company will exercise the right if the Company gains benefits or in the position of in the money. The Company will not exercise the right if the Company will not gain benefits. Currently, Sunpack only need 89% of total shares because it would like remaining shareholder to be a business partnership.</p>	Liquidity Price	= 51,731,324.0 / 300 = 172,437.7 AED/Share	Liquidity EV	= 5 * [(8,108,429.0 ^{1/} + 8,230,075.0 ^{2/})/2] = 8,169,252.0 AED	Liquidity Valuation	= 8,169,252.0 - 50,000.0 ^{3/} + 10,935,064.0 ^{4/} + 0 + 0 = 51,731,324.0 AED	Total paid of capital of Sunpack	300 Shares
Liquidity Price	= 51,731,324.0 / 300 = 172,437.7 AED/Share								
Liquidity EV	= 5 * [(8,108,429.0 ^{1/} + 8,230,075.0 ^{2/})/2] = 8,169,252.0 AED								
Liquidity Valuation	= 8,169,252.0 - 50,000.0 ^{3/} + 10,935,064.0 ^{4/} + 0 + 0 = 51,731,324.0 AED								
Total paid of capital of Sunpack	300 Shares								

Remark: 1/The Company will designate the number of directors in board of directors. The remaining shareholder will designate only one director which equal to one in three and the remaining shareholder needs to hold shares in Sunpack for more than or equal to 8% of total shares. There are 3 directors which are Nimit Batia, Kevin Kumar Sharma and Anil Kumar Kohli

2.5 Transaction Size

2.5.1 Type and transaction size

According to the SPA, the Company has agreed to pay the Sellers a consideration or the Completion Day Payment which comprises the initial consideration of USD 12.02 million (or equivalent to approximately THB 383.25 million) (i) minus 89% of the difference between the actual and estimated debt as at the Completion Date, (ii) plus 89% of the difference between the estimated and actual cash as at the Completion Date, (iii) plus 89% of the difference between the estimated working capital as at the Completion Date and the target working capital of USD 1.82 million (or equivalent to approximately THB 57.90 million), and (iv) plus 89% of the sum of the agreed capital expenditure of USD 0.16 million (or equivalent to approximately THB 5.10 million) plus the estimated related transactional expenses of USD 1 million (or equivalent to approximately THB 31.90 million). A consideration must not be lower than the initial consideration of USD 12.02 million (or equivalent to approximately THB 383.25 million) and must not be more than USD 14.80 million (or equivalent to approximately THB 472.09 million), divided into the initial consideration of USD 12.02 million (or equivalent to approximately THB 383.25 million) minus 89% of the difference between the actual debt (USD 0) and estimated debt (USD 0) as at the Completion Date, This difference would equal to USD 0 (or equivalent to THB 0.00) (ii) plus 89% of the difference between the estimated cash (USD 0.5 million) and actual cash (USD 0) as at the Completion Date, This difference would equal to USD 0.5 million (or equivalent to THB 15.95 million) (iii) plus 89% of the difference between the estimated working capital (USD 2.82 million) and the target working capital (USD 1.82 million) as at the Completion Date, This difference would equal to USD 1 million (or equivalent to THB 31.90 million) plus 89% of the sum of the agreed capital expenditure of USD 0.5 million (or equivalent to approximately THB 15.95 million) plus the estimated related transactional expenses of USD 1 million (or equivalent to approximately THB 31.90 million). Below is detail of calculation of the transaction size

(Unit : USD Million)	Actual	Estimate	100%	89%
Initial Consideration	12.02	0	12.02	12.02 ^{1/}
Debts	0	0	0	0
Cash	0.5	0	0.5	0.445
Working Capital	2.82	1.82	1	0.89
Capital Expenditure	0.66	0.16	0.5	0.445
Related transactional expenses	1	0	1	1 ^{1/}
Maximum Acquisition Costs				14.80
Maximum Acquisition Costs (THB Million)				472.09

Remark 1/ Initial consideration and related transactional expenses would not be multiplied by 89%

Calculation of maximum acquisition costs would be calculated on completion date. If maximum acquisition costs exceed transaction size which will be approved by shareholders, the Company would not be able to transact and shareholders' meeting needs to be performed again. The Company notified that after analyzing all the financial status of Sunpack, the Company is confident that maximum acquisition costs would not exceed the one which will be approved.

2.5.2 Transaction size calculation

Transaction size calculation refers to consolidated financial statements of the Company from 31 March 2019 audited by EY and consolidated financial statements of Sunpack from 31 March 2018 audited by Kothari Auditors & Accountants. Transaction size calculation will be according to SET Regulations.

Financial information used in calculation of transaction size

Table summary of financial information used in calculation of transaction size

Financial Info (Unit : THB Million)	Consolidated financial statement at 31 December 2018	Consolidated financial statement at 31 March 2018	Consolidated financial statement at 31 March 2019
	The Company	Sunpack	The Company
Net Tangible Assets ^{1/}	(304.5)	206.3	(243.6)
Total Assets	4,185.2	234.0	4,126.1
Net Profit (Loss) ^{2/}	31.5	54.7	90.3

Remark: 1/ Net tangible assets calculated by total assets deduced by sum of intangible assets, total debts and minority shareholders

2/ Profit (Loss) for the latest 12 months

3/ Refers from AED/THB from Bank of Thailand at 23 April 2019. 1 AED equaled to THB 8.6842

4/ Latest financial statements audited of Sunpack is from 31 March 2018

Table of calculation of transaction size

Type of Transaction size calculation	Calculation by Information memorandum	Calculation by latest financial information of the Company
1.Net tangible asset (NTA)	$(\text{NTA of Sunpack} * 0.89) * 100 / \text{NTA of the Company}$ $= ((\text{THB } 206.3 \text{ million} * 0.89) * 100) / (\text{THB } -304.5 \text{ million})$ =This criterion is not applicable as the NTA of the Company is expressed as a negative.	$(\text{NTA of Sunpack} * 0.89) * 100 / \text{NTA of the Company}$ $= ((\text{THB } 206.3 \text{ million} * 0.89) * 100) / (\text{THB } -243.6 \text{ million})$ = This criterion is not applicable as the NTA of the Company is expressed as a negative.
2.Net profit from operating results	$(\text{Net profit of investment in Sunpack} * 0.89) * 100 / \text{Net profit of the Company}$ $= ((\text{THB } 54.7 \text{ million} * 0.89) * 100) / \text{THB } 31.5 \text{ million}$ = 154.5%	$(\text{Net profit of investment in Sunpack} * 0.89) * 100 / \text{Net profit of the Company}$ $= ((\text{THB } 54.7 \text{ million} * 0.89) * 100) / \text{THB } 90.3 \text{ million}$ = 53.9%
3.Total value of consideration	$(\text{Maximum acquisition costs} * 100) / \text{Total asset of the Company}$ $= (\text{THB } 472.1 \text{ million} / \text{THB } 4,185.2 \text{ million}) * 100$ = 11.3%	$(\text{Maximum acquisition costs} * 100) / \text{Total asset of the Company}$ $= (\text{THB } 472.1 \text{ million} / \text{THB } 4,126.1 \text{ million}) * 100$ = 11.4%
4.Equity issued as consideration	This criterion is not applicable as no new share of the Company will be issued as payment	This criterion is not applicable as no new share of the Company will be issued as payment

The calculation which will be applied to regulations would be the calculation according to the information memorandum at 24 April 2019 because it was the day of the resolution of the committee to approve the transaction.

Calculation Criteria	Transaction Size (%)
1. Net tangible asset (NTA)	Not applicable
2. Net profit from operating results	154.5
3. Total value of consideration	11.3
4. Value of equity issued as consideration for the assets	Not applicable

This calculation is to be used with another information memorandum regarding acquisition of assets at 24 April 2019 because there was a resolution of approval by board of directors. This acquisition occurred in the last 6 months (December 2018 – June 2019). The amount was 0.72% of NTA. It was a solar roof investment set up by “TPAC Bangna”. It was approved by the board of directors 1/2019 at 26 February 2019. When combining with the Transaction, it would be 12% of total value of consideration.

The transaction size of the Transaction calculated based on the net profit from operating results criterion, which gives the highest transaction value, is equivalent to 154.47%. As a result, the Transaction is classified as a Class 4 Transaction pursuant to the Acquisition and Disposition Notifications, i.e., a transaction with a transaction size of more than 100%, constituting a backdoor listing transaction. However, the Transaction qualifies for the backdoor listing exemptions under the Acquisition and Disposition Notifications for the following reasons:

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

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

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

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

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

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

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

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

Criteria	The Company (after the Transaction)
<p>1. The directors, executives, and controlling persons of a listed company must:</p> <p>possess qualifications and not possess any prohibited characteristics or any characteristics indicating a lack of appropriateness to be relied on to manage a company whose shares are publicly held in accordance with the relevant laws on securities and exchange or the Securities and Exchange Commission's regulations.</p> <p>not be a person who violates any rules, regulations, notifications, orders, board resolutions, listing agreements with the SET, as well as the required SET circulars, where such violation may have a material adverse effect on the rights, benefits, or decision-making of any shareholders, investors, or change in securities prices.</p>	<p>The directors, executives, and controlling persons of the Company are qualified under both criteria.</p>
<p>2. One third of the members of the board of directors of a listed company must be independent directors and the listed company must have at least three independent directors and three audit committee members in total.</p>	<p>As of April 24, 2019, the Company's Board of Directors comprised eight members, three of whom were both independent directors and members of the Audit Committee.</p>
<p>3. The auditor(s) of a listed company must be approved by the SEC.</p>	<p>The Company's auditors from EY Office Company Limited are approved by the SEC.</p>
<p>4. The internal control system of a listed company must be in line with the relevant notifications of the Capital Market Supervisory Board.</p>	<p>The Company's internal control system complies with the relevant notifications of the Capital Market Supervisory Board. The Company has reviewed the internal control system of Sunpack from its due diligence exercise and has found no material issue. the Company will undertake to ensure that the internal control system of Sunpack complies with the relevant notifications of the Capital Market Supervisory Board or any other relevant notifications after completion of the Transaction.</p>
<p>5. A listed company and its subsidiaries must not have any conflicts of interests (including having conflicts of interests with a director,</p>	<p>There will be no conflicts of interest. Even though Indorama Ventures Public Company Limited ("IVL"), a listed company whose major</p>

Criteria	The Company (after the Transaction)
executive, or major shareholder) in accordance with the relevant notifications of the Capital Market Supervisory Board.	shareholder is connected to a major shareholder of the Company. IVL's packaging products are different from the Company's packaging products. IVL is focused on packaging for the water and carbonated soft drink segment whereas TPAC is focused on packaging for food, personal care, and the pharmaceutical segment. However, IVL is one of the Company's raw material suppliers, there will be continuing related-party transactions between IVL and the Company. The related-party transactions are considered and reviewed by the Audit Committee to see if they contribute benefits to the Company and if they are entered into on an arm's length basis and in line with the SEC's policy, and are eventually reported to the Board of Directors.
6. A listed company must maintain its free float qualification so that there are no less than 150 retail shareholders collectively holding shares of not less than 15% of the company's paid-up capital.	As of March 26, 2018, the Company had 815 minority shareholders collectively holding shares of approximately 21.36% of the Company's paid-up capital.
7. A listed company must have a provident fund in accordance with the laws on provident funds.	The Company has set up a provident fund for its employees in accordance with the Provident Fund Act B.E. 2530 (1987) (as amended).

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

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

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

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

Avantgarde Capital Co., Ltd. as the independent financial advisor.

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

2.6 Details of Acquired Assets

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

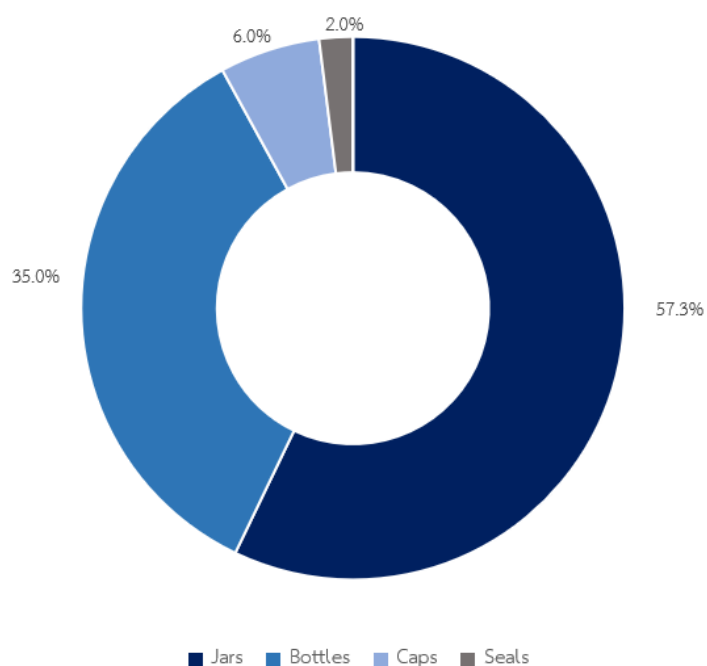
Name	:	Sun Packaging Systems (FZC)
Incorporated under the laws of	:	The UAE
Class of company	:	Limited liability company
Registered address	:	600 M2 Warehouse B3-01, 02, 03 Plot Land T3-02, 03, 04 and 05, P.O. Box 7784, Sharjah, the UAE
Registered capital	:	AED 0.45 million (equivalent to approximately THB 3.91 million ⁴)
Paid-up capital	:	AED 0.45 million (equivalent to approximately THB 3.91 million)

2.6.1 Sunpack's business

Sunpack is a company founded in SAIF, UAE which is a reputable country in Gulf Cooperation Council. Sunpack is a producer and exporter of jars and bottles made by plastics which are largely used by consumers. The bottles include spice consumer bottles, perfume bottles, mayonnaise bottles and others. Information from financial due diligence report of Sunpack discloses major shareholders, board of directors and revenue structure of last 3 years. Details below.

Major shareholders of Sunpack		Board of directors of Sunpack
Name	Percentage	
1. Mr. K.K.T. Bhatia	67.0	1. Mr. K.K.T. Bhatia
2. Mr. K.M. Malik	11.0	2. Mr. K.M. Malik
3. Mr. K.M. Mundhra	22.0	3. Mr. K.M. Mundhra
Total	100.0	

⁴ It is based on the exchange rate of AED 1 = THB 8.6842 announced by the Bank of Thailand as of April 23, 2019, and this rate will be used for reference only throughout this document.



Sunpack Revenue Structure

Product Type	Unit: AED Thousands			Percentage of Total revenue		
	31 March 2016	31 March 2017	31 December 2018 (9 months)	31 March 2016	31 March 2017	31 December 2018 (9 months)
Jars	19,949	20,117	15,990	57	57	58
Bottles	12,297	12,263	9,591	35	35	35
Caps	2,037	2,024	1,611	6	6	6
Seals	779	796	461	2	2	2
Others	105	132	53	0	0	0
Revenue	35,167	35,232	27,706	100	100	100

Source: Financial Due diligence report on Sunpack

Sunpack Revenue Structure

Product Type	Unit: THB Thousands			Percentage of Total revenue		
	31 March 2016	31 March 2017	31 December 2018 (9 months)	31 March 2016	31 March 2017	31 December 2018 (9 months)
Jars	173,157.3	174,615.6	138,793.2	57.0	57.0	58.0
Bottles	106,738.0	106,442.8	83,249.9	35.0	35.0	35.0
Caps	17,681.2	17,568.3	13,983.5	6.0	6.0	6.0
Seals	6,761.7	6,909.3	4,001.5	2.0	2.0	2.0
Others	911.4	1,145.8	460.0	0.0	0.0	0.0
Revenue	305,249.6	305,813.8	240,488.1	100.0	100.0	100.0

Source: Financial Due diligence report on Sunpack

2.6.2 Product's characteristics



Consumer Jars



Cosmetic Jars



Spice Jars



Mayonnaise Jars

Sunpack's customers



2.6.3 Sunpack's key financial information

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

Key Summary of Sunpack's Statements of Financial Position

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

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

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

However, the audited latest financial statements ended at 31 March 2018. But financial due diligence has got financial information of financial statements of Sunpack until 31 December. Details below.

Sunpack's financial position

Items	Unit: AED Million	Unit: THB Milion
	31 December 2018	31 December 2018
Non current asset	6.04	52.43
Account receivables	5.28	45.83
Inventories	2.16	18.75
Cash and advances	2.74	23.78
Total current asset	10.18	88.36
Account payables	1.90	16.49
Estimated accrued liabilities	1.38	11.98
Researve of employees' benefits	0.22	1.91
Current liabilities	3.45	29.95
Working capital	6.69	58.07
Cash and cash equivalents	11.35	98.52
Cash, working capital and non current assets	24.08	209.01
Share capital	0.45	3.91
Reserve and surplus	22.50	195.30
Share capital, reserve and surplus	22.95	199.21
Shareholders' current account	1.13	9.81
Total sharreholder's equity	24.08	209.01

Source: Financial statements audited by auditor's report of Kothari Auditors & Accountants, Financial due diligence report on Sunpack by Mayurbatra Group

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

Key Summary of Sunpack's Statements of Income

Details	Unit: AED Million				Unit: THB Million			
	As of March 31, 2016	As of March 31, 2017	As of March 31, 2018	As of December 31, 2018 (9 months)	As of March 31, 2016	As of March 31, 2017	As of March 31, 2018	As of December 31, 2018 (9 months)
Revenue	32.61	33.99	33.91	26.89	283.21	295.17	294.50	233.53
Direct costs	21.29	22.14	21.69	16.81	184.89	192.27	188.39	145.99
Gross profit	11.32	11.85	12.22	10.07	98.32	102.90	106.12	87.46
Other income	0.18	0.19	0.34	0.15	1.53	1.67	2.97	1.30
Selling costs	2.93	3.16	3.19	3.00	25.41	27.41	27.74	26.05
Administrative costs	3.77	2.89	3.06	2.30	32.72	25.11	26.56	19.97
EBITDA	6.57	8.12	8.25	4.92	57.02	70.56	71.62	42.73
Depreciation	1.76	2.13	1.94	1.17	15.30	18.50	16.84	10.16
EBIT	4.80	5.99	6.31	3.75	41.72	52.06	54.78	32.57
Finance costs	0.02	0.02	0.02	0.00	0.13	0.14	0.15	0.08
PBT	4.79	5.98	6.29	3.75	41.59	51.91	54.63	32.57
Tax	-	-	-	-	-	-	-	0
Net profit	4.79	5.98	6.29	3.75	41.59	51.91	54.63	32.57

Source: Financial statements audited by auditor's report of Kothari Auditors & Accountants, Financial due diligence report on Sunpack

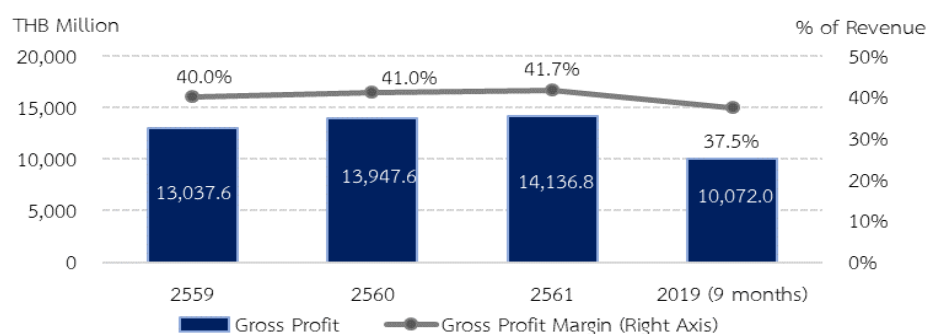
Important Financial Ratio

		2016	2017	2018	2019 (9 months)
Liquidity Ratio					
Liquidity Ratio	Times	3.62	4.41	6.79	2.91
Quick Ratio	Times	3.27	3.96	6.19	2.29
Receivable Turnover	Times	6.33	5.99	6.36	6.76
Days of sales outstanding	Days	57.65	60.99	57.41	54
Inventory turnover	Times	16.12	13.68	12.22	16.59
Days of inventory	Days	22.64	26.68	29.87	22
Payables turnover	Times	8.64	10.87	14.03	19.21
Days of payables	Days	42.24	33.56	26.02	19
Cash Conversion Cycle	Days	38.05	54.09	61.26	57
Profitability Ratio					
Gross profit Margin	%	39.98	41.04	41.69	37.45
EBIT Margin	%	20.09	23.86	24.27	18.3
Net profit margin	%	14.68	17.59	18.55	13.95
Return on equity	%	26.79	29.08	26.48	15.58
Efficiency Ratio					
Return on asset	%	22.07	24.52	23.35	15.58
Return on fixed asset	%	116.27	71.72	92.08	62.09
Leverage Ratio					
Debt to equity	Times	0.21	0.19	0.13	0.15

2.6.4 Explanation of financial and operating performance of Sunpack

Even though the revenue for the latest 3 years has no growth but Sunpack still stabilizes the level of revenue. The revenue structure of 2018 comprises revenue from producing bottles for 92% and other 8% would be revenue from producing caps and seals. Revenue growth for the latest 9 months (March 2018-December 2018) is 6% because revenue from selling bottles is increased.

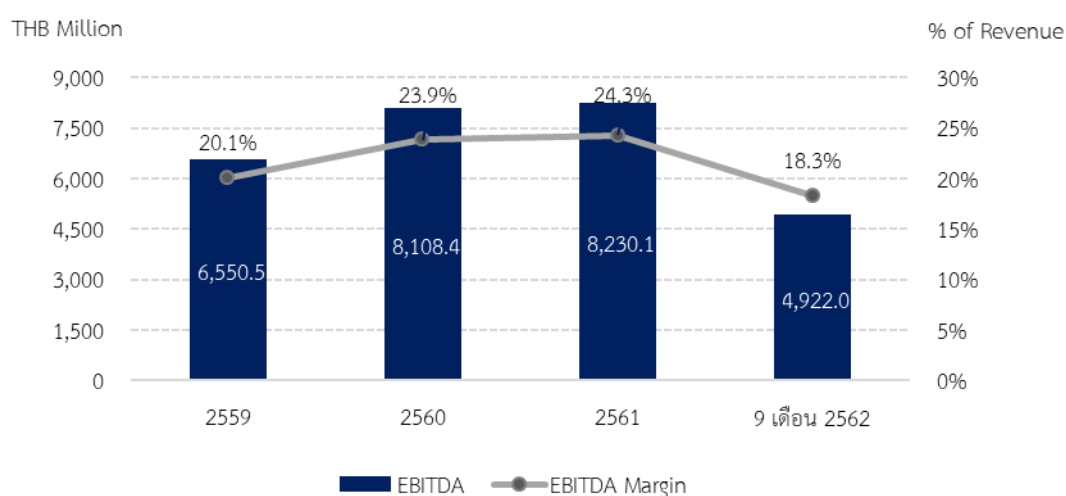
Gross Profit and Gross Profit Margin of Sunpack 2016 – 9 months 2019



Remark: Gross profit excluding depreciation

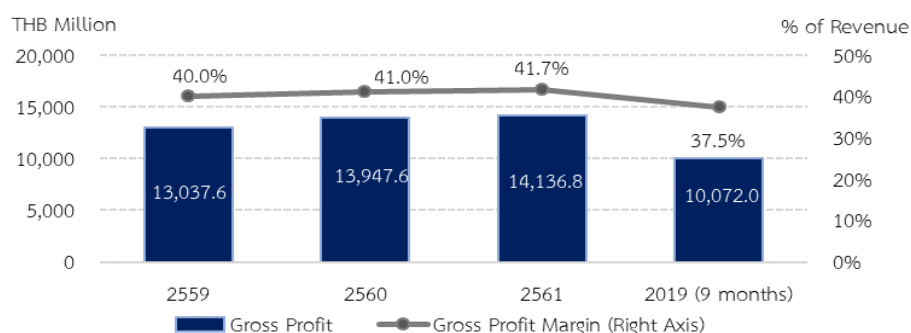
Gross Profit Margin has seen an improvement from 2016 to 2018, those figures are 40.0%, 41.0% and 41.7% respectively. The gross profit margin for the latest 9 months (March 2018-December 2018) is reduced into 37.5%. This decrease is because direct costs is increased especially PET and PP. Average price of PET resin (0.8l.v.) is increased by 47.0% and average price of PP is increased by 22.0%. Other 30 kinds of goods also have got an increasing of average price by 85.0%. This information comes from financial due diligence report on Sunpack.

EBITDA and EBITDA Margin of Sunpack 2016 - 9 months 2019



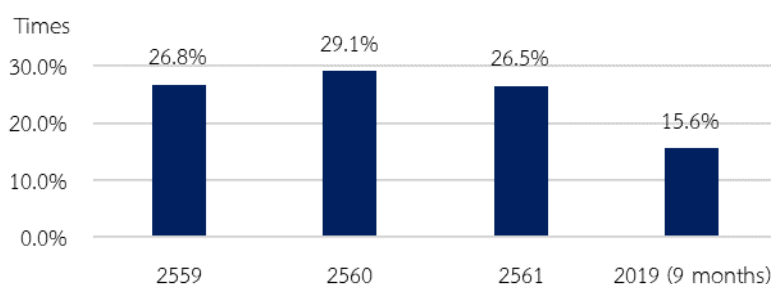
Selling, general and administrative expenses has been quite stable from 2016 to 2018. Therefore, EBITDA margin are 20.1%, 23.9% and 24.3% respectively. The EBITDA margin for the latest 9 months (March 2018-December 2018) is reduced into 18.3%. This is because of decreasing of gross profit and increasing of SG&A expenses.

