

ANNUAL

REPORT 2018 รายงานประจำปี 2561

THANTAWAN
INDUSTRY PLC.



A LEADING
INNOVATION
PACKAGING SOLUTION
PROVIDER WORLDWIDE



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Vision, Mission, Key strategy and Directions of the Company

Thantawan Industry Public Company Limited (“The Company” or “THIP”) has announced its Vision, Mission, Corporate strategy and Corporate direction for executives and all staffs to share a common understanding together and push the Company forward to achieve each successive goal, along with moving in the designated direction steadily. Additionally, the Company have communicated such Vision, Mission, Corporate strategy and Corporate direction to the public and all stakeholders of the Company in order that they have been able to gain acknowledgement of the Company’s direction and future as well as are able to do business with the Company in a confident manner.

Vision: “To be the leading global manufacturer of innovative packaging”

Mission: “We will adapt innovations, technologies and our experience in plastic packaging to the design, research, manufacture and sale, as well as being the service provider who generate value added to the business partner for a sustainable return to all stakeholders”

Corporate direction: “ THIP will grow its business that focuses on products which blend with the value and innovation for the international market, together with expanding to the non-plastic packaging while maintaining its main capability in packaging”

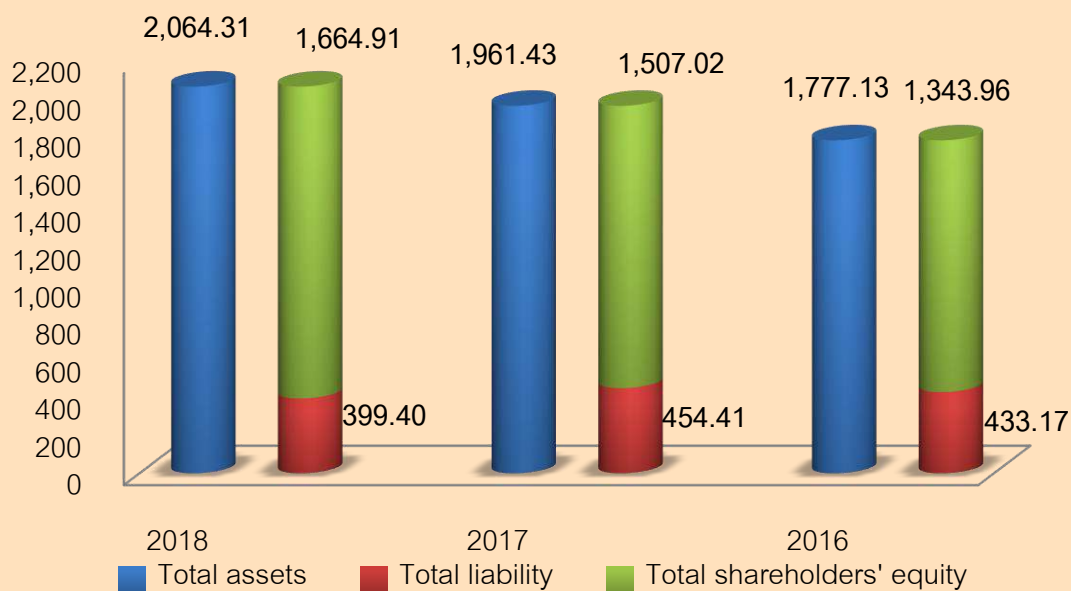
Corporate strategy: The company focuses on the business expertise and rapid changes in today’s society, the current strategies is therefore as follows:

1. Maintain organic growth with the current business and expand a new business into countries which has a market potential and rapid business growth.
2. Expand distribution channels by taking opportunities of new machinery and innovation.
3. Develop Production efficiency in the type of industry 4.0 which focuses on the role of using modern technologies with the production.
4. Develop operational processes of a supporting work in all business units to be modern and consist with business operation forms.
5. Survey and recruit business partners to create new business opportunities for exponential growth and furthering the current business.
6. Create new value-added products and apply innovations which meet the market demand.
7. Develop human resources to support the business expansion and the change in the current global business.

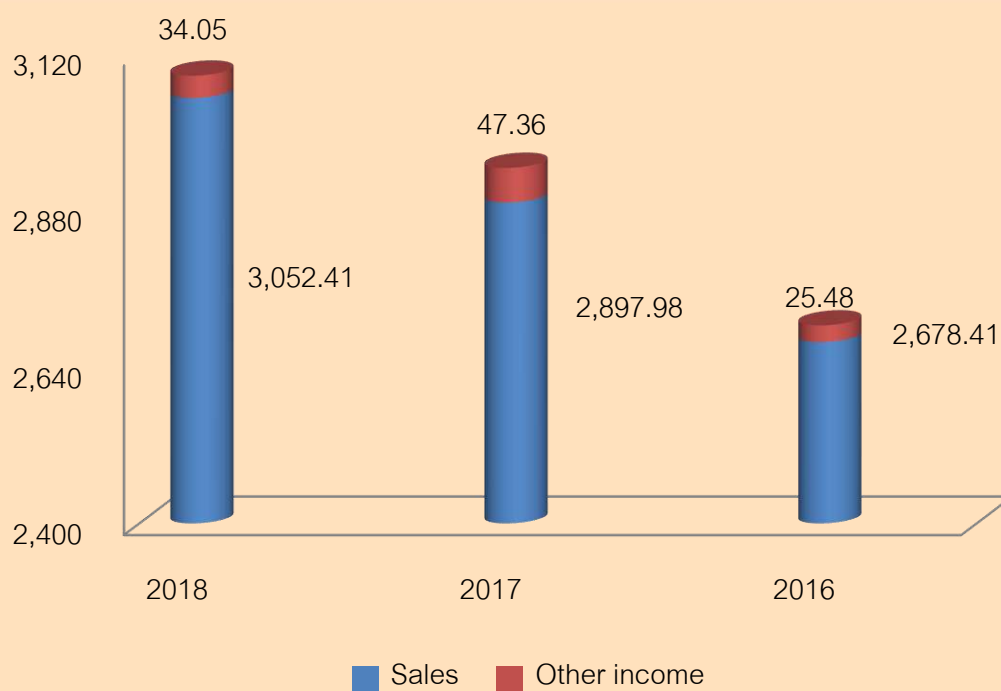
Additionally, the Company places importance on the sustainable growth, and recognize the sustainable return to all stakeholders, as well as adhering to fight against corruption both inside and outside organization.

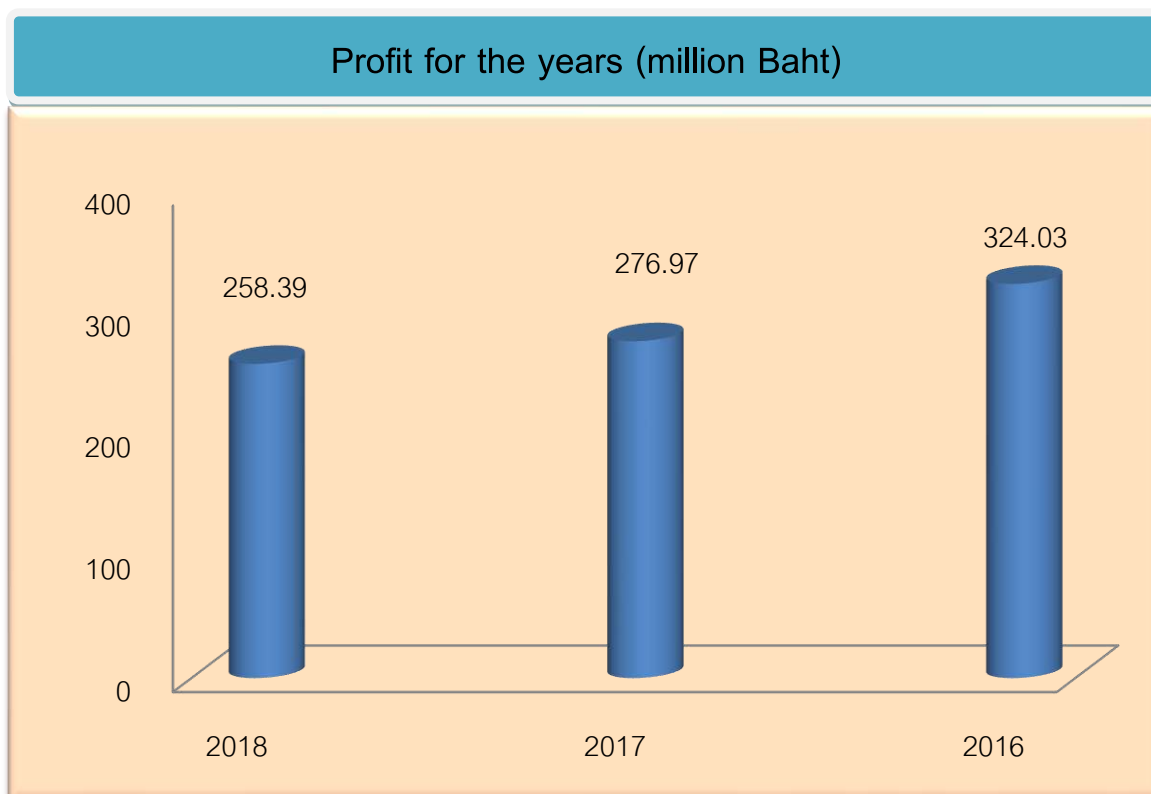
Financial Summary

Financial Position (Million Baht)



Sales and income (Million Baht)





As at December 31, 2018

Description (Unit : Million Baht)	2018	2017	2016
Sales	3,052.41	2,897.98	2,678.41
Total Revenues	3,086.47	2,945.34	2,703.90
Gross Profit	591.25	570.52	644.12
Net Profit	258.39	276.97	324.03
Total Assets	2,064.31	1,961.43	1,777.13
Current Assets	1,191.58	1,322.55	1,262.63
Total Liabilities	399.40	454.41	433.17
Current Liabilities	354.59	411.45	396.69
Shareholders' Equity	1,664.91	1,507.02	1,343.96

Financial Ratios

As at December 31, 2016, 2017 and 2018

Description	Unit	2018	2017	2016
<u>Liquidity Ratio</u>				
Current Ratio	Times	3.36	3.21	3.18
Quick Ratio	Times	2.03	2.09	2.00
Cash Ratio	Times	0.61	0.77	1.00
Account Receivable Turnover	Times	11.56	12.44	12.97
Average Collection Period	Days	31.00	29.00	28.00
Inventory Turnover	Times	5.70	5.37	5.51
Holding period	Days	63.00	67.00	66.00
Account Payable Turnover	Times	9.39	8.11	8.89
Payment Period	Days	38.00	44.00	41.00
Cash cycle	Days	56.00	52.00	53.00
<u>Profitability Ratio</u>				
Gross Profit Margin	%	19.37	19.88	24.05
Operating Profit Margin	%	9.66	11.38	15.08
Others Profit Margin	%	1.10	1.61	0.95
Liquidity of Cash Flow form Operation	%	79.22	93.94	83.22
Net Profit Margin	%	8.37	9.40	11.98
Return On Equity	%	16.29	19.43	26.41
<u>Efficiency Ratio</u>				
Return on assets	%	12.84	14.82	20.30
Return on Fixed Asset	%	45.57	60.63	77.48
Total Assets Turnover	Times	1.53	1.58	1.70
<u>Financial Ratio</u>				
Debt to equity ratio	Times	0.24	0.30	0.32
Interest coverage ratio	Times	179.95	275.37	351.75
Leverage Ratio	Times	0.25	0.33	0.66
Dividend Payout	%	N/A	36.11	35.00

Remark: Dividend payout for 2018 will be subject to the resolution of the 2019 annual general meeting of shareholders which will be held in April, 2019.

Report of the Board of Directors

Dear Shareholders of Thantawan Industry Public Company Limited

Over the past 50 years, Plastic has a bigger role and becomes a part of our everyday life. Currently, more than 322 million tons of plastic are produced around the world, and it has been expected to double over the next 20 years. On January 16, 2018, The European Commission proposed and adopted a European Strategy for plastics which had the objective to protect the environment from a plastic pollution, and encourage the use of innovative raw materials for environmentally friendly or renewable plastic, such as bioplastics or recycled plastics. The European Union will cooperate with partners around the world to find solutions for solving and preventing plastic waste problems and promote good practices as the strategy to support the development of innovative plastics, investing in modern technologies and pushing forward in getting the international-standard. All these strategies will transform the way of plastic industries in the EU into the intelligent direction focusing on innovation and sustainability through design and production making products reusable, repairable, and recyclable. The European Strategy for Plastic particularly will affect single-use plastics.

Referring to research conducted by Plastic Institute of Thailand, The overview of plastic industries since 2018 shows that international exports is consistently growing compared to the last year. Especially, resin exports' growth increased up to 12.8 percent compared to the last year, and other plastic products exports still stabilized with a slightly positive growth at 1.1 percent increase.

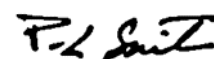
In 2019, the trade situation expectedly tends to be stable. The Plastic Institute of Thailand predicts 1.5-2 percent growth for the resin export and 2-2.5 percent growth for other plastic products by considering these following factors and situations which should be observed such as:

- Direction of crude oil and resin price still have been falling continuously.
- US and China trade war tends to affect the 2019 global economic slowdown leading to the deceleration of global demand.
- The steady appreciation of Thai baht in 2019 has an impact on a slowdown in exports.
- Trends of the environmental movement, both inside and outside country expectedly send out a clearer signal and expected to have more preventive measures for 2019, consequently there was a limitation on domestic and export sales.

According to the above information, trends of environmental protection from plastic pollution counts as a significant barrier to growth of the plastic packaging industries for 2018. However, the Company has adapted to the change, together with determining strategies and action plans to respond to the occurred changes. For the plan which has been implemented is to launch the bioplastics into the market which receive feedback quite well, but the Company still has to develop it continuously due to preventive measures which are enforced in many countries, and the cost of bioplastics is still higher than conventional plastics, so it's necessary to have the continuous research and development to make a quality and cost reduction in our products, including communicating an information to costumers for using bio-plastic instead, but It takes time. In addition, there was an Improvement of the factory and machinery to enhance production efficiency to support the bioplastic production by building a new warehouse which will be launched in

February, 2019 and applying the Information system to support the planning process, data analysis and critical decisions. For the long-term operating plan, the Company will run its business as the sustainable growth strategy which research and develop an innovative thinking and know-how continuously in the management, working process, production and distribution to build competitiveness, Furthermore, the Company would not stop developing and looking for new business opportunities and also setting the strategy to research and develop with business partners for increasing business value added together.

Lastly, on behalf of Chairman of the Board of Directors, we would like to express our deep appreciation to shareholders, Investors, financial institutions, business partners, customers, who have always supported, placed trust and confidence in us, along with executives and employees who coordinately contribute to conduct the business with their sacrifice, dedication and patience which lead to the result of successful companies. The Company affirms that we will continue its business adhered to the corporate governance principle and go hand in hand with concerning of all stakeholders and responsibility for the environment.



Mr. Praisun Wongsmith

Chairman of the Board of Directors

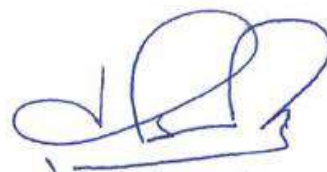
Report of the Audit Committee

The Audit Committee of Thantawan Industry Public Company Limited (“the Committee”) consists of 3 independent directors. In 2018, 7 meetings were held with full attendance. Occasionally, as necessary, the Committee consulted with the Managing Directors, executive directors, the external auditor, the internal auditor. The Committee, then, reported its views and recommendations to the Board of Directors. The Audit Committee reported the operation results to the Committees regularly on a quarterly basis. Summary of significant the result of operations, giving comments and observations were as the following:

- 1. Review of financial statement:** The Audit Committee reviewed both the quarterly and annual financial statements of the Company, together with the auditors and management for reliability and propriety prior to proposing them to the Board for approval. The review focused on material accounts, significant changes, adjustments, provisions, estimates as well as significant information disclosures to ensure that they were properly stated, clear, adequate, timely and meaningful for the investors and other users of the published financial statements. From the reviews conducted, the Audit Committee has the opinion that the financial statements of the Company in 2018 were complete, accurate. Reliable according to Financial Reporting Standards
- 2. Review of the internal control:** The Audit Committee reviewed the efficiency and effectiveness of the internal control system, Risk Management as well as recommendations to the Board of Directors and Executives. To develop the internal control system of the Company and the Risk Management to an acceptable level. Additionally, reviewed the updating charter of the Audit Committee, approval the charter of the internal audit team and performance appraisal of internal auditors from outsources.
- 3. Transactions with potential conflicts of interest:** The Audit Committee reviewed connected transactions or transactions with potential conflicts of interest for compliance with laws and SET regulations to ensure that they were reasonable and yielded maximum benefits to The Company. In 2018, there were no conflicts of interest in corporate transactions.
- 4. Compliance with the SEC and SET laws and regulation and other laws relevant to the Company’s business:** The Audit Committee in its reviews, also monitored to ensure the Company was in compliance with relevant laws, Securities and Exchange ACT, announcement, requirement of Capital Market Supervisory Board, Securities and Exchange Commission and the Stock Exchange of Thailand as well as other concerned relevant to the business of the Company. The Audit Committee had an opinion that the Company was in compliance with the relevant laws, rules, and regulations applicable to the Company.
- 5. The Report to the Board of Directors:** The Audit Committee quarterly reviewed internal audit and reported to the Board of Directors which provided useful recommendations to management. To improve overseeing business, according to the suggestion as appropriately.

6. **Considered and Appointment of External Auditor:** In 2018, the Audit Committee had a meeting with external auditor and found nothing in significant issues of financial statement as well as in the year 2018, the audit committee agreed that the external auditor run its operation properly. Therefore, in the meeting of audit committee in consideration and appointment the external auditor and their annual remuneration, the Committee agree to propose the Board of Directors and Shareholders' meeting for approval Ms. Siriwan Suratepin, Mr. Wichart Lokatekrawee or Ms. Kamontip Lertwitworatep of EY Office Limited to be the Company's Auditor in 2019 due to the performance of EY Office Limited has a professional standard.
7. **Considered appointing an Internal Auditor:** In 2018, the Audit Committee had a meeting together with the Management which had agreed the appointment of the inhouse internal audit to serve the Company in 2019 replacing the outsourcing audit by considering their suitability, capability ,and experience in accordance with the Company's strategies and directions. Additionally, the audit plan and scope of responsibilities had been considered by the Audit Committee, and proposed to the Board of Director for approval.

On behalf of the Audit Committee



Mr. Sayan Satangmongkol

Chairman of Audit Committee

Report of the Nomination, Remuneration and Corporate Governance Committee

In the year 2018, the Company appoints the Nomination, Remuneration and Corporate Governance Committee (“the Committee”) this Committee has performed its duties in nomination, remuneration and corporate governance of the Company. The Committee comprise 4 independence directors. The Committee has performed its duties as assigned by the Board of Directors. In the year 2018, there are altogether five meetings. Joint meetings were also held with the Company’s Managing Director and the management of the Company to access information that will support the Committee in the consideration of the issues under its responsibility. The results of the Committee’s meetings are reported regularly to the Board of Directors. The Committee’s significant undertakings in 2018 are detailed below:

Nomination:

- 1) Considered the appointment of directors who retired by rotation for another term and proposed to the Board of Directors. The Committee considered the qualification of those retired director by rotation, it was of the opinion that those two directors have the full qualification as the specification and performed its duties with prudence and dedication, including giving the beneficial suggestion that were useful to the Company’s operation.
- 2) Considered the appointment of Mr. Sivanas Nagadatta replacing a resigning director: Mr. Surasak Luangaramsri propose to the Board of Directors’ meeting and shareholders for approval by considering and having an opinion that the aforementioned person has the full qualification, no prohibited manner in accordance with related laws as well as having knowledge, expertise, and legal experience in consistent with the Company’s operation.

Remuneration:

- 1) Considered and reviewed the remuneration of Directors Sub-committee and Managing Director and was of the opinion that the Company’s criteria remained appropriate.
- 2) Considered the remuneration for Directors and Sub-Committees. The opinion was appropriate and in line with the scope of duties and responsibilities of each Directors. The remuneration stayed at the same rate as that of the same industry able to attract and retain knowledgeable and qualified directors to perform duties for the Company. Elements of remuneration were clear, transparent and easy to understand, by proposing the same to the shareholders’ meeting for consideration and approval.
- 3) Considered the remuneration of the Managing Director and Senior executive concerned about annual evaluation result such as duties and responsibilities, individual performance, the Company performance and overall operation of the Company compared with the group of same industry as the Company.

Corporate Governance:

- 1) Considered and reviewed the Corporate Governance Policy, Business Ethics, Anti-corruption Policy and Whistle Blowing Policy, Which found that it is suitable for the business of the Company, to transmit and communicate those principle to executives and all level of employees as a concrete way for encouraging the relate persons to realize the importance of the corporate governance and their responsibilities and complying with the Company's code of conduct so as to cultivate the corporate governance culture within the Company consistently.
- 2) The result of strong commitment to comply with the principles of corporate governance in the year 2018, the Company was assessed the corporate governance by Thai Institute of Directors (IOD) at score of 90 percent. Additionally, was assessed the efficiency of the 2018 annual general meeting of shareholders by Thai Investors Association (TIA) at score of 98.5 percent, more over the Company has been selected to be 1 of the 100 listed companies that have outstanding business practices in environmental, social and governance (ESG), also known as the ESG100, by Thaipat Institute for the second consecutive year.

In the past year 2018, the Committee performed its duties which was assigned by the Board of the Company with precaution, prudence, maximum capability and be free for the Company and shareholders' benefit.

On behalf of Nomination, Remuneration
and Corporate Governance Committee



Ms. Sasitorn Wongvilai
Chairman of Nomination, Remuneration
and Corporate Governance Committee

Report of Risk Management Committee

The Board of Director realized the importance of risk management that affected business operations and sustainable growth. We, therefore, nominated Risk Management Committee consisting of Independent Director and Executives from the related primary line of organization. The Committee was responsible for determining the risk management framework, policies and processes, including the assessment and monitoring the enterprise-wide risk management system.

Committee Operations in 2018

The Committee performed its duties and responsibilities as assigned by the Board of Directors and also in accordance with Charter of Risk Management Committee, the committee conducted four meetings and executed the following actions:

1. Risk Management Training and communication

To keep employees realize and understand the frameworks, policies and processes of the enterprise risk management, including the workshop to identify their department risks, assess the level of risks and determine how to manage those risks

2. Identification of the enterprise risks

To organize a brainstorming meeting with management and workers in various departments to identify risks or uncertainties that impact on the organization's goals and objectives in both quantitative and qualitative by clustering of risk factors underlying the COSO standard

3. Assessment of the enterprise risks

To conduct meetings with the executives from various departments to assess the risks by using a Risk profile, a 5x5 matrix, in evaluating risk severity in term of relationship between likelihood and impact. There are a clear process and criteria for the Company risk assessment

4. Risk management

To consider the appropriate mitigation plans and also control activities which head of departments (Risk owners) have taken to deal with a risk in order to ensure that the risk is handled in a manner that is proper and acceptable to the Company

5. Monitoring the effects of risk management activities

To conduct a meeting with department executives (Risk owners) by monthly for:

- Tracking the progress, efficiency and effectiveness of implementation plans
- Monitoring risk factors that may change after the implementation of a risk management plan
- Making recommendations with a view to enhance the efficiency of risk management strategies

According to the activities and tasks mentioned above, the Risk Management Committee was confident that the enterprise risk management has been carried out efficiently and effectively in line with the good corporate governance principle and sufficiency internal control in order to maximize benefits for the Company and stakeholders.