Net profit and Net profit margin of Sunpack 2016 - 9 months 2019



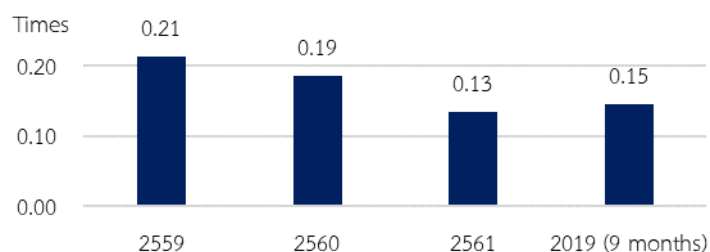
Positive improvements of gross profit margin and operating profit margin directly lead to the increasing of net profit margin from 2016 to 2018, those figures are 14.7%, 17.6% and 18.6% respectively. This is also because there were maintenance of factory cost and remuneration of directors costs in 2016. Net profit margin for the latest 9 months (March 2018-December 2018) is reduced into 14.0%. This is because of decreasing of gross profit and Operating Profit.

Return on equity of Sunpack 2016 - 9 months 2019



Return on equity has been quite stable from 2016 to 2018, from 15.0% to 29.0%. The impressive return on equity would directly lead to good returns on dividend or return on new investment according to the Company's growth plan.

Debt to equity of Sunpack 2016 - 9 months 2019



Debt to equity has been quite at the very low level from 2016 to 2018. It ranges around 0.1-0.2. Strong balance sheet with very low debts will strengthen Sunpack's interest coverage ratio and decreased D/E ratio.

2.6.5 Consumer Target



Choithrams เป็นบริษัทค้าปลีกออนไลน์

Dabur เป็นบริษัทขายยา



GCSCI เป็นบริษัทผลิตสบู่



Al Maya Group เป็นบริษัทค้าปลีก

2.6.6 Board of Directors and Shareholders of Sunpack

Board of Directors

Current Board of Directors	Board of Directors post-Transaction ⁵
1. K.K.T. Bhatia (General Manager and Director)	1. Nimit Bhatia
2. K.M. Malik (Director)	2. Kevin Qumar Sharma
3. K.M. Mundhra (Director)	3. Anil Kumar Kohli

Shareholders

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

⁴ In addition, additional independent directors may be appointed on the board of directors, if required, in accordance with the laws of the UAE. There is an agreement in the contract between shareholders that remaining shareholder can appoint one director if the remaining shareholder hold equal to or more than 8% of total shares. The Company has the right to appoint other directors.

2.6.7 Relationship between the Company and Sunpack

The Company, Majorshareholders and Directors have no relationship with Sunpack, Majorshareholders and Directors.

Majorshareholders of Sunpack and TPAC

Majorshareholders of Sunpack		Majorshareholders of TPAC	
Name	%	Name	%
1. K.K.T. Bhatia	67.0	1. Mr. Anuj Lohia	60.28
2. K.M. Malik	11.0	2. Mr. Eakawut Nuengchamnon	8.90
3. K.M. Mundhra	22.0	3. The Hongkong And Shanghai Banking Corporation Limited	5.42
Total	100.0	4. Mr. Theerawit Busayapoka	3.77
		5. Citibank Nominees Singapore Pte Ltd-Thai Focused Equity Fund Ltd	2.96
		6. Thai NVDR Company Limited	2.89
		7. Miss. Anuttree Nuengchamnon	2.42
		8. Mr. Niti Nuengchamnon	1.42
		9. Mr. Pornchai Rattananontachaisook	1.23
		10. MORGAN STANLEY & CO. INTERNATIONAL PLC	1.18
		Total	90.44

Sunrise is currently by TPAC Packaging India Private Limited holding 100% stake.

Board of Directors of the Company and Sunpack before the Transaction

Board of Directors of Sunpack	Board of Directors of TPAC
1. K.K.T. Bhatia	1. Kevin Qumar Sharma
2. K.M. Malik	2. Theerawit Busayapoka
3. K.M. Mundhra	3. Aradhana Lohia Sharma
	4. Yashovardhan Lohia
	5. Anil Kumar Kohli
	6. Virasak Suthanthavibul
	7. Kittiphat Suthisamphat
	8. Gran Chayavichitsilp

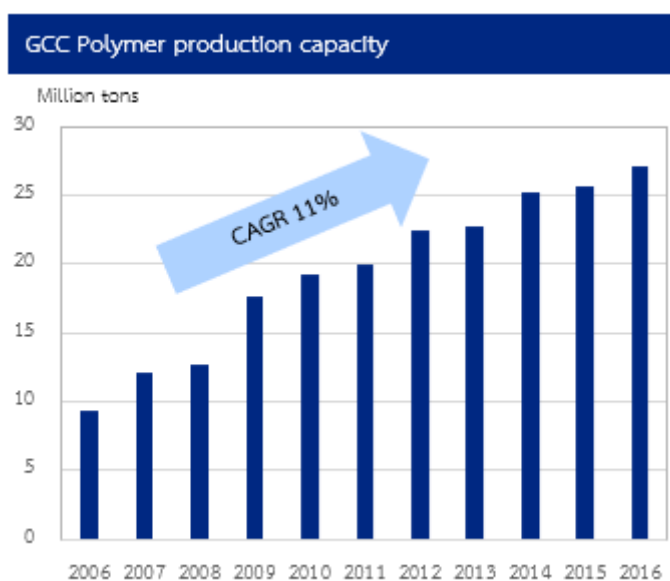
Board of directors of the Company and Sunpack after the Transaction

Board of directors of Sunpack	Board of directors of TPAC
1. Nimit Bhatia	1. Kevin Kumar Sharma
2. Kevin Kumar Sharma	2. Theerawit Busayapoka
3. Anil Kumar Kohli	3. Aradhana Lohia Sharma
	4. Yashovardhan Lohia
	5. Anil Kumar Kohli
	6. Virasak Suthanthavibul
	7. Kittiphap Suthisamphat
	8. Gran Chayavichitsilp

2.6.8 Plastic Industry Overview

Plastic Industry that would be analyzed is the plastic industry of GCC (Gulf Cooperation Council). There are 6 countries in it including UAE. The reason for this analysis is because UAE has been directly connected economically and commercially with all these countries. Sunpack also sells products to customers who are living in these countries. It is unavoidable that we need to analyze plastic industry of GCC as a whole group in order to see the big overview of the industry.

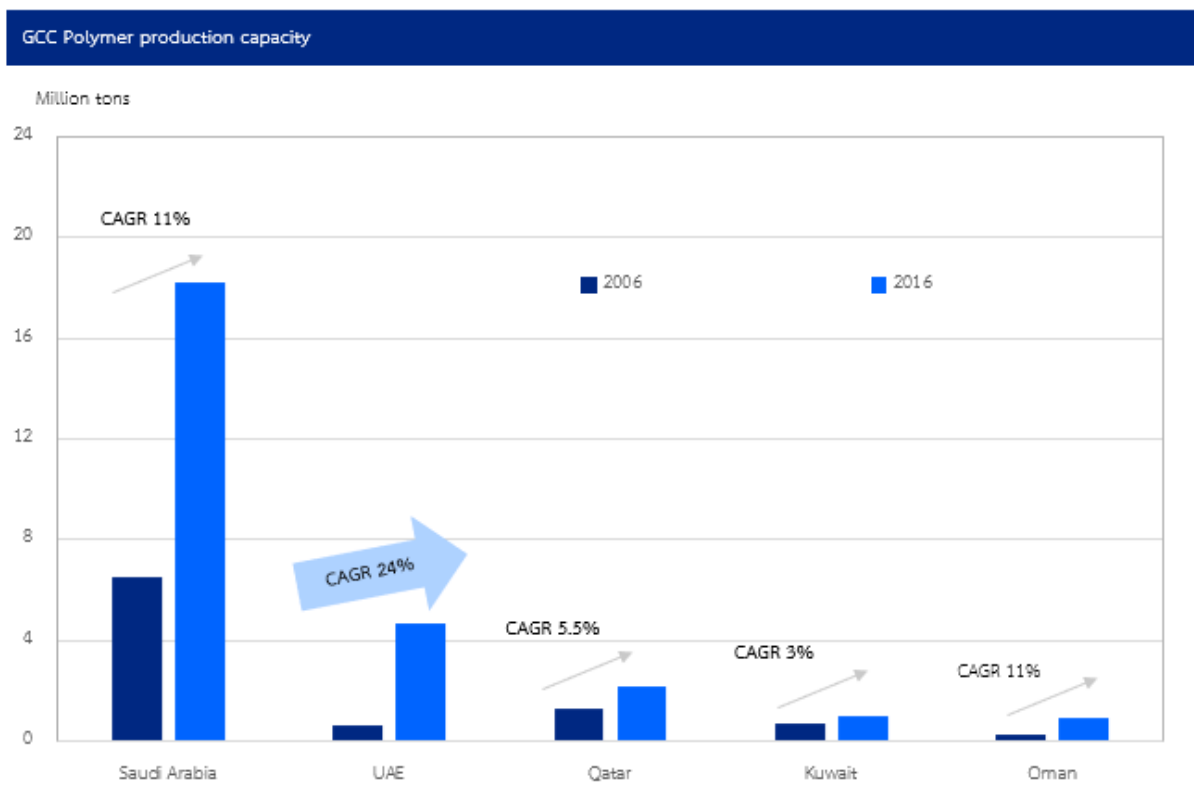
GCC polymers production capacity indicated a growth sign from 2006-2016. CAGR from 2006-2016 is 11% which is quite high. The trend is evidently upward. This is a good indicator that in the long run, plastic industry of GCC still has got a room for growth as a whole.



Source: Gulf Petrochemicals & Chemicals Association (GPCA)

CAGR of polymers production capacity by GCC countries had been quite growing. From the figure, It evidently shows that UAE has got the highest CAGR which is approximately 24% when comparing to other GCC countries. This number is very impressive in terms of growth. For UAE, Retail sector growth will drive up plastic industry growth. The research indicates that the UAE retail industry is currently worth \$55 billion and is forecast to steadily rise to \$63.8 billion by 2023. Store-based retailing will continue to dominate, accounting for \$52.7 billion of the overall market in the UAE. However, non-store retailing, which includes online shopping, direct selling, mobile Internet, social media and home shopping, will grow by 78 per cent from 2018 to 2023.

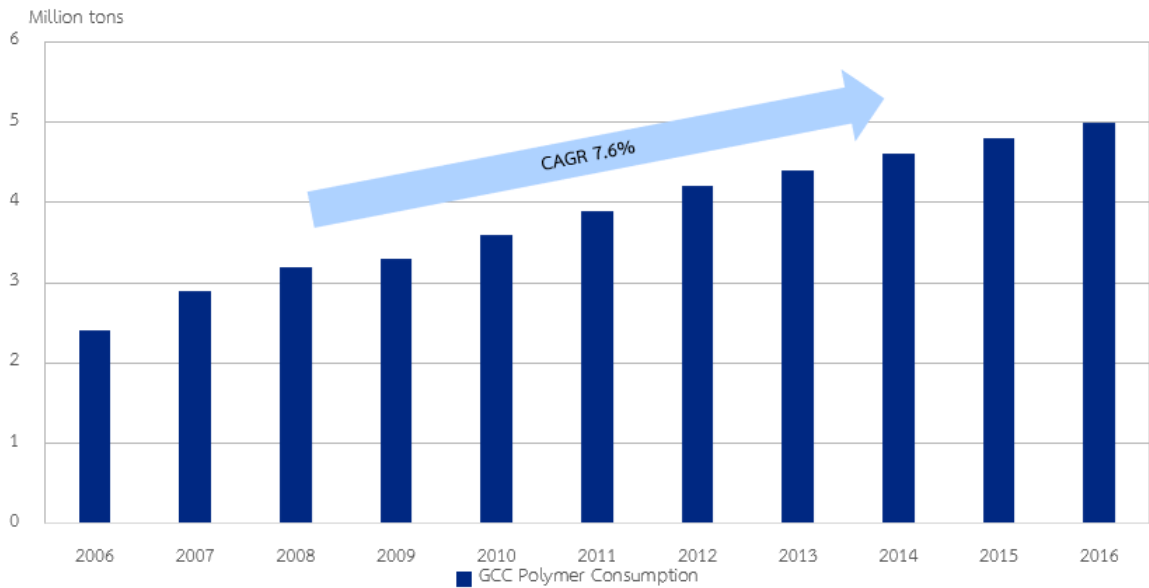
Dubai's retail market is projected to grow 5.6 per cent between 2018 and 2021, with retail sales reaching Dh160.7 billion by 2021, a study by Dubai Chamber of Commerce and Industry showed. The city accounted for around 49 per cent of all shopping malls in the UAE, followed by Abu Dhabi with 36 per cent



Source: Gulf Petrochemicals & Chemicals Association (GPCA)

GCC polymer consumption from 2006-2016 had been quite growing. CAGR of polymer consumption from 2006-2016 is quite high which is approximately 7.6%.

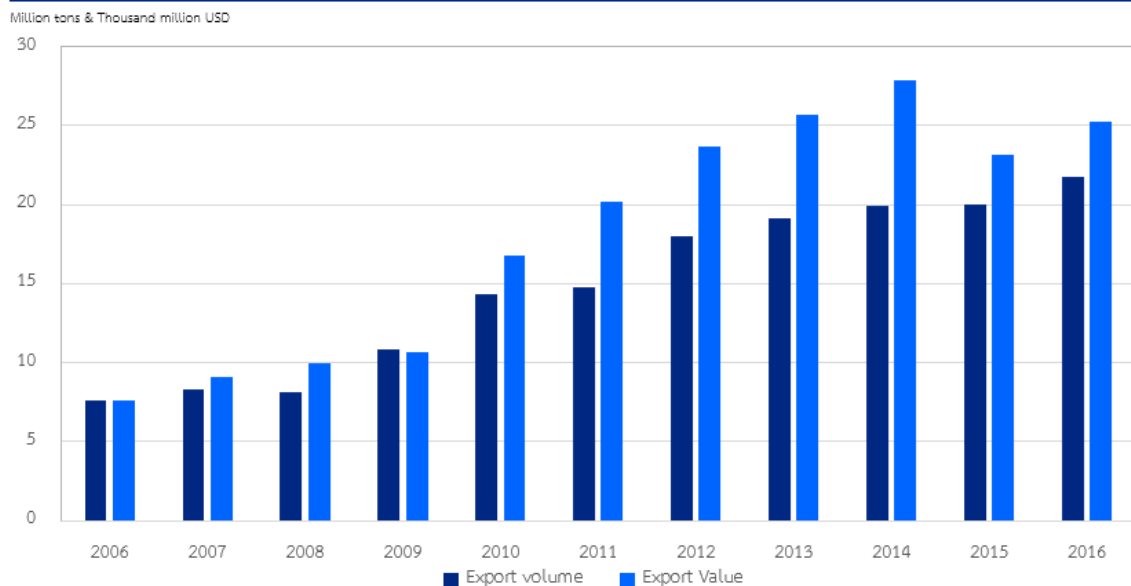
GCC Polymer Consumption



Source: Gulf Petrochemicals & Chemicals Association (GPCA)

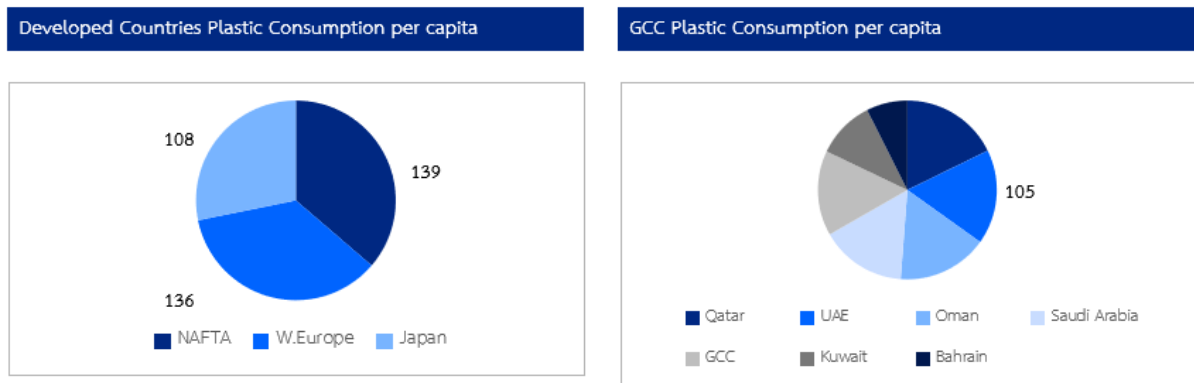
GCC polymer export in volume and in value from 2006-2016 had been quite growing. It is evident that volume and value of export has been in the uptrend. Even though there was some drop-in value of export which might be affected from the decrease of commodity price but the volume of export has been increasing in the long run. So, value of export would come up again eventually when the price recovers and the volume of export increases.

GCC Polymer export



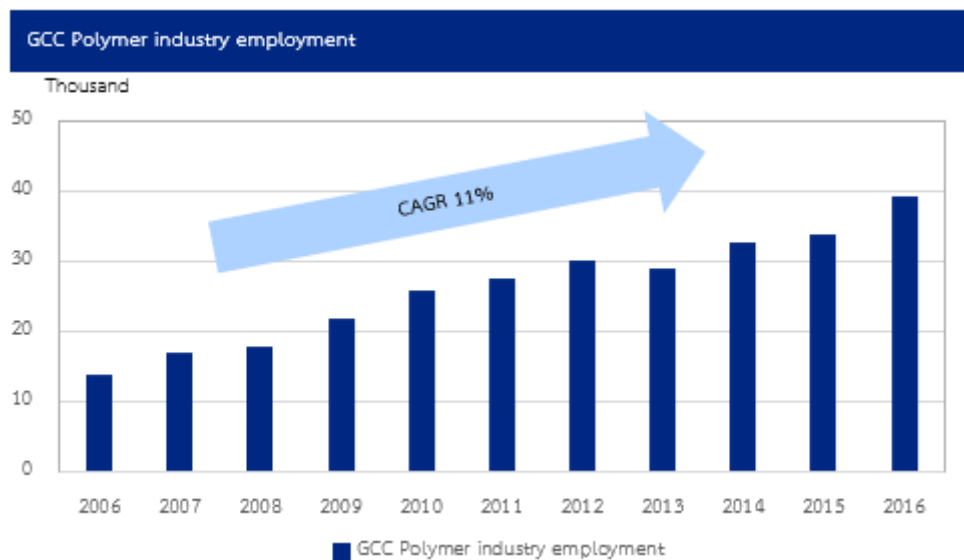
Source: Gulf Petrochemicals & Chemicals Association (GPCA)

Plastic consumption per capital in developed countries and developing countries enlightened some interest facts. Developed countries have higher plastic consumption per capita than those of developing countries. NAFTA, Western Europe and Japan have plastic consumption per capita of 139,136 and 108 respectively. UAE has plastic consumption per capita of 105. There is still more room to grow in plastic consumption per capita in UAE which will come eventually when the country develops in the future and GDP per capita improves.



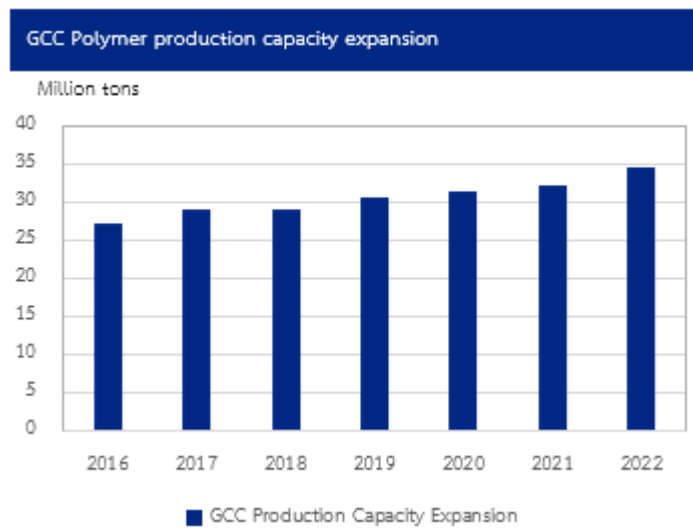
Source: Gulf Petrochemicals & Chemicals Association (GPCA) and Statista

GCC polymer industry employment from 2006-2016 had been quite growing. It is evident that CAGR of polymer industry employment has been going along with CAGR of polymer production capacity which is 11%. This number might be considered high.



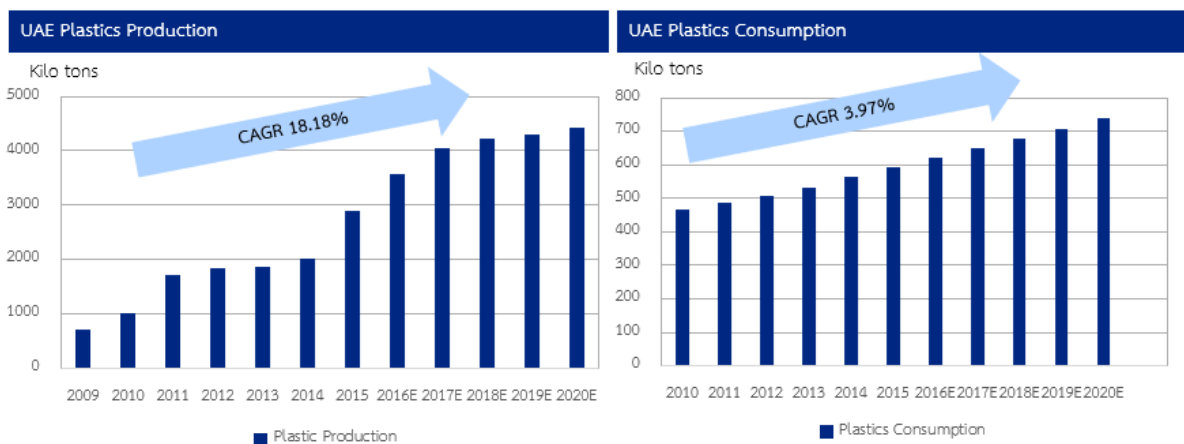
Source: Gulf Petrochemicals & Chemicals Association (GPCA)

GCC polymer production capacity expansion has been quite impressive. It is evident that GCC polymers production capacity expansion will be in the uptrend which would benefit plastic and polymer industrialists. From all figures above, we can conclude that Sunpack is a very attractive investment opportunity considering all external factors.



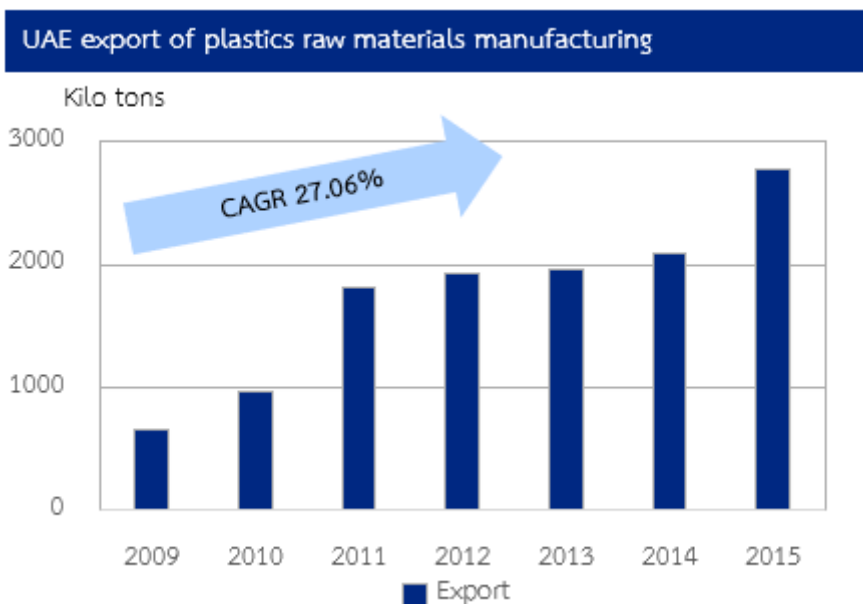
Source: Gulf Petrochemicals & Chemicals Association (GPCA)

UAE Plastics production and consumption from 2009-2015 and also UAE forecasted Plastic production and consumption from 2016-2020 had been quite growing. It is evident that plastics production of UAE from 2009-2020 is on the uptrend with a very high CAGR which is 18.18%. Plastic consumption of UAE from 2009-2020 is also in the uptrend with a moderate CAGR which is 3.97%



Source: EUROMAP

UAE export of plastic from 2009-2015 had been quite growing. It is evident that UAE export of plastic is on the uptrend with a very high CAGR of 27.06%



6

Source: EUROMAP

Competitors Landscape for Sunpack

The continuous growth of plastic production and consumption in UAE indicates that growth of plastic industry growth will benefit Sunpack’s operational performance. This is because Sunpack produce plastic packaging products for both domestic sales and export. The details below are Sunpack’s competitors with details of production and other important information.