On behalf of the Risk Management Committee



Mr. Asdakorn Limpiti

Chairman of the Risk Management Committee

General Information

Name	Thantawan Industry Public Co., Ltd. (THIP) formerly known as Blowtech (Thailand). The Company was transformed into a public limited company and then granted approval to be a listed company in the Stock Exchange of Thailand on May 19, 1994.
Head Office Address	143 - 144 Soi Kangwal 2, Phetkasem Road, Omyai, Sampran, Nakornpathom 73160 Tel. (662) 811-4700-7, 0-2431-3051, Fax(662)420-3180, 0-2431-3056
Branch Office Address	123 Suntowers Building 32 A Fl.,Vibhawadee Road, Chomphol, Chatujuk Bangkok, 10900 Tel.02-273-8333, Fax. 02-273-8282, 273-8484 Website www.thantawan.com
Investor Relation	Tel. 02-273-8333 ext.3209, E-mail address : irthip@thantawan.com
Business Type	Produce and Export Plastic packaging and plastic products
Registered Number	0107537001749 (Original PLC. No. 421)
Registered Capital	Common Stock: 80,000,000 Shares par value at Baht 1 per share, Totaling to Baht 80 Million
Issued and Paid-up Capital	Common Stock: 8,000,000 Shares, par value at Baht 1 per share, Totaling to Baht 80 Million
Corporate Entities in which THIP Hold Shares for More Than 10%	- None-
Share Registrar Name	Thailand Securities Depository Co.,Ltd. 93 Ratchadaphisek Road, Dindaeng, Bangkok, 10400, Thailand Tel. 02-009 9000, Fax. 02-009 9991
Auditor	EY Office Limited 33 rd Floor, Lake Rajada Office Complex 193/136-137 Rajadapisek Road Klongtoey, Bangkok 10110 G.P.O.Box 1047, Bangkok 10501 Thailand

Policies and Business Overview

The Company was established and registered to be the company limited since September 21, 1978, formerly known as Boltech (thailand) company limited. Then the Company was approved to be the registered company with the Securities Exchange of Thailand (SET) on November 19, 1994 and has the registered capital by 100,000,000 Baht., paid up capital was 80,000,000 Baht., then the Company committed to decrease the registered capital from 100,000,000 Baht to be 80,000,000 baht on July 13, 2017 and Thantawan company limited was the majority shareholder by holding 56.39 percent of offered shares. the Company has produced and traded plastic products with 3 main products; straws, bags and other plastic products and mostly would be make-to-order and custom made for the customer need with export rate largely at 85 percent of the total sales in many countries and continents such as Asia, Europe, America, Australia and New Zealand.

Category of Products

The Company' products consist of 3 main categories as follows:

1. General Bag consists of plastic products that is made from Low Density Polyethylene (LDPE) with unique quality, softly and clearly which you can see through the bag inside. It is suitable to see all goods inside. There are a lot of LDPE goods such as Zip bags (auto opened-closed), Modified Atmosphere Packaging for vegetable and fruit to maintain its freshness, some types of garbage bag and products which make from High density Polyethylene (HDPE) that have a unique quality, stinginess and stickiness, also suit for the customer who want a strong bag such as garbage bags and food bags.
2. Drinking Straws are made from Poly propylene (PP) and there are variety styles such as Straight straws, spoon straws, and flexible straws and so on.
3. Other products will be household products that source from the other manufactures and distribution to customer's order.

Revenue Structure Classified by product lines during the year 2016-2018 as follow:

Table 1: Revenue Structure Classified by product lines

(Unit: Million Baht)

Product Line	2018		2017		2016	
	Revenue	As %	Revenue	As %	Revenue	As %
General Bag and Thin Bag	2,533.05	82.98	2,397.78	82.90	2,145.80	80.12
Drinking Straw	356.42	11.68	349.55	12.09	408.50	15.25
Other Products	162.94	5.34	145.02	5.01	124.10	4.63
Total	3,052.41	100.00	2,892.35	100.00	2,678.40	100.00
Increase (Decrease) Rate from previous year		5.33		8.20		14.08

Marketing and Competition Condition

Products Marketing Policy over the past years

Products of the Company mostly is made to the customers' order and distributed to domestic and export markets. For the export sale, we focus on major customers and high quality products, along with presenting various products in order to support the steadily increasing order from customers. Many customers will place confidence in the Company expert in this field and plastic packaging, therefore we can maintain business relationship with customers consistently. Additionally, the Company focuses on developing a product originality and keeping up the change in trendy, including the special product feature or quality in order to support customers demand with diversity and rapidly changing trends. Almost drinking straws and plastic bag products are classified in the premium group and high quality products, for instance; Zipper bags with special features, Fresh & Fresh bags with exclusive features and garbage bags and drinking straws responded to the customer need which comes in a variety of forms. Oversea customers were mostly regular customer who do the business with the Company more than 5 years.

Domestic customers, we would focus on Industry groups who used products in type of the customer demand for example; zipper bags as well as to offer variety products to the large retailers under Sun brand as:

- Plastic products for a garbage are under a brand's name of SUNBAG and SUNBIN.
- Plastic Zipper bags for food preservation are under a brand's name of SUNZIP
- Plastic Zipper bags for breast milk storage are under a brand's name of SUNMUM.
- Modified Atmosphere Packaging for vegetables and fruits are under a brand's name of Fresh & Fresh.
- Drinking straw products are under a brand's name of SUN STRAW.
- In addition, the Company has made to order under the Company's brand or based on the purchase's order.

The Company has provided the complaints handling process for customers and consumers with systematic and explicit procedures from the customer satisfaction survey of products and the Company's service, as well as price, quality and delivery. For 2018, the survey concluded that domestic customers are satisfied at 88.71% and exporting customers are satisfied at 85.10%.

With the capacity of a wide range of products and commitment to develop style and quality products. leads to the Company's ability to compete with domestic and international competitor as the sales percentage below.

Table 2: Domestic and Export sale table as of December 31, 2018

(Unit: Million Baht)

List of items	Plastic bags product	Straws product	General product	Total
Abroad	2,277.29	233.69	97.92	2,608.90
Domestic	255.76	122.73	65.02	443.51
Total	2,533.05	356.42	162.94	3,052.41
Abroad (%)	89.90	65.57	60.10	85.47
Domestic (%)	10.10	34.43	39.90	14.53

Table 3: Export Sale by Region table as of December 31, 2018

(Unit: Million Baht)

List of items	Plastic bags product	Straws product	General product	Total
Europe	1,607.59	215.25	73.68	1,896.52
Australia and New Zealand	288.85	0.18	1.44	290.47
Asia	178.16	9.51	6.07	193.74
America	201.98	8.75	15.85	226.57
Others	0.71	-	0.88	1.60
Total	2,277.29	233.69	97.92	2,608.90

The Target Customers of Export Sale :

1. Importers under their Own Brands:

The customers who are importers and distributors under their own brands and they also manage their marketing strategies by own as well.

2. Importers for Stores:

The customers who are importers and distributors for the stores only.

3. Wholesalers/distributors:

The customers who are importers and distributors for the retail stores. During the year of 2018, the Company had an oversea customer with total orders 30 % of the total sales. The products that the customer ordered with the Company were Plastic bags, Drink straws and other products. However, this company is not a subsidiary or affiliate of the Company.

The Target Market of Domestic Sale : the Company would be a distributor directly to the customers for instance; Industrial customers who need to use plastic bags, wholesalers and put on sale in large retailers.

Competitive Market conditions within Industry over the past periods

Referring to research conducted by Plastic Institute of Thailand, The overview of plastic industries since 2018 shows that international exports is consistently growing compared to the last year. Especially, resin exports' growth increased up to 12.8 percent compared to the last year, and other plastic products exports still stabilized with a slightly positive growth at 1.1 percent increase.

In 2019, the trade situation expectedly tends to be stable. The Plastic Institute of Thailand predicts 1.5-2 percent growth for the resin export and 2-2.5 percent growth for other plastic products by considering these following factors and situations which should be observed such as

- Direction of crude and resin price still have been falling continuously.
- US and China trade war tends to affect the 2019 global economic slowdown leading to the deceleration of global demand.
- The steady appreciation of Thai baht in 2019 has an impact on a slowdown in exports.

- Trends of the environmental movement, both inside and outside country expectedly send out a clearer signal in 2019 which may affect domestic and export sales to have more limitations.

In Thailand, there were many manufactures in the plastic bag industries which were both small, medium and large size, and there was the large plastic bag manufacturer whose the production of plastic bags were the same group with the Company. For the export mainly was approximately more than 10 cases, each of them might has a type and format of the product in a difference way. Mostly were price competitions, form of product and service delivery. The Company is a manufacturer in the market for such a long period with the advantage over existing customers. In addition, the Company is the manufacturer for the big exporter in Thailand with standard and recognize by the overseas customers.

Apart from the domestic competition, plastic bags and drinking straws industries still have been competing with foreign manufacturers for instance; China and Vietnam that have developed their own products by taking an advantage on lower labor cost, so that the product price was lower than Thailand's products, and they also have been expanding to the global markets. During the past years in Thailand, plastics and drinking straws Industries were encountered with a threat in competitions both inside and outside country. Thailand plastic bag manufacturers, therefore, needed to adapt with the increasing competition. For the big threat that affected to the plastic bag manufactures was the cheaper price in products which produced from China as well as lowering Thai's plastic product price in the global market and China' products had an advantage on the lower labor cost. However, products in the value-added categories of China which was the same as the Company's categories; Fresh & Fresh and Zipper bags. Currently, manufacturers in China could not produce to meet the customer need regarding their products quality.

Tendency of the use of plastic bags and drinking straws in the country and oversea was increased, and market demand and industry trends have been expanding continuously, however it is necessary to consider the overview of economic conditions both domestic and worldwide which was still volatility and high uncertainty. Although the economic situation in United States, Europe and Asia was recovered from the political problem, the economic situation in the country was still high uncertainty. Therefore, the economic condition of Thailand might slow down including relatively high circumstance competitive, along with the product price which still was concerned by the competition both inside and outside countries. The expansion of the Company' plastic and drinking straw sales were expected to grow slightly.

Raw Materials Procurement

Appearance of the acquisition of products

The major raw materials which were used in our production process were Polyethylene and Polypropylene. The Company had recognized the quality of raw materials to meet the standard. Price was also an important factor for purchase decisions. As the price was fluctuated, due to the market mechanisms. We had continued to update the local and overseas resin prices, then we were able to acquire a reasonable price of raw materials in that market situation. In addition, we have planned to make a purchase's report to comply with the flow of raw material in the warehouse and keep pace with the job to avoid the raw materials shortage.

In 2018, the Company purchased the raw materials from local approx. 17% and overseas 83% which was local distributors about 25 unit and overseas distributors about 14 unit. The Company had prevented the risk on shortage of supply, then we made contracts with two manufactures to purchase raw materials from foreign countries.

Total of the purchase raw materials over the past years were 79% . We had never faced with the raw materials shortage in our production. Furthermore, we also sought more new sources to recognize a good relationship with our suppliers for the good growth. Presently, the Company has a maximum annual production capacity of approximately 28,000 tons per year for all products

Environmental impact from production process or waste disposal

The Company has attained standard for environmental management systems (ISO: 140001:2015) which focused on the environmental protection of impact and the Environmental Management with regulatory, in accordance with the nature of business and related laws. There was also the disposal of waste or debris. The Company had recruited a service provider to comply with relevant laws. Results of the actual conduct were align with laws over the past year, besides the Company had no any prosecutions or complaints for misconduct related to the environmental.

BOI promotion certificates

The Company has been encouraging investment in environmentally friendly products for production and distribution from the Board of Investment of Thailand (BOI) according to investment promotion offer No. 2103 (1) / 2011, effective from March 2, 2010, which make the Company has to be under specified conditions. Additionally such investment promotion is to granted exemption of juristic person income tax on the net profit derived from the promoted activity for a period of not more than eight years from the date income is first derived from such activity (April 23, 2017) and the 50% reduction of the normal rate of juristic person income tax on the net profit derived from the promoted activity for a period of not more than five years commencing from the expiry date of the exemption of juristic person income tax.

Risk Factors

The Company realizes the importance of risk management. We, therefore, determined the policies of Risk Management System to achieve sustainable growth under our vision "A leading innovative plastic packaging solution provider worldwide "Risk management under the supervision of the Risk Management Committee (the "Committee"); which meets on quarterly basis, manage and analyze more deeply into the operational level through appointed risk owners and the corporate strategy planning team will monitor and report any findings to the Committee to ensure that both internal and external significant risks will be mitigated efficiently. Furthermore, the protective guidelines and additional control measures will be considered appropriately.

Risk of depending on a major customer

The Company has sold the products to a major customer. This major customer has been a trading partner for over 20 years, satisfied with the Company's product quality and services, and rewarded us the "Best Supplier Award". Nevertheless, the Company foresees the risk of over-reliance on the major customer and sets out policies in the following aspects: 1) To increase sales to other available major customers, 2) To expand the Company's customer base to new customer and expand the Company's customer base, whether the United States, Japan, Australia , Europe and ASEAN country 3) To develop new product to expand new customer and propose new products to the major customer in order to increase a wide variety of products. Results of operations in recent years,

the Company has sold new products to the major customer without compromising the original product sales, sales from key customers has increased, including the growth of new customers has also increased.

Risk of anti-plastic

Regarding the environment issue receiving large amount of attention around the world, several countries introduced policies to ban single use plastics including straws, t-shirt bags, garbage bags etc. This impact to company revenue especially from major customer. However, this impact also create opportunity to develop compostable product as Thantawan is one of first company in Thailand that have skill and knowledge to produce compostable products.

Company planning for this changing by research and develop product that friendly with environment. Several categories product develop to reach customer demand including compostable, recycle material, and design that can be use more than one times product to develop competitive advantage. And Thantawan receives several interest and feedback from both existing and new customer.

Risk of raw material price fluctuations

Since plastic resin is one of the major production costs, its trading prices is influenced by directly market prices as a result of demand and supply in plastic resin market and crude oil price. The Company realizes this significant risk, therefore company create action plan by set up a resin purchasing committee to assess plastic price trend and optimal order quantity. Moreover, company negotiates to get the best price and maintains long-term relationship with various domestic and overseas plastic resin producers. The selling price of the products have been monitored and adjusted in accordance with variation of production cost and plastic resin price in the world market. The product development department has been assigned to develop more new formulations, leads to more options of plastic resin usage. Therefore, the Company can reduce the risks of price, plastic quantity needed and over-reliance on any suppliers.

Risk of high production cost

Apart from raw material prices, company realizes that other production costs like labor costs, overhead expenses and wastes from production process, also have substantial influenced on business operations. The Company increases productivity through training programs that develops employees' skills and expertise, overhauling of machines including develop and improve production process and the purchase of new machines. It aims at increasing production while reducing the number of labor needed. In this way, the Company can reduce its production costs and improve its competitiveness.

Risk of disaster/Accident

The Company has policies and preventive guidelines for unexpected situation, whether floods or fire cause damage to the factory and production process. To counteract this risk, the Company has fire alarm and fire protection system that complies with safety standards, a good flood protection program, drainage system, and annual emergency evacuation plan as well. However, in order to minimize the damage and the consequences that may arise in the future. The Company has insured the risks of all kinds and the policies will be reviewed for the effectiveness in preventing continually.

Risk of labor intensive management

Thantawan industry relies on large amount of labor in production process. Therefore, company realizes by create action plan to improve organization production process both effectiveness and efficiency. To develop production process Thantawan Industry investing in innovation technology to reduce labor intensive, due to this fact company can manage amount of labor in an appropriate level with production process. Moreover, the organization also develop knowledge, skill and ability to each labor. This lead to higher potential in production process for each labor and reduce number of labor intensive.

Risk of quality control

Company sets "Quality" as our priority to support customer need, so we concern about quality control system in production process,

To manage this risk, company continues and focuses more on our quality management system such as ISO 9001, training, communicating, checking, following up, analysis, solving and setting preventive action to avoid recurring problem in time. In addition, company also added international standard according to customer requirement, regularly reconsidered and developed production process to align with quality of product or service's changes.

Disruptive technologies

In these day technologies development rapidly impact to customer behaviors, business and economy, changing the way of doing business and create new product and service including added value these product and service from producer to customer. Thantawan concerns on this impact and chance of this risk, therefore company creates mitigation plan for this impact and adapt corporate strategy by using technology to develop organization in way of efficiency and sustainability such as using automation technology to increase productivity, SAP to develop standard database on cloud system which is more flexible to work on, reduce cost and develop employee skill with rapidly change situation. Company considers equivalence between benefit of technology and chance of risk.

Anti-Fraud and Corruption risk

The company realizes the important of sustainability growth by consider sustainable return to all stake holder including anti-fraud and corruption both internal and external organization. Therefore, company considers risks such as offering gift or entertainment with expectation for favor treatment, risk that create opportunity for fraud and corruption covering financial by offer cash or asset etc. Thantawan sets up project working team for Thailand's Private Sector Collective Action Coalition against Corruption work with Risk management committee to assess, analyses and prepare standard procedure for risk management that related to anti-corruption including set up effectiveness internal control and audit system.

Thantawan announce to participate with Thailand's Private Sector Collective Action Coalition against Corruption with the purpose to counter corruption in all forms. By announce the policies both internal and external of the company, set up work procedures related to the anti-corruption which aim to prevent fraud and corruption to all activity. This apply to all director, management and employees in all level of business.

Shareholder and Management Structure

Name of the First Top Ten Shareholders from total 1,731 shareholders as of December 28, 2018

Table 4 : The First Top Ten Major Shareholders as of December 28, 2018

No.	Name of Shareholders	Number of Shares	%
1	Sunflower company limited	45,115,000	56.39
2	Thai NVDR Co., Ltd.	10,883,487	13.60
3	Mr. PAUL LIU WAI YIN (Official Receiver of Thai Finance and Securities Public Co., Ltd.)	3,849,000	4.81
4	Mr. Phoasing Nuangjamnong	1,324,000	1.66
5	Mr. Prasert Khongrakiantiyot	1,170,300	1.46
6	Mr. Somkiat Limsong	1,125,000	1.41
7	Mr. HUANG, TSAI-LAI (Official Receiver of Thai Finance and Securities Public Co., Ltd.)	842,000	1.05
8	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD A/C CLIENTS	801,000	1.00
9	Mrs. Uraiwan Bawongiratikajon	712,900	0.89
10	Mr. Theerawut Nualsang	635,100	0.79
	Total	66,457,787	83.07

Source: Thailand Securities Depository Co., Ltd.

Note: Updating information of the Company' shareholders at www.set.or.th prior to the Annual General Shareholder Meeting for the year 2019

As a major shareholder of Sunflower Co., Ltd., participates to formulate the Company' management and operational policies by nominating directors and managing to the Board of meetings.

Shareholding Structure & Percentage of Shareholder as of December 31, 2018 as the following:

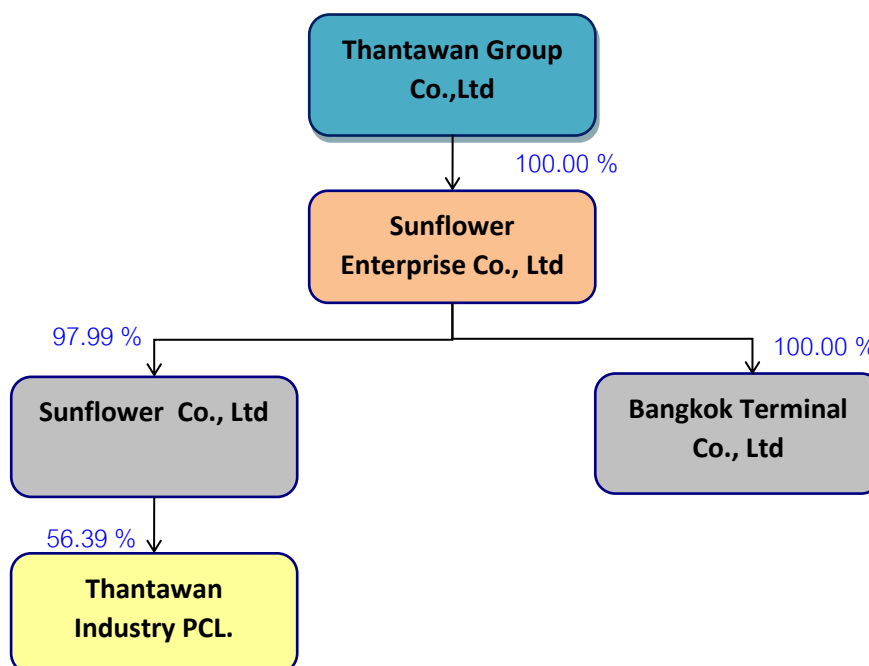


Table 5: Shareholder Structure of Related company & list of Board of Directors as follow:

Name of Company/Type of Business	Major Shareholders	List of Board of Directors
1. Thantawan Group Co., Ltd. Company's Registered Capital & Fully Paid-up at Baht 310,000,000.- Share Capital authorized 3,100,000 ordinary share Type of Business : Holding Company	1. Mr. Nam Mahathitirat - 51.69% , No. of share 1,602,400 2. Adpower International Ltd. (Foreign Juristic persons) - 48.31% No. of share at 1,497,599 3. Mrs. Pojanard Prinyapatpakorn No. of share at 1	1. Mr. Nam Mahathitirat 2. Mrs. Pojanard Prinyapatpakorn 3. Mr. Wuttipong lam-Ophat
2. Sunflower Enterprise Co., Ltd. Company's Registered Capital & Fully Paid-up at Baht 300,000,000.- Share Capital authorized 3,000,000 ordinary share Type of Business : Holding Company	1. Thantawan Group Co., Ltd. - 100 % , No. of share 2,999,994 2. Mr. Nam Mahathitirat - No of share 5 3. Mrs. Pojanard Prinyapatpakorn No. of share at 1	1. Mr. Nam Mahathitirat 2. Mrs. Pojanard Prinyapatpakorn 3. Mr. Wuttipong lam-Ophat
3. Sunflower Co., Ltd. Company's Registered Capital & Fully Paid-up at Baht 70,000,000.- Share Capital authorized 70,000 ordinary share Type of Business : Holding Company	1. Sunflower Enterprise Company Limited – 97.99 % No. of share 68,595 2. Mr. Nam Mahathitirat – 2.01 % , No. of share 1,404 3. Mrs. Pojanard Prinyapatpakorn - No of share 1	1. Mr. Nam Mahathitirat 2. Mrs. Pojanard Prinyapatpakorn 3. Mr. Wuttipong lam-Ophat
4. Bangkok Terminal Co., Ltd Company's Registered Capital at Baht 2,500,000,000.- Fully Paid-up at Baht 1,000,000,000.- Share Capital authorized 250,000,000 ordinary share Type of Business : Investment in Real Estate	1. Sunflower Enterprise Co., Ltd. - 100 % No. of Share 249,999,940 2. Mrs. Pojanard Prinyapatpakorn - No. of share 50 3. Mr. Nam Mahathitirat - No of share 10	1. Mrs. Pojanard Prinyapatpakorn 2. Mr. Viroon Powlinjong 3. Mr. Wuttipong lam-Ophat

Additional Information

Thantawan Industry PCL. does not hold any shares in other companies and has no agreement between major shareholders.

Issuance of other securities

- No any issuance of the other securities -

Dividend Payment Policy

The Company has a policy to dividend payment from the annual net profit after deduction from corporate income tax. The Board of Directors will take into account of the dividend payment as appropriate as reasonable, to financial conditions and capital requirement of the Company both present and future.

Table 6: Dividend payment record of Thantawan Industry PLC.

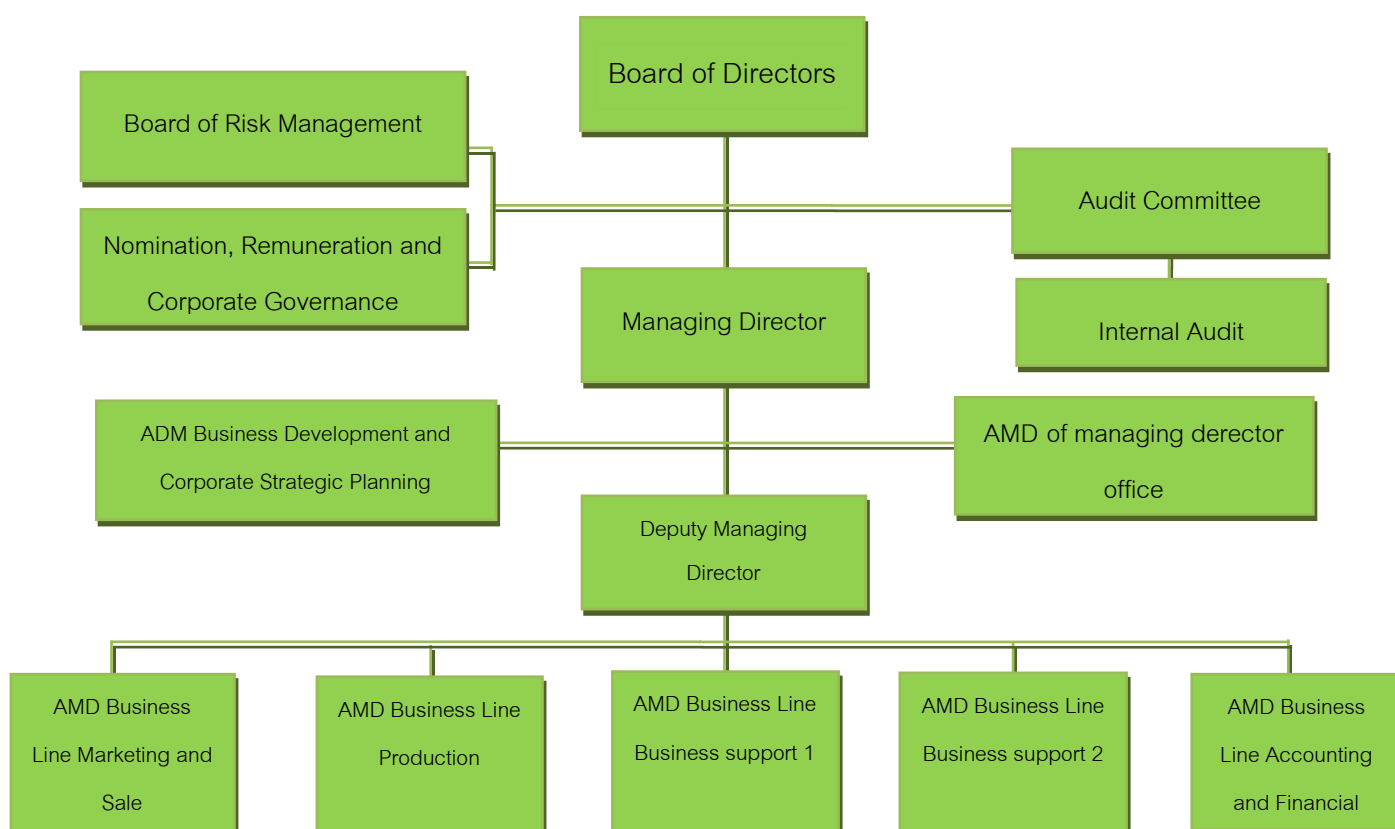
Dividend	2018	2017	2016	2015	2014
Earnings (Baht/Share)	3.23	3.46	4.05	3.02	1.50
Dividend Ratio (Baht/Share)	*	1.25	1.42	1.05	0.53
Dividend payout Ratio (%)	*	36.11	35.00	34.79	35.00

Remark: *The Dividend payment for the year 2018 will be paid due to the resolution or approval at the 2019 Annual General Shareholders' Meeting which will be held on April 2019 and during the year 2017, there was the change of the Company's capital from 8,000,000 shares to 80,000,000 shares.

Management Structure

The Management structure of Thantawan Industry Public Company Limited as of December 31, 2018 is comprised of :

- The Board of Directors
- Sub-committees has its duties in reviewing the important issues and complying with the stipulated charter which is appointed by the Board of Directors in the total number of 3 committees, namely Audit Committee, Risk Management Committee and Nomination, Remuneration and Corporate Governance Committee.
- The Management with Managing Director is the highest executive of the Company.



The Board of Directors is comprised of 4 Board Committees as:

1. Board of Directors
2. Board of Audit Committee
3. Board of Risk Management
4. Nomination, Remuneration and Corporate Governance Committee

The Board of Directors and Sub-Committee

The Board of Directors

Presently, the Board of Directors is comprised of 9 directors as follows:

- 4 Non-Executive Directors consists of 4 Independence Directors
- 5 Executive Directors

Table 7: The Board of Directors

Name & Surname	Position	No. of meeting	Attendance of Meeting
1. Mr. Prisun Wongsmith	Chairman	12	11
2. Mr. Singhchai Aroonvuthiphong	Indendent Director	3	3
3. Mr. Sayan Satangmongkol	Indendent Director	12	12
4. Mr. Asdakorn Limpiti	Indendent Director	12	12
5. Ms. Sasitorn Wongvilai ¹	Indendent Director	9	9
6. Mrs. Pojanard Prinyapatpakorn	Director	12	12
7. Mr. Surasak Luangaramsri	Director	12	10
8. Ms. Narissai Mahathitirat	Director	12	12
9. Mr. Dejbordin Riensubdee	Director	12	12
10. Mr. Teerachai Siritunyanont	Director and Company's Secretary	12	12

¹Mr. Singhchai Aroonvuthiphong resigned from his position, independent director on March, 15 2018 and Ms. Sasitorn Wongvilai was appointed replacing Mr. Singhchai Aroonvuthiphong on April 24,2018.

Audit Committee

Table 8: Audit Committee

Name & Surname	Position	No. of meeting	Attendance of Meeting
1. Mr. Singhchai Aroonvuthiphong ²	Chairman	2	2
2. Mr. Sayan Satangmongkol ²	Chairman	5	5
	Director	2	2
3. Mr. Asdakorn Limpiti	Director	7	7
4. Ms. Sasitorn Wongvilai	Director	5	5
5. Mr. Teerachai Siritunyanont	Audit Committee's Secretary	7	7

²Mr. Singhchai Aroonvuthiphong resigned from his position, chairman of audit committee on March, 15 2018 and assigned Mr. Mr. Sayan Satangmongkol to be chairman of audit committee instead and also Ms. Sasitorn Wongvilai was appointed replacing Mr. Singhchai Aroonvuthiphong as audit committee on March 24,2018.

Nomination, Remuneration and Corporate Governance Committee

Table 9 Nomination, Remuneration and Corporate Governance Committee

Name & Surname	Position	No. of meeting	Attendance of Meeting
1. Mr. Prisun Wongsmitth	Chairman	5	5
2. Mr. Singhchai Aroonvuthiphong ³	Director	2	2
3. Mr. Sayan Satangmongkol	Director	5	5
4. Mr. Asdakorn Limpiti	Director	5	5
5. Ms. Sasitorn Wongvilai ³	Director	3	3
6. Mr. Teerachai Siritunyanont	Act in place of Secretary of Nomination, Remuneration and Corporate Governance Committee	2	2
7. Mrs. Aree Nuangjakchim ⁴	Secretary	3	3

³Mr. Singhchai Aroonvuthiphong resigned from his position, Nomination committee on March, 15 2018 and Ms. Sasitorn Wongvilai was appointed replacing Mr. Singhchai Aroonvuthiphong on April 24,2018

⁴Appointed Mrs. Aree Nuangjakchim to be the Secretary of Nomination committee on April 24.2018

Risk Management Committee

Table 10: Risk Management Committee

Name & Surname	Position	No. of meeting	Attendance of Meeting
1. Mr. Asdakorn Limpiti	Chairman	4	4
2. Mrs. Pojanard Prinyapatpakorn ⁵	Director	1	1
3. Mr. Wichit Pansrimangkorn ⁶	Director	1	1
4. Mr. Dejbordin Riensubdee	Director	4	4
5. Mr. Surasak Luangaramsri	Director	3	2
6 Mr. Ong Wui Yong ⁷	Director	3	3
7. Mrs. Pisvimol Chatsirungruang	Secretary	4	4

⁵Mrs. Pojanard Prinyapatpakorn retired by rotation from the position of risk management committee on April 24, 2018.

⁶Mr. Wichit Pansrimangkorn retired by rotation on April 24, 2018 and appointed Mr. Surasak Luangaramsri to be risk management committee instead on April 24, 2018.

⁷Appointed Mr. Ong Wui Yong to be Risk management committee on March 24, 2018.

Executive

Table 11 Name of Executive Directors as of December 31,2018

Name & Surname		Position
1. Mrs. Pojanard	Prinyapatpakorn	Managing Director
2. Mr. Surasak	Luangaramsri	ADM Business Line: Marketing and Sales
3. Mr. Wichit	Pansrimangkorn	ADM Business Line: Business support 1
4. Ms. Narissai	Mahathitirat	ADM Business Line: Business support 2
5. Mr. Teerachai	Siritunyanont	ADM of Managing Director Office
6. Mr. Dejbordin	Riensubdee	AMD Business Line: Business Development and Corporate Strategic Planning
7. Ms. Napasiri	Mahathitirat	ADM Business Line: Accounting and Financial
8. Mr. Ong Wui Yong		ADM Business Line: Production

Report of changes in securities holding of Director and Executive

The Company has reported the changes in securities holding (THIP) of Director and Executive to the Board of Director's meeting on a quarterly basis. In summary, the report of changes in securities holding of the Company' Director and Executive (definition by Securities and Exchange Commission-SEC). This includes the number of securities holding of those involved under section 59 and 258 of the securities and Exchange Act., by holding the securities of Director and Executive (direct and indirect) as of December 31, 2018 in comparison with the year 2017 as follow :

Table 1: Report of changes in securities holding of Director and Executive

List	Director & Executive	Position	Total shareholding Dec 31, 2018	Shareholder's equity (%)*	No. of share Dec 31, 2017	Shareholder's equity (%)**	No. of share changing up (down)
1	Mr. Prisun Wongsmitth Spouse & immature child Legal entity relevant	Chairman and Independent	-	-	-	-	-
		Director / Chairman of	-	-	-	-	-
		Nomination Remuneration and Corporate Governance Committee	-	-	-	-	-
2	Mr. Singchai Aroonvuthiphong Spouse & immature child Legal entity relevant	Independent Director/	-	-	-	-	-
		Chairman of Audit	-	-	-	-	-
		Committee / Nomination Remuneration and Corporate Governance Committee (Resigned on March 15, 2018)	-	-	-	-	-
3	Mr. Sayan Satangmongkol Spouse & immature child Legal entity relevant	Independent Director /	-	-	-	-	-
		Audit Committee/	-	-	-	-	-
		Nomination Remuneration and Corporate Governance Committee	-	-	-	-	-

List	Director & Executive	Position	Total shareholding Dec 31, 2018	Shareholder's equity (%)*	No. of share Dec 31, 2017	Shareholder's equity (%)**	No. of share changing up (down)
4	Mr. Asdakorn Limpiti Spouse & immature child Legal entity relevant	Indepentdent Director / Chairman of Risk Management Committee / Nomination Remuneration and Corporate Governance Committee	- - -	- - -	- - -	- - -	- - -
5	Ms. Sasitorn Wongvilai Spouse & immature child Legal entity relevant	Indepentdent Director / Audit Committee/ Nomination Remuneration and Corporate Governance Committee	- - -	- - -	- - -	- - -	- - -
6	Mrs. Pojanard Prinyapatpakorn Spouse & immature child Legal entity relevant	Director/ Managing Director	- - -	- - -	- - -	- - -	- - -
7	Mr. Surasak Luangaramsri Spouse & immature child Legal entity relevant	Director / AMD Business line: Marketing and Sales	- - -	- - -	- - -	- - -	- - -
8	Ms. Narissai Mahathitirat Spouse & immature child Legal entity relevant	Director/ AMD Business line: Business Support 2	- - -	- - -	- - -	- - -	- - -
9	Mr. Dejbordin Riensubdee Spouse & immature child Legal entity relevant	Director/ AMD Business line: Production	- - -	- - -	- - -	- - -	- - -
10	Ms. Napasiri Mahathitirat Spouse & immature child Legal entity relevant	ADM Business Line: Accounting and Financial	- - -	- - -	- - -	- - -	- - -
11	Mr. Teerachai Siritunyanont Spouse & immature child Legal entity relevant	Director and the Company's Secretary/ AMD of Managing Director's office	- - -	- - -	- - -	- - -	- - -
12	Mr. Wichit Pansrimangkorn Spouse & immature child Legal entity relevant	Risk Management Committee / AMD Business Line : Business Support 1	4,000 - -	0.005% - -	4,000 - -	0.005% - -	- - -

** Fully Paid-up shares as of December 31, 2018 = 80,000,000 Shares

Company Secretary, Chief Financial Officer (CFO) and Chief Accountant

Company Secretary

The Board of Directors appointed Mr. Teerachai Siritunyanont as the Company Secretary since Feb 22, 2007 who shall comply with the relevant laws, objective, article of association. the Board's resolutions, as well as resolutions of shareholders' meeting and has duties prescribed by law as follows:

1. Arranging meetings for the Board of Directors and the Shareholders in accordance with the corporate governance principles and adhere to the Company's the article of association and the relevant laws for instance; The Securities and Exchange Act.
2. Oversee the Company's disclosure of information compliance with the regulations of the SET and SEC including other relevant agencies.
3. Preliminary consultation to the Board of Directors and Executives of the Company for the part that shall comply with the rules and regulations of the SET and SEC, along with following the announcement of new rules regularly.
4. Prepare and filing of various related documents such as register of directors, notice of board meeting, minutes of board's meeting, notice of General meeting of shareholders, minutes of shareholders meeting, report of securities holding and report of interest and so on.
5. Oversee activities of the Board of Directors so that they can perform efficiently and effectively.
6. Coordinate and conduct the compliance of resolutions of the Board of Directors and shareholder's meeting.
7. Perform any other duties as assigned by the Board of Directors.

The qualifications of Company secretary should be a person holding a bachelor degree of accounting, details are shown in the Attachment no.1

Chief Financial Officer (CFO)

Meeting of Board of Directors No. 9/2018 on 13 November 2018 has resolved to appoint Ms. Napasiri Mahathitirat to be the highest responsibility in finance and accounting which take in the charge of controlling and supervising the accounting and finance accurately and timely, as well as complying with the guidance of The Securities and Exchange Commission, Thailand, and the qualifications for the individual who already holds such position are consistent with the requirement of the Stock Exchange of Thailand. The Detail of Chief Financial Officer (CFO) is shown in the Attachment 1.

Chief Accountant

Meeting of Board of Directors No. 9/2018 on 13 November 2018 has resolved to appoint Mrs. Dares Peerabool to be directly responsible in overseeing the accounting and preparing financial reports efficiently in compliance with the guidance of The Securities and Exchange Commission, Thailand, and the qualifications for the individual who already holds such position are consistent with the requirement of the Stock Exchange of Thailand. The Detail of Chief Accountant is shown in the Attachment 1.

Remuneration of Directors and Executives

Cash remuneration

1) Remuneration of Directors

1.1) Meeting Allowance

The Company has a remuneration policy for Directors in monthly fixed rate and Sub-committees per time per actual meeting based on database remunerations of committee from a listed company in 2016 arranged by Thai Institute of Director as a reference base for consideration director's remuneration in similar industries group and considered the appropriate business type, experience, roles and responsibilities.

Detail of remuneration of directors for 4 teams in the term of meeting allowance:

1. The Board of Directors : 9 persons ; monthly fixed rate comprise of:
 - Chairman 40,000 Baht / month
 - Director 30,000 Baht / month
2. Audit Committee : 3 persons : paid on the number of times of actual meeting
 - Chairman 20,000 Baht / time
 - Audit Committee 10,000 Baht / time
3. Risk Management Committee : 4 persons; paid on the number of times of actual meeting
 - Chairman 20,000 Baht / time
 - Risk Management Committee 10,000 Baht / time
4. Nomination Remuneration and Corporate Governance Committee : 4 persons; paid on the number of times of actual meeting
 - Chairman 20,000 Baht / time
 - Nomination Remuneration and Corporate Governance Committee 10,000 Baht / time

Over the fiscal year ended 2018, the monthly remuneration for Directors was total Baht 4,482,000 net all year as adhere to the resolution of 2018 Annual General Meeting of Shareholders as follows :

Table 13 : Remuneration of Directors in 2018

(Unit : Baht)

No.	Name & Surname	Position	Remuneration					
			The Board of Directors (Monthly paid)	The Board of Directors (per time)	Audit Committee (per time)	Risk Management Committee (per time)	Nomination Remuneration and Corporate Governance Committee (per time)	Total
1	Mr. Prisun Wongsmith	Chairman and Chairman of Nomination Committee	480,000	160,000	-	-	100,000	740,000
2	Mr. Singhchai Aroonvuthiphong resigned, on March, 15 2018	Independence Director / Chairman of Audit Committee / Nomination Committee	75,000	-	40,000	-	20,000	135,000
3	Mr. Sayan Satangmongkol	Independence Director / Audit Committee / Nomination Committee	360,000	90,000	120,000	-	50,000	620,000
4	Mr. Asdakorn Limpiti	Independence Director / Audit Committee / Nomination Committee	360,000	100,000	70,000	80,000	50,000	660,000
5	Mrs. Sasitorn Wongwilai Appointed on April 24, 2018	Independence Director / Audit Committee / Nomination Committee	247,000	90,000	50,000	-	30,000	417,000
6	Mrs. Pojanard Prinyapatpakorn retired by rotation from the position of risk management committee on April 24, 2018.	Director and Risk Management Committee	360,000	-	-	10,000	-	370,000
7	Mr. Surasak Luangaramsri Appointed to be Risk Management committee on April 24, 2018	Director	360,000	-	-	20,000	-	380,000

No.	Name & Surname	Position	Remuneration					
			The Board of Directors (Monthly paid)	The Board of Directors (per time)	Audit Committee (per time)	Risk Management Committee (per time)	Nomination Remuneration and Corporate Governance Committee (per time)	Total
8	Ms. Narissai Mahathitirat	Director	360,000	-	-	-	-	360,000
9	Mr. Dejbordin Riensubdee	Director and Secretary of Risk Management Committee	360,000	-	-	40,000	-	400,000
10	Mr. Teerachai Siritunyanont	Director and Company Secretary	360,000	-	-	-	-	360,000
11	Mr. Wichit Pansrimangkorn retired by rotation from the position of risk management committee on April 24, 2018.	Risk Management Committee	-	-	-	10,000	-	10,000
12	Mr. Ong Wui Yong Appointed to be the risk manage committee director on April 24, 2018	Risk Management committee	-	-	-	30,000	-	30,000
Total			3,322,000	440,000	280,000	190,000	250,000	4,482,000

1.2) Bonus

For the year 2018, there were 4 independent directors and the Company paid bonus to them as follows which was approved by the annual general meeting;

Table 14 Bonus for Independent Directors in the year 2018

(Unit : Baht)

List	Name & Surname	Amonth of Bonus
1	Mr. Prisun Wongsmith	390,000
2	Mr. Singhchai Aroonvuthiphong resigned, on March, 15 2018	62,500
3	Mr. Sayan Satangmongkol	300,000
4	Mr. Asdakorn Limpiti	300,000
5	Mrs. Sasitorn Wongwilai Appointed on April 24, 2018	200,000
Total		1,252,500

2) Executive Remuneration

The Remuneration of Executives, will link to the operations result of the Company and their performance results of each executive comprising of a salary and bonus. The remuneration for the executives in the total 6 of persons who operate the Company for the year 2018 is in amount of Baht 39,623,911.00

Other Remuneration

- No other than monetary remuneration.

Personal

As December 31, 2018 the Company have manpower classified by productions line and operations as follows:

Table 15 : Manpower Classified by productions line and operations as of December 31, 2018

productions line and operations	Monthly-paid employee (person)	Daily-paid employee (person)	Total (person)
General bag	9	69	78
Zipper bag	98	721	819
Drinking straw	24	222	246
Management Centre (Factory)	238	151	389
Management Centre (Branch office; ST)	123	0	123
Total	492	1,163	1,655

Table 16 : Employee's Remuneration 2018

Description	Amount (Baht)
Salary	187,397,691.00
Labor Cost	230,767,389.09
Bonus	39,580,000.00
Social Security Fund and Compensation Fund	10,803,957.00
Contribution to Provident Fund	4,557,152.00
Other benefits	11,149,859.57
Total	484,256,048.66
17.35 % of total Expenses	

Remuneration and Development of Employee Policy

The remuneration set aside by the Company for its employees of all levels and all nationality are fair and under the same criteria. It comprises of salary, wage, overtime payment, bonus and incentives, contribution to social security funds and provident funds, retirement compensation. The Company was paid those remunerations during the past year in the total of Baht 484,256,048.66

The Company has determined a staff remuneration plan with transparency accuracy and fairness, which is consistent with the company's operating results, government policy and domestic economic conditions. For the short term benefits, there will be an annual operating evaluation and key performance indicators, together with the company's operating results, and in the part of long term benefits, the Company still has being in the process of consideration.

Human resources development policy of the Company is the one of significant policy to train its employees and promote a knowledge continuously by focusing on enhancing capabilities and potential of all level of employees to cause an awareness, knowledge, comprehension, skills which support to operate effectively both in the present and future for leading the advancement of employees and the Company further. In order to promote and develop the operation continuously, the Company prepared an orientation document to a new employee for a useful working information, and also organize the business orientation which present the Company's business type and the path of the Company's operation. In the corporate governance system, the Company's employee will be sent to observe activities and seminar both in domestic and abroad

The Company has policies of the employee development by focusing in all level of training and provide the training for employee by conducting a policy and annual training plan expected the employee to understand and be able to work properly and efficiently. For the related employee in production line, the Company focus on the reduction of waste and workplace safety as well as environmental awareness and organize the training in getting the most out of material, the waste sorting system such as toxic waste, garbage, trash, including the occupational safety with campaigns in regard to the reduction of accidents and working sustainably security.

Detail of average's training hours and security statistics has show on SD report of 2018.

CORPORATE GOVERNANCE POLICY

The Company committed to build reliability for investors and stakeholders in the business and increase value to the organization and promote sustainable growth of the Company. Manage its business as adhere to the Good Corporate Governance to achieve business' goals which is the basic value of Leading Corporations. Consequently, the Company has set the Corporate Governance Policy and designed to frame its various aspect of business as the following:

1. The Board of Directors ("The Board"), the Management and all employees shall implement the Corporate Governance manual with confidence and understanding to the principles.
2. The Board, the Management and all employees shall apply the Company's corporate governance principles to all level of business management.
3. The Board, the Management and all employees shall commit to fair treatment of all stakeholders and serve the Company with dedication, integrity and transparency.
4. The Board, the Management and all employees may recommend improving the policy of CG so that it may align with and suitable current business management standards as well as evolving social needs and international practices.

Monitoring Compliance

The company designated as the duties and responsibilities of Directors, the management and all employees to acknowledge and comply with the policies and terms which are contained in the guidelines on corporate governance of the company, and both executives at all levels shall be responsible to and encourage employees who are under their supervision to gain knowledge, understand and comply with the manual of corporate governance principles strictly.

The Company will not run its business in an act that could violate the law or conflict with the corporate governance principle, what if the Board of Directors, executives, or employees violates against the corporate governance policy, the wrongdoers shall be disciplined strongly. and if there are reasons to believe an act that violate the law, rules, regulations and rules of government, the Company will submit and report the wrongdoers to government officer for prosecution

In case, employees of the Company at all levels have problems to decide or compliance with the code of conduct which does not stipulate in the code of conduct of the Company, set a question in your mind about your activities by yourselves as the following steps:

- 1) Does the act violate the law?
- 2) Does the act conflict with the policy or morality or affect the Company's reputation?
- 3) Does the act affect any stakeholder or not?

Additionally, if the Company stuff found the act that violate the law and/or the principle of Corporate Governance, please report any complains or indictment to the chairman of the Company. The Company shall not disclose the reporter (as the detail in Whistle-Blowing Measures and Whistle-Blower Protection Mechanisms)

Operation and Internal Control System of the Company in compliance with Corporate Governance Policy

Article 1: Right of Shareholders

The Company recognizes the importance of shareholders' right by encouraging and supporting shareholder in acceptable and reliable standard and methods which include the right to freely trade or transfer their own shares, the right to attend Shareholders' Meetings, the right to propose in advance the Meeting agenda , the right to nominate a person to be a director, the right to attend and vote in the General shareholders' meeting, the election of directors, the appointment of auditors and fixing of the audit fee, the remuneration of directors, the right to consider dividend payment, amendment of Memorandum of Association and Articles of Association of the Company, approval of significant transactions influencing the Company's direction as well as the right to receive adequate information.

The Company arranges the Annual General Meeting of Shareholders (AGM) every year within four months after the end of each fiscal year. In case of urgent need to consider any special agenda that may affect or in connection with the interests of shareholders, need to get an approval from the Board of Directors. Then, they can call an extraordinary meeting of shareholders case by case.

The Treatment to Shareholders prior to the AGM

- 1) The Company has provided an opportunity to shareholders to propose agenda (s) and nominate director candidates to be considered electing in the 2018 AGM, by which the details and procedures are placed in the Company's website at least 3 months, prior to the year ended (October 2, 2017 – December 29, 2017). Then send to the Stock Exchange of Thailand. The Company has defined to the shareholders who wish to propose agenda (s) must be one single shareholder or several shareholders together hold the Company' shares at least 5 percent of total voting rights of the Company
- 2) The Company publicize an invitation letter, Procedures for Proposing Agenda Items with the opinion of the Board of Directors along with proxy forms comprising of form A, B and C (form C is for foreign shareholders that have appointed custodians in Thailand only) according to Ministry of Commerce in both Thai and English. Also, the other supporting information of the agenda (s) on the Company's website, prior to the meeting at least 30 days in advance of the AGM and before publicizing the notice of the 2018 AGM on March 16, 2018 and hold the AGM on March 24, 2018
- 3) The Company provide the notice of 2018 AGM with clearly specified information; meeting venue, date, time, detailed procedures for agendas, important & essential information for consideration, the opinion of the Board of Directors, minutes of the previous meeting, annual report, proxy forms with clearly specify and other relevant documents, then distribute to shareholders not less than 21 days; April 2, 2018, prior to the meeting. To ensure that the information relates to voting decision receive by the shareholders are sufficient, accurate, complete, transparent. And study the agendas in advance. To announce in the newspaper 3 days consecutive, prior to the AGM for the shareholders to prepare themselves for participating the meeting.