Table: Sunpack Competitors

Company	Main Products	Technologies	Capacity of Production (Unit: Ton / year)
Precision Plastic Products Co., (L.L.C.)	Bottles and narrowed mouth jars	Blow molding	9,600.0
Chemco Group	Bottles and narrowed mouth jars	Blow moulding and vacuum molding	720.0
Petco Gulf FZE	Bottles, narrowed mouth jars and reformed products	Blow molding	840.0
Excel Plastic Industry (L.L.C.)	Bottles and wide mouth jars	Blow molding	720.0
Sun Packaging Systems (FZC)	Bottles and wide mouth jars	Blow molding	2,400.0

6

Even though those competitors produce plastic products but those competitors have different expertise. Precision Plastic Products Co., (L.L.C.), Chemco Group, Petcogulf FZE and Excel Plastic Industry (L.L.C.) have specialization in narrowed mouth jars. But Sunpack and Excel Plastic Industry (L.L.C.) have specialization in wide mouth jars. Even though Excel Plastic Industry (L.L.C.) is Sunpack's direct competitor but Sunpack got 3 times capacity production more than that of Excel Plastic Industry (L.L.C.).

Sunpack has been operating for more than 30 years. It is a trusted brand especially wide mouth jars. Sunpack's products are so diverse and produced according to customers' needs. Sunpack is flexible in adapting strategies in conducting business so Sunpack is able to cope with competition and also able to satisfy customer's needs with many kinds of products to be selected which designed with no extra expenses.

Sunpet is the only brand which is offered in 2 popular retail markets in Dubai which are Carrefour and Lou Lou. This is the reason Sunpet is so distinguished in the world of plastic packaging and this is the reason Sunpack got a very strong operational performance especially in the high growth of plastic industry in UAE and GCC.

2.7 Total Value of Consideration and Payment Terms

2.7.1 Total Value of Consideration

The total value of consideration for the Transaction will not exceed the Maximum Acquisition Costs or USD 14.80 million (or equivalent to approximately THB 472.09 million) as detailed in item 2.5.1 above.

2.7.2 Payment Terms

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

2.7.3 Value of Assets Acquired

The value of the shares in Sunpack acquired from the Transaction will not exceed the Maximum Acquisition Costs or USD 14.80 million (or equivalent to approximately THB 472.09 million) as detailed in item 2.5.1 above.

2.8 Basis Used to Determine the Value of Consideration

The basis used to determine the value of consideration for the Transaction is the price negotiated and agreed between the Company and the Sellers. The Company has adopted the EV/EBITDA multiple method by using the LTM EV/EBITDA multiples of 6 times, which were based on a range of trading comparable with average EV/EBITDA multiples of 8 times from various comparable companies in a similar business. Based on the LTM EBITDA of Sunpack as of March 31, 2018 of AED 8.25 million (or equivalent to approximately THB 71.62 million) and the LTM EV/EBITDA of 6 times, the implied enterprise value of Sunpack on a 100% value basis is USD 13.50 million (or equivalent to approximately THB 430.62 million).

2.9 Sources of Funding

Regarding to sources of funding, IFA will consider Maximum acquisition costs or USD 14.8 million (Or equal to THB 472.1 million). After interviewing with executives, the Company has been negotiating with a certain financial institution. The company estimated that sources of funding would not be more than THB 500 million. The company might use some assets of the Company for collateral. The draft term sheet also contains a condition requiring the Company to maintain its interest bearing debt to equity ratio (IBD/E) according to its consolidated and standalone financial statements to be not more than 2.5 and 2.0, respectively. And debt service coverage ratio (DSCR Ratio) needs to be equal to or more than 1.1. The draft term sheet has got no other conditions which might drastically affect shareholders of the Company. The Company might also consider the option of getting sources of funding from foreign institution in USD currency for no more than THB 500 million. The conditions of the draft term sheet have not yet been final. The Company has been negotiating with financial institutions. The Company will inform SET and shareholders if there are significant event which might impact rights of shareholders.

IFA has a perspective that the Company would have adequate sources of funding. The sources of funding would not exceed THB 500 million. The Company would have an increasing interest bearing debts from 2018 which was THB 2,232.8 million (Refers from consolidated financial statements 2018) into THB 2,499.7 million in year 2019 (the Company paid off principle of THB 233.19 million during 2019). The IBD/E was 2.1 (Refers from consolidated financial statements 2018) and 1.9 (From analyses made by IFA which will be mentioned in detail in section of Analyses of capabilities in paying off principle and interests from the transaction).

Strategies to pay off loans would mainly come from working capital in the Company. The Company expects that the transaction would increase revenue for the Company which will be used to pay off debts. IFA analyzed the Company's future performance, predicted that the Company would have adequate cash flow to pay off debts even though the analyzed scenario is conservative. The conservative scenario is still in accordance with the draft term sheet with IBD/E from consolidate financial statement and separate financial statement under 2.5 and 2.0. And DSCR Ratio is equal to or more than 1.1. IFA created a forecasted financial model of the Company after the transaction and found out that the Company might have a limitation on paying dividends

in the future. IFA will mention this topic in detail in section of pros and cons of entering into the transaction.

Projection of forecasted financial statements of the Company **after the Transaction** & Projection of operational performance of the Company according to draft term sheet after the Transaction

Unit : THB Million	2016A	2017A	2018A	Q12018	2019F	2020F	2021F	2022F	2023F
Cash after paid off debts	6.0	105.6	64.0	78.9	94.1	164.1	253.6	368.5	525.6
Total Assets	1,261.6	1,273.4	4,185.2	4,126.1	4,880.2	4,799.7	4,708.6	4,634.9	4,588.1
Interest bearing debts	55.0	-	2,232.8 ^{1/}	2,191.8	2,499.7	2,173.4	1,818.2	1,463.1	1,121.9
Total liabilities	251.2	208.8	3,112.6	3,008.6	3,536.8	3,226.7	2,888.4	2,550.6	2,227.5
Equity	1,010.4	1,064.5	1,072.6	1,117.5	1,343.4	1,573.0	1,820.3	2,084.2	2,360.6
IBD/E from consolidated FS under 2.5	0.05	-	2.08	1.96	1.86	1.38	1.00	0.70	0.48
IBD/E from separate FS under 2.0	0.05	-	1.34	1.35	1.65	1.36	1.07	0.82	0.59
EBITDA					637.7	665.3	694.9	725.2	756.1
Paid off principles					255.3	326.3	355.1	355.1	341.2
Interests					146.2	130.1	110.2	89.2	68.7
DSCR equal to or more than 1.1					1.6	1.5	1.5	1.6	1.8

Remark: - Financial ratios in the table are forecasted financial ratios of 2019 and no setting up of assumption of fair value adjustment in consolidated financial statements such as goodwill which might increase or decrease the asset.

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

1/ Acquisition increased debts

However, the draft term sheet and condition have not been final. The company has been negotiating with financial institutions. The Company will inform SET and shareholders if there are significant event which might impact rights of shareholders. The latest event from interviewing the Company is that the Company has been negotiating draft term sheet with 2 financial institutions with maximum amount of loan of THB 500 million and estimated THB 400 million respectively. But the Company also has got short term loan limit of THB 1,200 million in case the Company select the option of long-term loan of THB 400 million which is the maximum amount.

3. Independent Financial Advisor's Opinion on the appropriateness of the Transaction

3.1 Appropriateness of the Transaction

To consider the appropriateness of the Transaction, Avantgarde Capital Company Limited has been appointed as the Independent Financial Advisor (IFA) of the Transaction. The IFA reviewed and analyzed the purpose of the Transaction, the Company business operating policy and the situation of economic outlook related to business including the analysis of Sunpack operating performance and financial health in the past years. The IFA concluded that the transaction is appropriate. The Company would create growth opportunity and business expansion. Moreover, the IFA has analyzed Pros and Cons of entering into the Transaction including risk factors of the Transaction as following details:

- 1) Investing in the rest of "Sunpet"



Product of "Sunpet"

When the Company bought Sunrise Containers Limited ("Sunrise") (Currently, It is TPAC Packaging India Private Limited) in India during 2018. The Company acquired "Sunpet" which is brand for consumer packaging products. Sunpack and Sunrise have same shareholder (K.M. Mundhra). Sunpack and Sunrise have same brand which is Sunpet. Sunpet is a very strong brand in Dubai. Sunpet products in Dubai have been placed in Carrefour and LouLou which are retail supermarkets. From survey of competition atmosphere and competitors of Sunpack, according to section 2.6.8, Sunpet is only brand which is monopolized in both retail supermarkets. This is the main reason of Sunpet's popularity in plastic industry and benefit Sunpack's performance greatly especially in terms of wide mouth jar products.

The objective of the Company is to acquire the resting of Sunpet business so the Company could strengthen the Sunpet brandname from marketing strategies of Synergies. The Company would be able to promote Sunpet brand in the same direction both in India and UAE.



Carrefour



Carrefour



Loulou



Loulou

2) Developing production base in order to meet customer's needs geographically

Customer bases of the Company are mostly FMCG corporations. Dubai is a reputable city and attracts many FMCG corporations. Sunpack has been doing business in GCC and UAE. So the Company could expand customer bases from this transaction. The Company could also give value-added products to customers from blended expertises with Sunpack. This would also be a geographical diversification because every country has different kinds of advantages, disadvantages and risk factors. The Company could have decreased risks and business volatility from this transaction. Sunpack is an expert in PET and Polypropylene which are used in product packaging of food, spice, mayonnaise, nuts, dried fruits, soaps, perfume and cleaning liquid. The Company could have an expanded customer base from this transaction and increased profit margin.



Spice bottle



Wide mouth jars



PET bottles

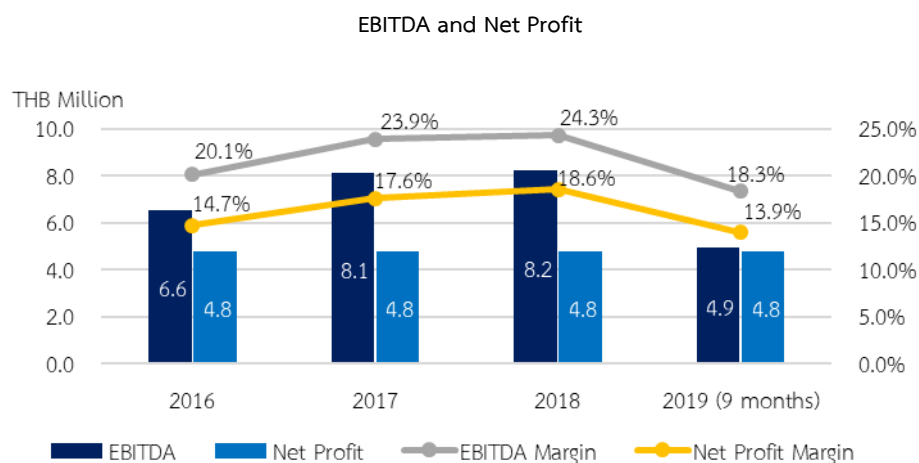
3) Increasing the Company's performance and capabilities

The Company and Sunpack emphasize Consumer Rigid Plastic Molding Technologies. Both companies have capabilities and expertise in this industry. This transaction will directly lead to exchange of knowledge, expertise, research and development because Sunpack is an expert in PET production. This will increase the capabilities and reputation of both companies in this industry. The Company and Sunpack will also have an increased of negotiation power because both companies use same types of raw materials such as plastics, PET and PP. Increased negotiation power will lead to economies of scale. Economies of scale will help improving profitability and operational efficiency ratios. At last, the Company will have an increase in competitive advantage in the long run.

4) Increasing financial stability from the transaction which is consider to be a Financially Accretive Deal

The Company expects to increase financial stability because from the last 3 years from 2016-2018, Sunpack had a strong EBITDA which was 20.1%, 23.9% and 24.3% respectively. 3-year average EBITDA margin would be 22.8. Sunpack has also a strong net profit which was 14.7%, 17.6% and 18.6% respectively. 3- year average net profit margin would be 17.0%. An increase in EBITDA margin in 2016-2018 was caused by maintenance cost in 2016. Furthermore, Sunpack has a very stable cash flow from operation so that the Company will be able to use this cashflow to be invested to support long term growth of the Company. The Company will also have an improved capability to pay dividend and pay off debts.

EBITDA margin and net profit margin of Sunpack of the latest 3 years have been high and impressive in comparison with the ones of the Company. The Company has 3-year average EBITDA margin of 5.4%. The Company has 3-year average net profit margin of 4.9%. So the Company is likely to have an improved EBITDA margin and net profit margin after acquiring Sunpack because the averages will be pulled up by Sunpack's financial ratios.



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

IFA has analyzed pros, cons and risk factors of entering into the Transaction. This would be under the next section.

3.2 Pros and Cons of entering into the Transaction

3.2.1 Pros of entering into the Transaction

1) The transaction price is fair

IFA evaluated Sunpack's value by many methodologies which would be mentioned in section 3.5 in this report in order to find an appropriate price of Sunpack. IFA concluded that Discounted Cash Flow is an appropriate valuation method because it reflects future cash flow from operations under assumptions of business strategies which are quite reasonable. Valuation of Sunpack ranges between THB 1,616,359.9 – 1,859,109.9 per share or equal to 89% equity value of THB 431,568,092.8 – 496,382,341.2. The transaction price is THB 1,768,117.8 per share or transaction value of THB 472,087,440.0 which is in the valuation range. The minimum price is lower than the transaction price by 151,757.9 THB per share or 40,519,347.2 THB of equity value which is 8.6% of transaction price. The maximum price is above the transaction price by THB 90,992.1 per share or THB 24,294,901.2 of equity value which is 5.1% of transaction price. So the transaction is reasonably fair.

2) Plastic industry growth of UAE and GCC

IFA analyzed plastic industry in countries which contribute revenue for Sunpack. Those countries are UAE, Kuwait, Oman, Qatar, Bahrain and Saudi Arabia which constitute GCC countries. Many years in the past, Plastic industry in UAE and GCC have a high growth rate. Sunpack which is a company that conducts business with these countries normally gains direct benefits from the growth of plastic industry. From many researches, there are many indicators which indicate growth of the plastic industry such as GCC Polymers production capacity (Compound Annual Growth Rate or CAGR from 2006 – 2016 equals to 11.0%), GCC Polymers consumption (CAGR from 2006 – 2016 equals to 7.6%), GCC Volume and Value of Polymers exports, Plastic consumption per capita in UAE, GCC Employment rate in Plastic sector (CAGR 2006-2016 equals to 11.0%) and GCC Polymers production expansion, UAE plastic production volume and plastic consumption volume of UAE (CAGR from 2009 – 2020 equals to 18.2% and 4.0% respectively) and UAE Plastic export volume (CAGR 2009-2015 equals to 27.1%). These figures reveal trend in consumption and production of plastics in both UAE and GCC with high growth rate which benefits Sunpack.

3) Creation for the Opportunities of Business Expansion and Growth of the Company to intercontinental stage (Intercontinental investment)

The transaction will create the opportunities for business expansion and growth of the Company to global stage with business synergies. Although the Company and Sunpack operate business in the same industry, both companies have differences in term of client base (The Company has 90% of revenue sources from Thailand and other 10% from Japan, Malaysia, Taiwan, China and Australia. Sunpack has 77% of revenue sources from UAE and 23% from other GCC countries), nature and revenue structure of products, future business policy as well as business operation expertise etc. This would be a diversification of risks and enhancement of revenue growth for the long run. Attraction of new global investors would also be facilitated.

4) Sunpack is located in Sharjar Airport International Free Zone (SAIF) which facilitates and supports business operation

Sunpack is located in SAIF which has many advantages such as guarantee of free corporate tax for 50 years, right for 100% foreign ownership and free of transferring fee. This is considered to be advantage over conducting business in Thailand because Thailand has got corporate taxation and limitation of foreign ownership.

5) Value creation through synergies

The Company will be able to offer more variety of products through higher number of sale channels and the expansion of client data base which will enhance the ability of the Company to meet clients' needs from clients in each segment, which will strengthen the sale channels to global level. Moreover, the Company will also gain benefits from the economies of scale from higher bargaining power toward the suppliers as well as lower cost of goods and services.

6) Increase in earning per share (EPS)

IFA projected earning per share of Sunpack in the future for the next 5 years which will increase earning per share of 0.09 from year 2018 (Refers from 2018 financial statements). After the Transaction, the Company would have an increased earning per share from 0.09 to 0.16 which is 81.5% increase. All the assumptions used would be mentioned in section 3.5.7 Discounted Cash Flow. The table shows details below

Table: Earnings per share of Sunpack

Year	2019F	2020F	2021F	2022F	2023F
Estimated net profit of Sunpack ^{1/} (THB Million)	42.5	41.9	42.7	48.8	53.2
Interest paid ^{2/} (THB Million)	25.0	24.1	21.4	17.8	14.3
Earning per share of the Company after the Transaction (THB)	0.07	0.07	0.08	0.12	0.15

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

1/ Estimation made by IFA and assumptions used would be mentioned in section 3.5.7

2/ Average interest rate 5% refers from negotiated draft term sheet

7) Diversification of Geographical risk

Sunpack has revenue sources from GCC, while the Company has revenue sources from South East Asia. Hence, the Transaction will diversify geographical risk, which may have different factors to be impacted including economic, demographic, social, natural disaster etc. This diversification may reduce financial cost by lowering interest rates which would as well increase the enterprise value in the long run.

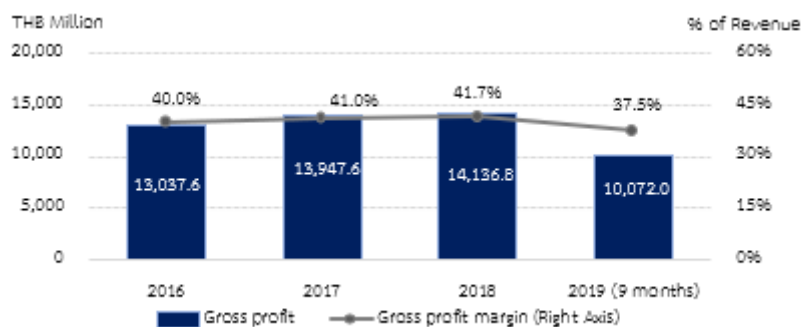
8) Political Stability

UAE has a very high stability in terms of politics in comparison with other GCC countries. The projection of revenue and earnings would be more accurate because the negative effects of political instability such as revolt and revolution are reduced to a certain level. The political instability sometimes could have a negative significant effect on the firm's assets.

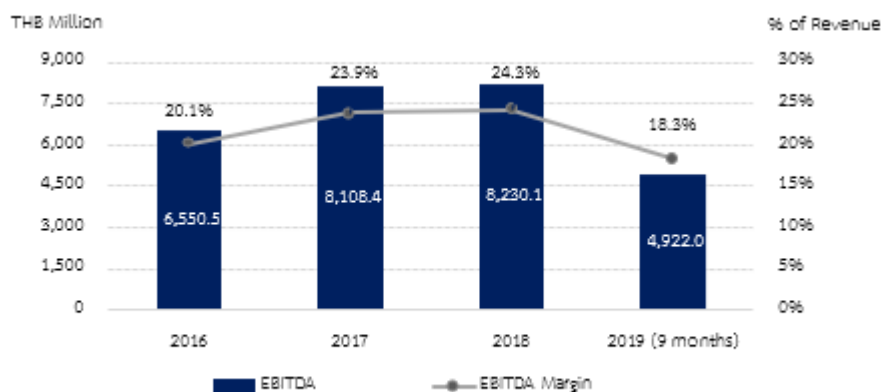
9) Strengths of Balance Sheet and Profit & Loss statement of Sunpack

Sunpack has been good at controlling gross profit margin and there was a maintenance cost of factory on year 2016 so the gross profit of year 2016 is lower than those of 2017-2018. Financial statements from year 2016 – 2018 of Sunpack disclose that 3-year average gross profit margin is approximately 40.9%. Sunpack has been also good at controlling SG&A expenses so EBITDA margin has been stable around average 22.74%. There was director remuneration expense on year 2016 so SG&A expenses was higher than those of year 2017-2018. Furthermore, Sunpack is a company without interest bearing debt. So after the Company acquiring Sunpack, Sunpack would not place financial burden for the Company. Sunpack would also decrease D/E ratio of the Company and increase interest coverage ratio because D/E ratio of Sunpack is lower than that of the Company and interest coverage ratio is higher than that of the Company.

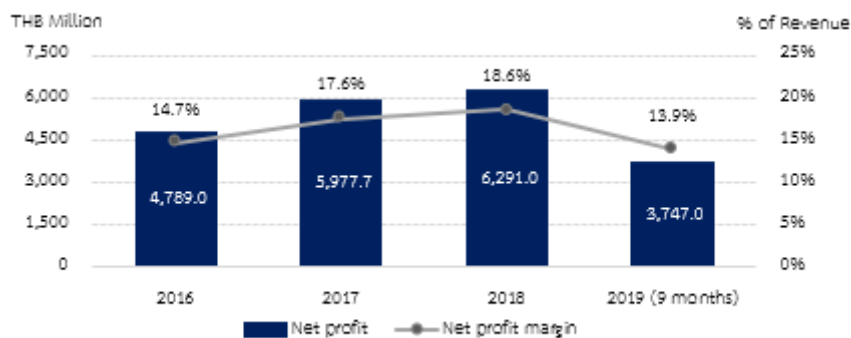
Gross Profit and Gross Profit Margin of Sunpack 2016 – 9 months 2019



EBITDA and EBITDA Margin of Sunpack 2016 - 9 months 2019



Net profit and Net profit margin of Sunpack 2016 - 9 months 2019



3.2.2 Cons of entering into the Transaction

1) Financial obligation from the Transaction

When entering the transaction, the Company will have an increased financial obligation. The increase of financial obligation would be no more than THB 500 million. This would increase interest bearing debt from 2018 which was THB 2,232.8 million (Refers from 2018 consolidated financial statements) to THB 2,499.7 million in 2019 (During 2019, the Company paid off principle approximately THB 233.19 million and had a financial obligation from loan THB 500 million) or amount to interest bearing debt to equity (IBD/E) of 2.1 (Refers from 2018 consolidated financial statements) and 1.9 (From the calculation of IFA which would be mentioned in section 3.4 Analyses of capabilities in paying off principle and interests from the transaction).

Strategies to pay off debts would mainly come from working capital in the Company. The Company expects that this transaction would increase the Company's revenue and the Company's capabilities to pay off loans. IFA also analyzed the Company's future operating performance and found out that the Company has got adequate cash flow to pay off loans even when the scenario is conservative which the revenue growth is limited (Conservative Case would be mentioned in section 3.4 Analyses of capabilities in paying off principle and interests from the transaction) and conform to conditions from the financial institution which strictly limits the IBD/E ratio of consolidated financial statement and separate financial statement for no more than 2.5 and 2.0 respectively. The DSCR ratio needs to be equal to or more than 1.1. IFA also forecasted cash flow of the Company after the transaction and found out that there would be limitation on the abilities to pay dividends which would be mention in the next section.

Projection of forecasted financial statements of the Company **after the Transaction** & Projection of operational performance of the Company according to draft term sheet after the Transaction

Unit : THB Million	2016A	2017A	2018A	Q12018	2019F	2020F	2021F	2022F	2023F
Cash after paid off debts	6.0	105.6	64.0	78.9	94.1	164.1	253.6	368.5	525.6
Total Assets	1,261.6	1,273.4	4,185.2	4,126.1	4,880.2	4,799.7	4,708.6	4,634.9	4,588.1
Interest bearing debts	55.0	-	2,232.8 ^{1/}	2,191.8	2,499.7	2,173.4	1,818.2	1,463.1	1,121.9
Total liabilities	251.2	208.8	3,112.6	3,008.6	3,536.8	3,226.7	2,888.4	2,550.6	2,227.5
Equity	1,010.4	1,064.5	1,072.6	1,117.5	1,343.4	1,573.0	1,820.3	2,084.2	2,360.6
IBD/E from consolidated FS under 2.5	0.05	-	2.08	1.96	1.86	1.38	1.00	0.70	0.48
IBD/E from separate FS under 2.0	0.05	-	1.34	1.35	1.65	1.36	1.07	0.82	0.59
EBITDA					637.7	665.3	694.9	725.2	756.1
Paid off principles					255.3	326.3	355.1	355.1	341.2
Interests					146.2	130.1	110.2	89.2	68.7
DSCR equal to or more than 1.1					1.6	1.5	1.5	1.6	1.8

Remark: - Financial ratios in the table are forecasted financial ratios of 2019 and no setting up of assumption of fair value adjustment in consolidated financial statements such as goodwill which might increase or decrease the asset.

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

1/ Acquisition increased debts

2) Effects on the ability to pay dividends

The transaction which the Company would make uses all the sources of fund from financial institution. This would affect the Company to have an increased interest bearing debt from 2018 which was THB 2,232.8 million (Refers from 2018 consolidated financial statement) to THB 2,499.7 million in 2019 (the Company would pay off principle for approximately THB 233.19 million in 2019 and has a financial obligation of loan of THB 500 million). IFA predicted that in the next 5 years (2019-2023), the Company would have an annual financial obligation to pay off principle and interests for approximately THB 463.8 million. This might affect the company with regards to inadequate cash flow to pay dividends to shareholders. But in the case of better operating performance of the Company, the Company would be able to pay dividends to shareholders in the long run.

3) Risk from business operation performance of Sunpack does not meet expectation and global economic recession

In case that Sunpack has got a worse operating performance or a loss on the income statement, the Company would have to carry this burden as well. There is also a possibility of economic risks especially recession in GCC countries. This is because most sources of income of Sunpack comes from GCC countries especially UAE. There might be a country risk also.

3.3 Risk Factors

1) Operation Performance of Sunpack does not meet expectation

In case that Sunpack has got a worse operating performance or a loss on financial statement, This would drastically affect the Company. But operating performance of Sunpack has been stable for the last two years and all the economic indicators and plastic industry indicators have been good. IFA has got an opinion that the Company would have a low risk of worse operating performance of Sunpack.

2) Exchange rate risk

The exchange rate risk would affect the Company before investing in Sunpack. Because from now until the day of the transaction, exchange rate of Thai Baht might depreciate. This would effect the Company in a negative way because the Company got to pay higher price for Sunpack. Currently, the Company expects that the Maximum Acquisition price would be no more than USD 14.8 million (Or equal to THB 472.1 million). But if the exchange rate fluctuates, the Company might need to pay in THB Baht for more or less than THB 472.1 million.

Furthermore, After the Transaction, the Company got an export revenue from GCC also so there is a possibility of exchange rate risk in this aspect also. The future exchange rate of Thai Baht might appreciate against AED currency and the consolidated financial statements might have a gain or a loss from translation of exchange rate which is considered to be an uncertainty in the Company's profit. However, although the Company has got some source of revenue which are foreign currency

but the Company also got some expenses as foreign currency as well. This is considered a reduced risk by natural hedging.

3) The Company cannot obtain shareholder's approval to enter into the Transaction

The transaction has got a condition that the Company needs to get an approval from Shareholder's meeting 2/2019 of the Company. The Shareholder's meeting is at 4 July 2019. The number of votes needs to be no less than 3 of 4 of all the votes of shareholders who come to the meeting but excludes shareholders with interests. The transaction would not be successful if the Company does not get the approval from Shareholders. IFA thinks that shareholders would gain benefits from the transaction so the Transaction should be approved.

4) Material adverse effect on Sunpack

If there are changes which drastically and significantly affect business, operating performance, assets or financial performance of Sunpack. The transaction might be unsuccessful which would be according to the conditions of the Transaction.

5) Sunpack's business operation

Currently, Sunpack has got majority of customers which is approximately 77% of 2018 sales from domestic sales. So there would be risk with regards to UAE's economic situation, rules and regulations. The Company is aware of the risk and would increase more sources of revenue from international sales.

6) Risk of condition in resolution in fundamental issues of contract between shareholders

According to the agreement and conditions in resolution in fundamental issues, the Company needs a written approval or vote from the remaining shareholder of 1 vote except that remaining shareholder holds share below 8%. The remaining shareholder is K.K.T Bhatia (After the Transaction, K.K.T Bhatia would hold 11% of Sunpack). From this condition, It is clear that K.K.T Bhatia has a control in resolution of fundamental issues.

The Company considers that this condition is a commercial term to give minority shareholder to have a say in fundamental issues. However, the Company and IFA consider that the Transaction is amiable and the Company would like to operate business with the remaining shareholder as a business partner. In the long run, IFA have not seen incentives which remaining shareholder might have to veto the resolution of fundamental issues of Sunpack which will drastically affect Sunpack. In the future, the Company also got a right of call option which might be exercised depending on Sunpack's future performance.

3.4 Analyses of capabilities in paying off principle and interests from the transaction

Strategies of paying off loans would mainly come from working capital inside the Company. The Company expects that the transaction would increase revenue stream of the company. The increased revenue stream of the Company would help paying off loans. IFA analyzed the operating performance of the company in the next five years from 2019 – 2023 referring from financial statements from 2016-2018 and other public documents such as annual report, 56-1 report. IFA also uses conservative case assumption in order to examine the capabilities in paying off loans under the limited growth of revenue.

From our analyses of projections of consolidated financial statements of the Company and Sunpack, IFA analyzed the capabilities in paying off loans in preliminary stage. This might be deviated from the financial statements audited by the auditor because many factors are different such as different closing date of accounting between each country, exchange rates and fair value adjustment.

IFA uses consolidated financial statement at 31 December of the Company and also financial statement at 31 March of Sunpack. For example, financial statement of the Company at 31 December 2019 with financial statement of Sunpack at 31 March 2019. Assumptions below.

Revenue

IFA projects future revenue of the Company conservatively in order to examine the capabilities of paying off loans of the Company under the conservative case of limited revenue growth.

- Domestic revenue has got growth equal to Thailand's inflation rate which is 2.5% (Refers from Bank of Thailand)
- Revenue from Sunrise has got growth equal to India's inflation rate which is 4.5% (Refers from Tradingeconomics) (In 2018, revenue from Sunrise was recorded only one quarter)
- Revenue from Sunpack has got growth of 4% which is under section 3.5.7 Discounted cash flow model

Gross profit margin

- Domestic gross profit margin is equal to 3-year averages between 2016-2018 which is 16.3%
- Sunrise gross profit margin is equal to latest year gross profit margin in year 2018 which is 17.5%
- Sunpack gross profit margin is equal to average which is 31.4% which would be mentioned in section 3.5.7 Discounted cash flow model

Selling and administrative expenses

- Domestic SG&A is equal to 3-year averages between 2016-2018 which is 10.0%
- Sunrise SG&A is equal to latest year SG&A which is 8.9%
- Sunpack SG&A is equal to average of 18.7% which would be mentioned under 3.5.7 Discounted cash flow model

Financial Costs

Refers from notes from financial statements in 2018. The Company got loans from financial institutions which consists of

- Short term loan of THB 286.36 million with 5.8% interest rate. In first quarter of 2019, the Company has an increase of short-term loan of THB 22.1 million with average interest rate of 2.2%
- Long term loan 1 of THB 72.00 million with 2.0% prime rate interest rate with payment every 3-month starting from 31 July 2018
- Long term loan 2 of THB 112.64 million with 9.5% interest rate and condition of payment every 3-month starting from 26 November 2018
- Long term loan 3 of THB 1,200.00 million with 1.75% MLR interest rates and condition of payment every 3 month starting from 25 February 2019
- Bond of THB 567.35 million with 9.62% interests rate and repayment of par value would be 24 August 2023
- After interviewing with the Company's executives, the sources of funds would be long term loan approximately THB 500.00 million with estimated 5.0% interests rate and condition of payment every 3 month for 7 years. First payment would be in third quarter 2020

Corporate taxes

- Thailand corporate taxes 20%
- India corporate taxes 34% but the first two years of forecasting by IFA revealed that subsidiary in India did not need to pay corporate taxes because subsidiary had amortized goodwill as an expense so the subsidiary in India got loss on the financial statement
- UAE corporate taxes 0%

Financial forecasting of consolidated financial statement of the Company

Unit : THB million	2016A	2017A	2018A	Q12019	2019F	2020F	2021F	2022F	2023F
Revenue from sales	1,523.8	1,584.1	2,528.0	996.6	4,117.2	4,265.4	4,419.4	4,579.4	4,745.7
-Domestic	1,523.8	1,584.1	1,804.8	480.6	1,849.9	1,896.2	1,943.6	1,992.2	2,042.0
-Sunrise	-	-	723.2	516.0	2,267.2	2,369.3	2,475.9	2,587.3	2,703.7
Revenue Growth	-4.5%	4.0%	59.6%		62.9%	3.6%	3.6%	3.6%	3.6%
-Domestic	-4.5%	4.0%	13.9%		2.5%	2.5%	2.5%	2.5%	2.5%
-Sunrise	0.0%	0.0%	0.0%		4.5%	4.5%	4.5%	4.5%	4.5%
Cost of goods sold	1,266.3	1,308.2	2,159.5	819.4	3,419.5	3,542.4	3,670.1	3,802.7	3,940.4
-Domestic	1,266.3	1,308.2	1,554.8	399.5	1,549.1	1,587.8	1,627.5	1,668.2	1,709.9
-Sunrise	-	-	604.7	419.9	1,870.4	1,954.6	2,042.5	2,134.5	2,230.5
Gross profit Margin	16.9%	17.4%	14.6%	17.8%	16.9%	17.0%	17.0%	17.0%	17.0%
-Domestic	16.9%	17.4%	13.9%	16.9%	16.1%	16.1%	16.1%	16.1%	16.1%
-Sunrise	0.0%	0.0%	16.4%	18.6%	16.4%	16.4%	16.4%	16.4%	16.4%
Gross profit	257.5	275.9	368.5	177.2	697.6	723.0	749.4	776.8	805.2
SG&A Expenses	139.5	163.0	335.0	95.0	387.4	401.2	415.4	430.2	445.6
-Domestic	139.5	163.0	186.0	49.4	185.1	189.8	194.5	199.4	204.3
-Sunrise			65.1	45.6	202.3	211.4	220.9	230.9	241.3
Sales expenses/Revenue	9.2%	10.3%	13.3%	9.5%	9.4%	9.4%	9.4%	9.4%	9.4%
-Domestic	9.2%	10.3%	10.3%	10.3%	10.0%	10.0%	10.0%	10.0%	10.0%
-Sunrise	0.0%	0.0%	9.0%	8.8%	8.9%	8.9%	8.9%	8.9%	8.9%
Other revenue	10.4	13.2	15.5	12.1	34.4	35.6	36.9	38.3	39.7
Profit from buying price below fair value			41.2						
Other revenue/revenue	0.7%	0.8%	0.6%	1.2%	0.8%	0.8%	0.8%	0.8%	0.8%
EBIT	128.4	126.1	90.1	94.2	344.6	357.5	370.9	384.8	399.3
Financial costs	2.0	0.2	55.9	37.8	121.2	106.5	89.6	72.2	55.3
EBT	126.4	125.9	34.2	56.4	223.4	251.0	281.3	312.6	344.0
Taxes	21.4	18.5	11.5	(25.0)	18.1	20.6	34.6	54.6	71.9
Net profit	105.0	107.4	22.7	81.3	205.3	230.4	246.7	258.0	272.1
Net profit margin	6.9%	6.8%	0.9%	8.2%	5.0%	5.4%	5.6%	5.6%	5.7%

Remark: - Financial ratios in the table are forecasted financial ratios of 2019 and no setting up of assumption of fair value adjustment in consolidated financial statement.

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

Projection of forecasted financial statements of the Company **before the Transaction** & Projection of operational performance of the Company according to draft term sheet

Unit : THB million	2016A	2017A	2018A	Q12019	2019F	2020F	2021F	2022F	2023F
Cash after paying debts	6.0	105.6	64.0	78.9	24.6	47.6	88.1	152.0	256.0
Total assets	1,261.6	1,273.4	4,185.2	4,126.1	4,282.6	4,255.6	4,234.6	4,225.5	4,245.1
Interests bearing debts	55.0	-	2,232.8	2,191.8	1,999.7	1,726.9	1,443.2	1,159.5	889.7
Total liabilities	251.2	208.8	3,112.6	3,008.6	3,004.7	2,747.4	2,479.7	2,212.6	1,960.1
Equity	1,010.4	1,064.5	1,072.6	1,117.5	1,277.9	1,508.2	1,754.9	2,012.9	2,285.0
IBD/E consolidated FS no more than 2.5	0.05	-	2.08	1.96	1.56	1.15	0.82	0.58	0.39
IBD/E separate FS no more than 2.0	0.05	-	1.34	1.35	1.18	0.97	0.77	0.58	0.42
EBITDA					581.0	607.3	634.2	661.5	689.5
Pay principle					255.3	272.7	283.7	283.7	269.8
Interests					121.2	106.5	89.6	72.2	55.3
DSCR equal or more than 1.1					1.5	1.6	1.7	1.9	2.1

Remark: -IBD comprises only Interest bearing debt

1/ Acquisition increased the Company's debts

Projection of forecasted financial statements of the Company and Sunpack after the Transaction

Unit : THB million	2016A	2017A	2018A	Q12019	2019F	2020F	2021F	2022F	2023F
Revenue from sales	1,523.8	1,584.1	2,528.0	996.6	4,429.8	4,594.9	4,762.1	4,935.8	5,116.3
-Domestic	1,523.8	1,584.1	1,804.8	480.6	1,849.9	1,896.2	1,943.6	1,992.2	2,042.0
-Sunrise	-	-	723.2	516.0	2,267.2	2,369.3	2,475.9	2,587.3	2,703.7
-Sunpack					312.7	329.5	342.7	356.4	370.6
Revenue growth	-4.5%	4.0%	59.6%		75.2%	3.7%	3.6%	3.6%	3.7%
-Domestic	-4.5%	4.0%	13.9%		2.5%	2.5%	2.5%	2.5%	2.5%
-Sunrise	0.0%	0.0%	0.0%		4.5%	4.5%	4.5%	4.5%	4.5%
-Sunpack						4.0%	4.0%	4.0%	4.0%
Costs of goods sold	1,266.3	1,308.2	2,159.5	819.4	3,630.5	3,770.6	3,908.9	4,047.1	4,192.8
-Domestic	1,266.3	1,308.2	1,554.8	399.5	1,549.1	1,587.8	1,627.5	1,668.2	1,709.9
-Sunrise	-	-	604.7	419.9	1,870.4	1,954.6	2,042.5	2,134.5	2,230.5
-Sunpack					211.0	228.2	238.8	244.5	252.3
Gross profit margin	16.9%	17.4%	14.6%	17.8%	18.0%	17.9%	17.9%	18.0%	18.1%
-Domestic	16.9%	17.4%	13.9%	16.9%	16.26%	16.3%	16.3%	16.3%	16.3%
-Sunrise	0.0%	0.0%	16.4%	18.6%	17.50%	17.5%	17.5%	17.5%	17.5%
-Sunpack					32.5%	30.7%	30.3%	31.4%	31.9%
Gross profit	257.5	275.9	368.5	177.2	799.3	824.3	853.2	888.7	923.5
SG&A expenses	139.5	163.0	335.0	95.0	448.4	462.8	479.2	496.1	513.7
-Domestic	139.5	163.0	186.0	49.4	185.1	189.8	194.5	199.4	204.3
-Sunrise			65.1	45.6	202.3	211.4	220.9	230.9	241.3
-Sunpack					61.0	61.7	63.7	65.9	68.1
Sales expenses/Revenue	9.2%	10.3%	13.3%	9.5%	10.1%	10.1%	10.1%	10.1%	10.0%
-Domestic	9.2%	10.3%	10.3%	10.3%	10.0%	10.0%	10.0%	10.0%	10.0%
-Sunrise	0.0%	0.0%	9.0%	8.8%	8.9%	8.9%	8.9%	8.9%	8.9%
-Sunpack					19.5%	18.7%	18.6%	18.5%	18.4%
Other revenue	10.4	13.2	15.5	12.1	36.2	37.8	39.2	40.6	42.1
Profit from buying under fair value			41.2						
Other revenue/revenue	0.7%	0.8%	0.6%		0.8%	0.8%	0.8%	0.8%	0.8%
EBIT	128.4	126.1	90.1		387.1	399.3	413.3	433.2	451.9
Financial costs	2.0	0.2	55.9		146.2	130.1	110.2	89.2	68.7
EBT	126.4	125.9	34.2		240.9	269.1	303.1	344.0	383.2
Taxes	21.4	18.5	11.5		18.1	20.6	34.6	54.6	71.9
Net profit	105.0	107.4	22.7		222.8	248.5	268.5	289.4	311.3
Net profit margin	6.9%	6.8%	0.9%		5.0%	5.4%	5.6%	5.9%	6.1%

Remark: - Financial ratios in the table are forecasted financial ratios of 2019 and no setting up of assumption of fair value adjustment in consolidated financial statement.

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

IFA analyzed operating performance in the future of Sunpack. IFA found out that the Company would get adequate cash flow to pay off principles and interests even in the case of limited revenue growth. This scenario would be according to the conditions from financial institution also which stipulates that IBD/E from consolidated financial statement and separate financial statement need to be no more than 2.5 and 2.0 respectively. DSCR also needs to be equal to or more than 1.1. IFA also estimated financial modelling of cash flow of the Company after the transaction and found out that the Company might have limitations on paying dividends to shareholders in the future which was mentioned in pros and cons of enter the transaction.

Projection of forecasted financial statements of the Company **after the Transaction** & Projection of operational performance of the Company according to draft term sheet after the Transaction

Unit : THB Million	2016A	2017A	2018A	Q12018	2019F	2020F	2021F	2022F	2023F
Cash after paid off debts	6.0	105.6	64.0	78.9	94.1	164.1	253.6	368.5	525.6
Total Assets	1,261.6	1,273.4	4,185.2	4,126.1	4,880.2	4,799.7	4,708.6	4,634.9	4,588.1
Interest bearing debts	55.0	-	2,232.8 ^{1/}	2,191.8	2,499.7	2,173.4	1,818.2	1,463.1	1,121.9
Total liabilities	251.2	208.8	3,112.6	3,008.6	3,536.8	3,226.7	2,888.4	2,550.6	2,227.5
Equity	1,010.4	1,064.5	1,072.6	1,117.5	1,343.4	1,573.0	1,820.3	2,084.2	2,360.6
IBD/E from consolidated FS under 2.5	0.05	-	2.08	1.96	1.86	1.38	1.00	0.70	0.48
IBD/E from separate FS under 2.0	0.05	-	1.34	1.35	1.65	1.36	1.07	0.82	0.59
EBITDA					637.7	665.3	694.9	725.2	756.1
Paid off principles					255.3	326.3	355.1	355.1	341.2
Interests					146.2	130.1	110.2	89.2	68.7
DSCR equal to or more than 1.1					1.6	1.5	1.5	1.6	1.8

Remark: - Financial ratios in the table are forecasted financial ratios of 2019 and no setting up of assumption of fair value adjustment in consolidated financial statements such as goodwill which might increase or decrease the asset.

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

1/ Acquisition increased debts

3.5 Appropriateness of the Transaction Price

To evaluate the fair value of the Sun Packaging Systems (FCZ) ("Sunpack") share price, the IFA gathered and considered information based on Sunpack's consolidated financial statement dated March 31, 2018 audited by Kothari Auditors and Accountants and other public information with reference to the Bank of Thailand exchange rate on April 23, 2019 where AED 1 equates to THB 8.6842. This exchange rate is used to calculate the Transaction size with regards to the acquisition of the shares of the company on April 24, 2019. Nonetheless, the opinion of the IFA is based upon the assumption that such information is correct, complete, and credible under the current circumstances. Significant changes in business operation may alter the fair value of Sunpack's share price and shareholders' decision considered in the Transaction. The IFA has valued Sunpacks share price through 6 approaches as follows:

- 1) Book Value Approach)
- 2) Adjusted Book Value Approach
- 3) Market Value Approach

- 4) Market Comparable Approach which consists of 2 approaches:
 - Price to Book Value Ratio: "P/BV"
 - Price to Earning Ratio: "P/E"
- 5) Transaction Comparable Approach
- 6) Discounted Cash Flow Approach

3.5.1 Book Value Approach

Book Value Approach is the approach the values net asset value or total equity based on company financial statement at a single moment. The IFA used the book value with regards to Sunpack's consolidated financial statement as of March 31, 2018.

Table: Book Value Approach

Equity (Financial Statement) Unit: AED	March 31, 2018
Paid-up Capital	450,000.0
Retained Earnings	23,253,761.0
Shareholders' Current Account	50,000.0
Total Equity Value of Sunpack	23,753,761.0
89% of Equity Value	21,140,847.3
<i>89% of Equity Value (THB)</i>	<i>183,591,346.0</i>
Number of Shares in the Transaction (300 shares x 89.0%)	267.0
Share Price (AED/Share)	79,179.2
<i>Share Price (THB/Share)</i>	<i>687,608.0</i>

The valuation under Book Value Approach indicates the share value of AED 23,753,761.0 or THB 206,282,411.3. **Therefore, 89% of Sunpack value is AED 21,140,847.3 per share which equates to THB 183,591,346.0 or AED 79,179.2 per share which equates to THB 687,698.0 per share.** This is lower than the Transaction price of THB 472,087,440.0 or THB 1,768,117.8 per share by THB 1,080,509.7 per share or by 61.6% of Transaction price. Nonetheless, the share value from this approach might not reflect the fair value of Sunpack as it does not consider future performance, economic, and industry trends.

3.5.2 Adjusted Book Value Approach

This valuation approach determines the valuation of net assets on balance sheet or the value of equity on Sunpack's financial statement shown in consolidated financial statement as of March 31, 2018, then adjusted by the items which would occur after the date on the financial statement and an addition of new appraisal of assets according to asset appraisal report conducted by the independent asset appraiser, Land Sterling. Land Sterling is a well-established independent asset appraiser in the United Arab Emirates. Additionally, the independent asset appraiser, Land Sterling determined the value of building and machinery to be AED 5,571,030.0 which equates to THB 48,379,938.7 and the warehouse to be AED 7,630,000.0 which equates to THB 420,141,063.7. The calculated results are later divided by the total number of total paid-up shares of Sunpack.

The independent asset appraiser, Land Sterling analysed the that the buildings, plant, and machinery using the cost method, market method, and the income method. However, due to the limited financial information and second hand market, Land Sterling put more emphasis on the income method.

On March 31, 2018, Sunpack has total assets of THB 233,964,558.0 which mainly consist of current assets of THB 174,633,252.5 and total liabilities of THB 27,768,146.7 which mainly consist of current liabilities of THB 25,734,801.7.

Table: Result of the Appraisal

No.	List	Book Value as of March 31, 2018 (AED)	Appraised Value by the Independent Appraiser (AED)	Increase (Decrease) (AED)
1	Building	4,186,781.0	7,630,000.0	3,443,219.0
2	Plant and Machinery	2,566,308.0	3,634,530.0	1,068,222.0
3	Moulds	34,984.0	1,810,900.0	1,775,916.0
4	Furniture	23,875.0	125,600.0	101,725.0
Total		6,811,948.0	13,201,030.0	6,389,082.0

The Adjusted Book Value of the Company which uses the appraised items to determine the value of the shares of Sunpack can be summarized as follows:

Table: Adjusted Book Value Approach

Equity (Financial Statement) Unit: AED	March 31, 2018
Paid-up Capital	450,000.0
Retained Earnings	23,253,761.0
Shareholders' Current Account	50,000.0
Total Equity Value of Sunpack	23,753,761.0
Plus: Premium from the Appraisal Report	6,389,082.0
Minus: Shareholders' Current Account	(50,000.0)
Total Equity Value of Sunpack	30,092,843.0
89% of Equity Value after Adjustment	26,782,630.3
<i>89% of Equity Value after Adjustment (THB)</i>	<i>232,585,717.8</i>
Number of Shares in the Transaction (300 shares x 89.0%)	267.0
Share Price (AED/Share)	100,309.5
<i>Share Price (THB/Share)</i>	<i>871,107.6</i>

Remark: 1/ Shareholders' Current Account is an account which records the transaction between shareholders and Sunpack which composes of paid-dividends, salary, and benefits for executives.

According to this valuation approach, the IFA used the information based on the latest financial statement as of March 31, 2018 of AED 23,753,761.0 which equates to THB 206,282,411.3, adjusted by an addition of the premium on the appraised assets of AED 6,389,082.0 which equates to THB 55,484,065.9, minus the shareholders' current account of AED 50,000.0 which equates to THB 434,210.0 whereby the shareholders' current account is the recorded transactions between shareholders and Sunpack which is composed of paid dividends, salary and benefits of executives. The IFA therefore, considered and decided to exclude shareholders' current account from the valuation of fair value. **Therefore, 89% of Sunpack value is AED 26,782, 630.0 which equates to THB 232,585,717.8 or AED 100,309.5 which equates to THB 871,107.6 which is lower than the Transaction price of THB 1,768,117.8 per share which equates to THB 871,107.6 per share.** This is lower than the Transaction price of 1,768,117.8 per share by THB 871,107.6 per share which is 50.7% lower than the Transaction price. However, the share value from this approach might not reflect the fair value of Sunpack since this method does not consider future performance, economic, and industry trend.

3.5.3 Market Value Approach

The Market Value Approach is based upon an assumption that the market value reflects the demand and supply of the securities of the company. However, Sunpack is not listed in the stock exchange. Thus, the IFA cannot use this method to calculate the share value and fair value.

3.5.4 Market Comparable Approach

The Market Comparable Approach is the share valuation based on the assumption that companies with similar or identical business should contain similar market value ratio. The comparable company selection to value enterprise value of Sunpack, the selected comparable companies may have some differences such as accounting, policy, investment policy, size of the company, revenue structure, source of non-core revenue, quality of the business, etc. Therefore, the comparable companies with similar business nature might not cover all the similarities, which might have some differences as mentioned above.