The Company provided opportunities for shareholders to submit question related to items on the agenda or other information prior to the meeting from April 2, 2018 to April 20, 2018 via the email address irthip@thantawan.com or the Company's address for more information, please contract directly

Corporate Secretary

Thantawan Industry Public Company Limited No. 123 Suntowers Building A, 32nd Floor,
Vibhavadi-Rangsit Rd., Chomphon, Chatuchak, Bangkok, 10900

Email Address: board-thip@thantawan.com

Tel.: (662) 0-2273-8333 ext. 3209

The Treatment to Shareholders on the date of the AGM

- 1) The Company facilitate all shareholders at the meeting date with equity by affording staffs to welcome and provide information for checking documents and registration. The Company has arranged a registration process for two hours in advance. Although the registration passes that period, shareholders who wish to attend the meeting can register to attend the meeting without losing their rights.
- 2) The Company arrange meeting venue which is convenient to participate and properly adequate size for shareholders and set up an emergency plan under a good security to increase confidence and security during the meeting for all shareholder, In 2018, the Company arrange its AGM on April 24, 2018 at the Meeting Room of 39th floor, 123 Suntowers Bldg. B, Vibhavadi-Rang sit Rd, Chomphon, Chatuchak,

Bangkok, which is convenient to come to the meeting venue because it was close to Vibhavadi-Rangsit Rd and not far from BTS or MRT's Mo Chit or Chatuchak station.

- 3) The Company has applied a bar code system to registration and counting votes by being able to show a shareholder's registration number which was printed on the registration form and proxy form for enhancing the registration process and having the document check counter for those who authorize another person as a representative to attend the meeting, and the Company also prepare the stamp duty for those representative who did not affix the stamp duty on the proxy form, along with there are staffs to comfort shareholders for all along the process.
- 4) The Company shall not deprive the rights of shareholders to attend the meeting. All shareholder can exercise their rights to attend the entire meeting.
- 5) Prior to the meeting, the Chairman of the Board will clarify criteria in relation to the meeting such as the opening of the meeting, voting procedures including counting of shareholders' vote for each session, according to the Company's Article of Association.
- 6) The Company will specify director's interest in the invitation letter and the AGM. If any director has a particular interest or involve to any agenda, the Chairman of the meeting will notify participants prior to the agenda's consideration. The directors, who involve to the interest, will not participate to the meeting of each agenda.
- 7) The Company shall support the participants to take their rights in protecting their own interests by asking questions, expressing opinion and making recommendation at the AGM.

To ensure transparency and verification, the Company provided voting cards for each agenda item. In casting votes, the Chairman requested shareholders or proxies who voted to disapprove or abstain for such agenda item to mark the voting cards accordingly with his/her signature affixed and raise their hands to notify the Company's officers so as to have their barcodes scanned and their voting cards collected. All shareholders who voted to approve needed to mark the voting cards accordingly with his/her signature affixed but were not required to raise their hands. All the voting cards were collected when the meeting adjourned. As for a large number of shareholders who authorized their proxies to the Independent Directors, the Company needed to cast votes of approval, disapproval, or abstention for each agenda item according to their requisition

The Treatment to Shareholders after the AGM

- 1) The Company disclose the resolution of shareholder's meeting with the voting results on the next day through the SET Community Portal System which has been developed by the Stock Exchange of Thailand (SET) and the Company's website, along with preparing the minutes of the Shareholder's meeting and notify to the Stock Exchange of Thailand (SET) within 14 days after the meeting in accordance to the SEC regulations. To disseminate full details of the meeting with completely. This includes names of Directors and the Management who attending the meeting, voting procedure, resolutions of the meeting, voting result for each agenda item, voting and questioning process of the shareholders in each agenda and clarification

and shareholders' comments thoroughly together with publicize of video recording of the AGM on the Company's website (www.thantawan.com)

- 2) Consider the recommendations and opinions that received from the shareholders for the quality assessment of the AGM and development plan for the next AGM consistently.

The Company disclosed the voting results and resolutions for each agenda item at the 2016 Annual General Meeting of Shareholders and the Extraordinary General Meeting No. 1/2017 to the public via SET Portal and The Company website after the Meeting ended.

Article 2 Equitable Treatment of Shareholders

- 1) Shareholders are entitled to assign proxies to the meeting and cast ballots for them as well as receive documents and advice how to assign the proxy with legalization. Once proxy forms have been handed to directors at the meeting, proxies are entitled to participate in the meeting and cast their ballots like all other shareholders. Shareholders may also delegate the proxies to independent directors and have the right to receive profiles, work experiences and reports on conflicts of interest for the consideration of agenda items from the independent directors appropriately.
- 2) The AGM shall be conducted according to the agendas notified on the notice which was sent to shareholders and has a policy without any agenda item added to the meeting, if there was no the notice to the shareholders in advance.
- 3) Adequate time shall be allocated for the meeting and equal opportunities provided for shareholders to express their opinions, ask questions and exercise the rights to elect individual directors. The shareholders can vote every agenda through a polling card that distributed to the meeting.
- 4) Directors and relevant executives shall attend the AGM to answer the questions that raise by the shareholder. The main questions, answer and opinions shall be recorded in the minutes of the meeting for the future review by the shareholders.
- 5) Disclose current information through the Company's website. Provide to shareholders with important information that have been changed including information sheets and disclose in accordance with various regulations. After disclosure to The Stock Exchange of Thailand (SET), the information shall be published to the Company's website both Thai and English.

The agenda of the 2018 Annual General Meeting of Shareholders and the Extraordinary General meeting was considered chronologically as it appeared in the invitation letter submitted to shareholders prior to the Meeting, without any changes in order or request the Meeting consider any agenda item other than those specified in the invitation letter. Moreover, after all agenda items were considered, the Chairman welcomed shareholders' additional queries of their interest before declaring the meeting adjourned

Preventing Conflicts of Interests

The Company realizes the importance of managing the conflicts of interests of related persons, namely, the Board of Directors, Subcommittee, and employees in a prudent, fair, and transparent manner. As a consequence, the Board of Directors has established policies and measures regarding conflicts of interests as follows:

1. Directors and Senior executives must file a report with the Company stating their interests in the management of the Company when they first take the office. They must also file a report should there be any changes in their interests and at every year end and at Annual Report.
2. At a Board of Directors' meeting, any director or executive who may have a vested interest in any agenda item under consideration must not attend the meeting or must abstain from voting on such agenda item. This is to ensure that the Board and executives make decisions in a fair manner.

There was no any relevant person having a conflict of interest with the Company in 2018

Article 3 Roles toward to Stakeholders

The Company recognizes the importance to the interests among groups of stakeholders, the Company operates business with responsibility and treats all stakeholders fairly. Commitment to develop business to the sustainable growth and can generate remuneration to shareholders appropriately, protect their interests and assets of the Company as preserve their properties. The Company has the rights of stakeholders among groups with good practice equally as follow:

Shareholder: The Company is committed to perform business with transparency, integrity and fairness to major and minor shareholders for utmost benefit. Disclose the fact information completely and regularly.

Customer: The Company is committed to produce the quality products with standards. Manage Marketing practices with fairness, responsible for the quality and standardize products to meet customer's satisfaction as well as to treat them as confidential. Additionally, our Customer service team is ready to handle with care for problem-solving promptly from any customer's complaint.

Business Competitor: The Company operates business within the frame work on trade competition and fairness under the Allianz business competitors encouraging with each other in a frame work that does not cause any damage to the business and relationship with each other.

Trading Partner/Creditor: The Company shall not proceed any corruptions with trading partner and creditor. Set procedure to select the trading partner in a systematic way as well as strictly any conditionals practices towards the **Creditor**. Proposal to use money, repays debt, oversee collaterals quality, and any other agreements to the creditor for mutual benefit achievement.

Employee: The Company recognizes the social protection of workers, occupational health and safety workplace in accordance with law, together with employee engagement between employees and organization, manage by Human Resources. Fairness remuneration, welfare, and career advancement according to law and related regulations including support the employees to the community participation.

Environment & Society: The Company encourages public activities to the communities, social and employees. To emphasize them to participate in the communities' activities in order to contribute the benefit of social development.

Overall operating result relating to stakeholders for the year 2018 had details in 2018 corporate social responsibility report.

Article 4: Disclosure and Transparency

Disclosure Information of Board of Directors and Executive Management Remuneration Fee

Information of the Board of Directors and executive management remuneration fee and shareholding must be reported in the annual registration statement (Form 56-1), annual report (Form 56 - 2) and also published at the Company's website.

Under Article 59 of the Securities and Securities Exchange Act, directors and executives must report their share portfolios with each purchase, sale or transfer of shares to SEC. In addition, the Company's key guideline is to promote the oversight of the use of inside information. The Company reminds directors and executives to refrain from buying, selling or transferring their shares at least a month ahead of performance report submission to SET for each quarter. The Company also set policy for directors to report each purchase, sale or transfer of shares to the Board at each meeting. Furthermore, directors and executives must report changes in their vested interests to the Company every quarter and update their reports every year. Such information to be kept within the Company to conform the Capital Market Supervisory Board's announcement Tor Jor 2/2009, in regard to the report on vested interests of directors, executives and related parties.

The Company shall disclose significant information of the Company with accurate, clear, complete for decision-making process of stakeholders. The Information Disclosure is main issues of a transparency index in operation that is the main factor in building trust to investors in reliable operation and audit mechanism. The Company, therefore, conduct the disclosure and transparency regulation as follows:

- 1) The Board of Directors or other persons delegated by the Board of Directors shall disclose sufficiently an information: both financial and non-financial in reliable and timely for stakeholders and shareholders as equal following to laws and the Company's regulation. The Company usually prepared and updated the information on its website which are complete and up-to-dated to ensure that stakeholders are able to use aforementioned information in decision-making further and contract with an institute responsible for related functions with accuracy, convenience and efficacy.
- 2) The Company's information system was prepared carefully which was accuracy, clearness, transparency and easy to understand and there is the disclosure of the significant information both advantage and disadvantage for the Company.
- 3) provide the public relations agency, acting public relations news, information, and operations of the Company's portfolio, which is beneficial to shareholders, investors, employees, stakeholders and the general public, consistently and efficiently. Eliminate the wrong understanding, including investor relations, acting as the coordinating agency, with the institutional creditors. Analysts and shareholders of the Company to provide the data and operations of the Company the contact channels with fast and easy access.
- 4) The Board of Directors making the statements of financial position and the profit and loss account audit report of the external auditor, along with the annual report of the Board of Directors at the meeting of shareholders at the annual general meeting for approval.

- 5) The Board of Directors supervise the disclosure of information, including a financial statement, annual report 56-1 to be able to reflect on financial status and business overview adequately, along with supporting the Company to arrange the Management Discussion and Analysis (MD&A) to support the disclosure of financial statement in every quarter.
- 6) The Board of Directors, report changes in securities holdings and executives of the Company. According to the regulations of the Board, the Securities and Exchange Commission of Thailand.

In 2018, the Company publicized an information via the following channels:

1. Electronic system which has been developed by the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC)
2. Annual Registration Statement (Form 56-1) and Annual Report (Form 56-2)
3. The Company's website at www.thantawan.com in both Thai and English
4. Submit the Notice of Annual General Meeting of shareholders by the Post Office

Additionally, the Company has arranged the report of the Board's responsibility to financial reporting together with Auditor's report in the annual report as well as a measure to prevent the use of insider information. Employees must not apply the Company's confidential information to personal or others gains. They should maintain inside information and sensitive that could lead to undue exploitation for themselves, their families, or their associates including any information influencing stock prices and the Company's proprietary commercial secrets, formula and inventions. Those who disclose the important information and news to outsiders without approval from the Company shall be subjected to disciplinary action according to company procedures and legal action.

Article 5: The Board Responsibilities

The Company has a practice in accordance with the governance and responsibilities of the Board of Directors of the Company. The Board of Directors shall consist of individuals who have expertise and experience to be able to promote and benefit the Company as well with passion and full-time duties in responsible. The Board of Directors has been appointed by shareholders to be the responsible leaders for setting the direction of the Company. Additionally, the Board of Directors shall appoint the management responsible for business operations and appoint committee to be responsible for specific assignments. For Shareholders, they shall appoint the auditor of the Company, including Company Secretary responsible for the operation and following the law.

In addition, the Board of Directors is responsible for the formulation and structure review of the Company in both size and composition, the proportion of independent directors that are appropriate and be necessary to achieve the Company's defined objectives⁴. For guidelines on responsible governance of the Board of Directors of the Company are as follows;

1. Structure, Compositions & Qualifications of the Board of Directors

- 1) Meeting the qualifications and is not possessing the prohibited characteristics prescribed in the Public Limited Companies Act B.E. 2535.
- 2) To be composed of at least 5 members, not over 9 members. It is not less than one-half of the directors and reside in Thailand whether shareholders of the Company or non-shareholder. Age is not over 75 years of age with 3 years of term whereas the retiring Directors may be re-elected.
- 3) Independent directors are at least 1/3, but no fewer than three persons with qualifying in compliance with guidelines of SEC.
- 4) To be composed of variety skills; Industrial, Accounting & Finance, Business, Management, International Marketing, Strategies, Crisis Management, Legal and Corporate Governance. This consists of expert with knowledge at least 3 persons; Legal and Accounting & Finance 1 person per each.
- 5) The appointment of the Board of Directors is adhered to the specific agenda with transparency. Also, the directors' profile with detail sufficiency for making decision at the AGM. Additionally, to disclose all member of the Board of Directors' profiles in the annual report for acknowledgement.
- 6) The work of the Board; roles & duties is divided clearly between the Board of Directors, Executives Sub-committees and management of the Board.

At present, the Board of Directors comprises of 9 directors which 4 of them are independence directors who have a full relevant qualification and abilities in consistent with the Company's business.

2. Directorship in Other Companies

The policy of Directorship serving terms in the listed companies of the Directors is as follow:

- 1) The Company has determined that each director is allowed to be in the directorship in other companies. Not over than 5 listed companies including subsidiaries that are not listed companies (if any). In order to achieve efficiency and can devote more time to conduct the duties of the Board of Directors.
- 2) The Board of Directors should not be the Directorship in the listed companies that may cause the conflicts of interest with the Company and the performance of the Directors.
- 3) Policy of the Directorship serving terms in other companies of the Managing Directors and Senior executive, the Company has defined the Directorship serving term in other companies of the Managing Directors and Senior executive of the Company in accordance with the Public Limited. Company ACT 1992. This must be approved by the Board of Directors, prior the serving term.

In 2018, there was no any director who take in the charge of their role over 5 places of listed company as shown in the biography of directors and executive, attachment 1.

3. Terms of Office of Directors

The number of terms of directors

The number of years directors' service was stated in the Articles of Association of the Company in accordance with Public Limited Companies Act, B.E. 2535(1992). In the AGM, directors shall retire from their roll at least 1/3 person according to its Articles of Association. Currently, the Company has 9 directors which each one has served on each term for 3 years, however, those who shall retire might be reelected by voting in the shareholder meeting.

The number of consecutive terms of Office of Independent directors.

Independent Directors can serve up to 3 consecutive terms by starting counting from the first day of the appointment and expire of each term on the date of AGM who have to retired by rotation, however, the Board of Director may propose those who shall retire to be reelected by voting in the shareholder meeting, but the position of independent director shall be expired.

4. Independent Director

Independent Director shall not be the member of the group of majority shareholders and be free from the majority shareholders as well as the Company's executive. Moreover, Independent Director must have a financial knowledge or any other business knowledge, reach and can understand the Company's business appropriately for expressing their opinion freely to protect the minority shareholders' profit. Attend the meeting regularly and report to certify their free when being appointed and disclose the significant data Independence in the Company's annual report. Additionally, independent director must have a full qualification in accordance with the specification of the Stock Exchange of Thailand (SET) and The Securities and Exchange Commission (SEC).

1. Holding shares shall not exceed 0.5 percent of the total number of shares with voting rights of the Company, its / parents' companies, subsidiary, affiliate, major shareholder or controlling person including shares held by related persons of such Independent director.
2. Neither being nor used to manage the office, employee, advisor who receives salary, or controlling person of the Company, its parent company, subsidiary, affiliate, same level of subsidiary company, major shareholder or controlling person. Unless the foregoing manner has ended not less than two years.
3. Not being a person related to blood relationship or legal family's registration as father, mother, spouse, sibling and child including spouse of a child to the other directors, management, major shareholder, controlling person or person to be nominated as director, executive or controlling person of the Company or its subsidiary company.
4. Neither having nor used to have a business relationship with the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person, in the manner that may interfere to his/her Independent discretion. Also, neither being nor used to be a significant shareholder or controlling person of any person to business relationship with the Company, its parent company, subsidiary, affiliate, same level of subsidiary company, major shareholder or controlling person. Unless the foregoing manner has ended not less than two years.

5. Neither being nor used to be an auditor of the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person and not being a significant shareholder, controlling person or partner of an audit firm which employs auditors of the Company its parent company, subsidiary, affiliate, major shareholder or controlling person. Unless the foregoing manner has ended not less than two years.
6. Neither being nor used to be a provider of any professional services including legal advisor or financial advisor who receives service fees exceeding two million Baht per year from the Company. its parent company subsidiary, affiliate, major shareholder or controlling person and not being a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing manner has ended not less than two years.
7. Not being a director appointed as representative of directors of the Company, major shareholder or shareholder who is related to major shareholder.
8. Not undertaking any business in the same nature and in competition with the business of the Company or subsidiary company or not being a significant partner in a partnership or director with management authority, employee, advisor who receives salary or holding shares exceeding one percent of the total number of shares with voting rights of the other companies which undertakes business in the same nature and in competition with the business of the Company or its subsidiary company.

5. Scope and Authorities of the Company Directors

- 1) Duties and responsibility of the Board of Directors is to manage the Company's business in accordance with the Company's objective, the Article of the Company and relevant laws, together with the resolutions of the shareholders meetings.
- 2) Define the Company's vision, mission, strategy of a business procedure, core value or main objectives and the principle of the Company by being reviewed and approved on annual basis.
- 3) Oversee the business operation to be sustainable existence under the factors, opportunities and risks which may impact on the business and stakeholders.
- 4) Consider planning an operation plan, statement, goal and policy of business procedure as well as enhancing the competitive ability of the Company in the international standard.
- 5) Keep track of the Company's strategies are implemented and monitored by making the performance measurement which define to report the operation result regularly including, providing a policy to improve the business operation in consideration of safety and hygiene. corporate social responsibility and environment as well as the human capital development.
- 6) Monitor and develop the corporate governance policy as a guidance of business practice and also keeping track of implementation, including approving those policies and reviewing it in common at least once a year.
- 7) Encourage employees at all levels in ethical, moral and to comply with the corporate governance manual, code of conduct, and anti-corruption policy, along with conducting internal control system and internal audit to reduce risk of fraud and abuse of authority as well as preventing illegal acts.
- 8) Oversee and support to build innovation and technology which lead to the higher value of the Company, coupled with building more benefits to all stakeholders.

- 9) Provide the limitation of corporate governance, IT management and preventive measures for IT service.
- 10) Supervise and resolve the conflict of interest which may occur between different stakeholders of the Company and define the guidelines of report which may be a conflict of interests for the benefit of the Company and all shareholders importantly. Additionally, Stakeholders shall not be a part of making decision, directing procedures or disclosure of transactions that possibly may cause conflicts of interests.
- 11) Oversee the interests of major and sub-shareholders fairly which related to their right, as well as to encourage shareholders to exercise their rights to maintain their own benefits and to ensure that the Company has the right to disclose important information in complete, transparency, timely manner and checkable¹¹.
- 12) Aware of the roles and responsibilities of the Board of Directors and respect the rights of all shareholders and stakeholders with fair and transparency, and to supervise a procedure, receiving channels and deal with all stakeholders or complaints of those who mean to report a clue of the malpractice related to the Company efficiently, along with providing opportunities for all stakeholders can contact/report the matter of those which may be a problem on the Board directly¹¹.
- 13) The Board of Directors provides the operational control system, financial report and a compliance of rules and policies, as well as establishing the person or authority who is a part of the Company, or hiring outsources which are independent in the performance of duties, to be responsible for monitoring such control system and review important system at least once a year, together with disclosure in the annual report.
- 14) Provide the risk management policy covers the entire organization by assigning the management to comply with those policies and submit the risk management report to the Board of Directors through the Audit Committee regularly on a quarterly basis. The Company provide the effectiveness evaluation of risk management at least once a year for placing the importance on early warning signals, and all unusual items.
- 15) Consider appointing a sub-committee as proposed from the Nomination remuneration and corporate governance committee, including the appointment of Corporate Secretary, to oversee various aspects regarding the responsibility of the Board of Directors and managing a work of the Company in accordance with laws and regulations related to the responsibilities of Company Secretary.
- 16) the Board of Directors may authorize the sub-committee, managing director, and/or executive to be in charge of any duty for achieving the defined objective of the Company, including canceling, repealing, adjusting, rectifying the authorization of those assignment.
- 17) The Board of Directors are entitled to consider approving a procurement and asset sale, investment in the business expansion as well as being a joint venture with other entrepreneurs under the Articles of Association and Article of Association including relevant Laws.

6. Separation of the Roles of the Board of Directors and the Management

The Company defines clear roles and responsibilities regarding the Board of Directors and the Management. The Board shall be responsible for establishing the policies and overseeing the Management's implementation of those policies, whereas the Management shall be responsible for implementing the policies formulated by the Board, and ensuring that it has carried out as planned. Therefore, the Chairman the Board of Directors the Company shall not be the same person with the managing director, and each must be nominated and elected by the Board in order to ensure their appropriateness.

The Chairman shall not be a member of the Management and shall not participate in the Management of the Company; nor shall the Chairman be authorized to sign binding agreements on behalf of the Company. This is to clearly define separate roles between supervision of the Company's overall policy, and business management.

The management is authorized to manage the Company's operations in accordance with the policies; responsible for the Company's operating results; control expenses and capital expenditures within the limits approved by the Board in the annual operating plan; manage human resources in line with the prescribed policy; resolve problems or conflicts that affect the Company; and maintain effective communication with the stakeholders

6.1 Scope of Roles and responsibilities of Chairman of the Board of Directors

- 1) Sets Board meeting agenda in consultation with the President & CEO and oversees to ensure Board members receive accurate, complete, timely, and clear information prior to the meeting to assist in their decision-making process.
- 2) To convene the Board meetings or assign other persons to act on his behalf and specify to have the Board meetings without directors form the Management.
- 3) To chair the Board meetings. In the case of a tie, the chairman will cast a decisive vote.
- 4) To allocate sufficient time for directors to carefully and effectively discuss issues and topics related to the management and corporate governance or propose meeting agenda items, as well as to encourage directors to independently use their discretion at the Board meeting. Senior executives of the Company may be invited to provide significant information to support the Board's decision on particular issues.
- 5) To chair the shareholders' meeting and conduct the meeting in accordance with the Articles of Association and the sequence of agenda items as stated in the meeting invitation letter unless the meeting resolves to change the sequence of agenda items with more than two-thirds of votes of the attended shareholders as well as giving shareholders an opportunity to express opinions equally and also have a response for shareholders' questions properly and transparently.
- 6) Supports and be a role model in compliance with the principles of good corporate governance and Code of Conduct of the Company.
- 7) Oversee to conduct a disclosure and management of information transparently in case of the conflict of interest occurred.
- 8) Fosters a positive working relationship between the Board of Directors and the Management and supports the performance of the duties of Managing director and the Management in accordance with the Company's policy

- 9) Oversees the operation of the Board of Directors as a whole, subcommittee and each individual director perform their duties effectively and efficiently.

6.2 Scope of Duties and Responsibilities of the Managing Director

Managing Director of the Company has been assigned by the Board of Directors to conduct the Company's business, under the approved work programs and budgets with stringency and integrity as well as protecting the best interests of the Company and shareholders. Managing Director must not be engaged in any conflicts of interest with the Company and subsidiaries of the Company. Roles and responsibilities are as follow:

- 1) Prepare and propose to the board 5-year and 10-year business plans, including the Company's strategic imperatives.
- 2) Prepare and provide to the Board of Director's information relevant to the Company's business and activities, as well as other information needed by the board.
- 3) Manage the Company's business and business strategy as approved by the Board of Directors.
- 4) Run its business in compliance with the objectives, the Article of Association, policies, rules, conditions, orders and resolution of the Board's meeting or shareholders' meeting.¹⁵
- 5) Structure and manage the organization under the guidelines that are given by the Board of Directors.
- 6) Fine-tune the Company's POSITIVE culture in support of its vision, mission, and strategic imperatives.
- 7) Apply the Anti-corruption policy and compliance Guide to the Company by announcing and enforcing those in the Company thoroughly and then, having an the Anti-corruption measure compliance check list continually.
- 8) all other tasks assigned by the Board of Directors.
- 9) Delegate authority or assign others to act on his or her behalf under the Company's rules, terms, principles or orders that are given by the Board of Directors or the Company as defined.
- 10) Prepare and present significant company's business performance to the Board of Directors as regular basis as well as the other reports are required by the Board of Directors.
- 11) Represent the Company in dealings with third parties.

7. The Board of Directors' Authorization

The Board of Directors is empowered to authorize various matters in accordance with the scope of authority stipulated by laws, the Company's Articles of Association, the Board of Directors charter, and the shareholders' meeting resolutions. Such matters include defining and reviewing corporate vision, mission, operating strategies, operating plans, risk management policy, annual budget and business plans, medium and long-range business plan. Added to this is the defining of the target operating results, following up and assessing the operating results to ensure they are consistent with the plan, and overseeing capital expenditure, material connected transactions, merger and acquisition, corporate spin-off, and joint venture deals. Additionally, to approve the various matters or propose its opinion toward the AGM for approval, the Board should be aware that those activities have not any impact on the continuity of the Company's operation, financial liquidity or affordability ratio.¹⁷

8. Board meetings

The Company has scheduled Board meetings in advance for each year so that directors can schedule themselves to attend the meeting. The Chairman of the Board approves to endorse the meeting and its agenda by consultation with Managing Director. Each Director is also allowed to propose urgent matters for the agenda's consideration in each meeting. The Company will deliver the meeting agenda and relevant documents to all directors for consideration in advance. In order to have enough time and consider the agendas under the following guidelines:

- 1) the Board of Directors shall have a meeting at least 6 times per year with 2/3 of the total board in attendance to constitute a quorum.
- 2) The Company shall deliver the meeting invitation to directors at least seven days prior to each meeting date. To give them enough time to study, deliberate and make decision on all agenda items as well as schedule themselves properly to attend each meeting.
- 3) Chairman of the Board approves to endorse the meeting and agenda of the meeting by consulting with the Managing Director and consider the proposed agendas of directors. To include other significant matters in the agenda for the next meeting.
- 4) The Chairman ensures that the Board of Directors has adequate time for the management's information presentation including questions and debate of significant issues.
- 5) The Board of Directors must duly devote their time and attention to the Company's business and be prepared to attend meetings regularly. Board of Directors' have the duty to attend at least 75 percent of such meeting.
- 6) The Board of Directors can gain reasonable access to information, to request documents and data, consultation and related services concerning company operations from Senior executive as well as seeking independent views from external consultants if necessary.
- 7) Supports senior executive to attend the board meetings to provide additional information and details.
- 8) Support non-executive directors to have opportunities in arranging their meeting as deem appropriate for reviewing and discussing its operation and management without the attendance of the Management, after that reporting its meeting result to the Managing Director.
- 9) Resolution will be passed by no less than 2/3 of entire directors while casting vote.
- 10) Directors, who are potential involvement or vested interest in any agenda item, must refrain from voting or express views on that item.
- 11) Minutes of the Board meetings including its meeting agenda and the board' views must be clear for future reference.

In the year 2018, there was a meeting of the Board of Directors in total of 12 times and independent directors held the meeting themselves without the attending managers total of 1 time, the Company disclosed the total of meeting attending for each director in table no. 7.

9. Board of Directors and Sub-Committee 's Performance Assessment

The performance appraisal of the Board and Sub-committee is done annually by evaluation in group and self-assessment. To co-consider the performances and problems for further development.

In the year 2018, the Company used the appraisal format of Stock Exchange of Thailand to cover significant issues such as structure and qualification of the Board, roles and responsibilities, board meeting, duties of the board, relationship with the management and Self-development of directors and executive.

Appraisal of the Board's performance as a whole, will be defined clearly a criteria and procedure by Nomination, Remuneration and Corporate Governance Committees who also considered the appraisal format and questionnaire about an information of knowledge development, performance of directors and then reported to the Board of Directors for considering. The Company might consider employing external consultants to set guidelines and propose issues of the Board's performance appraisal as well as to disclose the performance in the annual report.

The Secretary of the Company submitted the performance's appraisal form to all directors to assess the performance of the Board of Directors and subcommittee and then, compile and conclude after finishing the assessment to propose to the Nomination, Remuneration and Corporate Governance Committee first. Then, proposing to each chairman of directors.

Table 17 The results of the assessment of the Board of Directors and subcommittee for the year 2018

The Board of Directors and Sub-Committee	The results of the assessment of committee as a whole
1. Board of Directors	93.40
2. Audit Committee	92.13
3. Nomination, Remuneration and Corporate Governance Committee	90.88
4. Risk Management Committee	86.11

The criteria for the assessment represent to the percentage as:

- Over 85% = Excellent
- Over 75% = Very Good
- Over 65% = Good
- Over 50% = Average
- Under 50% = Need an improvement

Managing Director Assessment

The Board of Directors and the Nomination, Remuneration and Corporate Governance Committee were the assessor of Managing Director's performance by considering based on business performance, implementation of the Board's policies, and socio-economic circumstances and used the appraisal format of Stock Exchange of Thailand. Then the Nomination, Remuneration and Corporate Governance Committee will consider the appropriate remuneration for Managing Directors and Senior executive and proposed to the Board of Directors according to the following criteria:

- | | |
|---|---|
| 1. Leadership skills | 7. Human resource management and relationship with human resource |
| 2. Strategic Planning | |
| 3. Strategic Implementation | 8. Succession Planning |
| 4. Financial Management | 9. Production and services knowledge |
| 5. Relationship with the Board of Directors | 10. Characteristic |
| 6. Relationship with outsider | |

The conclusion of The Managing Director's an average score of assessment is 85.38 percent achieved "Excellent". And also, was estimated by Key Performance Indicator, an average score of Key Performance Indicator assessment is 77.10 percent achieved "Excellent". Therefore, a summary of The Managing Director is 78.80 percent achieved over all "Excellent".

10. Development of Directors and Executives

- 1) The Company has promoted and provided support on training and education on corporate governance principle of the Company to directors, committee members, executives, the company secretary and others to generate and develop the operation continuously.
- 2) The Board should ensure that the personnel involved with the preparation and disclosure of information have the knowledge, skills and experience appropriate to the duties, responsibilities and to have a sufficient number of personal which include a top-financial and accounting executive, accountants, internal audit company secretary and investor relations²¹.
- 3) The Company has provided new directors with orientation documents to comply with useful materials. An orientation program is provided to new directors with nature of business and the Company's business practices. Directors have also undergone training organized by Thai Institute of Directors (IOD).
- 4) The Company has continued to executive development program forges preparedness for its Internal rotation of executives and this also applies to Managing Director succession through the Senior executives appraisal program.
- 5) The Company has established a mentoring program, to develop operational readiness level of Senior Executives or Managing Director position. Upon the Managing Director position is available, the Company will consider the qualification and capabilities person as well as external qualified executives or Executive Assistant to Managing Director or Senior Executive with the availability to the recruitment process.

Readiness Preparation for Directorship

For new directors, The Company established a director Induction program to facilitate their prompt performance of duties. To provide important information essential for the directors' performance of duty such as the Company's Articles of Association, the Company's director handbook, the handbook for directors of listed companies, and summary of operating results, for use as quick reference. Moreover, to arrange for a meeting with the Chairman and directors and Managing Directors or the executives or head of each function to stay informed and make queries about the Company's business in depth.

Table 18 : Training and Seminar program for directors, executive and secretary in 2018

Name of Course	Venue	Participant list	Position
Digital Transformations – A must for all	Thai Institute of Directors Association	Mr. Prisun Wongsomth	Chairman and Chairman of Nomination Remuneration and Corporate Governance Committee
IT Governance and Cyber Resilience Program (ITG) 8/2018			
Director Accreditation Program (DAP) 150/2018	Thai Institute of Directors Association	Ms. Sasitorn Wongvilai	Independent Director / Audit Committee/ Nomination Remuneration and Corporate Governance Committee
Advanced Audit Committee Program (AAP) 31/2018			
Director Accreditation Program (DAP) 146/2018	Thai Institute of Directors Association	Mr. Surasak Luangaramsri	Director / Risk Management Committee/ AMD Business line: Marketing and Sales.
Risk Management Program for Corporate Leaders (RCL) 12/2018			
Director Certification Program (DCP) 267/2018	Thai Institute of Directors Association	Ms. Napisiri Mahathitirat	Director and ADM Business Line: Accounting and Financial
Boardroom Success Through Financing & Investment (BFI) 5/2018	Thai Institute of Directors Association	Mr. Dejbordin Riensubdee	Director / Risk management committee/ AMD Business line: Development and Corporate Strategic Planning
Anti-Corruption: The Practical Guide (ACPG) 43/2018	Thai Institute of Directors Association	Ms. Napisiri Mahathitirat	ADM Business Line: Accounting and Financial
Director Certification Program (DCP) 266/2018	Thai Institute of Directors Association	Mr. Ong Wui Yong	AMD Business line: Production

Sub-Committee

The Board of Directors appointed 3 Sub-committees such as Audit Committee, Risk Management Committee, the Nomination, Remuneration and Corporate Governance Committee and executive board for Sustainable Development to be responsible for their specific areas and report directly to the Board for its consideration or reference by putting in place its Charter of the Sub-committees specifying rights and duties, which is published on the Company's website

Audit Committee

As of December 31, 2018, the Company has the Audit Committee and Independent Directors of the Company's board in total 3 persons with fully qualified, according to the announcement of the Stock Exchange of Thailand. In connection with qualifications and scope of the Audit Committee, to perform their duties and balance of the Company' business operations with accuracy and the benefits to shareholders. Naming list of the Audit Committee and the Independent Directors adhere to the table no. 8. Mr. Singchai Aroonvuthiphong resigned from the Chairman of Audit Committee on March 15, 2018 and Ms. Sasitorn Wongvilai was appointed to replace those who resigned in the 2018 AGM on April 24, 2018 who graduated from Accounting with knowledge and experience in auditing and review the financial statements of the Company.

Roles and responsibilities of Audit Committee.

1) Financial Reports and Audit

- Review financial statements of the Company in order to ensure that they are correctly and credibly as well as disclose information sufficiently. The Company co-ordinates with the external auditors and the executive's responsible for financial reporting both quarterly and annual.
- Consider, select and nominate an independent person as Auditor for the Company as well as suggest remuneration for the auditor with regard to reliability, resource adequacy and quantity of auditing including attending the meetings with the Auditors without any management at least 1 time per year.
- Promote the independence of the Auditors and opine to the suitability of the Auditors including the enhancement of financial reporting system development with equal to the International Financial Reporting standards.

2) Internal Control

- Review to ensure that the Company has a proper Internal control system and risk management system efficiently and transparently, including suggesting to review or examine any necessary and important items as well as to provide suggestions to improve the internal control systems, risk Management systems and report the result of review to the Board of Directors.
- Review evidences in the event that there is any reasonable doubt in the operations that may have a significant affect to the financial status and the operating results of the Company or the conflicts of interest or illegal act and malpractice related to regulations which may have an impact on the operations of the Company.
- Review an internal process of Whistle-Blowing and complaints.

- Review to verify the Information technology with accuracy and effectiveness, relate to financial reporting and Internal control.
- Review the Company to conduct a management process of anti-corruption in accordance with the guidelines of the various compliance units effectively by starting with promoting and creating the awareness, risk assessment, establishing preventive systems, audit, and reviewing a self-assessment related to anti-corruption measures, according to the assessment of internal audit that was checked and reviewed to ensure that the Company has the anti-corruption policy systems as reported in the self-assessment of the Thai Institute of Directors Association (IOD)

3) Internal Audit

- Review the Company to ensure that the internal audit system is suitable and efficient, including controlling the internal audit unit to comply with the internal audit standard.
- Consider the independent status of the internal audit unit in accessing into the efficient information for an internal auditing work, including make a suggestion in the matter of the Company's budget, planning and division of internal audit unit as well as to approve an appointment, shift or termination of the chief of internal audit unit or the internal audit as the management proposed.
- Consider nominating the external consultant or professional to give an advice, consult, or make suggestion as the committee seen appropriate.
- Consider approving the charter of internal audit unit and review it on annual basis by proposing to the Board of Directors to consider amending (if any).
- Approve and evaluate the annual internal auditing plan in order to ensure that the plan is in line with a type or level of the Company's risk.
- Review and consider a result report together with internal auditor on the performance of internal control system assessment.

4) Compliance with Relevant Laws and Regulations

- Supervise the internal control, financial management and the other process related to the anti-corruption measure to ensure that processes are determined properly and be complied efficiently.
- Supervise to conduct the whistle-blowing process in even that a employee or stakeholders has any rational doubt or has seen any reasonable suspicious activity which is a non-observance or breach the law, rules, regulation, code of conduct or corporate governance policy to ensure whistleblowers that the Company has the independent investigation and the proper monitoring process, including the reviewing process and the corruption concluding process for determining the internal measure standard.

5) Compliance with Relevant Laws and Regulations

- Review the Company to compliance with securities laws and regulations of the Stock Exchange of Thailand and policies, rules, requirements and the other laws, relating to the business of the Company.
- Consider Related Transactions or transactions which may Conflict of Interests to compliance with the laws and the requirements of the Stock of Exchange of Thailand. To ensure that such transactions are reasonable and the utmost benefit of the Company.

6) Other Duties

- Audit committee is able to seek for the independent opinion from a professional consultant as they deem necessary according to the Company's expenses though the consideration of the Board of Directors, in even that to assign those consultants, it shall be as the Company's regulation.
- Arrange a report of the Audit Committee, signed by the Chairman of the Audit Committee and disclose in the annual report of the Company, in accordance with the SET's guidance.
- The Chairman or Audit Committee shall attend the AGM for the clarification work of Audit Committee or the appointment of the Auditor.
- Review and amend the Audit committee charter, and propose to the Board of Directors for approval.
- Take a charge of relevant duties as the Board of Directors has been assigning thought the consideration of the Audit Committee.

Nomination, Remuneration and Corporate Governance Committee

In 2018, there are 4 persons of nomination remuneration and corporate governance committee which everyone is the independence director as shown in the list on the table no 9, additionally, the nomination remuneration and corporate governance committee, each duty is as follows;

1. Nomination term

- 1.1) Define the procedure and criteria for the nomination of directors
- 1.2) Consider structures, sizes and composition of the Board of Directors and Sub-committee properly in line with the Company's Structure and the changing circumstances.
- 1.3) Consider and set the qualification of candidate who becomes a director by taking into consideration of knowledge, skilled talent as well as having experience related to the Company's operation and dedication.
- 1.4) Nominate the qualified candidates to be directors, sub-committee and Senior executive and propose to the Board of Directors to consider appointing that as seen suitability and the position that become vacant.
- 1.5) Devise a development and training plan of performance of duty or business knowledge of the Company for directors and directors in sub-committee.
- 1.6) Review the succession plan for Senior executive as well as the list of a qualified candidate for succession and propose to the Board for consideration as seen suitability and the position that become vacant at least once a year.
- 1.7) Perform other duties as assigned by the directors

2. Remuneration term

- 2.1) Consideration of the remuneration for the Board of Directors and Sub-committee.
 - 1) Report its opinion about structures and composition of the remuneration, including the nonfinancial remuneration for the Board and Sub-Committee for an annual review, in even that the Board of director shall be the one who consider permitting prior to propose to the AGM of shareholders for approval.
 - 2) Approve and review the criteria of the performance appraisal of the Board of Directors and propose to the Board of Directors for consideration and assessment. Then the Nomination, Remuneration

and Corporate Governance Committee would consider the result of the assessment for appointing the regeneration of the Board of Directors and Sub-Committee.

- 3) Propose the criteria of the remuneration of the Board of Directors and Sub-Committee by taking into consideration their duties and responsibilities. The remuneration will be appointed in line with assessment, business plan and overall operating result as a whole for convincing and keeping the directors who had knowledge, skilled and latency. The Board of Directors would consider for approval before proposing to Annual General Meeting of Shareholders for approval onward.

2.2) Consideration of remuneration for Senior executive

- 1) Approve and review the structures and composition of the remuneration of Senior executive on the annual basis and propose the Board of Directors for approval.
- 2) Review the assessment criteria of Senior executive and the criteria and factors of assessment of all organization on annual basis, then propose to the Board of Directors for approval.
- 3) Organize the performance assessment of Senior executive on an annual basis, together with communicating the considered result and development point toward Senior executive for their acknowledgement, then report the assessed result to the Board of Directors.
- 4) Consider defining the Senior executive remuneration by considering in the proper remuneration which is a salary related to the time and duration of work, along with those assessment results, and propose the considered remuneration to the Board of Directors for approval.

3. Corporate Governance term

- 3.1) Be in charge of conducting the corporate governance policy and anti-corruption policy which are suitable for the Company under relevant laws, criteria, rules and the regulation of the institute responsible for corporate governance, namely the Stock Exchange of Thailand (SET), Securities and Exchange Commission (SEC) and relevant Institute as well as international standard guideline of the good corporate governance for proposing to the Board for approval
- 3.2) Provide the manual of corporate governance practice principles in accordance with Corporate Governance Policy and anti-corruption policy in order to be the right practice and reliable standard for the Company.
- 3.3) Control, administer and give its advice to directors and executive in performing their duties and responsibilities as the corporate governance policy in consistent with concepts and principles of Corporate Governance Policy and Anti-Corruption Policy to be sustainable and practical as well as generate the good practice, according to the code of conduct of the Company's directors, executives and employees.
- 3.4) Consider reviewing and improving the corporate governance policy and anti-corruption policy regularly at least once a year to make the corporate governance policy and anti-corruption policy consist in the international good practice guidance, along with laws, criteria, rules, regulation and business of the Company.

- 3.5) Conduct the annual report of the corporate governance assessment to report to the Board of Directors as well as giving its opinions and recommendations for the improvement as seen appropriate.
- 3.6) Suggest rules and practice of morality and ethics for business procedures and a list of principles of the Board of Directors, executives and employees.
- 3.7) Appoint working groups to support the corporate governance policy as necessary
- 3.8) Perform other duties as assigned by the directors

Risk Management Committee

As of December 31, 2018, the Company had 4 directors performed in Risk Management Committee. List of Directors as adhere to table no. 10. which have scope of duties and responsibility as follows;

- 1) Define the risk management policy and framework covers all areas including Financial risk, Safety and environmental risk, Production and distribution risk, Risk from Raw material cost as well as Labor risk and any risks affecting to the Company's reputation, along with the investment risk with investment screening and corruption risk etc.
- 2) Review and revise the policy as well as risk management processes and the charter to ensure the effectiveness and adequacy were in line with changing circumstances.
- 3) Define a strategy in compliance with the Company's risk management policy, along with monitoring and controlling in order to reduce risk to an acceptable level.
- 4) Support and develop the implementation at all levels including promote a culture of risk management comply with the policies and strategies as defined.
- 5) Supervise, control and review the essential risk management report, along with making a suggestion to ensure that there is the efficient risk management system in consistent with the Company's business properly, and be able to manage the relevant risks for retaining it in the acceptable level in accordance with the corporate risk management policy.
- 6) Report to the Board of director regularly to rectify what need to be improved to be consistent with policies and stipulated strategies.
- 7) Perform other duties assigned by the Board of Directors.

12. Remuneration of Directors and Managing Director

The Company has the remuneration policy for directors and managing director in reasonable levels to motivate and retain a quality of directors compared to the same industries nearby by considering determining the remuneration methods to link with their achievement, performance and responsibilities, together with making benefit for shareholders. The assigned directors who are responsible for special duties will be paid more by liking with the level of their responsibilities and those who is the chairman shall be paid more than directors. Additionally, the Board of Directors will provide a report of director's remuneration policy, along with a principle, reason, and objective of aforementioned policy on annual basis by publicizing on annual report and financial report in order that the Board of Directors shall propose the remuneration policy in the shareholder's meeting for approval onward.

Selection and Appointment of Directors

Selection Independent Director

Criteria for the selection of Independent Directors comprises of 1 Independent Directors/ knowledge, competence and famous expert in Plastic Industry and another 1 Independent Directors/knowledge of Accounting or CPA and experience in review the Financial statements. To nominate the qualified candidates in accordance with the consideration of Directors, then present to the shareholder's meeting for approval.

Directors and Independent Directors appointment

- 1) Each shareholder shall have one (1) vote per one (1) share.
- 2) Each shareholder shall exercise all the votes as 1) to elect one or several candidates as a Director or Directors. However, the votes cannot be split.
- 3) Candidates who receive the highest number of votes in descending order, shall be elected as Directors, equal to a number of Directors or election such that period. In case the candidates who are elected by descending order of votes with the equal number of votes, but exceed the number of the directors. The Chairman of the meeting shall cast one extra vote to the final decision.

Termination and Retirement of Directors

- 1) At every Annual General Meeting (AGM), one-third of the Directors should retire. If this number cannot be divided into three parts, the number of the nearest to the one-third shall vacate the office. However, a retiring Director may be eligible for re-election.
- 2) Apart from retirement at the end of the office term, a director shall vacate the office with a reason of death, resignation, lack of qualifications or disqualification under the law pertaining to Public Company Limited and/or Securities and Exchange Law. Removal pursuant to a resolution at the Shareholders meeting or a court's order.
- 3) Any Directors, who would like to resign from the Directors, can submit a resignation letter to the Company. The resignation will be effective from the receiving date by the Company. The Director may also inform the register about the resignation.
- 4) At shareholders meeting, shareholders may vote the removal of any Directors from the office, prior to the term's expiration. At least, three-quarter votes of eligible shareholders present at the meeting are required. Providing that the number of shares is at least half of the total number of shares represented by the eligible shareholders and present at the meeting.
- 5) In case of Directors are vacancy as the other reasons and other than for term expiration, the Board must select a qualified person and no prohibited manner in accordance with law of the Public Limited Company and laws of the Securities and Exchange. To be a Director at the next Board's meeting. If the remaining term is less than two months, the substituting Directors can remain in the office for the remaining period.

Preventing Misuse of the Internal Information

The Company attaches significance to preventing the misuse of information that has not yet been disclosed to the public or confidential information that could have any impact on the Company's share price for one's own benefit or others. To that effect, the Company has established measures to prevent misuse of internal information and incorporated them the Corporate Governance Principle and Code of Conduct and Regulations for Employees in writing obviously to provide guidelines for the concerned persons, namely, the Board of Directors, Subcommittee, Executive and employees responsible for related functions as well as their spouses and children who are minors by having the established practices in compliance with the Securities and Exchange Act B.E. 2535 as follows:

1. The Board of Directors, executives, and employees responsible for related functions as well as their spouses and children who are minors are prohibited from trading Company shares for one month period prior to the release of the Company's quarterly and annual financial statements and for 24 hours after the release (Blackout Period). In order that, Corporate Secretary will inform via all concerned persons of the blackout period via the email 30 days prior to blackout period and to prevent employees involved with the preparation of the financial statements from disclosing the information to outsiders from the closing date of the financial statements to the public disclosure of the aforementioned information.
2. The concerned persons who have knowledge of confidential information that could impact the Company's share price are prohibited from trading the Company's shares until 24 hours after the public disclosure.
3. Directors and executives (Senior executives) as defined by SEC are required to make an initial reporting of their securities holding in the Company when they were appoint to be Directors or Senior executives of the Company for the first time and submit the initial reporting of their securities holding in the Company to the SEC. within 30 days of the date on which they are appointed (Form 59-1) and also required to report on any changes in securities holding as a result of the purchase, sale, transfer or acceptance of transfer of securities (Form 59-2) within 3 business days of the date of any changes.
4. The Board of Directors will monitor to ensure compliance with such measures. It is stipulated that any changes in their shareholding will be reported in the Board of Directors' meeting and disclose the number of shares both directly and indirectly as of the beginning and end of the year as well as those traded during the year shall be reported in the Annual Report.

In the past 2018, there is no wrongfull action from directors, Senior executive and employees who related to internal information.

Compliance with the corporate governance principle.