As Sunpack's primary business is to invest in companies that are involved in plastic business, the IFA selected comparable companies in plastic industry that are listed in stock exchange in Asia and operate in the plastic business as Sunpack owns and operate plastic business in Asia. Thus, the IFA has chosen to use a group of comparable companies in accordance with the said criteria such that all the selected comparable companies engage in plastic business. Additionally, the IFA selected companies that conduct their primary operation in Asia and disregard companies that do not conduct their primary operation in Asia despite being listed in the stock exchange in Asia to be consistent with the Sunpack's business. Nonetheless, there may be some differences among the companies. The summary of the name and business description of the selected 4 companies are as follows:

Table: Comparable Companies

Company	Business Description	Country of the Stock Exchange	Market Capitalization (THB mm)	Revenue (THB mm)	Asset (THB mm)	Liabilities (THB mm)
Sekuro Plastik Ambalaj Sanayi A.S. (Turkey)	Sekuro Plastik Ambalaj Sanayi A.S. manufactures and sells plastic products such as Polyethylene (PE) films and packaging films which includes bags, all-purpose packaging film, and technical film products.	Turkey	219.8	254.4	684.4	254.4
Özerden Plastik Sanayi ve Ticaret A.S. (Turkey)	Özerden Plastik Sanayi ve Ticaret A.S. manufactures and sells plastic products such as Polyethylene (PE) films and plastic anti-shock products, both heat and cold insulator including food container	Turkey	286.8	140.7	292.9	150.6
Boubyan Petrochemical Company K.S.C.P.(Kuwait)	Boubyan Petrochemical Company K.S.C.P. manufactures and sells plastic products such as packaging made from petrochemical substances such as shrink film and green-house film for agricultural industry.	Kuwait	49,371.8	3,029.8	50,822.7	20,281.1
National Industrialization Company (Saudi Arabia)	National Industrialization Company manufactures and sells plastic packaging such as PE film, bags, all-purpose plastic. The company also manufactures titanium oxide and other titanium related products.	Saudi Arabia	107,687.1	111,058.3	280,565.7	173,668.9

Source: Capital IQ on April 23, 2019

Remark: 1/ Market Capitalization on 14 May 14, 2019

1) Price to Book Value Ratio: ("P/BV")

The share valuation under P/BV is based on the book value of Sunpack as of March 31, 2018 as shown in the Book Value Approach, which is equal to AED 23,753,761.0 or THB 206,282,411.3 multiplied by the median of the P/BV ratio of comparable companies for the past 7 – 360 working days.

As Sunpack is not listed on the stock exchange, there may be liquidity risk or the factors that have the ability to change the valuation of Sunpack shares that are held as cash and not lose value. The IFA has determined to discount the value of Sunpack shares with reference to the Discount of Lack of Marketability at a base case of 32.60 with reference to the median of the research reports with the following details:

Table: Discount of Lack of Marketability

Researches	Discount of Lack of Marketability
Johnson Study	20.00%
Hertzel and Smith	20.10%
Columbia Financial Advisors, Inc.	21.00%
Bajaj, Denis, Ferris, and Sarin	22.20%
Greene and Murray	24.90%
Management Planning, Inc.	27.00%
Willamette Management Associates	31.20%
SEC Nonreporting OTC Companies	32.60%
LiquiStat	32.80%
Milton Gelman	33.00%
Robert R. Trout	33.50%
William L. Silber	33.80%
J. Michael Maher	35.40%
Robert E. Moroney	35.60%
Standard Research Consultants	45.00%
Median	32.60%

Remark: 1/ Many researches had studied the Discount of Lack of Marketability which occurred in the stock exchanges for many countries around the world under different circumstances which considered different behavioral patterns of the investors with reference to (1) the impact of share price before and after the IPO (2) the impact of Restricted Stock before and after the IPO. The IFA uses the median of many researches to reduce the errors that may occur in the results. As each study compose of different business nature, location, and/or market condition, the IFA believes the results from the above research are appropriate to be applied to Sunpack regarding the Discount of Lack of Marketability and believe for the assessment results to be in the same direction.

Table: P/BV of Comparable Companies

Company	P/BV Ratio (days)								
	7 days	15 days	30 days	60 days	90 days	120 days	180 days	270 days	360 days
Sekuro Plastik Ambalaj Sanayi A.S.	1.3	1.3	1.3	1.4	1.3	1.4	1.5	2.2	2.7
Özerden Plastik Sanayi ve Ticaret A.S.	1.9	1.9	1.9	1.9	1.9	1.8	1.9	2	2
Boubyan Petrochemical Company K.S.C.P.	1.8	1.8	1.7	1.7	1.8	1.8	1.9	1.8	1.7
National Industrialization Company	1.4	1.4	1.4	1.3	1.2	1.2	1.3	1.3	1.3
Median of P/BV	1.6	1.6	1.5	1.6	1.5	1.6	1.7	1.9	1.8
Book Value of Sunpack (AED)	23,753,761.0	23,753,761.0	23,753,761.0	23,753,761.0	23,753,761.0	23,753,761.0	23,753,761.0	23,753,761.0	23,753,761.0
Equity Value (AED)	38,006,017.6	38,006,017.6	35,630,641.5	38,006,017.6	35,630,641.5	38,006,017.6	40,381,393.7	45,132,145.9	42,756,769.8
89% of Equity Value	33,825,355.7	33,825,355.7	31,711,270.9	33,825,355.7	31,711,270.9	33,825,355.7	35,939,440.4	40,167,609.9	38,053,525.1
<i>89% Equity Value (THB)</i>	<i>293,746,153.7</i>	<i>293,746,153.7</i>	<i>275,387,019.1</i>	<i>293,746,153.7</i>	<i>275,387,019.1</i>	<i>293,746,153.7</i>	<i>312,105,288.3</i>	<i>348,823,557.5</i>	<i>330,464,422.9</i>
Number of Shares in the Transaction (300 shares x 89.0%)	267.0	267.0	267.0	267.0	267.0	267.0	267.0	267.0	267.0
Discount of Lack of Marketability	32.6%	32.6%	32.6%	32.6%	32.6%	32.6%	32.6%	32.6%	32.6%
Share Price (AED/Share)	85,386.9	85,386.9	80,050.2	85,386.9	80,050.2	85,386.9	90,723.5	101,396.9	96,060.2
<i>Share Price (THB/Share)</i>	<i>462,860,042.9</i>	<i>467,202,668.0</i>	<i>455,398,301.0</i>	<i>442,437,899.1</i>	<i>426,642,657.0</i>	<i>424,825,808.6</i>	<i>438,366,393.8</i>	<i>462,470,875.3</i>	<i>454,699,369.7</i>

Source: Capital IQ as of 23 April 2019

Median of P/BV ratio of comparable companies over the past 12 months is 1.5 – 1.9 times which indicates that the equity value ranges between AED 35,630,641.5 – 45,132,145.9 which equates to THB 309,423,616.9 – 391,936,581.4. **Therefore, 89% of Sunpack value ranges between AED 31,711,270.9 – 40,167,609.9 which equates to THB 275,387,019.1 – 348,823,557.5. This results in the price per share after the Discount of Lack of Marketability to range between AED 80,050.2 – 101,396.9 per share which equates to THB 695,171.7 – 880,550.9 per share.** This is lower than the Transaction price of THB 472,087,440.0 or THB 1,768,117.8 per share by THB 887,566.9 – 1,072,946.0 which equates to 50.2 – 60.7% of the Transaction price. However, the share value from this approach might not reflect the fair value of Sunpack since this method does not consider future performance, economic, and industry trend.

The P/BV ratio reflects financial position at a point in time which does not reflect the market value of some assets and events which occurred after the financial statement's date and the asset's ability to generate profit in the future. Thus, this valuation approach may not reflect the fair value.

2) Price to Earnings Ratio: ("P/E")

The share valuation under P/E ratio is based on the financial statement for the past 12 months as of March 31, 2018 which equates to AED 6,290,984.0 or THB 54,632,163.3, multiplied by the median of the P/E ratio of the comparable companies.

Table: P/E of Comparable Companies

Company	P/E Ratio (days)								
	7 days	15 days	30 days	60 days	90 days	120 days	180 days	270 days	360 days
Sekuro Plastik Ambalaj Sanayi A.S.	(68.4)	(69.7)	(69.8)	(72.0)	(71.0)	(72.5)	(78.7)	(114.9)	(141.5)
Özerden Plastik Sanayi ve Ticaret A.S.	8.5	8.4	8.3	8.4	8.1	8.1	8.2	8.6	8.7
Boubyan Petrochemical Company K.S.C.P.	10.6	10.8	10.4	10.5	10.7	10.9	11.2	10.7	10.0
National Industrialization Company	10.9	10.9	10.5	9.8	9.4	9.4	9.8	10.5	10.2
Median of P/E	9.5	9.6	9.4	9.1	8.8	8.7	9.0	9.5	9.4
Earnings of Sunpack (AED)	6,290,984.0	6,290,984.0	6,290,984.0	6,290,984.0	6,290,984.0	6,290,984.0	6,290,984.0	6,290,984.0	6,290,984.0
Equity Value (AED)	59,886,629.0	60,448,494.7	58,921,199.9	57,244,332.8	55,200,683.1	54,965,612.2	56,717,545.6	59,836,277.0	58,830,769.5
89% of Equity Value	53,299,099.9	53,799,160.3	52,439,867.9	50,947,456.2	49,128,607.9	48,919,394.8	50,478,615.6	53,254,286.6	52,359,384.8
<i>89% of Equity Value (THB)</i>	<i>462,860,042.9</i>	<i>467,202,668.0</i>	<i>455,398,301.0</i>	<i>442,437,899.1</i>	<i>426,642,657.0</i>	<i>424,825,808.6</i>	<i>438,366,393.8</i>	<i>462,470,875.3</i>	<i>454,699,369.7</i>
Number of Shares in the Transaction (300 shares x 89.0%)	267.0	267.0	267.0	267.0	267.0	267.0	267.0	267.0	267.0
Discount of Lack of Marketability	32.6%	32.6%	32.6%	32.6%	32.6%	32.6%	32.6%	32.6%	32.6%
Share Price (AED/Share)	134,545.3	135,807.6	132,376.3	128,608.9	124,017.5	123,489.4	127,425.4	134,432.2	132,173.1
<i>Share Price (THB/Share)</i>	<i>1,168,418.2</i>	<i>1,179,380.5</i>	<i>1,149,582.2</i>	<i>1,116,865.7</i>	<i>1,076,993.1</i>	<i>1,072,406.7</i>	<i>1,106,587.8</i>	<i>1,167,435.8</i>	<i>1,147,817.9</i>

Source: Capital IQ as of 23 April 2019

¹The share price of Sunpack calculated by taking the median of the P/E ratio of the comparable companies over the past 12 months is 8.7 – 9.6 times which indicates that the equity value ranges between AED 54,965,612.2 – 60,448,494.7 which equates to THB 477,332,369.2 – 524,946,818.0. **Therefore, 89% of Sunpack value ranges between AED 48,919,394.8 – 53,799,160.3 which equates to THB 424,825,808.6 – 467,202,668.0. This results in the price per share after the Discount of Lack of Marketability to range between AED 123,489.4 – 135,807.6 per share which equates to THB 1,072,406.7 – 1,179,380.5 per share.** This is lower than the Transaction price of THB 472,087,440.0 or THB 1,768,117.8 per share by THB 588,737.2 – 695,711.0 which equates to 33.3 – 39.3 of the Transaction price. However, the share value from this approach might not reflect the fair value of Sunpack since this method does not consider future performance, economic, and industry trend.

The P/BV ratio reflects financial position at a point in time which does not reflect the market value of some assets and events which occurred after the financial statement's date and the asset's ability to generate profit in the future. Thus, this valuation approach may not reflect the fair value.

3.5.5 Transaction Comparable Approach

The Transaction Comparable Approach is the valuation method that uses the median of EV/EBITDA ratio for the period of during the past 12 months of comparable companies whereby their target companies conduct their business operations in Asia in the plastic and packaging industry. Additionally, the duration of the transaction period is taken into consideration. The IFA only selected and considered the recent-period transactions as they are more relevant of a benchmark than the long-period tractions. The median of the EV/EBITDA is multiplied by the EBITDA of the Sunpack for the last period of last 12 months ending March 31, 2018. For this approach of the valuation, there are some differences between each transaction and the Company's Transactions such as transaction value and transaction date which might result in inaccurate valuation. The details of each transaction are as follows:

Table: Comparable Transactions

Date	Target	Buyer	Country	Portion (%)	Transaction Value (THB m)	EV/EBITDA (Times)
Jan 18	Suzhou Hycan Holdings Co., Ltd.	Changzhou Ruijie New Materials Technology Co., Ltd.	China	5.5	109.6	10.8
Jun 16	PT Kingsford Holdings	PT Champion Pacific Indonesia Tbk	Indonesia	79.4	2,690.4	14.3
Aug 15	Scientex Packaging Berhad	Mondi Ipoh Sdn Bhd	India	100.0	526.3	6.4
May 14	Shruti Financial Services Pvt. Ltd	Manjushree Technopack Limited	India	19.8	639.6	7.0
Mar 14	Shenzhen Jie Ande Industrial Co., Ltd.	Zhuhai Zhongfu Enterprise Co., Ltd.	China	11.4	1,827.0	14.6
Jul 11	Bennamon Pty Ltd.	Pro-Pac Packaging Limited (ASX:PPG)	Australia	30.2	620.4	7.4
Feb 09	Can-One Berhad	Kian Joo Can Factory Berhad	Malaysia	32.9	2,350.5	6.8
Median						7.4

Source: Capital IQ as of 23 April 2019

Table: Information on the Target Companies

Company	Business Description
Changzhou Ruijie New Materials Technology Co., Ltd.	Manufactures and sells plastic packaging for lubricants, chemical substances, food and drink, and household industry
PT Champion Pacific Indonesia Tbk	Manufactures and sells flexible plastic packaging for food and pharmaceutical industry along with cosmetics care industry
Mondi Ipoh Sdn Bhd	Manufactures and sells film and plastic packaging for household and personal care industry as well as food and pharmaceutical industry
Manjushree Technopack Limited	Manufactures and sells plastic packaging for both the domestic and international markets for food and drink industry as well as household and personal care industry
Zhuhai Zhongfu Enterprise Co., Ltd.	Manufactures and sells plastic packaging for food and pharmaceutical industry as well as moulds along with PVC/OPP label and flexible films
Pro-Pac Packaging Limited (ASX:PPG)	Manufactures and sells flexible ad rigid plastic packaging for household and personal care industry
Kian Joo Can Factory Berhad	Manufactures and sells plastic packaging and other plastic products both domestically and internationally

Source: Capital IQ as of 23 April 2019

Remark: 1/ Latest revenue figures for Changzhou Ruijie New Materials Technology Co., Ltd. As of June 30, 2017

2/ Latest revenue figures for PT Champion Pacific Indonesia Tbk As of June 30, 2019

3/ No revenue information Mondi Ipoh Sdn Bhd as the company is not listed on the stock exchange

4/ Latest revenue figures for Manjushree Technopack Limited As of March 31, 2018

5/ Latest revenue figures for Zhuhai Zhongfu Enterprise Co., Ltd. As of March 31, 2019

6/ Latest revenue figures for Pro-Pac Packaging Limited As of December 31, 2018

7/ Latest revenue figures for Kian Joo Can Factory Berhad As of December 31, 2018

¹Table: Information on the Acquirer

Company	Country	Revenue (THB mm)
Suzhou Hycan Holdings Co., Ltd.	China	6,801.4
PT Kingsford Holdings	Indonesia	N/A
Scientex Packaging Berhad	Indonesia	3,293.3
Shruti Financial Services Pvt. Ltd	India	N/A
Shenzhen Jie Ande Industrial Co., Ltd.	China	N/A
Bennamon Pty Ltd.	Australia	N/A
Can-One Berhad	Malaysia	9,950.3

Source: Capital IQ as of 23 April 2019

Remarks: 1/ / Latest revenue figures for Suzhou Hycan Holdings Co., Ltd. As of March 31, 2019 Last Twelve Months ("LTM")

2/ No revenue information on PT Kingsford Holdings as the company is not listed on the stock exchange

3/ Latest revenue figures for Scientex Packaging Berhad as of January 31, 2008, LTM

4/ No revenue information on Shruti Financial Services Pvt. Ltd as the company is not listed on the stock exchange

5/ No revenue information on Shenzhen Jie Ande Industrial Co., Ltd. as the company is not listed on the stock exchange

6/ No revenue information on Bennamon Pty Ltd. as the company is not listed on the stock exchange

7/ Latest revenue figures for Can-One Berhad as of March 31, 2019, LTM

Median of the EV/EBITDA ratio of other trading transaction in the past is 7.4 times

Table: Calculation of Share Price By Using Transaction Comparable Approach

Units: AED	Last 12 months period
Median of EV/EBITDA	7.4x
EBITDA of Sunpack	8,230,075.0
Enterprise Value	60,737,953.5
Add: Cash and Cash Equivalent	10,935,064.0
Minus: Shareholders' Current Account	50,000.0
Equity Value	71,623,017.5
89% of Equity Value after Adjustment	63,744,485.6
<i>89% of Equity Value after Adjustment (THB)</i>	<i>553,569,861.6</i>
Number of Shares in the Transaction (300 shares x 89.0%)	267.0
Discount of Lack of Marketability	32.6%
Share Price (AED/Share)	160,913.0
<i>Share Price (THB/Share)</i>	<i>1,397,401.1</i>

The valuation of Sunpack shares under the Transaction Comparable Approach indicates the share value of AED 623,017.5 which equates to THB 621,988,608.6. **Therefore, 89% of Sunpack value of AED 63,744,485.6 which equates to THB 553,569,861.6. This results in the price per share after the Discount of Lack of Marketability of AED 160,913.0 per share which equates to THB 1,397,401.1 per share.** This is lower than the Transaction Price of THB 472,087,440.0 or THB 1,768,117.8 per share by THB 370,716.7 per share which equates 21.0% of the Transaction price.

The Transaction Comparable Approach is a valuation approach that reflects the ability to generate cash flow from operations without taking into consideration of different capital structures. However, there are volatility of many factors such as transaction value and transaction date which might result in inaccurate valuation. Thus, this valuation approach may not reflect the fair value.

3.5.6 Discounted Cash Flow Approach

Under the Discounted Cash Flow Approach, the IFA forecasts net free cash flow that Sunpack will generate from Sunpack's operation performance (Free Cash Flow to Firm) ("FCFF") which obtained from Sunpack's future cash flow projection for the period of 5 years (from March of 2018 – 2023) whereby Sunpack has strong, sustained, and secured operations performance which continues to grow in accordance with the industrial and economic growth in the surrounding area. The projection period of 5 years will cover the long-term operation period which the IFA has projected under the assumptions that Sunpack will continue to operate the business (Going Concern Basis) without any significant changes. The details of the assumptions are as follow:

- The projection of revenues, costs, and expenses for financial projection are conducted under the current economic and industrial conditions.
- The IFA uses the actual financial data for the 9-month period ended December 31, 2018 from the Financial Due Diligence Report, dated April 23, 2019, prepared by Mayur Burta Group which is an accredited financial and auditing company in the UAE whose operation began since 2002 and currently serving more than 70 international Fortune 500 clients.
- The IFA uses projected FCFF and discounted under the current economic and industrial situations at the Weighted Average Cost of Capital ("WACC") during the projection period, which the sum of discounted FCFF will be adjusted with current net debt level.
- The IFA has conducted the financial projection of Sunpack based on information and assumptions received from general information of Sunpack that are publicly available such as quarterly and annual report, audit report, including the media forms of information such as interview articles on the management and other news.

The financial projection and assumptions under the financial projection of Sunpack contain details as follow:

1. Industry Overview

During the past few years, the plastic industry in the UAE and the GCC countries has shown significant growth. Sunpack within said region has been benefitting from the growth of the plastic industry. In this regard, the IFA considered plastic consumption in the UAE which is an indicator of the growth of plastic processed to be used as raw material for production of various products including Sunpack's container products; the plastic consumption in the UAE had grown from 2009 – 2015 with CAGR of 4.0%.

2. Business Type

Sunpack was founded in the SAIF within the UAE which is well-known among the GCC countries as the manufacturer and exporter of wide-mouth jars and bottles that are produced from plastic including jars that are used in the packaging for consumer foods, cosmetics care, mayonnaise bottles, and bottles used for confectionary purposes. The majority of Sunpacks customers conduct businesses in the food and beverage, pharmaceutical and Fast-Moving Consumer Goods (FMCG) industries. The characteristics of the products are shown below.



3. Revenue from Sales

The main revenue contribution for Sunpack comes from the sale of wide-mouth jars and bottles made from plastic. Along with wide-mouth jars and bottles, Sunpack also manufactures and sells caps and seals for the containers. As the profit margins and cost structures of each production unit differ, the IFA has categorized the production into 3 production units: 1. Wide-Mouth Jars and Bottles 2. Caps, and 3. Seals. Therefore, the IFA will project the sales volume of wide-mouth jars and bottles to grow as much as the plastic consumption in the UAE. For caps and seal sales volume, the IFA project them to be sold in proportion to the sales volume of wide-mouth jars and bottles. Additionally, the selling prices of wide-mouth jars and bottles, caps, and seals are projected separately.

The projection of each production unit during the 3 months period ended March 31, 2018 – 2023 are based on the following assumptions:

- Revenue from Sales of Wide-Mouth Jars and Bottles

The IFA has projected the revenue from sales of wide-mouth jars and bottles by the sales volume and selling price into consideration. The projection for revenue from sales of wide-mouth jars and bottles are based on the following assumptions:

Sales Volume for Wide-Mouth Jars and Bottles

The wide-mouth jars and bottles are responsible for the majority of the production and sales for Sunpack which are sold to many customers within the UAE and the GCC countries. Thus, the IFA sets an assumption for the growth rate for the sales volume for wide-mouth jars and bottles to grow in accordance with the conditions of the plastic industry as that of the UAE and the GCC countries as well as taking the growth rate of Sunpack's sales volume for wide-mouth jars and bottles into consideration. The IFA sets an assumption as appropriate in regard of the conservative basis.

Additionally, in projecting the sales volume for wide-mouth jars and bottles for 2019, the IFA used the historical sales volume for wide-mouth jars and bottles in 9 months ended December 31, 2018 from the Financial Due Diligence Report on April 23, 2019 and use the said sales volume to prorate the sales volume for wide-mouth jars and bottles in 3 months ended March 31, 2019 to project the sales volume for wide-mouth jars and bottles for the whole of 2019.

When projecting the sales volume for wide-mouth jars and bottles in 2020 – 2023, the IFA set the sales volume growth rate for wide-mouth jars and bottles for Sunpack at 4.0%. The IFA believes 4.0% to be reasonable and appropriate as the stated growth rate is in the same level as the growth rate of plastic consumption in the UAE between 2009 – 2015 at 4.0% and is lower than the sales volume growth rate for Sunpack's wide-mouth jars and bottles between 2016 – 9 months ending December 31, 2018 at 7.6%.

Selling Price of the Wide-Mouth Jars and Bottles

The selling price for wide-mouth jars and bottles is determined by setting a markup on cost for the raw material, which is Polyethylene Terephthalate ("PET"), a type of plastic is created from a downstream petrochemical product which fluctuates with the oil price. Therefore, the selling price for wide-mouth jars and bottles may fluctuate as a proportion of the oil price. The IFA has projected the selling price of the wide-mouth jars and bottles by using the markup on cost ratio for the raw material using the values from 9 months ending December 31, 2018 from Sunpack from the Financial Due Diligence Report which equates to 4.32 times throughout the projection period as 2019 is the year that the oil price displays a sustained performance without any significant fluctuations and reflects the competitive landscape and the current condition of the plastic industry in the UAE as well as takes into account the competitive landscape in plastic industry in the UAE. In this regard, according to the Company's management interview, the decrease of markup on cost in the past has been due to the increasing competition in the industry. However, the reduction of the selling price of Sunpack's products is only temporary and will not persist because Sunpack has been operating for more than 30 years. It is a trusted brand especially wide mouth jar. Sunpack's products are so diverse and produced according to customers' needs. Sunpack is flexible in adapting strategies in conducting business so Sunpack is able to cope with competition and also able to satisfy customer's needs with many kinds of products to be selected which designed with no extra expenses. Sunpet is the only brand which is offered in 2 popular retail markets in

Dubai which are Carrefour and Lou Lou. This is the reason Sunpet is so distinguished in the world of plastic packaging and this is the reason Sunpack got a very strong operational performance especially in the high growth of plastic industry in UAE and GCC.

- Revenue from Sales of Caps

The IFA projected the sales volume and selling price for caps as to project the revenue from the sales of caps. Despite the fact that the cap is a component of the wide-mouth jars and bottles, the cost of production of the wide-mouth jars and bottles and caps differs which affects Sunpack's production capacity. Thus, the IFA sees fit to project the revenue from sales for caps separately.

Sales Volume for Cap

As the cap is a component of the wide-mouth jars and bottles which are sold as one product, the sales volume of caps is proportional to the sales volume of the wide-mouth jars and bottles which are consistent throughout the years in the past. Thus, the IFA has determined the sales volume of caps to be a proportion of the sales volume of the wide-mouth jars and bottles with reference to the estimated value taken from 2017 – 9 month ending December 31, 2018 which equates to 19.2% of the sales volume for wide-mouth jars and bottles.

Selling Price of Caps

The selling price for caps is determined in the same manner as the selling price whereby Polypropylene ("PP") is the main raw material used to produce the caps. It is also a downstream petrochemical product whereby its price fluctuates with the oil price which in return may cause the selling price of the caps to fluctuate with the oil price. The IFA has projected the selling price of the caps to be a proportion of the cost of the raw material with reference to the proportion of the raw material in the 9 months ending December 31, 2018 from Sunpack's Financial Due Diligence Report which equates to 1.76 times throughout the projection period as 2019 is the year that the oil price displays a sustained performance without any significant fluctuations and reflects the competitive landscape and the current condition of the plastic industry in the UAE.

- Revenue from Sales of Seals

Sunpack does not manufacture seals, instead, the Company buys the sells seals as a component of the wide-mouth jars and bottles. Thus, the IFA projected the sales volume and selling price of seals upon the following assumption.