The Company adhere and complies its business continuously with the corporate governance principle such as the Principle of Good Corporate Governance for Listed Companies 2012 of the Stock Exchange of Thailand, and the Corporate Governance Report of Thai Listed Companies (CGR) of Thai Institute of Directors (IOD).

The Nomination, Remuneration and Corporate Governance Committee take charge of considering and proposing to the Board of Directors the establishment and implementation of the policies and guidelines for their approval. For issues which have not been yet covered or implemented, the Management will report to the Nomination, Remuneration and Corporate Governance Committee for review on an annual basis.

The Company recognizes and values the principles of Good Corporate Governance, the Company has devised a clear policy and guidelines as seen in its CG manual that has been approved by the Board of Directors for the year 2018 (download at www.thantawan.com) for strictly conduct.

In the year 2018, there were no cases of non- executive directors to resign as the issue of Corporate Governance as well as no cases of corruption offense or ethical misconduct. The Company was rated on Corporate Governance practice by various agencies and achieved numerous awards as follows:

- Rated 90% or Excellence according to Corporate Governance Report of Thai Listed Companies 2018 carried out by the Thai Institute of Directors (IOD).
- Rated 97 points according to the evaluation of the quality of the year 2018 Annual General Meetings of Shareholders (AGM checklist) of listed companies carried out by the Thai Investors Association.
- Be the one from hundred companies which was selected in 100 listed companies or known as the Thai Publicly ESG 100 by Thaipat institute. they selected 100 companies which having outstanding sustainability performance to construct the ESG 100 has evaluated from environmental, social and governance.
- Participate "Thailand's Private Sector Collective Action Against Corruption" to the establishment of measures against corruption on September 25, 2017 and comply with the process to get the certification in 2018

Anti-Corruption Policy

In 2018, Nomination Remuneration and Corporate Governance Committee considered and reviewed the Anti-Corruption Policy, then propose it to the Board for approval in its meeting No. 7/2018 as of August 14m, 2018. The Company disclosed such policy for employees clearly on the Company's website, www.thantawan.com (Investor section) and annual report for their acknowledge.

Thantawan Industry Public Company Limited ("the Company") has policies which supports virtue, ethic morality, conduct and transparency by focusing on generating business with neutrality to both internal and external related persons of organization as well as to treat stakeholders fairly such as a shareholder, officer, costumer, partner/creditor, competitor and public society. The Company is committed to conducting its principle of operation which do not support any activity of groups or individuals who act in the manner of Illegal exploitation for making sure that its operation generates without any corruption, we, therefore, conduct this policy for being as a compliance guidance and communicating to the Board, managing director, management and employees at all levels to strictly follow.

Including directors, managers and all employees are prohibited to operate or accept any form of corruption in both directly or indirectly by covering all relevant units and to review the compliance with Anti-Corruption Policy regularly as well as reviewing Anti-Corruption Practice and others operating guideline in accordance with the ongoing change of business, rules, regulations, and laws.

Roles and Responsibilities

Board of Directors

Has a role to consider and approve policies. In order to ensure and supervise the system to have anti-corruption mind set. The board and the Management Committee should acknowledge the anti-corruption policy. Together with adhering to the guidelines of the employees to the entire organization.

Nomination Committee Determine Compensation and Good Corporate Governance

Duty to set policies and supervising compliance with anti-corruption. In order to present to the Board of Directors for consideration and approves. Along with giving advices to the managing director and senior executives to have responsibility to implement an anti-corruption policy.

Audit Committee

Duty to review and evaluate internal controls, financial report, preparation, and other processes related to Anti-Corruption Policy. To ensure that the Company has complied with the laws and regulations for the criteria of the Company as determined. Having proper segregation of duties and responsibilities including reviewing internal controls. Which regarding to anti-corruption measures with personnel working in advance, before reporting the results to the Board of Directors.

Risk Management Committee

The duty of assessing the opportunities and impact of risk factors that may be caused by corruption. As well as determination risk management policy and placing the risk management framework of the Company. Including supervising, monitoring and reviewing risk management reports. To ensure the confident of effective risk management that are suitable for operating the business of the Company. Then report the results to the Board of Directors.

Managing Director and Senior Management

Duty to receive the authority and responsibility for implementing anti-corruption. For instance having a system to support the anti-corruption policy and pass it down to employees along with all related parties. Reviewing the appropriateness of the internal control system. In order to consistent with business changes, regulations, and legal requirements. Including the audit report, according to the anti-corruption policy to the Audit Committee, Nomination Committee, Determine remuneration and good corporate governance and the Board of Directors Consistently.

Policies and guidelines on Anti-corruption

The Board of Directors, Management Committee, and Employees do not perform anything related to corruption in all forms, both directly and indirectly by

1. The Company prohibits directors, executives, and employees of the Company from doing any act that is tended to be corruption. Such as, giving or receiving bribes to or from government officials, Government agencies, private agencies, or stakeholders related to the Company. In order to gain or maintain business trade advantages and competition.
2. The Company prohibits directors, executives and employees from demanding the operation or accepting corruption for the benefit of oneself, family, brothers, friends, and acquaintances.
3. The Company has authorized the directors, executives and employees of the Company must work carefully in the work process that has a high risk of corruption. Such as, Sales and procurement, marketing, investment project, contracting, giving and receiving gifts, Souvenirs or other benefits, Reception, giving donations, supporting funds, etc.
4. The Company has authorized the directors, executives and employees of the Company take action on giving or accepting donations for supports in the right way. According with the Company regulations and required by law ensuring that donations or financial support are not used for bribery.
5. The Company has authorized the directors, executives and employees of the Company cautious in making transactions with person, or any organization that is questioned about corruption.
6. The Company prohibits directors, executives, and employees of the Company from neglecting or ignoring when seeing acts that are considered to be corruption related to the Company. Which is considered as duty to inform the director or the person in responsible. Be cooperate in examining various the truth.
7. The Company will provide fairness and protection to those who have refused corruption or informing clues about Corruption to the Company. As specified in the whistleblowing measures and mechanisms to protect whistleblowers. As well as the cooperators in the reporting of corruption. Regarding the specified Company's whistleblowing policy or complaint (Whistleblower Policy) with the Code of Conduct of the Company.
8. The Company will consider and punish anyone that found implicating with corruption. Which is considered as unethical act according to the regulations of the employee's discipline. The person may be punished by the law if the act is illegal.
9. The Company will disseminate knowledge and understanding, to anyone who must work with the Company or may affect the Company. In order to comply with the anti-corruption policy.
10. The Company has provided an inspection process and accurate internal control systems. Wish is effective enough to prevent corruption.
11. The Company has reviewed the anti-corruption policy, practice guidelines and requirements for implementation in accordance with the change of business regulations and legal requirements.
12. The Company provides human resource management processes that aimed at anti-corruption measures, since selecting, training, evaluating, giving rewards and firing positions. As specified in the operation manual, which is considered part of the anti-corruption policy as well.

13. The Company has a policy in which there is a risk of corruption. For the directors, executives, and employees of the Company must perform duties with care in the following manner.

13.1. Political assistance has the following policies.

1. The Company has a policy to conduct business in a neutral manner. Not based on anything politically or any political party. The Company adheres it in political neutrality supporting compliance with the law and government. In accordance with the democratic system, the Company has no policy to support, help the activities of political parties or politicians both directly and indirectly.
2. The Company does not support money or possession of goods for political parties, politicians or candidates for election. Any political to exchange for special privileges or falsify benefits both direct and indirect way.
3. Directors, executives, and employees of the Company, has the rights of participation. In political activities under the provisions of constitution. On the other hand, they have no right to impersonate company employees, or use any of the Company's equipment. In order to benefit themselves from participating in political activities.

13.2. Charitable donations and support have policies as follows.

1. Charitable donations both in the form of financial assistance or other forms. Such as giving knowledge or devote the time, etc. The Company can be a part of social activities as well as public relations. It will enhance the good image for the Company without aiming for business returns.
2. Giving money to supporting money or possession of cash substitution to activities or projects must be conducted with transparency legally and must specify the name of the provider in company's name. Going through compliance with the regulations of the Company. Regarding the social organization and anti-social practices, such will not be used in criminal attacks. Community and society as well as public relations and company's image by creating various forms. Such as job creation, income, community, educating people in the prototype.

13.3 Activity arrangement to Corporate Social Responsibilities are policies as follows.

1. Activity arrangement corporate social responsibility both in the form of financial assistance or other forms such as, providing knowledge, taking time to deliver products to support activities, environmental conservation, etc. The Company can be a part of social return activities as well as public relations and enhance good image for the Company without looking forward to business in returns.
2. Conducting Social responsibility activities, whether by money or possession of cash instead. Must proceed with transparency, legally right, and must specify the name of the provider in the name of the Company only. By going through the approval process in accordance with the Company's regulations and make sure that social responsibility activities will not be used for corruption. Which may be done in many forms, such as creating jobs, creating income, including communities educating people in the community etc.

13.4. Gifts, hospitality services, certification and other expenses policies are as follows.

1. The Company prohibits directors, executives, and employees of the Company demanding gifts, souvenirs or any other benefits from contractors, suppliers, vendors, joint ventures, or those with related interests with the business of the Company regardless of any circumstances.
2. Directors, executives, and employees of the Company should not give, receive or promise to give benefits or any possessions to motivate them. In order to perform or omit the practice. Including any actions that are considered in the event that the Company detecting violations of ethics and morality. In this case the Company will consider disciplinary action according to the policy, personal regulations for those who violate the policy and procedures.
3. In the case of gifts souvenirs that were given to the Company are from special events of the Company. Such as signing the contract, or Joint venture of the Company. If receiving awards or souvenirs from participating in social contribution activities, we allow employees to receive on behalf of the Company.
4. Directors, executives, and employees of the Company should not offer gifts to supervisors and the supervisor should not agree with or intend to let relatives receive gifts from employees. No subordinate, except in the case of normal, conventional, that has given gifts to each other. The value should not be exceeding 3,000 baht (three thousand baht only)
5. Directors, executives, and employees of the Company can give or receive gifts, hospitality services and business partners under the money operating regulations. If entering the following conditions
 - 5.1. Giving: Gift giving due to business opportunities such as establishment date, establishment signing business contracts is allowed. On the other hand if the value of gifts, souvenirs or other benefits exceeds 3,000 baht (three thousand baht only) must consider approval from the Managing Director or according to the Company's regulations.
 - 5.2. Receiving: - Receiving or giving items should be worth not more than 3,000 baht (three thousand baht only), not in cash forms, not illegally. Moreover, it must not to retribution or compensation people to gain an advantage or benefits through improper or hidden actions.
 - Openly acting and do not conceal in the name of the Company. Must not be on behalf of employee's name.
 - Comply with relevant laws, rules and regulations of the Company as specified in the approval authority regulations, financial regulations, etc.
 - It is appropriate and correct according to time. Such as giving small gifts during important festivals which are customary.
 - 5.3. Refrain from giving or receiving gifts. Including hospitality certified government officials Government agencies Private agency and any other person during the contest price.

6. Giving gifts Souvenirs, if you cannot refuse to receive a gift or festive benefits for normal practice worth over 3,000 baht (three thousand baht only). Get directors, executives, and employees of the Company who can receive gifts or benefits according to the events or normal practice. It must be informed to the supervisor before receiving. If the supervisor considers that he should not receive gifts and souvenirs or any other benefit, immediately returned to the provider. If unable to return, deliver to the supervisor to be the rights of the Company and to send gifts to the Managing Director to collect and prepare a report of receiving gifts. To be used as awards for employees in important festivals or donate for further public charity as appropriate.

13.5. Accepting proposals, meetings, training, seminars and business visits using budget of partners, directors, executives, and employees of the Company can receive proposals, meetings, training, seminars and business visits using the partner's budget. If entering the following conditions

1. Not being a guideline or rewarding person to gain an advantage or benefit through improper or hidden actions
2. If the meeting, training, seminar and business visit of the business partner is in accordance with the agreement specified in the contract.
3. Comply with relevant laws, rules and regulations of the Company as specified.

Whistleblowing measures and protection mechanisms for whistleblowers

Clue notification measures

In the year 2018, Nomination Remuneration and Corporate Governance Committee has considered improving and offering the whistleblowing measures and complaints to the Board for approval at a meeting No, 7/2018 on August, 14, 2018 , the company revealed the whistleblowing measures and complaints on the Company's website: www.thantawan.com in the investor relations section to treat stakeholders at all parties equally and fairly, according to the corporate governance principle, the Company has provided reporting channel for clue notification or complaints, comments, or suggestions, which shows that the stakeholders who are affected or are at risk to be affected, which would cause damage to the all stakeholders from the business operations of the company, or from the directors' activities, executives or employees of the company about illegal activities or the violation of ethics. Including behaviors that may indicate corruption, unfair practice, lack of care and lack of prudence through the following channels:

1. By mail, Chairman of the Board of Directors or Chairman of the Audit Committee,
Tantawan Industry Public Company Limited
No. 123 Sun Tower Building 32, Vibhavadi Rangsit Road,
Chomphon Subdistrict, Chatuchak District, Bangkok 10900
- 2) Email to the Chairman of the Board of Directors And Chairman of the Audit Committee
board-thip@thantawan.com

- 3) Company website www.thantawan.com
- 4) Suggestion box / comments / complaints within the Company

Suggestion box / comments / complaints within the company channel for reporting clues as a safe channel. Able to give clues to the person when requesting information, clues to the informer later, or instructions regarding compliance Anti-corruption measures. In this regard, the company will conduct the examination according to the procedure and record the investigation in writing. Without disclosing the name of the whistleblower Including the collection of complaints To protect the impact May occur with those who report such clues

Whistleblower Protection Mechanism

To protect the rights of the complainant and the person who provided the information in good faith. The Company will conceal the name, address of any information that can identify the complainant or informant. By keeping the information of the complainant and the person who provided the information is confidential. Only those who are responsible for checking the complaint will be able to access information.

In the case of complaints regarding corruption of the directors or executive. Audit Committee will protect the whistleblower, the complainant, witness and person who provided information in the investigation of the facts. Not to be affected by danger, unrighteousness caused by clues, complaints, witnesses or providing information.

Those who are responsible for complaints must keep the information, complaints and documents of the complainant, including those who provide information confidential. Do not disclose information to other people who are not involved. Unless it is disclosed as required by law.

Investigation

If receiving corruption information or clues from within the organization, The Board of Directors will give The Audit Committee considers the internal auditor to collect evidence. Or appoint an investigation committee Facts are investigators and summarize the results of the investigation to the Audit Committee for further consideration

If receiving corruption information or any clues from the agency that supervises the Company, or from outside the organization, the Board of Directors will consider the internal auditor to gather evidence. We might appoint an investigation committee. Facts are investigators and summarize the results of the investigation to the Board of Directors for further consideration.

Penalty

The Company will consider and punish those who are guilty of corruption as employees in accordance with the regulations. Disciplinary punishment of employees specified by the Company and may be punished or may be claimed for damages as required by law. If a person committing a corruption offense is a director to comply with relevant legal procedures and may be punished or may be claimed for damages as required by law

Training and communication

1. The Company has written recommendations on anti-corruption measures in writing. Providing channels for publishing such as posting announcements in public relations boards Intranet system, email, website of the Company etc. For everyone in the organization to understand, accept and comply with the anti-corruption policy appropriately.

2. The Company provides continuous training for directors, executives, and employees of the Company, to create truly. Regarding anti-corruption policies Company expectations and know the penalty for those who do not follow this measure

3. The Company provides communication and disseminating anti-corruption policies. Including channels to report clues, complaints and penalties. If they do not comply with anti-corruption policies let the person within the Company acknowledge through multiple channels. Such as orientation for new directors, executives and employees annual training or seminars. Announcements in public relations boards Intranet system, email, company website etc. for everyone in the Company to understand, accept and abide by the anti-corruption policy seriously.

4. The Company communicates and disseminates anti-corruption policies. Including a channel for reporting clues or complaints to the public, subsidiaries, associates, other companies. The Company have control power and business representatives related business partners and stakeholders through various channels. Such as the Company's website, annual report list, annual information, etc., to create understanding and supports to adhere the standards of social responsibility in the fight against corruption as the Company.

If any employee is unaware that any action may be a corruption, or in the case of questions or concerns, the employee should consult the Nomination Committee. Determine compensation and good corporate governance or secretary of the Nomination Committee Determine compensation with good corporate governance.

Assessment and risk prevention

The Company has provided risk management. Which covers risks in strategy, finance, operations, rules, information technology, organization and external factors. Including the risk of corruption.

By requiring all departments to participate in the assessment of potential risks to look for control measures to manage the noise. Including the follow-up of 1 quarter per quarter and assessing the risk at least once a year.

Internal control system

1. Procurement system, the Company provides procedures for dealing with procurement and enforcement systems within the Company. To control every step related to the procurement process. Hire, which is done through the system and store as evidence for reference and can be checked.

2. Sales system, the Company provides the operational procedures related to the sales system. Along with enforced within the Company, to control every Steps related to the sales process. Which is done through the system and store as evidence for reference and can be checked.

3. Accounting System, the Company provides accounting records in accordance with financial reporting standards. The regulations of the office Securities Regulatory Commission and the Stock Exchange by operating through the system. Together with store as evidence for reference and can be checked. Various accounting records

must have the appropriate details that are correctly specifying the payment transaction, purchase, and asset management clear transaction objectives. There is no counterfeiting of accounting records and related documents to hide real transactions.

4. Human resource management

1. The Company has provided human resource management process. From recruiting and selecting personnel. Fading positions, training, employee performance, evaluation, and compensation by requiring supervisors. All levels of communication and understanding with employees regarding anti-corruption policy. For the use in business activities that is in charge and control to be more effective.
2. The Company provides an orientation process for new employees. To allow employees to understand about the anti- Corruption policy, Company expectations, and including penalties. If employees do not follow this policy.
3. The Company provides continuous training for directors, executives, and employees of the Company to truly understand. Regarding anti-corruption policies company expectations, including penalties if employees do not comply with this policy.
4. The Company has provided the human resource management process. That gives justice and protect employees who refused or report corruption relating to the Company. Which will not reduce the position, punish or give negative results to employees. Even if doing so will cause the Company to lose opportunities in doing business. The Company provides channels for whistleblowing and protection of safety reporting. When employees want to provide information or clues as well as suggestions about practices in accordance with the anti-corruption policy.

Monitoring and Review

1. Nomination Committee Determine compensation and good corporate governance, Must review this policy annually and propose to the Board of Directors for approval. If there is a change, including the supervision and follow the policy implementation. This issue goes into practice and provide various suggestions continuously.

2. The internal auditor will examine the internal control system and processes. Such as sales, marketing processes, Purchasing process, and other support processes of the Company regularly. In order to ensure that the control system internal effectiveness is sufficient to combat corruption. Including discussing the results of the audit with related parties. To find appropriate solutions and inspection reports for the management together with the Audit Committee. Further acknowledged if there is an urgent issue, the Internal Audit Department will notify directly to the Chairman of the Audit Committee immediately.

3. The Audit Committee will review the adequacy along with appropriateness of the internal control system and the risk management process of the Company. In order to ensure the efficiency and effectiveness of the Company's operations are transparency.

4. The internal auditor will monitor the progress of the corrective approach that is properly resolved and report the results. Follow-up to the management team and the Audit Committee for further acknowledgment.

Transaction between the Company and subsidiary or affiliated companies

- The Company has no subsidiary and affiliated companies to oversee

Auditors and Auditor fee

1) Auditor fee

The Company paid audit's remuneration to auditors for the accounting period ended 31 December 2018 in total of 1,750,000 Baht and costs related to the audit by the actual cost at 29,842 Baht in the amount of 1,779,842 Baht.

2) Other charges

The Company paid audit fee to auditors for the review of compliance conditions stipulated in the investment promotion certificate submitted to BOI for the accounting period ended 31 December 2018 in the amount of Baht 100,000.

Corporate Social Responsibility

The Company is committed to conducting business with recognizing the consequence that occurs at all time and to be a leading of packaging manufacturer. We have defined the Social responsibility as a framework of the Company. To perform in conjunction with Good corporate governance principles throughout the customer, employee and stakeholder of the Company. The report and detail of the social responsibility will disclose in a separate report on website of the Company: http://www.thantawan.com/pdf/CSR_Report_2016-EN.pdf under the social responsibility.

Internal Control and Risk management

The opinion of BODs concerning company's internal control system

According to the Board of Directors meeting No.1/2019 held on February 11, 2019 which the audit committee, comprising of 3 independent directors to attend the meeting. The Board of Directors had evaluated the Company's internal control system from the report of audit Committee as agreed with the Board of Directors by considering the internal control in compliance with the international standard for the professional practice of internal control of COSO (The Committee of Sponsoring Organizations of the Treadway Commission) comprising of 5 components: Internal control organization, Risk management assessment, Operational Control, Information system and communication and Monitoring system.

For the year 2018, the Board of Directors and The Audit Committee had agreed that the internal control system of the Company was sufficient and suitable to business operations. Maintained effectiveness and efficiency operations, use of resources and protecting company's property, Prevent or reduce errors, Accounting system and financial reports with reliable accuracy as well as compliance with laws, orders, regulations to the Company's business, No deficiency significant, Follow the Internal control framework as reference from the standard of COSO (The Committee of Sponsoring Organizations of the Tread way Commission). Details could be summarized as below:

1. Internal control organization

The Company encourages a good working environment including an appropriate organizational structure and explicit internal line of command. To set the qualification of specific work position and assign duties and responsibilities to each position appropriately. Maintain Practice Good corporate governance policy by providing Code of Conducts as well as policy and operational plans. Considering fairness to employees, customers, trade partners including responsibilities to shareholders. Giving priority to protect the interest of investors and stakeholders equally.

In addition, the Company has also stressed on the importance of personnel development. To create the participation of employees thoroughly as well as apply activities mutual into the way of performance values. Provide training development of product knowledge to employees, skill and ability are suitable to job's assignment. To encourage staff and training development of excellence and standards consistently.

2. Risk Management

The Company has focus on the operations of the Risk Management policy and framework. The Board of Directors has appointed 3 directors as Risk Management committees, Duties are to review the Risk Management policy and framework and the Risk Management structure. Additionally, provide an instruction to Risk Management that is consistent to the strategic direction and operational business plan together with supervision, monitor and review the significant' reports of Risk Management. To comply with the standards and the changing environment. The Company had announced the Risk Management policy for employees to use as guidelines in the same standards. In 2018, the Company could operate the Risk Management plans contained risk's review, measures to support as defined and clearly identify those responsible. To monitor the results of Risk Management from all division.

3. Operational Control

The Company has clearly prescribed in written duties and authority for management of each level. Roles and Responsibilities in key areas are clearly separated for instance, approval, transaction recording, data processing and protecting company's property. In order to check with each other. In case there are the transactions carry out with connection parties, the Company duly follows The Notification of The Capital Market Supervisory Board, to avoid the conflict of interest and with regard to the utmost benefit of the Company and shareholders.

4. Information System and communication

The Company recognizes the importance of information and communication systems on accuracy, reliable and timely information, including the development of Information system consistently, we , therefore, applied ERP (Enterprise Resources Planning) which made use of SAP to manage both main operations and supporting operations of the Company such in the process of procurement, production, sales, accounting, financial, inventory management system, and fixed asset management for developing the database management system to be effective in accordance with the business demand and change. For decision making of the management correctly and promptly. The Company has provided the system information and communication channels both within and outside the organization efficiently and effectively. In addition, there is a channel and communication with stakeholders effectively in time. To publicize the information on the Company's website; www.thantawan.com.

Monitoring Activities

The Company has arranged the meeting on a regular basis for tracking and evaluating the operation to ensure that it has been proceeding as the target, if we found that the operation is not in line with the target, there will be a resolution to the management for rectifying it in timely manner, along with defining the monitoring process and operating evaluation continually. To achieve the target and objectives of the business operation, the management and head of each department have held a meeting to review its indicators, target and follow up its responsibilities on a regular basis and to define a policy, rules and procedure for the implementation of the adequate stipulated internal control system, then the internal auditor shall review the internal control system and report to the Audit Committee and the Board of Director, if there is a significant mistake or detected important issues, it is necessary to report such matters to the manager of audit unit in timely manner for resolving it in time as well as reporting the progress in resolving problems to ensure that the internal control system is in the progress continually and improving it to be consistent with the change of circumstance, then report to the manager of auditor for the improvement, so that there will be the result report of audit and progress in the improvement to the Audit Committee and Senior Executive for their acknowledge.

The Audit committee will review and follow up the internal control system. Inform about the deficiency of the essential part that is often find and report to BOD to make decision in suitable time. Most of the corrective action has been completed.

The external monitoring with CPA carries out its work freely has been appointed in the shareholders' annual meeting, to audit and comment the financial statements. Over the past years, there was no any observation of the Company's internal control deficiencies in the essential part.