Sales Volume for Seals

As the seal is a component of the wide-mouth jars and bottles that will be sold as one product, the sales volume of caps is proportional to the sales volume of the wide-mouth jars and bottles which are consistent throughout the years in the part. Thus, the IFA has determined the sales volume of caps to be a proportion of the sales volume of the wide-mouth jars and bottles with reference to the estimated value taken from 2017 – 9 month ending December 31, 2018 which is 6.8 pieces of seals to 1 kilogram of wide-mouth jars and bottles.

Selling Price for Seals

The selling price for seal is determined in the same manner as the selling price by determining the proportion of the cost of raw material. The IFA has projected the selling price of the caps to be a proportion of the cost of the raw material with reference to the proportion of the raw material in the 9 months ending December 31, 2018 from Sunpack's Financial Due Diligence Report which equates to 3.04 times throughout the projection period.

The revenue from sales before discount can be summarized as follows:

Table: Revenue from Sales Before Deduction

Unit: AED	Ending 31 March 2016 ^{1/}	Ending 31 March 2017	Ending 31 March 2018	9 Months Ending 31 December 2018	3 Months Ending 31 March 2019	Ending 31 March 2020	Ending 31 March 2021	Ending 31 March 2022	Ending 31 March 2023
1. Revenue from Sales of Wide-mouth Jars and Bottles									
Sales Volume for Wide-Mouth Jars and Bottles (Volume of PET Used - Kilogram)	N/A	1,406,000.0	1,497,000.0	1,221,000.0	407,000.0	1,693,120.0	1,760,844.8	1,831,278.6	1,904,529.7
Sales Growth Rate (%)	N/A	0.0%	6.5%	8.8%	Prorate	4.0%	4.0%	4.0%	4.0%
Selling Price Per Unit (AED/Kilogram)	N/A	23.2	21.9	21.3	21.3	21.3	21.3	21.3	21.3
Markup on Cost Ratio	N/A	6.8	5.7	4.3	4.3	4.3	4.3	4.3	4.3
Revenue from Sales of Wide-mouth Jars and Bottle	N/A	32,593,274.2	32,710,300.1	25,977,120.0	8,659,040.0	36,021,606.4	37,462,470.7	38,960,969.5	40,519,408.3
2. Revenue from Sales of Caps									
Sales Volume for Caps (Volume of PP Used - Kilogram)	N/A	301,000.0	297,000.0	198,000.0	77,959.7	324,312.3	337,284.8	350,776.2	364,807.2
Ratio of Caps to Wide-mouth Jars and Bottles (%)	N/A	21.4%	19.8%	16.2%	19.2%	19.2%	19.2%	19.2%	19.2%
Selling Price Per Unit (AED/Kilogram)	N/A	7.1	7.2	8.6	8.6	8.6	8.6	8.6	8.6
Markup on Cost Ratio	N/A	1.8	1.7	1.8	1.8	1.8	1.8	1.8	1.8
Revenue from Sales of Caps	N/A	2,125,648.3	2,133,280.4	1,694,160.0	667,051.5	2,774,934.1	2,885,931.5	3,001,368.7	3,121,423.5

3. Revenue from Sales of Seals									
Sales Volume for Seals (Volume of PP Used - Kilogram)	N/A	10,316,000.0	10,914,000.0	7,023,000.0	2,764,825.7	11,501,674.9	11,961,741.8	12,440,211.5	12,937,820.0
Ratio of Seals to Wide-mouth Jars and Bottles (Pieces/Kilogram)	N/A	7.3	7.3	5.8	6.8	6.8	6.8	6.8	6.8
Selling Price Per Unit (AED/Piece)	N/A	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Markup on Cost Ratio	N/A	2.1	2.3	3.0	3.0	3.0	3.0	3.0	3.0
Revenue from Sales of Seals	N/A	708,549.4	711,093.5	564,720.0	222,319.9	924,850.6	961,844.6	1,000,318.4	1,040,331.2
Total Revenue from Sales before Trade Discount	N/A	35,427,472.0	35,554,674.0	28,236,000.0	9,548,411.3	39,721,391.1	41,310,246.8	42,962,656.6	44,681,162.9

Source: Annual Financial Statement 2016 - 2017 and Financial Due Diligence Report on 23 April 2019

Note: 1/ Not Available due to lack of information regarding proportion of revenues and sales volume according to the Financial Due Diligence Report which only contains data from 2017 – 9-month period ended December 31, 2018

Sunpack has offered trade discount to customers constantly every year. The IFA has projected the trade discount in 9 months ending December 31, 2018 from the actual trade discount with reference to the Financial Due Diligence Also, the IFA has determined the assumption of trade discount provision since 3 months ending March 31, 2019 – 2023 at 4.5% of the total revenue from sales before trade discount with reference to the past estimate of Sunpack from 2017 – 9 months ending December 31, 2018. The net revenue from sales can be summarized in the table below.

Table: Assumptions of Net Revenue from Sales

Unit: AED	Ending 31 March 2016	Ending 31 March 2017	Ending 31 March 2018	9 Months Ending 31 December 2018	3 Months Ending 31 March 2019	Ending 31 March 2020	Ending 31 March 2021	Ending 31 March 2022	Ending 31 March 2023
Revenue from Sales of Wide-mouth Jars and Bottles	N/A	32,593,274.2	32,710,300.1	25,977,120.0	8,659,040.0	36,021,606.4	37,462,470.7	38,960,969.5	40,519,408.3
Revenue from Sales of Caps	N/A	2,125,648.3	2,133,280.4	1,694,160.0	667,051.5	2,774,934.1	2,885,931.5	3,001,368.7	3,121,423.5
Revenue from Sales of Seals	N/A	708,549.4	711,093.5	564,720.0	222,319.9	924,850.6	961,844.6	1,000,318.4	1,040,331.2
Total Revenue from Sales before Trade Discount	N/A	35,427,472.0	35,554,674.0	28,236,000.0	9,548,411.3	39,721,391.1	41,310,246.8	42,962,656.6	44,681,162.9
Trade Discount Deduction	N/A	(1,438,000.0)	(1,642,000.0)	(1,350,000.0)	(428,353.4)	(1,781,950.2)	(1,853,228.2)	(1,927,357.3)	(2,004,451.6)
Proportion of Sales Revenue before Trade Discount (%)	N/A	4.1%	4.6%	4.8%	4.5%	4.5%	4.5%	4.5%	4.5%
Net Revenue from Sales	32,612,136.0	33,989,472.0	33,912,674.0	26,886,000.0	9,120,057.9	37,939,440.9	39,457,018.6	41,035,299.3	42,676,711.3

Source: Annual Financial Statement 2016 – 2017 and Financial Due Diligence Report on 23 April 2019

4. Cost of Raw Materials

Raw materials for Sunpack are composed of 1. Polyethylene Terephthalate (PET), 2. Polypropylene (PP), 3. Seals, and 4. Other Raw Materials such as preforms and packaging materials. The following assumptions are used to determine the cost of the raw materials.

- Cost of Polyethylene Terephthalate (PET)

Polyethylene Terephthalate (PET) is the main raw material in the production of wide-mouth jars and bottles. Thus, the volume of the PET used is equivalent to the sales volume of wide-mouth jars and bottles. PET is considered as a downstream petrochemical product to which its price fluctuates with the oil price. The IFA has determined to equate this cost to the latest cost of PET in 9 months ending December 31, 2018 for Sunpack with reference to the Financial Due Diligence Report at AED 4.9 per 1 kilogram of PET throughout the projection period. The IFA believes that 2018 is the year that the oil price displays a sustained performance without any significant fluctuations and the current cost is an appropriate reflection of the market, competitive landscape, the performance of the plastic in the UAE.

- Cost of Polypropylene (PP)

Polypropylene (PP) is the main raw material in the production of caps. Thus, the volume of PP is equivalent to the sales volume of the caps. PP is considered as a downstream petrochemical product to which its price fluctuates with the oil price. The IFA has determined to equate this cost to the latest cost of PP in 9 months ending December 31, 2018 for Sunpack with reference to the Financial Due Diligence Report at AED 4.9 per 1 kilogram of PP throughout the projection period. The IFA believes that 2018 is the year that the oil price displays a sustained performance without any significant fluctuations and the current cost is an appropriate reflection of the market, competitive landscape, the performance of the plastic in the UAE.

- Cost of Seals

Sunpack does not produce seals, instead, the Company purchased it and sold it to the customer as a component of the wide-mouth jars and bottles. The IFA has determined to equate this cost to the latest cost of seals in 9 months ending December 31, 2018 for Sunpack with reference to the Financial Due Diligence Report at AED 0.03 per 1 piece of seal.

- Cost of Other Raw Materials

Other raw materials used in the production includes preforms and packaging materials. As there are many types of other raw materials, it is inappropriate to categorized them by production and sales of each raw materials and as a proportion of the revenue from sales. The IFA has projected the cost of other raw materials for 9 months ending December 31, 2018 with reference to the actual cost of other raw materials in the Financial Due Diligence Report. The projection during 3 months ending March 31, 2019 – 2023, The IFA has determined the cost of other raw materials to as a proportion of 5.0% of revenue from sales with reference to Sunpack's historical average from 2017 – 9 months ending December 31, 2018.

The cost of raw materials can be summarized as follows.

Table: Cost of Raw Materials

Unit: AED	Ending 31 March 2016 ^{1/}	Ending 31 March 2017	Ending 31 March 2018	9 Months Ending 31 December 2018	3 Months Ending 31 March 2019	Ending 31 March 2020	Ending 31 March 2021	Ending 31 March 2022	Ending 31 March 2023
1. Cost of Polyethylene Terephthalate (PET)									
Quantity of PET Used (Kilogram)	N/A	1,406,000.0	1,497,000.0	1,221,000.0	407,000.0	1,693,120.0	1,760,844.8	1,831,278.6	1,904,529.7
Cost of Raw Materials/Unit (AED/KG)	N/A	3.4	3.9	4.9	4.9	4.9	4.9	4.9	4.9
Cost of Polyethylene Terephthalate (PET)	N/A	4,813,000.0	5,773,000.0	6,009,000.0	2,003,000.0	8,332,480.0	8,665,779.2	9,012,410.4	9,372,906.8
2. Cost of Polypropylene (PP)									
Quantity of PP Used (Kilogram)	N/A	301,000.0	297,000.0	198,000.0	77,959.7	324,312.3	337,284.8	350,776.2	364,807.2
Cost of Raw Materials/Unit (AED/KG)	N/A	3.9	4.3	4.9	4.9	4.9	4.9	4.9	4.9
Cost of Polyethylene (PP)	N/A	1,159,000.0	1,291,000.0	961,000.0	378,380.1	1,574,061.3	1,637,023.7	1,702,504.7	1,770,604.9
3. Cost of Seals									
Quantity of Seals (Piece)	N/A	10,316,000.0	10,914,000.0	7,023,000.0	2,764,825.7	11,501,674.9	11,961,741.8	12,440,211.5	12,937,820.0
Cost of Raw Materials/Unit (AED/Piece)	N/A	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03
Cost of Seals	N/A	338,000.0	310,000.0	186,000.0	73,224.8	304,615.1	316,799.7	329,471.6	342,650.5
4. Cost of Other Raw Materials									
Proportion to Revenue to Sales (%)	N/A	10.6%	9.6%	10.3%	10.2%	10.2%	10.2%	10.2%	10.2%
Cost of Other Raw Materials	N/A	3,608,000.0	3,250,000.0	2,763,000.0	926,452.4	3,854,041.9	4,008,203.5	4,168,531.7	4,335,272.9
Total Cost of Raw Materials	12,034,201.0	11,807,635.0	12,578,514.0	10,892,600.0	3,835,359.6	15,955,095.8	16,593,299.7	17,257,031.7	17,947,312.9

Source: Annual Financial Statement 2016 – 2017 and Financial Due Diligence Report on 23 April 2019

Note: 1/ Not Available due to lack of information regarding breakdown of sales volume according to the Financial Due Diligence Report which only contains data from 2017 – 9-month period ended December 31, 2018

5. Cost of Production

The cost of production for Sunpack consists of 1. Clearing and Forwarding Expenses, 2. Consultancy Expense, 3. Labor Charges and Other Benefits, 4. Utilities Charges, 5. Repairs and Maintenance, 6. Factory Rents, and 7. Other Direct Costs. The IFA has projected the cost of production in 9 months ending December 31, 2018 with reference to the actual cost from Financial Due Diligence Report.

Moreover, The IFA has projected cost of production from 3 months ending March 31, 2019 – 2023 in proportion of revenue from sales to be 21.2% of revenue from sales with reference to a historical average taken from 2016 – 9 months ending December 31, 2018 at 21.2% of revenue from sales as the cost of production is a direct cost of producing the goods and thus the cost of production varies directly with sales volume.

Nonetheless, the factory rent was not considered in proportion of revenue from sales in the past as they are fixed cost. The IFA used the historical cost of factory rent incurred from 9 months ending December 31, 2018 with reference to the Financial Due Diligence Report and used the said costs to prorate the factory rent for 3 months ending March 31, 2019 to project factory rent for the year 2019. Additionally, the IFA has projected the factory rent for 2020 – 2023 to grow with respect to the average inflation rate for the past 5 years in the UAE with reference to the BMI Research at 2.5% per annum throughout the projection period.

Moreover, as consultancy expense is not recurring expense, the IFA has determined to exclude consultancy expense from the projection from 3 months ending March 31, 2019 – 2023.

The cost of production can be summarized as follows.

Table: Projection for the Cost of Production

Unit: UAE	Ending 31 March 2016	Ending 31 March 2017	Ending 31 March 2018	9 Months Ending 31 December 2018	3 Months Ending 31 March 2019	Ending 31 March 2020	Ending 31 March 2021	Ending 31 March 2022	Ending 31 March 2023
Cost of Production:									
- Clearing and Forwarding Expenses									
- Labor Charges and Other Benefits	6,496,493.0	7,775,285.0	6,796,695.0	5,628,500.0	1,910,024.8	8,058,917.8	8,381,274.5	8,716,525.5	9,065,186.5
- Utilities Charges									
- Repairs and Maintenance									
- Other Direct Costs									
Proportion of Revenue to Sales (%)	19.9%	22.9%	20.0%	20.9%	20.9%	21.2%	21.2%	21.2%	21.2%
Consultancy Expenses	80,694.0	34,275.0	5,800.0	-	-	-	-	-	-
Proportion of Revenue to Sales (%)	-	-	-	Reference: Financial Due Diligence Report	No Consultant Wages				
Factory Rent	951,700.0	651,930.0	390,525.0	293,000.0	97,666.7	400,433.3	410,444.2	420,705.3	431,222.9
CAGR (%)	-	-	-	Reference: Financial Due Diligence Report	Prorate based on 9 months period	2.51/	2.5%	2.5%	2.5%
Total Cost of Production	8,461,490.0	7,193,020.0	5,921,500.0	2,007,691.5	8,459,351.1	8,791,718.6	9,137,230.7	9,496,409.4	9,869,797.4

Source: Annual Financial Statement 2016 – 2017 and Financial Due Diligence Report on 23 April 2019

Note: 1/ The average of inflation rate in the UAE for the past 5 years of 2.5% used with reference to the BMI Research.

6. Other Income

Sunpack's other income includes, for example, foreign exchange gains, profit from sales of molds, and interests on deposits. Other income consists a significant portion of profits from sales of molds, which historically averages at 33.8% of other income. The sales of moulds are byproducts of Sunpack's main operation and recur annually, even if they are not necessarily part of the main operation. Moreover, other income has been relatively stable in terms of its proportion to revenue from sales during 2016 - 2017 and 9 months ending December 31, 2018. Hence, the IFA has projected other income for 9 months ending December 31, 2018 from the actual other income incurred with reference to the Financial Due Diligence. Additionally, for 3 months ending March 31, 2019 - 2023, the IFA has projected other income under the assumption which uses the average of the proportion of other income to revenue from sales in the past from 2016 - 9 months ending December 31, 2018 which equates to 0.7% as shown in the table below.

Table: Estimate of Other Income

Unit: UAE	Ending 31 March 2016	Ending 31 March 2017	Ending 31 March 2018	9 Months Ending 31 December 2018	3 Months Ending 31 March 2019	Ending 31 March 2020	Ending 31 March 2021	Ending 31 March 2022	Ending 31 March 2023
Other Income	175,783.0	192,701.0	341,666.0	149,000.0	60,822.4	253,021.3	263,142.2	273,667.9	284,614.6
Proportion of revenue from sales (%)	0.5%	0.6%	1.0%	0.6%	0.7%	0.7%	0.7%	0.7%	0.7%

Source: Annual Financial Statement 2016 - 2017 and Financial Due Diligence Report on 23 April 2019

Note: 1/ Other income consists a significant portion of profits from sales of molds which is byproducts of Sunpack's main operation and recur annually, historically averaging at 33.8% of other income.

7. Selling and Distribution Costs

Selling and distribution costs for Sunpack consists of 1. Warehouse Rent, 2. Freight Outward, 3. Commission on Sales, 4. Advertising and Business Promotion Expenses, and 5. Impairment of Account Receivables. The IFA has projected the selling and distribution costs for 9 months ending December 31, 2018 by using the historical selling and distribution costs incurred from the Financial Due Diligence Report.

Additionally, selling and distribution expenses from 3 months ending December 31, 2019 - 2023 is projected to equate to the average from 2016 - 9 months ending December 31, 2018 at 8.2% of revenue from sales as selling and distribution costs as selling and distribution costs exclude warehouse rent. In addition, the impairment of account receivables has always had a consistent proportion with revenue to sales.

Nonetheless, warehouse rent is a fixed cost which will not vary with the sales volume. Thus, the IFA has determined the warehouse rent to grow at 2.5% which is the average inflation rate of the last 5 years in the UAE throughout the projection period from 2019 - 2023.

Moreover, the impairment of account receivables has been low. It is not a recurring cost and has differed from year to year. In addition, according to the Financial Due Diligence Report, Sunpack has been able to maintain Days Sales Outstanding (DSO) of 94.6% of total account receivables outstanding to be less than 3 months since 2017 - 9 months ending December 31, 2018. Such short amount of age of Sunpack's account receivables indicates that Sunpack has the ability to collect outstanding account receivables effectively. Additionally, Sunpack has tried to sustain days sales outstanding during 2016 - 9 months ended December 31, 2018 to an average of 56.7 days. Thus, the IFA has determined for Sunpack to exclude impairment loss account receivables from the projection from 3 months ending March 31, 2019 – 2023.

Selling and distribution costs can be summarized as follows.

Table: Projection for Selling Expenses

Unit: AED	Ending 31 March 2016	Ending 31 March 2017	Ending 31 March 2018	9 Months Ending 31 December 2018	3 Months Ending 31 March 2019	Ending 31 March 2020	Ending 31 March 2021	Ending 31 March 2022	Ending 31 March 2023
Selling and Distribution Expenses:									
- Freight Outward									
- Commission on Sales	2,544,101.0	2,749,284.0	2,558,731.0	2,571,400.0	752,378.9	3,129,896.2	3,255,092.0	3,385,295.7	3,520,707.5
- Advertisement and Business Promotion Expenses									
Proportion of revenue from sales (%)	7.8%	8.1%	7.5%	9.6%	8.2%	8.2%	8.2%	8.2%	8.2%
Warehouse Rent	246,576.0	256,720.0	250,000.0	314,000.0	104,666.7	429,133.3	439,861.7	450,858.2	462,129.7
CAGR (%)	-	-	-	Reference: Financial Due Diligence Report	Prorate based on 9 months period	2.5% ^{1/}	2.5%	2.5%	2.5%
Impairments of Account Receivables	12,645.0	42,553.0	275,709.0	-	-	-	-	-	-
Proportion of revenue from sales (%)	-	-	-	Reference: Financial Due Diligence Report	No impairment loss of account receivables in the projection.				
Total Selling Expenses	2,803,322.0	3,048,557.0	3,084,440.0	2,885,400.0	857,045.6	3,559,029.5	3,694,953.7	3,836,153.9	3,982,837.2

Source: Annual Financial Statement 2016 – 2017 and Financial Due Diligence Report on 23 April 2019

Note: 1/ The average of inflation rate in the UAE for the past 5 years of 2.5% used with reference to the BMI Research.

8. Administrative Costs

The administrative costs for Sunpack is composed of 1. Communication Expenses, 2. Insurance Expenses, 3. Fees and Charges, 4. Vehicle Running and Maintenance Expenses, 5. Travelling and Conveyance Expenses, 6. Repair and Maintenance Cost, 7. Bank Charges, and 8. Office and Other Expenses. The IFA has projected administrative costs for 9 months ending December 31, 2018 from actual administrative costs incurred with reference to the Financial Due Diligence Report.

The IFA has projected administrative costs as a percentage of revenue from sales for 3 months ending March 31, 2019 – 2023 by using the historical average percentage of administrative costs to revenue from sales from 2016 – 9 months ending December 31, 2018 as the historical administrative costs to revenue from sales was consistent.

Table: Projection for Administrative costs

Unit: AED	Ending 31 March 2016	Ending 31 March 2017	Ending 31 March 2018	9 Months Ending 31 December 2018	3 Months Ending 31 March 2019	Ending 31 March 2020	Ending 31 March 2021	Ending 31 March 2022	Ending 31 March 2023
Administrative Costs	929,338	982,166	836,686	545,000	233,326	970,637	1,009,463	1,049,841	1,091,835
Proportion of revenue from sales (%)	2.8%	2.9%	2.5%	2.0%	2.6%	2.6%	2.6%	2.6%	2.6%

Source: Annual Financial Statement 2016 – 2017 and Financial Due Diligence Report on 23 April 2019

9. Personnel Expenses

Personnel Expenses are salary and benefit expenses for personnel for Sunpack are composed of 1. Salary and Benefits for Sales Staffs, 2. Salaries and Benefits for Administrative Staffs, and 3. Salaries and Benefits for Executives. The IFA projected personnel expenses for 2019 by using the actual personnel expenses incurred in 9 months ending December 31, 2018 from Financial Due Diligence Report and used the said expenses to prorate the personnel expenses in 3 months ending March 31, 2019 to project the personnel expenses for the whole of 2019.

The IFA has projected the personnel expenses for 2020 – 2023 based on the historical average inflation growth rate in the past 5 years in the UAE at 2.5% per annum throughout the projection period as personnel expenses has characteristics of fixed cost and will not fluctuate with sales. The details of the projection are as follows:

Table: Projection for Personnel Expenses

Unit: AED	Ending 31 March 2016	Ending 31 March 2017	Ending 31 March 2018	9 Months Ending 31 December 2018	3 Months Ending 31 March 2019	Ending 31 March 2020	Ending 31 March 2021	Ending 31 March 2022	Ending 31 March 2023
Salary and Benefits of Sales Staffs	122,527.0	107,246.0	109,382.0	112,000.0	37,333.3	153,066.7	156,893.3	160,815.7	164,836.1
Salary and Benefits of Administrative Staffs	859,058.0	957,023.0	760,342.0	676,000.0	225,333.3	923,866.7	946,963.3	970,637.4	994,903.4
Salary and Benefits of Executives	1,928,433.0	920,366.0	1,440,000.0	1,080,000.0	360,000.0	1,476,000.0	1,512,900.0	1,550,722.5	1,589,490.6
CAGR (%)	-	-	-	Reference: Financial Due Diligence Report	Prorate based on 9 months period	2.5% ^{1/}	2.5%	2.5%	2.5%
Total Personnel Expenses	2,910,018.0	1,984,635.0	2,309,724.0	1,868,000.0	622,666.7	2,552,933.3	2,616,756.7	2,682,175.6	2,749,230.0

Source: Annual Financial Statement 2016 – 2017 and Financial Due Diligence Report on 23 April 2019

Note: 1/ The average of inflation rate in the UAE for the past 5 years of 2.5% used with reference to the BMI Research.

10. Capital Expenditures

Fixed assets for Sunpack are composed of 1. buildings, 2. plant and machinery, 3. furniture and fixtures, and 4. vehicles. The IFA has projected the capital expenditures for 2019 to equate to the actual capital expenditures incurred in 9 months ending December 31, 2018 with reference to the Financial Due Diligence Report.

Based on the interview with the management of the Company, it was found that Sunpack has no plans to expand their production or make any significant adjustment to the business, there will be no significant capital expenditures during the projection period. As fixed assets are crucial to the business operation, particularly the plant and machinery, there were investment costs towards maintenance and improving the production. The IFA has projected the investment cost for plant and machinery with the assumption to increase production capacity based on the sales volume growth for 2020 – 2023 of 4%. The IFA has projected the utilization rate (the proportion of production volume to production capacity) to be constant at 72.2% throughout the projection period of 2020 – 2023.

Additionally, the IFA has determined the investment cost for plant and machinery such that AED 3.9 equates to an increase in the production capacity of 1 kilogram with reference to the historical investment cost for plant and machinery for an increase in one kilogram of production capacity from 2017 – 2018.

Table: Projection for Plant, Machinery, and Production Capacity.