Our outsourcing Internal auditors carries out its work freely, mostly high risk transaction, and focus on the sufficiency and suitability of existing internal control system with efficiency and effectiveness of performance-based regulation and legitimate. Other important issues that are detected, will report to the management of the audited unit for amendment. To report the audit results and the progressive to the Audit Committee and Executive.

Information of Internal Audit

In The audit committee's meeting which held on No.7/2017 on December 22, 2017, had appointed Quantam Point Consulting Co., Ltd. as company's internal auditor which the Company had assigned Mr. Rakpon Angsuwittaya, Internal Control Systems Manager who is responsible for the Company's internal auditor.

Audit Committees had considered qualifications of Quantam Point Consulting Co., Ltd. and Mr. Rakpon Angsuwittaya that they were suitable adequately with such duties, due to the independence and experience in the operation of internal audit with listed companies in stock market. Also, he had been trained in courses related to the performance of the Internal Audit: Advance Audit Committee course of Thai Institute of Directors Association – IOD. The Company also had arranged Management team as the team work, to co-ordinate with the outsourcing internal auditors.

As a result, the consideration of procuring an internal audit, cancelling and changing of the key person as the internal audit of the Company. This should have been approved from the Audit Committee members. The qualification of the main responsible person or head of internal auditor is appointed as stated to attachment no.3.

Connected Transaction

- None -

Name/Surname Position date	Age	Highest Education University / Institution	Work Experiences (At Least 5 Years)		
			Period	Work Experiences (At Least 5 Years)	Name / Company / Kind of Business
Mr. Praisun Wongsmith Independent directors / Chairman of the Board of Directors Shareholders' equity: None Appointed on April 28, 2014 There is no relationship with other directors and executives	59	<ul style="list-style-type: none"> - Master of Economics University of Oklahoma State, USA - Advanced Security Management Program (ASMP) Class 5, - The Association National Defense College of Thailand under the Royal Patronage of his majesty the king - Capital Market Academy Leader Program Class 14, Capital Market Academy - The Leadership, Grid Teamwork Co., Ltd. <p><u>Thai Institute of Director (IOD)</u></p> <ul style="list-style-type: none"> - Digital Transformation – A Must for all companies - IT Governance and Cyber Resilience Program (ITG) 8/2018 - Advanced Audit Committee Program Class 24/2016 - Director Briefing Class 4/2016 (Managing Technology & Disruption) - Boards that Make a Difference (BMD) Class 1/2016 - Role of the Chairman Program (RCP) Class 37/2015 - Director Certification Program (DCP) Class 92/2007 - Director Accreditation Program (DAP) Class 12/2004 	2018-Present	Independent director / Audit Committee	S Hotels And Resorts Co.,Ltd.
			2018-Present	Independent director / Chairman of Audit Committee	Jakpaison Estate Co., Ltd.
			2018-Present	Director	P advisory Co.,Ltd.
			2017-Present	Independent director	I-EA-T Operation Center.
			2017 - Present	Independent director	Islamic Bank Asset Management Co., Ltd.
			2016-Present	Independent director	TMB Bank PLC.
			2015-Present	Chairman of the Board /Independent director	Thantawan Industry PLC.
			2012-Present	Chairman of the Board Independent director	P.W. Consultant Co.,Ltd.
			2016– 2018	Independent director	CAT telecom Public Company Limited
			2016– 2017	Advisor to the Vice Minister of Ministry of Industry	Ministry of Industry
			2015 – 2016	Advisor to the Vice Minister of Ministry of Digital Economy and Society.	Ministry of Digital Economy and Society.
			2014 – 2015	Audit Committee	Thantawan Industry PLC.
			2014– 2015	Chairman of NPL monitoring and compliance,	Small and Medium Enterprise Development Bank of Thailand.
			2012 – 2016	Chairman of Executive director	SCMB Co.,Ltd.
Mr.Singhchai Aroonvuthiphong Independent director Shareholders' equity: None Resigned on March 15, 2018 There is no relationship with other directors and executives.	58	<ul style="list-style-type: none"> - Doctor of Philosophy Program in Management, Suan Dusit Rajabhat University - CSR DAY for Directors Program Thaipat Institute & CSRI <p><u>Thai Institute of Directors</u></p> <ul style="list-style-type: none"> - Director Accreditation Program - Director Certification Program - Audit Committee Program - How to Develop a Risk Management Plan 	1999 - 2018	Independent director / Chairman of Audit Committee	Thantawan Industry Public Company Limited
			2016 - Present	Managing director	Sirin CPA Company Limited
			1998 - Present	Managing director	Grace firm Company Limited
			2014 - Present	-Managing director	Training Center Company Limited
			2005 - Present	Independent director / Chairman of Audit Committee	Power Line Engineering Company Limited

Profile of Directors, Executive, Controller and Company Secretary

Attachment 1

Name/Surname Position date	Age	Highest Education University / Institution	Work Experiences (At Least 5 Years)		
			Period	Work Experiences (At Least 5 Years)	Name / Company / Kind of Business
Mr. Sayan Satangmongkol Independent director Shareholders' equity: None Appointed on July 1, 2015 There is no relationship with other directors and executives.	71	<ul style="list-style-type: none"> - Master of Business Administration Program(MBA) Thammasat University - Bachelor of science (Agricultural Economic) Kasetsart University - Capital Market Academy Leader Program Class 17, Capital Market Academy Thai Institute of Directors (IOD) <ul style="list-style-type: none"> - Board that Make a Difference (BMD) Class 1/2016 - Role of the Nomination and Governance Committee (RNG) Class 6/2014 - Role of Chairman Program (RCP) Class 25/2011 - Audit Committee Program (ACP) Class 34/2011 - DCP Re-Refresher Course DCP (DCP Re) Class 1/2008 - Role of the Compensation Committee (RCC) Class 7/2008 - Finance for Non – Finance Directors (FND) Class 9/2004 - Directors Certification Program (DCP) Class 43/2004 	2018-Present	Chairman of Audit Committee	Thantawan Industry PLC.
			2017 – Present	Nomination, Remuneration and Corporate Governance Committee	Thantawan Industry PLC.
			2015 – Present	Independent director / Audit Committee	Thantawan Industry PLC.
			Present	Independent director / Chairman of Audit Committee	PNC Corp PLC.
Mr. Asdakorn Limpiti Independent director Shareholders' equity: None Appointed on August 1, 2016 There is no relationship with other directors and executive	64	<ul style="list-style-type: none"> - Master of engineering, Michigan, Ann Arbor University, USA - Bachelor of engineering, Michigan, Ann Arbor University, USA Advance Management Program (AMP) Class 167/2014 Harvard Business School - Capital Market Academy (CMA) - Class 17/2013, Capital Market Academy Thai Institute of Director (IOD) <ul style="list-style-type: none"> - Advanced Audit Committee Program (AACP) 25/2017 - Thailand Energy Academy (TEA) Class 1/2012 - Director Certification Program (DCP) Class 75/2006 	2017 - Present	Chairman of Risk Management Committee	Thantawan Industry PLC.
			2017 – Present	Nomination, Remuneration and Corporate Governance Committee	Thantawan Industry PLC.
			2016 – Present	Independent director/ Audit Committee / Risk Management Committee	Thantawan Industry PLC.
			2015 – 2016	Advisor	PTT Exploration and Production Public Company Limited
			2014 – 2015	Executive Vice President, Strategy and Business Development Group / Acting Executive Vice President, Technology and Sustainability Development Group	PTT Exploration and Production Public Company Limited
			2010-2013	-Executive Vice President, Strategy and Business Development Group	PTT Exploration and Production Public Company Limited

Name/Surname Position date	Age	Highest Education University / Institution	Work Experiences (At Least 5 Years)		
			Period	Work Experiences (At Least 5 Years)	Name / Company / Kind of Business
Miss Sasitorn Wongvilai Independent director Shareholders' equity: None Appointed on April 24, 2018 There is no relationship with other directors and executive	52	<ul style="list-style-type: none"> - Doctor of Public Administration University of Northern Philippines (UNP) - Master's degree in Applied Statistics National Institute of Development Administration (NIDA) - Bachelor's Degree in Accounting Faculty of Commerce and Accountancy Chulalongkorn University - Bachelor's Degree in Public Administration Ramkumhang University - Capital Market Development Auditor Project - Tax laws certifications, Central Tax Court of Thailand <u>Thai Institute of Director (IOD)</u> - Director Accreditation Program Class 150/2018 - Advanced Audit Committee Program Class 31/2018 	Present	Independent director/ Audit Committee / Nomination, Remuneration and Corporate Governance Committee	Thantawan Industry PLC.
			Present	Certified Public Accountant	C.P.A. (Thailand)
			Present	Cooperative Auditor	Ministry of Agriculture and Cooperatives.
			Present	Director	IAS Business Consulting Co., Ltd.
			Present	Director	Aviso (Thailand) Co., Ltd.
			Present	Director	Aners Co., Ltd.
			Present	Lecturer	Faculty of Economics; Srinakharinwirot University
			Present	Committee on Border Trade and Cross Border Trade (Myanmar)	Board of Trade of Thailand
			2544 - Present	Advisor teams	Association for the Promotion of Thai SMEs
Mrs. Pojanard Prinyapatpakorn Authorized Directors Managing Director Shareholders' equity: None There is no relationship with other directors and executive	63	<ul style="list-style-type: none"> - Master of Social Administration, Thammasat University - Master of Housing Development, Chulalongkorn University - Energy Literacy for senior executive Class No. 12/2018 - Senior executive Program in Industrial Development and Investment Class 3/2016, Institute of Business and Industrial Development - Capital Market Academy Leader Program Class 17/2014, Capital Market Academy <u>Thai Institute of Director (IOD)</u> - Advanced Audit Committee Program (AACP) 25/2017 - Board Nomination and Compensation Program (BNCP) 1/2017 - Boards that Make a Difference (BMD) Class 1/2016 - Role of the Chairman Program (RCP) Class 36/2015 - Successful Formulation & Execution of Strategy (SFE) Class 21/2014 - How to Develop a Risk Management Plan (HRP) Class 2/2012 - Role of the Compensation Committee (RCC) Class 14/2012 - Finance for Non-Finance Directors (FND) Class 25/2006 - Director Certification Program (DCP) Class 35/2003 	2017 – Present	Independent Director /Audit Committee /Nomination and Remuneration Committee /Chairman of the Corporate Governance & Sustainable Development Committee	Nirvana Daii Public Company Limited
			2017 – 2018	Risk Management Committee	Thantawan Industry PLC.
			2014 – 2017	- Chairman of Risk Management Committee	Thantawan Industry PLC.
			2010 – Present	- Director / Managing Director	Thantawan Industry PLC.
			2010 – Present	- Director / Managing Director	-Bangkok Terminal Company Limited

Name/Surname Position date	Age	Highest Education University / Institution	Work Experiences (At Least 5 Years)		
			Period	Work Experiences (At Least 5 Years)	Name / Company / Kind of Business
Ms. Narissai Mahathitirat Authorized Directors / ADM Business Line Business support 2 Shareholders' equity: None Be the sister of Ms. Napasiri Mahathitirat who is Mr. Dejbordin Riensubdee's wife.	49	- Master Of Business Administration - Thammasat University - Master of Computer Science - University of Pennsylvania, U.S.A. - CSR DAY for Directors Program, Thaipat Institute & <u>Thai Institute of Director</u> - Director Accreditation Program (DCP 267/2018)	2004 – Present	Director / Executive Director	Thantawan Industry PLC.
			2006 - 2010	Deputy Managing Director	Thantawan Industry PLC.
			1998 - 2003	Assistant Manager Business Line	Bangkok Terminal Company Limited
Mr. Teerachai Siritunyanont Authorized Director, Company Secretary & ADM Business Line Managing Director office Shareholders' equity: None There is no relationship with other directors and executive.	53	- Master Of Business Administration, University of the Thai Chamber of Commerce - Bachelor of Accountancy, Dhurakij Pundit University - CSR DAY for Directors Program Thaipat Institute & CSRI - Corporate Social Responsibilities for Sustainable Development, Corporate Social Responsibility Institute <u>Thai Institute of Director (IOD)</u> - Board Report Program (BRP) 23/2017 - Director Accreditation Program (DAP) 142/2017 - Company Secretary Program (CSP) 84/2017	2005 - Present	Director	Thantawan Industry PLC.
			2007 - Present	Company Secretary	Thantawan Industry PLC.
Mr. Surasak Luangaramsri Authorized Director, & ADM Business Line Marketing and Sale Shareholders' equity: None There is no relationship with other directors and executives.	51	- Master of Business Administration in International Business, Mercer University of Atlanta, Georgia, U.S.A. - CSR DAY for Directors Program Thaipat Institute & CSRI <u>Thai Institute of Director (IOD)</u> - Director Accreditation Program (DAP) 146/2018 - Risk Management Program for Corporate Leaders (RCL) 12/2018	2018– Present	Risk Management Committee	Thantawan Industry PLC.
			2012-Present	Director	Thantawan Industry PLC.
			2011 – 2015	General Manager	Thantawan Industry PLC.
			2004 - 2009	Managing director	MDS Group Thailand
Mr. Dejbordin Riensubdee Authorized Director, AMD Business Line Development and Corporate Strategic Planning Appointed on August 1, 2016 Shareholders' equity: None Be the brothe in law of Ms. Narissai Mahathitirat and Ms. Napasiri Mahathitirat's husband	44	- Master of Business Administration (M.B.A), Sasin Graduate Institute of business Administration of Chulalongkorn University - Mechanical Engineer Milwaukee School of Engineering (U.S.A) <u>Thai Institute of Director (IOD)</u> - Boardroom Success Through Financing & Investment (BFI) 5/2018 - Risk Management Program for Corporate Leaders (RCL) 6/2017 - Director Certification Program (DCP) 234/2017 - Family Business Governance (FBG) 9/2017	2016- Present	Director / Risk Management Committee	Thantawan Industry PLC.
			2016 – 2018	Secretary to Risk Management Committee	Thantawan Industry PLC.
			2014 - 2015	Finance and Business Development Manager	Nawanakorn Plastic Company Limited
			2013 – 2013	Business Development Manager	SCG Chemical Company
			2009 – 2012	Marketing Manager / Company Secretary	Mehr Petrochemical Company
			1998 – 2008	Export Sale Executive SEA Sea region	SCG Chemical Company
			2004 - 2007	Business Analysis	SCG Chemical Company

Profile of Directors, Executive, Controller and Company Secretary

Attachment 1

Name/Surname Position date	Age	Highest Education University / Institution	Work Experiences (At Least 5 Years)		
			Period	Work Experiences (At Least 5 Years)	Name / Company / Kind of Business
Mr. Wichit Pansrimangkorn ADM Business Line Business Support 1 Shareholders' equity: 0.005% (4,000shares) There is no relationship with other directors and executive	59	- Master of Business Administration Thammasat University <u>Thai Institute of Director (IOD)</u> - How to Develop a Risk Management Plan - Risk Management program for Corporate Leaders (RCL) 6/2017	2014 – 2018	- Risk Management Committee	Thantawan Industry PLC.
			2014 - 2017	- Executive Director	Thantawan Industry PLC.
Mr. Ong Wui Yong ADM Business Line: Production Shareholders' equity: None There is no relationship with other directors and executive	51	- B.S.E. Industrial & Management system, Engineering. Arizona State University - <u>Thai Institute of Director (IOD)</u> - Director Certification Program (DCP) 266/2018	2018 - Present	Risk Management Committee	Thantawan Industry PLC
			2016 – 2017	General Manager	Asean & North Asia V Max Co., LTD.
			2012 – 2015	General Manager	Brand' s (1835) Co., LTD.
Ms. Napasiri Mahathitirat ADM Business Line: Accounting and Financial Assigned as the highest responsibility in finance and accounting (Chief Financial Officer (CFO)) Shareholders' equity: None Be the sister of Ms. Narissai Mahathitirat who is Mr. Dejbordin Riensubdee's wife.	41	- Master of Finance and Marketing Sasin Graduate Institute of Business Administration of Chulalongkorn University <u>Thai Institute of Director (IOD)</u> - Anti-Corruption: The practical Guide (ACPG) 43/2018 - Financial Statements for Directors (FSD) 33/2017 - Boardroom Success through Financing & Investment (BFI) 1/2017 <u>Continuous accounting knowledge improvement training</u> TFRS 15 Revenue from contracts with customers (6hrs.)	2016-Present	ADM Business Line: Accounting and Financial	Thantawan Industry PLC.
			2012 – 2015	Vice President	TMB Bank Public Company Limited
			2009 – 2012	Assistant Vice President	TMB Bank Public Company Limited
Mrs. Dares Peerabool Accounting Manager Chief Accountant Shareholders' equity: None There is no relationship with other directors and executives.	58	- Faculty of Commerce and Accountancy Thammasat University <u>Continuous accounting knowledge improvement training</u> - TFRS 15 Revenue from contracts with customers (7 hrs.) by NYC Management Co.,Ltd. - Secret of preparing the statement of cash flows in complete (Newcourse 2018) (6 hrs.) by Dharmniti Seminar and Training Co., Ltd.	1987 - Present	Accounting Manager	Thantawan Industry PLC.

Details of Directors in related companies.

Attachment 2

Name	Thantawan Industry PLC.							
	The Board		Audit Committee		Nomination, Remuneration and Corporate Governance Committee		Risk Management Committee	
	Chairman	Director	Chairman	Director	Chairman	Director	Chairman	Director
1. Mr. Prisun Wongsmith Resigned from the Chairman of Nomination Committee on December 18, 2018	/				/ *			
2. Mr. Singchai Aroonvuthiphong Resigned on March 15, 2018		/ *	/ *					
3. Mr. Sayan Satangmongkol Appointed to be the Chairman of Audit Committee on April 24, 2018		/	/			/		
4. Asdakorn Limpiti		/		/		/	/	
5. Ms. Sasitorn Wongvilai - Appointed to be the Audit Committee on April 24, 2018 - Appointed to be the Chairman of the Nomination Committee on December 18, 2018		/		/	/			
6. Mrs. Pojanard Prinyapatpakorn Resigned from the term of Risk Management Committee on April 24, 2018		/						/ *
7. Ms. Narissai Mahathitirat		/						
8. Mr. Surasak Luangaramsri Appointed to be the Risk Management on April 24, 2018		/						/
9. Mr. Dejbordin Riensubdee		/						/
10. Mr. Teerachai Siritunyanont		/						
11. Mr. Wichit Pansrimangkorn Expire from term of Risk Management Committee on April 24, 2018								/ *
12. Mr. Ong Wui Yong Appointed to be the Risk Management Committee on April 24, 2018								/

Remark Only Mrs. Pojanard Prinyapatpakorn is the director of relative companies as follows;

1. Thantawan Group Co., Ltd
2. Sunflower Enterprise Co., Ltd
3. Bangkok Terminal Co., Ltd
4. Sunflower Co., Ltd

Profile of Company's Internal Audit

Attachment 3

Name of Company's Internal Audit:

Quantum Point Consulting Co.,Ltd.

Address:

256/194 Moo 4 Watcharaponl Soi 3 Yak 1 Klongtanon, Saimai, Bangkok 10220 Tel. 081 8419763

Name of the appointed person as Head of Internal Audit:

Mr. Rakpon Angsuwittaya - Manager of Internal Control system

Education

- Master of Business Administration; University of Louisiana
- Bachelor of Science (Accounting), Ramkhamhaeng University

Experience

2011 – Present	Manager of Internal Control Quantum Point Consulting Co., Ltd. Business Consulting and examiner of internal control sufficient
2004 – 2010	Manager of Internal Control R P J M Coaching Business Consulting and examiner of internal control sufficient
2000 – 2003	Finance & Operation Director Jafra International (Thailand) Ltd. – Cosmetics
1997 – 2000	Financial Controller Indochina Healthcare Limited - Pharmaceutical

Training Program:

- Internal Audit course by Thai Institute Directors
- In-house training; Tips and Tools for preliminary audit
- In-house training; Audit Management
- Anti-Corruption: Synergy to Success, the institute of internal auditors of Thailand

Duties and responsibilities of Head of Internal Audit:

- 1) Planning for man power and monitoring quarterly.
- 2) Risk assessment of the examine transaction and prepare audit programs.
- 3) Review working papers and review issue from audit field.
- 4) Conduct the meeting with staff to follow up the progress of each transaction.
- 5) Meeting with Audit Committee for reports and support a plan to improve the risk reduction or spread the risk away.
- 6) Meeting with Audit Committee for monitoring the adequacy of Internal Control systems.
- 7) Providing training course related to basic knowledge about financial management for staff.

Management Discussion and Analysis for 2018

A) Results of Operations

Income Statement (in million baht)		
	2018	2017
Sales Revenue	3,052.41	2,897.98
EBIT	295.01	329.76
Earnings per share	3.23	3.46

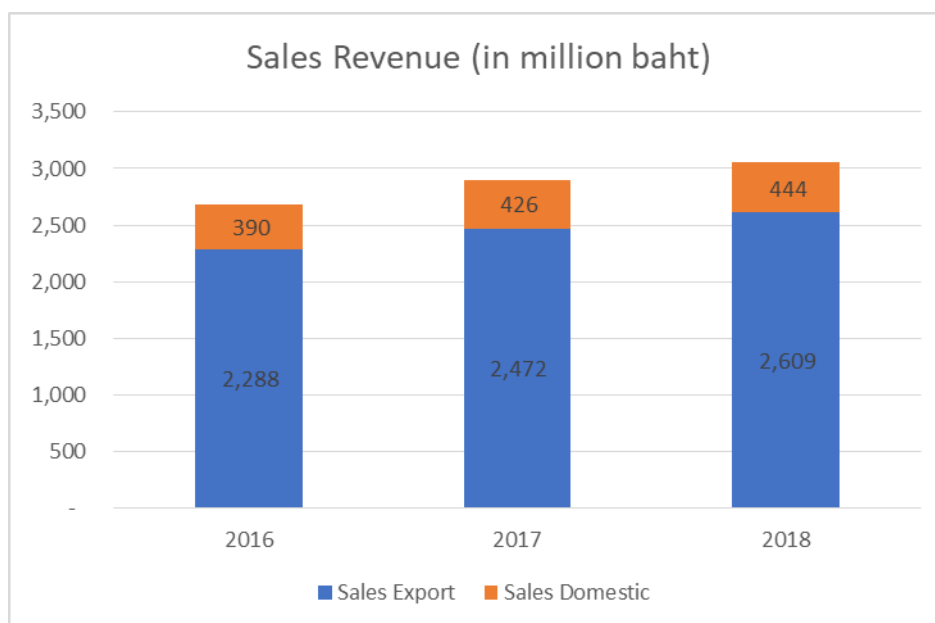
In summary, 2018 company had total sales revenue of THB 3,052.41 million, more than last year about THB 154.43 million or increased 5.3% compared to 2017.

Earning before finance cost and income tax (EBIT) of 2018 was THB 295.01 million which decreased by THB 34.75 million mainly came from two major factors that impacted to the bottom line as the following details:

1. Company had other incomes lower than last year in net about THB 13.30 million which mainly came from less FX gain from more fluctuation of USD. Company also had less duty draw back from the lower percentage claimed (in the past was 0.57% and current is 0.33%) and last there were less contributions from assets sold and scrap sold compared to last year.
2. Company had net operation expenses more than last year about THB 21.45 million. From the global anti- plastic pressure and market competition, Company also injected more expenses in people and products research and development to develop more products that get along well with environment such as product from biodegradable and to re-organization to get ready for securing existing customers and expand markets. For penetration new customers and branding, company paid more on sales promotion and products testing. Moreover, the big changes in core ERP in order to get the right input at the right time to manage or make decision under the pressures that come through the industry from the global anti- plastic.

In 2018, earnings per share was lower of THB 0.23 compared to last year although there was sales growth from 2017.

B) Revenue from Sales



Total sales revenue in 2018 was THB 3,052 million, compared to last year of THB 2,898 million.

The sales portions between sales domestic and sales export were as follow:

Sales domestic increased by THB 18 million or 4.2% compared to last year same period.