Unit: AED	Ending 31 March 2016	Ending 31 March 2017	Ending 31 March 2018	9 Months Ending 31 December 2018	3 Months Ending 31 March 2019	Ending 31 March 2020	Ending 31 March 2021	Ending 31 March 2022	Ending 31 March 2023
Capital Expenditure for Plant and Machinery									
Incremental Production Capacity (Kilogram)	N/A	202,000.0	90,000.0	93,843.1	-	107,433.7	111,731.1	116,200.3	120,848.3
Investment Cost per 1 Kilogram of Production (AED/1 Kilogram of Production Capacity)	N/A	3.9	4.9	3.9	-	3.9	3.9	3.9	3.9
Investment Cost for Plant and Machinery	N/A	796,225.0	436,729.0	369,902.0	-	423,472.4	440,411.3	458,027.7	476,348.8
Production Capacity									
Production Capacity (Kilogram)	2,300,000.0	2,502,000.0	2,592,000.0	2,685,843.1	2,685,843.1	2,793,276.8	2,905,007.9	3,021,208.2	3,142,056.5
Production Volume (Kilogram)	1,567,747.0	1,707,000.0	1,794,000.0	1,419,000.0	473,000.0	2,017,432.3	2,098,129.6	2,182,054.8	2,269,337.0
Utilization Rate (%)	68.2%	68.2%	69.2%	70.4%	70.4%	72.2%	72.2%	72.2%	72.2%

Source: Annual Financial Statement 2016 – 2017 and Financial Due Diligence Report on 23 April 2019

As other fixed assets such as building, plant, machinery, furniture, fixtures, and vehicles deteriorate in accordance with their useful lives, the IFA has assumed that Sunpack has capital expenditure for general business operations in order to maintain these fixed assets to be functional to conduct efficient operation. The IFA has projected capital expenditure for maintenance for fixed assets such as building, plant, machinery, furniture, fixtures, and vehicles at 10.0% of the accumulated asset value per annum throughout the projection period from 2020 – 2023. The details of investment cost are as follows.

Table of Capital Expenditure

Unit: AED	Ending 31 March 2016	Ending 31 March 2017	Ending 31 March 2018	9 Months Ending 31 December 2018	3 Months Ending 31 March 2019	Ending 31 March 2020	Ending 31 March 2021	Ending 31 March 2022	Ending 31 March 2023
Plant and Machinery	-	5,550,000.0 ^{1/}	-	-	555,000.0	610,500.0	671,550.0	738,705.0	812,575.5
Furniture and Fixture	6,584.0	-	-	-	7,709.1	8,480.0	9,328.0	10,260.8	11,286.9
Vehicle	-	-	-	5,000.0	7,199.3	7,419.2	8,161.2	8,977.3	9,875.0
Total Capital Expenditure	6,584.0	5,550,000.0	-	5,000.0	569,908.4	626,399.2	689,039.2	757,943.1	833,737.4

Source: Annual Financial Statement 2016 – 2017 and Financial Due Diligence Report on 23 April 2019

Note : 1/ In 2017, Sunpack purchased a warehouse located in Sharjah, the UAE.

11. Depreciation

The IFA has determined for each type of fixed assets to depreciate under the straight-line method according to the accounting standards for Sunpack. The detail of the useful life of each asset are as follows.

Table of Depreciation

Assets	Depreciation Life (Years)
Plant and Machinery	6.7
Machinery and Moulds	3.0
Furniture and Fixtures	3.0
Vehicle	3.0

Source: Annual Financial Statement 2017 – 2018

12. Corporate Income Tax

The IFA has projected the corporate income tax for Sunpack with reference to corporate income tax rate of 0.0% as this is a reflection of corporate income tax in the UAE. Additionally, Sunpack has never paid corporate income tax in the past.

13. Working Capital

The IFA has projected the working capital on December 31, 2018 to equate to the historical working capital on December 31, 2018 with reference to the Financial Due Diligence Report.

The IFA has projected the working capital between 2019 – 2023 by using the historical average Days Sales Outstanding, Days Payable Outstanding days, and Days Inventory Outstanding for Sunpack based on the period between 2016 – 9 months ending December 31, 2018. The historical working capital has shown low volatility – thus, has the ability to reflect future projections which can be summarized as follows:

Table: Projection for Working Capital

Unit: Days	Ending 31 March 2016	Ending 31 March 2017	Ending 31 March 2018	9 Months Ending 31 December 2018	3 Months Ending 31 March 2019	Ending 31 March 2020	Ending 31 March 2021	Ending 31 March 2022	Ending 31 March 2023
Days Sales Outstanding	56.86	60.15	56.63	53.01	56.66	56.66	56.66	56.66	56.66
Days Payable Outstanding	22.38	26.35	29.49	32.40	27.66	27.66	27.66	27.66	27.66
Days Inventory Outstanding	41.75	33.15	25.69	28.47	32.27	32.27	32.27	32.27	32.27

Source: Annual Financial Statement 2016 – 2017 and Financial Due Diligence Report on 23 April 2019

14. The Summary of Financial Projection of Sunpack

The IFA forecasted the financial projection of Sunpack, which can be summarized as follow:

Table of Financial Projection of Sunpack

Unit: AED	Ending 31 March 2016	Ending 31 March 2017	Ending 31 March 2018	9 Months Ending 31 December 2018	3 Months Ending 31 March 2019	Ending 31 March 2020	Ending 31 March 2021	Ending 31 March 2022	Ending 31 March 2023
Revenue from Sales	32,612,136.0	33,989,472.0	33,912,674.0	26,886,000.0	9,120,057.9	37,939,440.9	39,457,018.6	41,035,299.3	42,676,711.3
Cost of Goods Sold ^{1/}	(19,574,582.0)	(20,041,840.0)	(19,775,882.0)	(16,814,100.0)	(5,843,051.1)	(24,414,446.9)	(25,385,018.3)	(26,394,262.4)	(27,443,722.3)
Gross Profit	13,037,554.0	13,947,632.0	14,136,792.0	10,071,900.0	3,277,006.8	13,524,994.0	14,072,000.3	14,641,036.9	15,232,989.0
Other Revenue	175,783.0	192,701.0	341,666.0	149,000.0	60,822.4	253,021.3	263,142.2	273,667.9	284,614.6
Selling Expenses ^{2/}	(2,925,849.0)	(3,155,803.0)	(3,193,822.0)	(2,997,400.0)	(894,378.9)	(3,712,096.2)	(3,851,847.0)	(3,996,969.6)	(4,147,673.2)
Administrative costs ^{3/}	(3,737,035.0)	(2,876,101.0)	(3,054,561.0)	(2,310,000.0)	(823,124.2)	(3,389,076.5)	(3,488,641.6)	(3,591,289.3)	(3,697,120.5)
EBITDA	6,550,453.0	8,108,429.0	8,230,075.0	4,913,500.0	1,620,326.2	6,676,842.6	6,994,653.8	7,326,445.9	7,672,809.9
Depreciation	(1,761,467.0)	(2,130,696.0)	(1,939,091.0)	(1,167,000.0)	(470,819.7)	(1,863,851.9)	(2,113,242.9)	(1,755,736.5)	(1,613,808.5)
EBIT	4,788,986.0	5,977,733.0	6,290,984.0	3,746,500.0	1,149,506.5	4,812,990.7	4,881,411.0	5,570,709.4	6,059,001.3
Finance Cost	-	-	-	-	-	-	-	-	-
EBT	4,788,986.0	5,977,733.0	6,290,984.0	3,746,500.0	1,149,506.5	4,812,990.7	4,881,411.0	5,570,709.4	6,059,001.3
Income Tax	-	-	-	-	-	-	-	-	-
Net	4,788,986.0	5,977,733.0	6,290,984.0	3,746,500.0	1,149,506.5	4,812,990.7	4,881,411.0	5,570,709.4	6,059,001.3

Note: 1/ Cost of goods sold includes cost of raw materials (accounting for an average of 65.3% of cost of goods sold) and cost of production (accounting for an average of 34.7% of cost of goods sold).

2/ Selling expenses include selling and distribution costs (accounting for an average of 4.0% of selling expenses), and salary and benefits of sales staffs (accounting for an average of 96.0% of selling expenses).

3/ Administrative costs include administrative costs (accounting for an average of 28.2% of administrative costs), salaries and benefits of administrative staffs (accounting for an average of 27.6% of administrative costs), and directors' remuneration (accounting for an average of 44.2% of administrative costs).

15. Discount Rate

For the discount rate calculation used in the Discounted Cash Flow Approach, the IFA used the Weighted Average Cost of Capital (“WACC”) of the Company based on Thai investor’s perspective which is an average between Cost of Equity (“Ke”) and Cost of Debt (“Kd”) adjusted with tax benefits from interest payments, weighted by portion of equity (“We”) and interest bearing debt (“Wd”). The details of calculation formula can be shown as follows:

- Table: WACC Calculation

Detail	Calculation
WACC	$= Ke \times We + Kd \times (1-t) \times Wd$ $= (13.8\% \times 50.0\%) + [6.7\% \times (1 - 20.0\%) \times 50.0\%]$ $= 9.6\%$
Ke	Cost of Equity of the Company at 13.8% Referring to Ke calculation in the following table
Kd	Average interest expense of the Company at 6.7%
T	Corporate income tax in Thailand 20.0%
We	The Company’s long-term target of shareholders’ equity at 50.0%
Wd	The Company’s long-term target of Interest bearing debt at 50.0%

- Table: Calculation for Ke

Detail	Calculation
Ke	$= Rf + \beta \times (\text{Market Risk Premium})$ $= 3.1\% + [0.92 \times 14.8\%]$ $= 13.8\%$
Risk Free Rate (Rf)	Based on the interest rate of long-term 20-year government bond as of 23 April 2019 at 3.1%. As 10 years government bond is the most commonly used by theory to reflect the return and the historical fluctuation in both equity and bond markets.
Market Risk Premium	Refers to the 10-year average return on investment in the Stock Exchange of Thailand (SET Total Return Index: TRI Index) at 14.8% (the 12 months average annual return between 2008 and 23 April 2019 due to the volatility of the stock market in 2008. Thus, the IFA used the average of the whole year in the calculation.
Leverage Beta (β)	Refers to the average 5-year leverage beta of companies that operate in similar business as Sunpack that are operating in the Middle East with exposure to similar types of operation and economic risks from Capital IQ. Leverage Beta had been adjusted for financial leverage to be used to calculate Ke which equates to 0.92 with reference to NEP Realty and Industry Public Company Limited, Crown Seal Public Company Limited, NPPG (Thailand) Public Company Limited, Thai Plastic Industry (1994) Public Company Limited, Panjawattana Plastic Public Company Limited, and Srithai Superware Public Company Limited

Companies referred in the Adjusted Beta calculation are those who operate in the same or similar business as the Company in which the IFA refers to comparable companies in plastic container industry in Thailand and listed on SET. The details of the comparable companies are as follows.

Table of Comparable Companies

Company	Business Description	Market Capitalization ^{1/} (THB)
NEP Realty and Industry Public Company Limited	Manufacturer and distributor of plastic packaging products including plastic bags, flexible packaging, and plastic labels	744.1
Crown Seal Public Company Limited	Manufacturer and distributor of plastic caps and plastic containers for beverage containers	2,275.0
NPPG (Thailand) Public Company Limited	Manufacturer and distributor of flexible packaging for use in various types of consumer goods and products	2,278.9
Thai Plastic Industry (1994) Public Company Limited	Manufacturer and distributor of polypropylene plastic bags and plastic packaging with focus on bags and containers for food.	407.7
Panjawattana Plastic Public Company Limited	Manufacturer and distributor of plastic containers, bottles and caps and plastic parts for cars.	878.3
Srithai Superware Public Company Limited	Manufacturer and distributor of plastic containers and melamine containers under the brand "Srithai Superware"	3,170.6

Source: Capital IQ as of April 23, 2019

Note: 1/ Market Capitalization as of April 23, 2019

16. Discounted Cash Flow Approach

The IFA has projected the FCFF of Sunpack with from 9 months ending December 31, 2018 – 2023. The details are as follows:

Table: FCFF of Sunpack from 9 months ending 31 December 2018 - 2023

Unit: AED	9 Months Ending 31 December 2018	3 Months Ending 31 March 2019	Ending 31 March 2020	Ending 31 March 2021	Ending 31 March 2022	Ending 31 March 2023
EBIT	3,746,500.0	1,149,506.5	4,812,990.7	4,881,411.0	5,570,709.4	6,059,001.3
Income Tax	-	-	-	-	-	-
Depreciation	1,165,760.0	470,819.7	1,863,851.9	2,113,242.9	1,755,736.5	1,613,808.5
Changes in Working Capital	(694,161.0)	98,573.5	(216,322.4)	(226,426.9)	(235,485.9)	(244,907.3)
Capital Expenditures	(374,902.0)	(569,908.4)	(1,049,871.6)	(1,129,450.4)	(1,215,970.8)	(1,310,086.2)
Free Cash Flows to Firm	3,843,197.0	1,148,991.3	5,410,648.6	5,638,776.6	5,874,989.3	6,117,816.4
Net Present Value of FCFF	3,588,839.7	1,048,733.9	4,507,611.0	4,287,760.6	4,077,568.5	3,875,602.1
Terminal Value						88,822,802.6
NPV of Terminal Value						56,268,742.8

Source: The IFA's Projection

The terminal value is the cash flow after the projection period. The formula is calculated as follows:

Table: Terminal Value Calculation

มูลค่าสุดท้าย (Terminal Value)	=	$(FCFF \times (1+G)) / (WACC - G) = 88,822,802.6$
FCFF	=	FCFF in the last forecasting period is 6,117,816.4 AED.
G (Terminal Growth Rate)	=	FCFF is projected to grow upon the basis of going concern at 2.5% which equates to the average rate of inflation for the past 5 years.
WACC	=	Weighted Average Cost of Capital is set to 9.6%

Table: Sunpack's Share Value

Unit: AED	31 March 2018
NPV of FCFF of Sunpack During 9 Months Ending December 31, 2018 – 2023	21,386,115.7
NPV of FCFF of Sunpack from 2024 Onwards	56,268,742.8
Enterprise Value of Sunpack	74,834,979.7
Plus: Cash and Cash Equivalents as of March 31, 2018	10,935,064.0
Minus: Interest Bearing Debt as of March 31, 2018	-
Minus: Shareholders' Current Account as of March 31, 2018 ^{1/}	(50,000.0)
Equity Value	88,539,922.5
Discount for Lack of Marketability (%) ^{2/}	32.6%
Equity Value – Adjusted for the Discount for Lack of Marketability	59,675,907.8
89% of Equity Value After Adjustment	53,111,557.9
Number of Shares in the Transaction (300 shares x 89.0%)	267.0
Equity Value Per Share – Adjusted for the Discount for Lack of Marketability (AED/Share)	198,919.7

Remarks: 1 / Shareholders' Current Account is the account which records the transactions between shareholders and Sunpack which composes of paid dividends, salaries, and benefits for executives.

2/ Discount for Lack of Marketability equates to 32.6% with reference to the mean of the median from relevant research papers used for the P/BV Approach above.

As Sunpack is not listed on the stock exchange, there may be exposure to liquidity risk and the ability to convert Sunpack's equity into cash without compromising its value. Thus, the IFA has determined to discount the equity value of Sunpack with reference to the Discount of Lack of Marketability at 32.6% determined by taking the mean of the median from relevant research papers which is used for the P/BV Approach above.

The IFA has performed sensitivity analysis of 1. Discount Rate and 2. Terminal Growth Rate of free cash flow of 2023 onwards by an increase and decrease of 5.0% on both factors. The sensitivity assumption can be summarized as follows:

Table: Sensitivity Analysis of Sunpack's Shares Under the Discounted Cash Flow Approach

Factors	Range of Sensitivity
WACC	+/- 5.0% (WACC = 9.1% – 10.0%)
Terminal Growth Rate	+/- 5.0% (Terminal Growth = 2.4% – 2.6%)

Source: The IFA's Projection

From the mentioned assumption, the sensitivity value of Sunpack can be summarized as follows:

Table: Sensitivity Analysis of the Sunpack's shares under Discounted Cash Flow Approach

Unit: AED		WACC				
		-5.00%	-2.50%	Base	+2.50%	+5.00%
Terminal Growth	-5.00%	209,418.1	202,992.9	196,996.0	190,828.9	186,126.5
	-2.50%	210,550.6	204,030.8	197,949.4	191,699.2	186,936.0
	Base	211,704.6	205,087.8	198,919.7	192,584.4	187,759.0
	+2.50%	212,880.7	206,164.2	199,907.3	193,484.8	188,595.7
	+5.00%	214,079.6	207,260.8	200,912.8	194,400.8	189,446.6

Source: The IFA's Projection

The above table illustrates that through the Sensitivity Analysis, Sunpack's share price ranges between AED 186,126.5 – 214,079.6 per share or THB 1,616,359.9 – 1,859,109.9 per share which is lower than the transaction price of THB 1,768,117.8 per share by THB 151,757.9 per share which accounts to 8.6% of the transaction price. Additionally, the share price range is higher than the transaction price by THB 90,992.1 per share which accounts to 5.1% of the transaction price.

Discounted Cash Flow Approach reflects the business operation plan, ability to make profit, and growth prospect as well as the future return on equity. This is projected from the Sunpack's revenues and expenses based upon the assumptions the IFA believes to be appropriate which includes Sunpack's strong business operation performance for over 15 years which enhancing this valuation to reflect the fair value.

Additionally, the value that the IFA has forecasted between THB 1,616,359.9 – 1,859,109.9 per share is the value as of March 31, 2018 as the information from the financial statement the IFA used to analyze and forecast is most recent financial statement as Sunpack has not disclosed the financial statement for 2019.

3.5.7 Summary of IFA's opinion regarding the fair value of Sunpack's share

The IFA has projected Sunpack's fair value. The valuation approaches taken can be summarized as follows:

Table: Summary of IFA's Opinions regarding Fair Value of Sunpack's Share

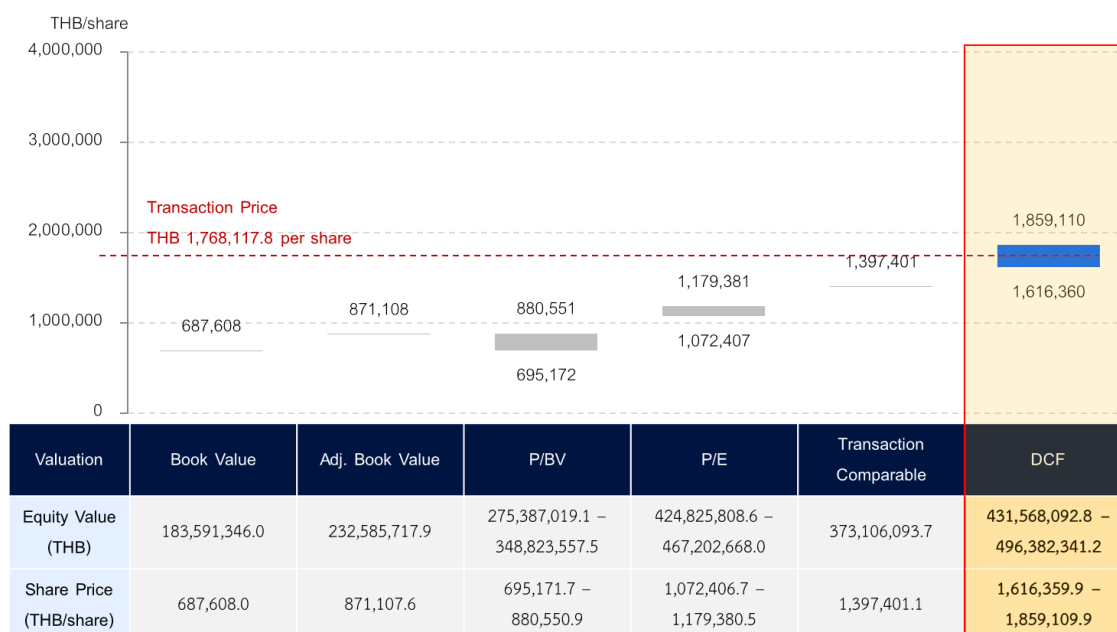
Approaches	Share Price (THB/Share)	Equity Value ^{1/}	Details
1. Book Value Approach	687,608.0	183,591,346.0	The Book Value Approach reflects the financial position at one point in time without considering the market value of certain assets and significant events after the date of financial statement. Additionally, it does not reflect the ability of the asset to generate profit from Sunpack's business in the future. Hence, <u>the IFA disregards this valuation approach.</u>
2. Adjusted Book Value Approach	871,107.6	232,585,717.9	The Adjusted Book Value Approach reflects the net value of assets which is closer to the current value when compared to the Book Value Approach. This approach also considers major incidents occurred after the date of the referred financial statement. Nonetheless, this approach does not reflect future profitability, related industry trends as well as other external factors which has the potential to affect the future performance of the business. Hence, <u>the IFA disregards this valuation approach.</u>
3. Market Value Approach	-	-	Sunpack is not listed in the stock exchange. Thus, the IFA cannot use this valuation approach to calculate the share price and the fair value.
4.1 P/BV Ratio	695,171.7 – 880,550.9	275,387,019.1 – 348,823,557.5	The Price to Book Value Ratio reflects the financial position at a point in time by comparing with the average ratio of comparable companies. The IFA concludes that the P/BV ratio is inappropriate for valuation as it does not reflect the market value of the certain assets and major incidents occurred after the date of the referred financial statement as well as the ability to generate profit from assets for Sunpack's business in the future. Hence, <u>the IFA disregards this valuation approach.</u>
4.2 P/E Ratio	1,072,406.7 – 1,179,380.5	424,825,808.6 – 467,202,668.0	The Price to Earnings Ratio refers to the earnings per share over the past 12 months, multiplied by the P/E ratio. The IFA concludes that this approach does not consider the differences in business structure such as revenue structure and cost structure. Therefore, the valuation results obtained using this method may not reflect the actual value. Hence, <u>the IFA disregards this valuation approach.</u>
5. Transaction Comparable Approach	1,397,401.1	373,106,093.7	The Transaction Comparable Approach reflects the ability to generate cash flow from operation deducted by the effects of capital structure from different enterprises. The IFA concludes that this valuation approach contains uncertainty regarding many factors such as transaction size and time of transaction whereby the valuation results obtained using this method may reflect a misleading share value. Hence, <u>the IFA disregards this valuation approach.</u>
6. Discounted	1,620,225.6 – 1,863,965.2	431,568,092.8 – 496,382,341.2	Upon the basis of the Discounted Cash Flow Approach, the value of Sunpack is equal to THB 1,616,359.9 – 1,859,109.9 per share. This approach reflects Sunpack's business operation plan, ability to

Approaches	Share Price (THB/Share)	Equity Value ^{1/}	Details
Cash Flow			generate profit, and growth prospects as well as the future return on equity which is estimated from Sunpack's revenues and expenses based on an assumption that is considered to be fair and appropriate by the IFA. Hence, <u>the IFA concludes that this valuation approach is appropriate for the share valuation of the Company.</u>

Note: 1/ Equity Value at 89.0% of ownership

The IFA has an opinion that the most appropriate approach for the valuation of Sunpack's share is the Discounted Cash Flow Approach as it reflects the ability to generate the projected cash flow from revenue and expenses. The IFA has conducted valuation based upon assumptions such as sales volume, cost of raw material, selling costs, etc upon the basis that the IFA believes to be appropriate. From Sunpack's financial statement and the Financial Due Diligence Report conducted by the Mayur Batra Group who is the independent appraiser, the IFA has assessed the Sunpack's past projections and discovered Sunpack's ability to generate profit and continue to grow consistently. Additionally, Sunpack has been conducting its business operation for over 15 years with strong and stable business operations. Thus, the IFA believes the valuation conducted using the Discounted Cash Flow Approach to reflects the fair value of Sunpack. In this case, the fair value of Sunpack equates to THB 1,616,359.9 – 1,859,109.9 per share or equal to 89% equity value of THB 431,568.092.8 – 496,382,341.2.

Table: The Summary of Sunpack Share Valuation



4. Summary of the Opinion of the Independent Financial Advisor

The Board of Directors' Meeting No. 2/2019 of the Company held on April 24, 2019 resolved to approve the investment by the SPV in Sunpack, a limited liability company incorporated in the SAIF in the UAE engaging in plastic containers manufacturing business, by acquisition of 89% shares in Sunpack from the Sellers with the total consideration and expenses for the Transaction of not exceeding USD 14.80 million (equivalent to approximately THB 472.09 million)

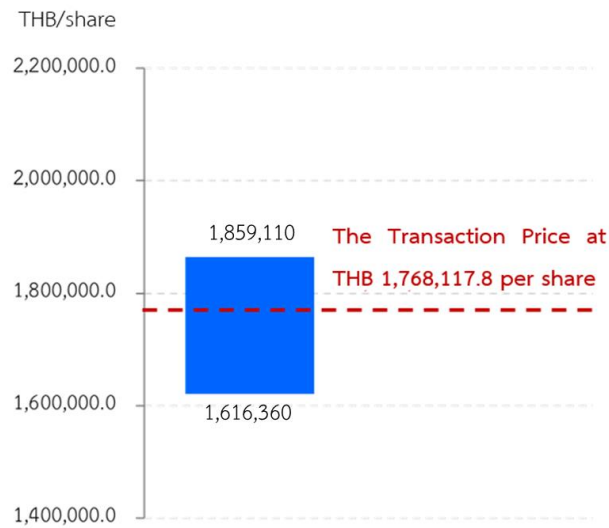
In this regard, the Company has agreed to pay the Sellers on the Completion Date an initial consideration equal to the amount of USD 12.02 million (or equivalent to approximately THB 383.25 million) after adjustment. The Company and the Sellers have also agreed to calculate the actual share purchase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

The completion of the Transaction is expected to take place within July 31, 2019 after all conditions precedent under the SPA have been fully satisfied or otherwise waived by the relevant parties, and the completion obligations under the SPA have been undertaken.

To consider the appropriateness of the Transaction, Avantgarde Capital Company Limited has been appointed as the IFA of the Transaction. The IFA reviewed and analyzed the purpose of the Transaction, Sunpack's operating performance in the past 3 years, The Plant & Machinery Valuation Report by Land Sterling dated 24 February 2019, the Financial Due Diligence Report by Mayur Batra Group dated 23 April 2019, and other publicly available information as well as the Company's management interview and the current situation of plastic and plastic-related industries in the UAE and the GCC for the. This study was also to analyze Pros and Cons of the Transaction. The IFA concluded that the transaction would create opportunity to expand the operation and growth of the Company in the future, especially for the operation under Sunpet brand, and also increase capacity and competitive edge from the cooperation of the Company and Sunpack as well as the geographical diversification. Hence, **the Transaction is reasonable.**

For share price perspective, the IFA has the opinion that the Transaction Price at THB 472,087,440.0 or THB 1,768,117.8 per share is appropriate in term of share price perspective because **the Transaction Price is in appropriate range of the Fair values** according to the IFA's valuation by Discounted Cash Flow method which is between THB 1,616,359.9 – 1,859,109.9 per share or equal to 89% equity value of THB 431,568,092.8 – 496,382,341.2.

Figure: The Comparison Between Fair Value and The Transaction Price



Therefore, the IFA concludes that the Transaction are appropriate and the Shareholder should approve the Transaction. Moreover, to consider the entering of the Transaction, the shareholders shall consider information, opinion and other information prepared by the IFA as mentioned earlier i.e. assumptions for projected financial performances which are based on financial data and ratios that contain actual data from financial statements for the year 2016 – 2018 and the Financial Due Diligence Report, the sensitivity analysis to evaluate the impact of fair value once the major assumptions have been changed such as discount rate, etc., as well as considering Pros and Cons of the Transaction. However, the decision to approve or disapprove for this Transaction is subject to the consideration of shareholders.

The IFA assures that the financial opinion is in accordance with the professional standards, taking into account of the interests of the shareholders.

The Independent Financial Advisor
Avantgarde Capital Company Limited

-Signed-
(Worawas Wassanont)
Supervisor

-Signed-
(Worawas Wassanont)
Director

5. Attachment

5.1 Company Profile

Thai Plaspac Public Company Limited was established on the 1st of August 1983. The company manufactures (by customer orders) various types of rigid plastic packaging materials (bottles and bottle caps) and other plastic wares to meet the needs of their customers in different industries. The company was listed as a Public Company Limited on the 15th of June 2004. TPAC products can be categorized into 4 different industries as follows: food and beverage; homecare; personal and pharmaceutical care; and precision tools. The company's target customers from the olden days up until now consists of well-established leading manufacturers from different industries in both domestic and overseas markets. The company operates by producing products to serve the needs of the customers by order for different companies with their own production factory. A brief company profile is as follows.

Company Name	Thai Plaspac Public Company Limited ("the Company" of "TPAC")	
Headquarter Location	77 Soi Thian Thaley 30 Bang Khun Thian-Chay Thaley, Tha Kham, Bang Khun Thian, Bangkok 10150	
Type of Business	Customized rigid plastic packaging solutions	
Incorporation Date	1 August 1983	
Website	http://www.thaiplaspac.com/	
Registered Capital:	255,000,000 divided into 255,000,000 ordinary shares of par value at THB 1 each	
Paid-up Capital:	253,817,676 divided into 253,817,676 ordinary shares of par value at THB 1 each	
Board of Directors	Name	Position
	1 Mr. Kevin Qumar Sharma	Chairman of the Board of Director
	2 Mr. Theerawit Busayapoka	Executive Director
	3 Mr. Anil Kumar Kohli	Executive Director
	4 Mrs. Aradhana Lohia Sharma	Director
	5 Mr. Yashovardhan Lohia	Director
	6 Mr. Virasak Sutanthavibul	Independent Director and Chairman of the Audit Committee
	7 Mr. Kittiphath Suthisamphat	Independent Director and Chairman of the Audit Committee
	8 Mr. Gran Chayavichitslip	Independent Director and Chairman of the Audit Committee

Source: Form 56-1 of TPAC

5.1.1 Major shareholders of TPAC

Table: Top 10 Shareholders as of 31 December 2018

Shareholder	%
¹ Mr. Anuj Lohia	60.28
² Mr. Eakawut Nuengchamnong	8.88
³ The Hongkong and Shanghai Banking Corporation Limited	5.91
⁴ Mr. Theerawit Busayapoka	3.77
⁵ CITIBANK Nominees Singapore PTE LTD – Thai Focused Equity Fund LTD	2.92
⁶ Thai NVDR Company Limited	2.78
⁷ Miss. Anuttree Neungchamnong	2.42
⁸ Mr. Niti Neungchamnong	0.83
⁹ Morgan Stanley & Co., International Plc.	0.72
¹⁰ Mr. Pornchai Rattananontachaisook	0.53

Note: Information as of 31 December 2018

5.1.2 Business Overview

Thai Plaspac Public Company Limited operates as a contract manufacturer which manufactures various types of plastic packaging materials (bottles and bottle caps) and other types of customized rigid plastic solutions to serve the needs of their customers in different industries whereby most of their products are disposable. The company expanded their business into 3 production processes as follows: injection moulding, blow moulding and PET injection. All of the production lines operate under the international standard the company obtained, ISO 9001:2008 and GMP that are certified by AJA (Anglo Japanese American Registrars) and pass the QSHE standards for labor, safety, business integrity, environment from Bureau Veritas, the world-class agency for quality assessment in health and safety, environment, and social responsibility.

TPAC packaging materials can be categorized into 4 different industries as follows: food and beverages; food and beverage; personal and pharmaceutical care; home care; and precision tools.

Overview of the Packaging Materials for Food and Beverages

Food and beverage business can be categorized into 5 sub-sectors: dairy and coffee; food condiments; edibles; cutlery; beverages; and lids for the stated products.

As the stated products are produced to be utilized in the food and beverage industry with direct contact with the food and beverages, the company carry out the following steps in the production line:

- 1) Separate the operation system in a closed room to prevent contamination from dusts and bacteria according to the Clean Room standard
- 2) Control the production process to ensure quality of the products under the GMP (Good Manufacturing Practice standard as well as adding the HACCP system for the case of Personal and Pharmaceutical Care products
- 3) Ensures that all raw materials for the production process are food grade only
- 4) TPAC operates under a policy to never use unqualified raw materials or the outsourced recycled materials in their production process



Source: www.thaiplaspac.com

Overview of the Packaging Materials for Personal and Pharmaceutical Care

Packaging business for personal and pharmaceutical care products takes of control standards. This business consists of products such as bottles and lids to be used with direct contact to the human body such as liquid soap, mouthwash, body powder, medicine, vitamins, etc.



Source: www.thaiplaspac.com

Overview of the Packaging Business for Home Care

Packaging business for home care consist of bottles in various shapes and sizes and bottle caps such as floor cleaner and sanitary ware, air freshener spray bottles, but repellent sprays, sanitary brush handles, etc.



Source: www.thaiplaspac.com

Overview of the Packaging Business for Precision Tools and Furniture Components

Packaging business for precision tools and furniture components consist of water gauge, chair armrest, chair wheel parts, chair backrest, etc.



Source: www.thaiplaspac.com

5.1.3 Revenue Structure

During the past 3 years, from 2016-2018, TPAC revenue from domestic sales makes up for 89.3% on average from total revenue each year followed by revenue from export sales and other revenues of 9.7% and 1%, respectively. On 2018, the company earned THB 1,801 million worth of revenue

Revenue Structure of TPAC from 2016-2018

	2016		2017		2018	
	THB Million	%	THB Million	%	THB Million	%
Revenue by Region						
Domestic Sales	1,382	90%	1,418	89%	1,620	89%
Overseas Sales	142	9%	166	10%	185	10%
Other Income	10	1%	16	1%	14	1%
Less: Related Party Transactions	-		-		(17)	
Total Revenue	1,534	100%	1,597	100%	1,801	100%

Source: Income Statement of TPAC

During the past 3 years, from 2016-2018, food and beverage was responsible for 52% of overall revenue contribution, followed by personal and pharmaceutical care, homecare, precision tools with an average of 28%, 16%, and 2% revenue contribution, respectively. Other income is responsible for 1% of total revenue contribution on average across the 3 years. Thus, TPAC total revenue of THB 1,534, 1,597, and 1,801 million in 2016, 2017, and 2018, respectively.

Revenue Breakdown by Segment TPAC from 2016 – 2018

	2016		2017		2018	
	THB Million	%	THB Million	%	THB Million	%
Product Segments:						
Food and Beverage	787	51%	795	50%	1,009	56%
Personal and Pharmaceutical Care	448	29%	451	28%	518	28%
Homecare	256	17%	269	17%	250	14%
Precision Tools	33	2%	32	2%	28	2%
Other Income	10	1%	13	1%	14	1%
Less: Related Party Transactions	-		-		(17)	
Total Revenue	1,534	100%	1,597	100%	1,801	100%

Source: Income Statement of TPAC

5.1.4 Operating Performance and Financial Position

The IFA summarized TPAC's performance and financial position based on TPAC's financial statements as audited and reviewed by Ernst and Young.

Consolidated Statement of Comprehensive Income

Table: Summary of key figures in TPAC's statement of comprehensive income in 2016-2018

	2016		2017		2018		1Q2019	
	THB mm	%	THB mm	%	THB mm	%	THB mm	%
Total Revenue ^{1/}	1,523.8	100.0	1,584.1	100.0	2,528.0	100.0	996.6	100.0
Gross Profit	257.5	16.9	275.9	17.4	368.5	14.6	177.2	17.8
Net Profit	104.9	6.9	107.4	6.8	22.7	0.9	81.3	8.2

Source: Consolidated financial statement TPAC in 2016-2018

Note: 1/Total revenue excludes revenue from other income from sales

Consolidated Statement of Financial Position

Table: Summary of key figures in the statement of financial position in 2016-2018

THB Million	Dec 31, 2016	Dec 31, 2017	Dec 31, 2018	March 31, 2019
Assets	1,261.6	1,273.4	4,185.2	4126.1
Liabilities	251.2	208.8	3,112.6	3,008.6
Shareholder's Equity	1,010.4	1,064.6	1,032.7	1,117.5

Source: Consolidated financial statement TPAC in 2016-2018

5.1.5 Explanation for Financial Status and Performance of TPAC

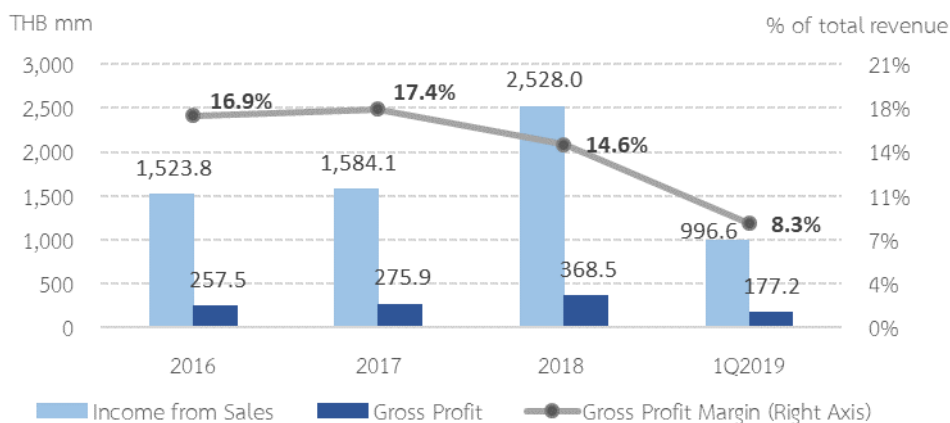
1) Financial Performance

The company's revenue consists of revenue from contract manufacturing of plastic and related business for the following industries: food and beverage; personal and pharmaceutical care; homecare; and precision tools whereby from 2016 to 1Q2019, the company obtained a total revenue of THB 1,534, 1,597, 1,801, and 996.6 million, respectively. The sustained revenue growth stems from recovery of the 2 following aspects: 1) the reduction in domestic demand in 2016 reduced the production level; and 2) the prospect of an increase in the price of the polyethylene resin (raw material) imposed a direct impact on the selling price due to market mechanism. However, a rise in demand for consumption in the second quarter of 2016 imposed a positive impact as it compensates for the reduction in revenue by an increase in sales volume with promising future prospects. Moreover, TPAC has an outstanding management system for production due to its energy efficient production system which stems from the company's investment in machines and larger molds including the adoption of new technology with automated system. As a result, less energy is required to produce the same amount of production volume as well as minimizing labor shortage issues whilst maintaining the quality and consistency of the products to serve the needs of the customers. Thus, there has been a continuous recovery in revenue since 2016.

2) Gross Profit Margin

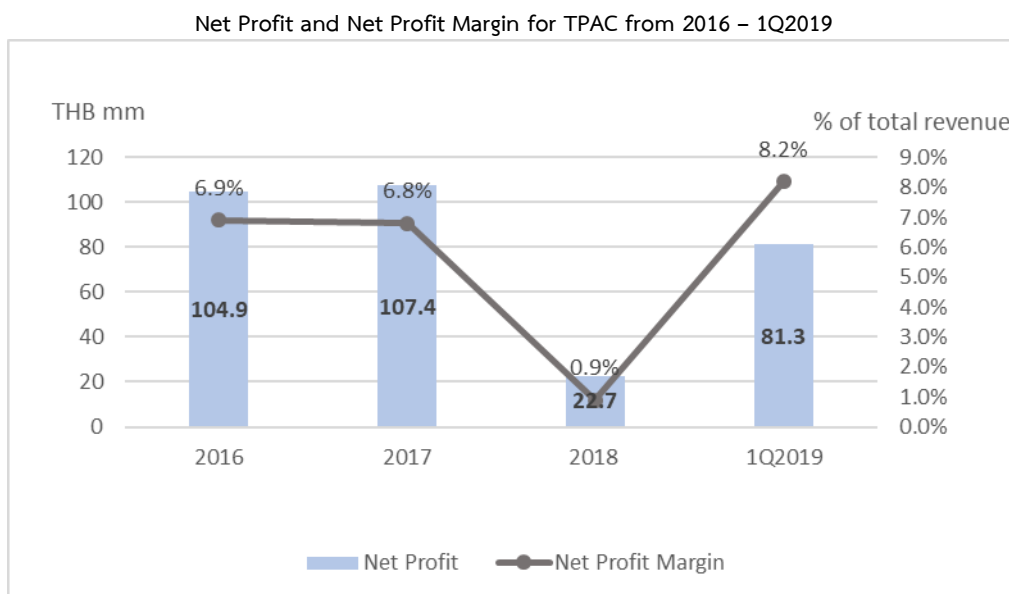
Gross profit margin increased from 16.9% in 2016 to 17.4% in 2017. However, gross profit margin fell to 14.6% in 2018 from a reduction in net profit from operations as a result of the following events: 1) an increase in oil price in during the first 8 months of 2018 increases the differences between selling price and raw material price to increase; and an increase in depreciation expense of the subsidiary company oversea in India and other related expenses in relation to the acquisition of Sunrise Containers Limited by TPAC. Additionally, the fast recovery of the gross profit margin to 17.8% was due to an improvement I business operations from the acquisition of TPAC and Sunpack

Net Income, Gross Profit, and Gross Profit Margin for TPAC from 2016-1Q2019



3) Net Profit

Net profit between 2016-1Q2019 are THB 104.9, 107.4, 22.7, and 81.3 million and equate to 6.9%, 6.8%, and 0.9% in terms of net profit margin whereby there is an average net profit margin of 4.9% out of total income. The reduction in net profit margin stems from the reduction in the differences between selling price and the cost of polyethylene resins as the cost of polyethylene resin move in accordance with the oil price which rose in the fourth quarter of 2017 causing an increase in the cost of raw material (PP, HDPE, PET) in the fourth quarter of 2017. Despite a change in the cost of the raw material will be transferred on to the customers for plastic businesses, it takes time for this to happen. The impact of this is transferred up to 2018, resulting in a significant reduction in net profit margin from 6.8% in 2017 to 0.9% in 2018 due to the following reasons: 1) TPAC had an increase in financial expenses from in relation to the acquisition and profit from buying at a price lower than fair value from buying Custom Pack Company Limited; and 2) an increase in depreciation expense from a subsidiary company in India. However, the increased in operational ability from an increased in capacity and sales volume along with the success from successful management which continues to grow from effective investment in focusing on meeting the needs of the customers aid in profit recovery and company's growth.



Financial Position

1) Assets

As of 2018, the total assets of the Company were THB 4,185.2 million, increasing from 1,216.6 million Baht as of the end of 2016, or equivalent to a compound annual growth rate (CAGR) of 85.5% between 2016-2018. This increase is due to an increase in trade accounts receivables of the Company and property, plant, and equipment for guaranteed production as well as replacing the old machines to increase production efficiency. Moreover, the company received tax benefits from the government to promote investment in 2016.

As of 31 December 2018, the total assets of the Company were of THB 4,185.2 million, mostly consisting of property, plant, and equipment with a total value of 1,483.1 million Baht.

2) Liabilities

As of 2018, the total liabilities of the Company were THB 3,112.6 million, increasing from THB 251.2 million as of the end of 2016, or equivalent to a compound annual growth rate (CAGR) of 252% between 2016-2018 whereby this increase was due to an increase in borrowings from financial institutions for the acquisition of TPAC India.

3) Shareholders' equity

As of the end of 2018, the shareholders' equity of the Company was THB 1,032.7 million, increasing from THB 1,010.4 million as of the end of 2016, or equivalent to a compound annual growth rate (CAGR) of 10% between 2016-2018. The increase in shareholders' equity was mainly due to retained earnings from the performance of each year, receiving cash from projects by exercising parts of the Company's warrants, annual dividend payments from retained earnings to be spent on interim dividends in the third quarter of 2016, an increase in

retained earnings from net profit for the year 2016 after deducting balance sheet items, and an increase in the proportion of investment that has been used in the acquisition of the Sunrise Container business. As of 1 December 2017, the Company has shareholders' equity of THB 1,064.4 million.

Important Financial Ratios

Liquidity Ratio		2016	2017	2018	1Q 2562
Current Ratio	Times	2.3	3.5	1.5	1.4
Quick Ratio	Times	1.9	2.9	1.1	1.1
Account Receivable Turnover	Times	3.2	3.2	2.6	1.3
Average Collection Period	Days	112.0	113.0	139.0	70.2
Inventory Turnover	Times	11.2	11.4	7.1	2.9
Average Selling Period	Days	32.0	31.0	51.0	31.2
Account Payable Turnover	Times	7.6	7.3	7.1	3.2
Average Repayment Period	Days	47.0	50.0	51.0	27.9
Cash Cycle	Days	96.0	95.0	139.0	59.1
Profitability Ratio					
Gross Profit Margin	%	16.9	17.4	14.6	17.8
Operating Profit Margin	%	16.8	16.2	10.8	9.5
Net Profit Margin	%	6.8	6.7	1.2	8.2
Return on Equity	%	10.4	10.1	3.1	7.3
Efficiency Ratio					
Return on Assets	%	8.3	8.4	0.8	2.0
Return on Fixed Assets	%	14.7	8.4	0.8	5.6
Financial Policy Ratio					
Debt/Equity Ratio	Times	0.3	0.2	2.9	2.7
Dividend Payout Ratio	Times	65.0	556.8	1.6	0.5

Liquidity Ratios

At the end of December 2016, 2017, 2018, and 1Q2019, the TPAC's current ratios were equal to 2.3, 3.5, 1.5, and 1.4, respectively. Moreover, TPAC's quick ratio was 1.9, 2.9, 1.1, and 1.1, respectively. This shows that TPAC's liquidity decreased in 2018 due to an increase in liabilities from borrowing from institutions to for transaction completion of TPAC India.

At the end of December 2016, 2017, 2018, and 1Q2019, the average collection periods were 112, 113, 139, 59.1 days, respectively. This increase is due to an increase in the number of new customers.

At the end of December 2016, 2017, 2018, and 1Q2019, the average selling periods were 32, 31, 51, 27.9 days, respectively. This increase is due to an increase in the cost of raw materials which results in a higher selling price and an increase in the average selling periods, consequently.

Profitability Ratios

At the end of December 2016, 2017, 2018, and 1Q2019, the gross profit margins were 16.9%, 17.4%, 14.6%, and 17.8% respectively.

At the end of December 2016, 2017, 2018, and 1Q2019, the operating profit margins were 16.8%, 16.2%, 10.8%, and 9.5%, respectively.

At the end of December 2016, 2017, 2018, and 1Q2019, the net profit margins were 6.8%, 6.7%, 1.2%, and 8.2%, respectively.

TPAC has the ability to efficiently manage raw materials despite an increase in the price of the raw materials which caused a reduction in the gross profit margin in 2018.

Efficiency Ratio

At the end of December 2016, 2017, 2018, and 1Q2019, TPAC's return on equity is 10.4%, 10.1%, 3.1%, and 7.3% respectively. The reduction in the return on equity is due to an increase in expense and which reduces profit. The increase in the first quarter of 2019 is due to tge recovery in the company's profit.

Financial Policy Ratio

At the end of December 2016, 2017, 2018, and 1Q2019, TPAC's return on total assets were 8.3%, 8.4%, 0.8%, and 2.0%, respectively. This recovery in the first quarter of 2019 was due to an increase in asset usage efficiency.

5.2 Consultant Company Profile

5.2.1 Information on Land Sterling which is Sunpack's Asset Appraiser



In appraising lands, buildings, and machines for Adjusted Book Value Approach, the Sun Packaging Systems FZC (Sunpack) hired the Independent Appraiser, Land Sterling, a famous and well-respected independent appraiser in the United Arab Emirates.

Land Sterling is a leading independent asset appraiser with headquarters in the United Arab Emirates with headquarter in the United Arab Emirates. In addition, Land Sterling has been approved by the Royal Institution of Chartered Surveyors (RICS) and complied with the rules and regulations established by the RICS. Land Sterling specializes in factory and machine valuation for different operations. Furthermore, Land Sterling has experiences and expertise in both domestic and overseas market; Land Sterling pays attention to transparency and professionalism enabling the company to be prudent and has the ability to manage risk whilst maximizing returns and make effective decisions.

Land Sterling has been approved by the Royal Institute of Chartered Surveyors (RICS), one of the agencies that provide property appraisal certification. RICS was founded by a group of surveyors in London, England in 1868 and is one of the agencies that provide property appraisal certifications on property, land, and construction and has branches in more than 140 countries around the world.

5.2.2 Information of Kothari Auditors And Accountants which is Sunpack's auditor



Kothari Auditors And Accountants (“Kothari”) is a professional auditor founded in United Arab Emirates since October 1992 by Vipul R Kothari. Vipul R Kothari passed Chartered Accountancy from India since he was 21. He also received a gold medal when He graduated from Master of business administration in finance. Kothari Auditors And Accountants is located at the center of Dubai and SAIF. Kothari Auditors And Accountants is registered with the ministry of economy of UAE for business operation in Dubai and SAIF. Kothari Auditors And Accountants is also a member of IAPA (International Association of Practicing Accountants). IAPA is founded in 1979 and has got a headquarter in London. IAPA is one in twenty world class association which emphasize quality and ethics. Kothari Auditors And Accountants has got many customers from different kinds of industry such as advertising, publishing, hotel, insurance, school, jewelry, clothing, property development and plastic packaging production. Kothari Auditors And Accountants got immense and diverse experiences. From all the information above, IFA believes that Kothari Auditors And Accountants audited Sunpack's financial statements with carefulness, ethics and professionalism.

5.2.3 Information of Clyde & Co is legal advisor who performed legal due diligence of Sunpack



Clyde & Co is set up by Richard Arthur Clyde and other legal professionals in London, England since 1933. Clyde & Co is a multinational corporation with 1,800 lawyers and 2,500 legal advisors. Clyde & Co has got offices in many countries such as England, France, Germany, Spain, Ireland, USA, UAE, Qatar, Oman, Saudi Arabia, China, Australia, Malaysia, India, Singapore, South Africa and Mongolia. In 2014, Clyde & Co was awarded 18 'Law firm of the Year' awards across Asia and MENA regions. In 2016, Clyde & Co was named Law Firm of the Year at the annual 'The Lawyer' Awards. In 2017-18, Clyde & Co's revenue was £551.3 million (approximately \$730 million), marking the firm's 20th successive year of growth.

5.2.4 Information on Mayur Batra Group who performed financial due diligence of Sunpack



Mayur Batra Group is an accounting and advisory firm which was founded in 2007 in India whereby the company expanded and diversified into Risk and Assurance, Mergers and Acquisitions, Business Advisory Services, as well as Tax Advisory and Compliance. Mayur Batra Group serves medium and large conglomerate of Japanese, European, American, and Indian enterprises across various sectors which accounts for over 400 internationally operating companies in their clientele whereby Mayur Batra Group has representative offices and branches in Singapore, Japan, Germany, China, United Arab Emirates, and 10 branches in New Delhi and Gurugram.