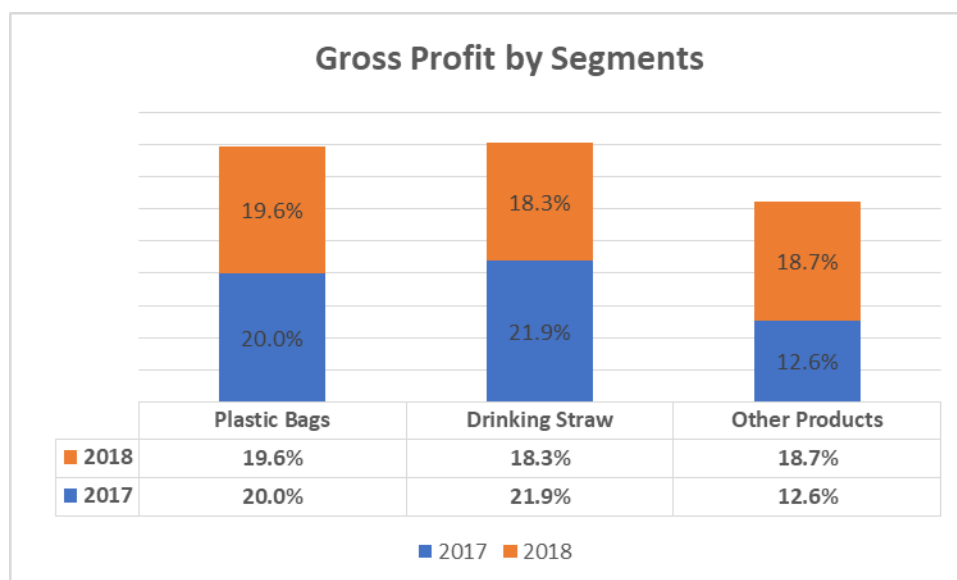
Sales export increased by THB 137 million or 5.5% compared to last year same period.

Finished products are distributed to the market into 3 categories, 1.) Plastic bags e.g. Zipper bag, breast milk storage bag 2.) Drinking straws 3.) Other products e.g. Zipper profile, Body puff

Performance by each segment could be summarized as below table:

Products	2018		2017		Increased (Decreased)	
	Revenue (Million)	%	Revenue (Million)	%	(Million)	%
Plastic Bags	2,533.05	83.0%	2,397.78	83.0%	135.26	5.6%
Drinking Straw	356.42	12.0%	349.54	12.0%	6.88	2.0%
Other Products	162.94	5.0%	150.66	5.0%	12.29	8.2%
Total Sales Revenue	3,052.41	100.0%	2,897.98	100.0%	154.43	5.3%

C) Gross Profit margin



Gross profit margin for 2018 was presented at 19.4% of sales revenue compared to last year same period at 19.9% of sales revenue.

Plastic bags gross profit was 19.6% of sales revenue, decreased a little bit from last year same period at 20.0%. Drinking straws gross profit was 18.3% of sales revenue, decreased by 3.6% compared to last year same period because of anti-plastic pressure and high business competition.

Other products gross profit was 18.7% of sales revenue, increased by 6.1% compared to last year same period. Because company realized the down trend of the business and tried to sell more of the alternative products such as the products from recycle plastic with value added.

D) Financial Position

(Unit: Million Baht)

List	2018	2017	Increased (Decreased)
Total current assets	1,191.58	1,322.55	(130.98)
Total non-current assets	872.73	638.87	233.86
Total current liabilities	354.59	411.45	(56.86)
Total non-current liabilities	44.81	42.96	1.86

Company had net current assets decreased of THB 130.98 million compared to last year. Because of the investment of the project new warehouse with automation system (referred document THIP-SET012-2018). Total project will be costing of THB 196.6 million by using internal funding and no debt in need. Company also invested in ERP and some others new machines of THB 37.3 million in order to produce or develop new products that fulfill customers' requirements. By doing so, at the end of 2018 company had non-current assets increased by THB 233.4 million compared to 2017.

Report of the Board of Director' Responsibilities for Financial Statement

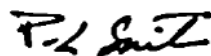
The Board of Director' of The Thantawan Industry Public Company Limited responsible for the financial statement of the Company which have been prepared in accordance with the Financial Reporting Standards in Thailand under the Accounting Act B.E.2543 ,and the financial reporting requirement s of the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535. The Accounting Policies pursued and deemed appropriate and applied consistently with adequate disclosure of important information in the notes to the financial statements. The external auditor has audited the financial statements and expressed and opinion in the auditor' report.

The Board of Director has provided appropriate and efficient internal controls to ensure that accounting records are accurate, reliable and adequate to protect its assets and uncover any weakness that may be present in order to prevent fraud or materially irregular operations.

In this regard, the Board of Directors has appointed an Audit Committee to be responsible for reviewing the accounting policy financial reports, review internal controls, internal audit. The Audit Committee has also reviewed a disclosure of related party transactions. All their comments on these issues have included in the Audit Committee Report, which presented in this annual report.

The financial statements of the Company have been examined by an external auditor, Dharmniti Auditing co., Ltd. To conduct the audits and express an opinion in accordance with generally accepted auditing standards, the auditor was provided with all of the Company's records and related data as requested. The auditor's opinion is presented in the auditor's report as part of this annual report.

The Board of Directors believes that the Company's overall internal control system is sufficiently effective to ensure the integrity and reliability of Thantawan Industry Public Company Limited financial statements for the year ended December 31, 2018. The Board of Directors also believes that all these financial statements have been prepared in accordance with Financial Reporting Standard and related regulations.



Mr.Praisun Wongsmit

Chairman of the Board of Directors

Thantawan Indurtry Public Company Limeted

Thantawan Industry Public Company Limited
Report and financial statements
31 December 2018

Independent Auditor's Report

To the Shareholders of Thantawan Industry Public Company Limited

Opinion

I have audited the accompanying financial statements of Thantawan Industry Public Company Limited (the Company), which comprise the statement of financial position as at 31 December 2018, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Thantawan Industry Public Company Limited as at 31 December 2018, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matter

Key audit matter is the matter that, in my professional judgement, was of most significance in my audit of the financial statements of the current period. This matter was addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on this matter.

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

Key audit matter and how audit procedures respond for this matter is described below.

Revenue recognition

Sales of goods are significant amounts in the financial statements and directly affect profit or loss of the Company. In addition, the sales transactions of the Company are made with a large number of domestic and overseas customers and there are a variety of arrangements and conditions. As a result, the Company's recognition of revenue from sales is complex. There are therefore risks with respect to the amount and timing of revenue recognition.

I have examined the Company's revenue recognition by assessing and testing the Company's IT system and its internal controls with respect to the revenue cycle by making inquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls, and with special consideration given to expanding the scope of the testing of the internal controls which respond to the above risks. I applied a sampling method to select sales transactions occurring during the year and near the end of the accounting period to examine the supporting documents and reviewed credit notes that the Company issued after the period-end. I also performed analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

Other Information

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

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

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

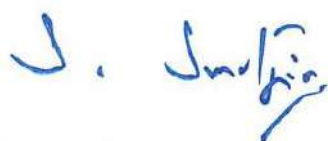
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting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

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

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

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

I am responsible for the audit resulting in this independent auditor's report.



Siriwan Suratepin

Certified Public Accountant (Thailand) No. 4604

EY Office Limited

Bangkok: 11 February 2019

Thantawan Industry Public Company Limited

Statement of financial position

As at 31 December 2018

		(Unit: Baht)	
	<u>Note</u>	<u>2018</u>	<u>2017</u>
Assets			
Current assets			
Cash and cash equivalents	7	179,060,948	354,117,160
Current investments	8	269,914,183	250,000,000
Trade and other receivables	9	290,126,355	285,855,652
Inventories	10	441,196,354	422,451,186
Other current assets		11,277,657	10,129,480
Total current assets		<u>1,191,575,497</u>	<u>1,322,553,478</u>
Non-current assets			
Investment property	11	43,140,261	43,140,261
Property, plant and equipment	12	783,958,204	564,148,528
Intangible assets	13	26,503,100	12,890,314
Deferred tax assets	19	5,781,446	5,343,546
Other non-current assets		13,350,629	13,351,062
Total non-current assets		<u>872,733,640</u>	<u>638,873,711</u>
Total assets		<u>2,064,309,137</u>	<u>1,961,427,189</u>

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

Thantawan Industry Public Company Limited

Statement of financial position (continued)

As at 31 December 2018

(Unit: Baht)

	Note	2018	2017
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables	14	273,583,189	312,446,833
Accrued expenses		56,329,059	63,658,458
Current portion of liabilities under finance lease agreements	15	2,158,952	2,945,930
Accrued income tax		13,569,853	27,833,034
Other current liabilities		8,944,542	4,566,075
Total current liabilities		354,585,595	411,450,330
Non-current liabilities			
Liabilities under finance lease agreements -			
net of current portion	15	2,707,868	4,866,820
Provision for long-term employee benefits	16	42,106,565	37,796,858
Other non-current liabilities		-	293,630
Total non-current liabilities		44,814,433	42,957,308
Total liabilities		399,400,028	454,407,638
Shareholders' equity			
Share capital			
Registered			
80,000,000 ordinary shares of Baht 1 each		80,000,000	80,000,000
Issued and fully paid up			
80,000,000 ordinary shares of Baht 1 each		80,000,000	80,000,000
Share premium		136,800,000	136,800,000
Retained earnings			
Appropriated - statutory reserve	17	10,000,000	10,000,000
Unappropriated		1,438,109,109	1,280,219,551
Total shareholders' equity		1,664,909,109	1,507,019,551
Total liabilities and shareholders' equity		2,064,309,137	1,961,427,189

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

Thantawan Industry Public Company Limited
Statement of comprehensive income
For the year ended 31 December 2018

(Unit: Baht)

	Note	2018	2017
Profit or loss:			
Revenues			
Sales	20	3,052,413,023	2,897,982,980
Other income		34,054,558	47,357,016
Total revenues		3,086,467,581	2,945,339,996
Expenses			
Cost of sales		2,461,160,600	2,321,826,391
Selling and distribution expenses		95,991,299	83,865,457
Administrative expenses		234,307,852	209,886,144
Total expenses		2,791,459,751	2,615,577,992
Profit before finance cost and income tax expenses		295,007,830	329,762,004
Finance cost		(1,495,271)	(1,312,300)
Profit before income tax expenses		293,512,559	328,449,704
Income tax expenses	19	(35,122,615)	(51,484,037)
Profit for the year		258,389,944	276,965,667
Other comprehensive income :			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent years</i>			
Actuarial loss on defined employee benefit plans		(625,483)	(583,506)
Less: Income tax effect	19	125,097	116,701
Other comprehensive income not to be reclassified to profit or loss in subsequent years - net of income tax		(500,386)	(466,805)
Other comprehensive income for the year		(500,386)	(466,805)
Total comprehensive income for the year		257,889,558	276,498,862
Earnings per share	21		
Basic earnings per share			
Profit		3.23	3.46

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

For the year ended 31 December 2018

(Unit: Baht)

	Retained earnings				
	Issued and paid up share capital	Share premium	Appropriated - statutory reserve	Unappropriated	Total shareholders' equity
Balance as at 1 January 2017	80,000,000	136,800,000	10,000,000	1,117,160,689	1,343,960,689
Profit for the year	-	-	-	276,965,667	276,965,667
Other comprehensive income for the year	-	-	-	(466,805)	(466,805)
Total comprehensive income for the year	-	-	-	276,498,862	276,498,862
Dividend paid (Note 24)	-	-	-	(113,440,000)	(113,440,000)
Balance as at 31 December 2017	<u>80,000,000</u>	<u>136,800,000</u>	<u>10,000,000</u>	<u>1,280,219,551</u>	<u>1,507,019,551</u>
Balance as at 1 January 2018	80,000,000	136,800,000	10,000,000	1,280,219,551	1,507,019,551
Profit for the year	-	-	-	258,389,944	258,389,944
Other comprehensive income for the year	-	-	-	(500,386)	(500,386)
Total comprehensive income for the year	-	-	-	257,889,558	257,889,558
Dividend paid (Note 24)	-	-	-	(100,000,000)	(100,000,000)
Balance as at 31 December 2018	<u>80,000,000</u>	<u>136,800,000</u>	<u>10,000,000</u>	<u>1,438,109,109</u>	<u>1,664,909,109</u>

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

Thantawan Industry Public Company Limited

Statement of cash flows

For the year ended 31 December 2018

(Unit: Baht)

	Note	<u>2018</u>	<u>2017</u>
Cash flows from operating activities			
Profit before tax		293,512,559	328,449,704
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:			
Depreciation and amortisation	12,13	77,433,357	61,525,730
Increase (decrease) in allowance for doubtful accounts		(5,617)	5,617
Increase (decrease) in reduction cost of inventories to net realisable value		651,643	(853,278)
Amortisation of discounts on current investments		(27,115)	-
Increase (decrease) in allowance for impairment loss on assets	12	(1,543,296)	4,540,421
Loss (gain) on disposals and write-off of property, plant and equipment		2,085,808	(2,913,340)
Unrealised gain on exchange		(144,903)	(1,101,576)
Provision for long-term employee benefits	16	4,865,920	4,076,390
Interest income		(7,021,947)	(7,084,717)
Interest expenses		234,322	105,410
Profit from operating activities before changes in operating assets and liabilities		370,040,731	386,750,361
Operating assets (increase) decrease:			
Trade and other receivables		(162,967,768)	(174,145,009)
Inventories		(19,396,811)	20,300,476
Other current assets		(1,148,177)	2,380,104
Other non-current assets		433	(189,203)
Operating liabilities increase (decrease):			
Trade and other payables		(56,253,061)	31,171,553
Accrued expenses		(7,329,399)	(3,794,344)
Other current liabilities		4,378,467	618,793
Other non-current liabilities		(293,630)	(328,970)
Cash flows from operating activities		127,030,785	262,763,761
Cash paid for interest expenses		(3,522)	(426)
Cash paid for corporate income tax		(49,698,599)	(65,546,954)
Cash paid for employee benefits		(1,181,696)	(300,200)
Cash received from VAT refundable		157,568,607	112,866,497
Net cash flows from operating activities		233,715,575	309,782,678

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

Thantawan Industry Public Company Limited

Statement of cash flows (continued)

For the year ended 31 December 2018

(Unit: Baht)

	<u>Note</u>	<u>2018</u>	<u>2017</u>
Cash flows from investing activities			
Cash received from interest income		7,344,773	6,906,227
Cash paid for current investments		(549,887,069)	(644,920,670)
Cash received from refund of current investments		530,000,000	829,238,515
Cash paid for acquisitions of property, plant and equipment		(277,429,830)	(176,992,100)
Cash paid for acquisitions of intangible assets		(16,234,000)	(7,769,850)
Proceeds from disposals of investment property and equipment		642,222	3,582,966
Net cash flows from (used in) investing activities		<u>(305,563,904)</u>	<u>10,045,088</u>
Cash flows from financing activities			
Cash paid to settle liabilities under finance lease agreements		(2,945,930)	(1,873,076)
Cash paid for interest expenses		(230,800)	(104,984)
Dividend paid		(99,968,347)	(113,407,764)
Net cash flows used in financing activities		<u>(103,145,077)</u>	<u>(115,385,824)</u>
Net increase (decrease) in cash and cash equivalents		<u>(174,993,406)</u>	<u>204,441,942</u>
Cash and cash equivalents at beginning of year		354,117,160	149,783,055
Effect of change in foreign exchange rate on cash at bank balance		(62,806)	(107,837)
Cash and cash equivalents at end of year	7	<u><u>179,060,948</u></u>	<u><u>354,117,160</u></u>

Supplemental disclosures of cash flows information:

Non-cash related transactions

Accounts payable for acquisitions of property, plant and equipment	22,557,395	4,180,673
Acquisitions of assets under finance lease agreement	-	5,726,406
Dividend payables	4,811,569	4,779,916

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

Thantawan Industry Public Company Limited

Notes to financial statements

For the year ended 31 December 2018

1. General information

Thantawan Industry Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its parent company is The Sunflower Company Limited, which was incorporated in Thailand. The ultimate parent company of the group is Thantawan Group, which was incorporated in Thailand. The Company is principally engaged in the manufacture and sales of plastic products e.g. drinking straws and general plastic bags. Its registered address of the Company is at 143-144, Moo 8, Soi Kangwal 2, Phetkasem Road, Omyai, Sampran, Nakhon Phanom.

2. Basis of preparation

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

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

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

3. New financial reporting standards

(a) Financial reporting standards that became effective in the current year

During the year, the Company has adopted the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements.

(b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2019

During the current year, the Federation of Accounting Professions issued a number of revised and new financial reporting standards and interpretations (revised 2018) which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Company believes that most of the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied. However, the new standard involves changes to key principles, as summarised below.

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes the following accounting standards together with related Interpretations.

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue – Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The management of the Company is currently evaluating the impact of this standard to the financial statements in the year when it is adopted.

- (c) Financial reporting standards related to financial instruments that will become effective for fiscal years beginning on or after 1 January 2020

During the current year, the Federation of Accounting Professions issued a set of TFRSs related to financial instruments, which consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Accounting standard:

TAS 32 Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

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

Interest income

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

4.2 Cash and cash equivalents

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

4.3 Trade accounts receivable

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

4.4 Inventories

Finished goods and work in process are valued at the lower of cost (weighted average method) and net realisable value. The cost of inventories is measured using the standard cost method, which approximates actual cost and includes all cost of raw materials, labour and factory overhead.

Raw materials, chemicals, packing materials, spare parts and factory supplies are valued at the lower of cost (weighted average method) and net realisable value and are charged to production costs whenever consumed.

4.5 Investments

Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium or discount on debt securities is amortised or accreted by the effective rate method with the amortised or accreted amount presented as an adjustment to the interest income.

4.6 Investment properties

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

4.7 Property, plant and equipment and depreciation

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

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

Buildings and complements	20 years
Building improvements	5, 10 and 20 years
Machinery and equipment	5 to 14 years
Tools and equipment	3 to 10 years
Office furniture, fixtures and equipment	5 and 10 years
Motor vehicles	5 years

Depreciation is included in determining income.

No depreciation is provided on land, land improvement, construction in progress and machinery under installation.

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

4.8 Intangible assets and amortisation

Intangible assets are initially recognised at cost on the date of acquisition. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

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

A summary of the intangible assets with finite useful lives is as follows:

Computer software	5 years
License	3 to 10 years

No amortisation is provided on intangible assets under development.

4.9 Related party transactions

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

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

4.10 Long-term leases

Leases of property, plant and equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in other long-term payables, while the interest element is charged to profit or loss over the lease period. The equipment acquired under finance leases is depreciated over the useful life of the leased asset.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as expenses in profit or loss on a straight-line basis over the lease term.

4.11 Foreign currencies

The financial statements are presented in Baht, which is also the Company's functional currency. Items included in the financial statements are measured using that functional currency.

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

Gains and losses on exchange are included in determining income.

4.12 Impairment of assets

At the end of each reporting period, the Company performs impairment reviews in respect of the property, plant and equipment and intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of an asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

4.13 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Post-employment benefits

The Company has obligation in respect of the severance payment it must make to employees upon retirement under labor law. The Company treats this severance payment obligation as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

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

4.14 Provisions

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

4.15 Income tax

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

Current tax

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

Deferred tax

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

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

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

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

4.16 Fair value measurement

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

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

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

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

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

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

5. Significant accounting judgements and estimates

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

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Property plant and equipment and depreciation

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

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

Post-employment benefits under defined benefit plans

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

6. Related party transactions

During the years, the Company had no account transactions with individuals or related party.

Directors and management's benefits

During the year ended 31 December 2018 and 2017, the Company had employee benefit expense payable to their directors and management as below:

	(Unit: Thousand Baht)	
	<u>2018</u>	<u>2017</u>
Short-term employee benefits	45,894	46,272
Post-employment benefits	1,942	1,876
Total	<u>47,836</u>	<u>48,148</u>

7. Cash and cash equivalents

	(Unit: Thousand Baht)	
	<u>2018</u>	<u>2017</u>
Cash	120	120
Bank deposits	178,941	213,854
Fixed deposits with three-months maturity	-	140,143
Total	<u>179,061</u>	<u>354,117</u>

As of 31 December 2018, bank deposits in saving accounts and fixed deposits carried interest at the rate between 0.15 and 1.20 percent per annum (2017: between 0.15 and 1.75 percent per annum).

8. Current investments

	(Unit: Thousand Baht)			
	Interest rate (% per annum)			
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Fixed deposits	1.70 - 2.00	1.60	150,000	100,000
Government bonds	1.47	-	19,914	-
Structured notes	1.30 - 1.34	1.35 - 1.40	100,000	150,000
Total			<u>269,914</u>	<u>250,000</u>

9. Trade and other receivables

	(Unit: Thousand Baht)	
	<u>2018</u>	<u>2017</u>
Trade accounts receivable - unrelated parties		
Aged on the basis of due dates		
Not yet due	220,132	212,429
Past due		
Up to 3 months	51,763	41,414
3 - 6 months	480	1,637
6 - 12 months	62	11
Total	<u>272,437</u>	<u>255,491</u>
Less: Allowance for doubtful debts	-	(6)
Total trade accounts receivables - unrelated parties, net	<u>272,437</u>	<u>255,485</u>
Other receivables		
Other receivables - Revenue Department	14,342	28,626
Advances	1,110	441

(Unit: Thousand Baht)

	<u>2018</u>	<u>2017</u>
Other receivables - unrelated parties	16	490
Accrued revenue - unrelated parties	1,729	-
Interest receivables	492	814
Total other receivables	<u>17,689</u>	<u>30,371</u>
Total trade and other receivables - net	<u><u>290,126</u></u>	<u><u>285,856</u></u>

10. Inventories

(Unit: Thousand Baht)

	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Finished goods	127,709	127,600	(4,961)	(4,010)	122,748	123,590
Work in process	21,701	15,971	-	-	21,701	15,971
Raw materials	237,634	214,606	(17)	(317)	237,617	214,289
Factory supplies	18,708	10,350	-	-	18,708	10,350
Goods in transit	40,422	58,251	-	-	40,422	58,251
Total	<u><u>446,174</u></u>	<u><u>426,778</u></u>	<u><u>(4,978)</u></u>	<u><u>(4,327)</u></u>	<u><u>441,196</u></u>	<u><u>422,451</u></u>

During the current year, the Company recorded the reduced cost of inventories by Baht 0.7 million, to reflect the net realisable value. This was included in cost of sales (2017: the Company reversed the write-down of cost of inventories by Baht 0.9 million, and reduced the amount of inventories recognised as expenses during the year).

11. Investment property

Investment property of the Company is represented land which is not held for operation and is located at Kabinburi district, Prachinburi province. The net book value of investment property as at 31 December 2018 and 2017 is presented below.

(Unit: Thousand Baht)

	<u>2018</u>	<u>2017</u>
Cost	<u>43,140</u>	<u>43,140</u>
Net book value	<u><u>43,140</u></u>	<u><u>43,140</u></u>

A reconciliation of the net book value of investment property for the years 2018 and 2017 is presented below.

	(Unit: Thousand Baht)	
	<u>2018</u>	<u>2017</u>
Net book value at beginning of year	43,140	43,445
Disposals by expropriation - net book value	-	(305)
Net book value at end of year	<u>43,140</u>	<u>43,140</u>

The fair value hierarchy of the investment property as at 31 December 2018 and 2017 is stated below:

	(Unit: Thousand Baht)	
	Fair value hierarchy	
	Level 2	
	<u>2018</u>	<u>2017</u>
Land	188,961	188,961

In July 2017, the Company arranged for an independent professional appraiser to reappraise the value of land using the market comparison approach.

12. Property, plant and equipment

	(Unit: Thousand Baht)							
	Land and land improvement	Buildings and building improvements	Machinery and equipment	Tools and equipment	Office furniture, fixtures and equipment	Vehicles	Construction in progress and machinery under installation	Total
Cost								
1 January 2017	101,463	277,759	534,067	88,276	17,008	26,166	9,487	1,054,226
Additions	-	7,755	46,585	17,751	8,791	7,256	94,676	182,814
Disposals and write-off	-	-	(12,497)	(4)	(511)	(3,974)	-	(16,986)
Transfer in (transfer out)	-	10,790	48,385	6,958	-	-	(66,133)	-
31 December 2017	<u>101,463</u>	<u>296,304</u>	<u>616,540</u>	<u>112,981</u>	<u>25,288</u>	<u>29,448</u>	<u>38,030</u>	<u>1,220,054</u>
Additions	-	4,231	11,039	10,359	8,985	27	261,166	295,807
Disposals and write-off	-	(3,090)	(80,218)	(37,831)	(8,303)	-	-	(129,442)
Transfer in (transfer out)	-	35,527	53,134	488	11,194	-	(100,343)	-
31 December 2018	<u>101,463</u>	<u>332,972</u>	<u>600,495</u>	<u>85,997</u>	<u>37,164</u>	<u>29,475</u>	<u>198,853</u>	<u>1,386,419</u>

(Unit: Thousand Baht)

Construction

in progress

and

machinery

under

installation

Total

Accumulated depreciation

1 January 2017	-	205,484	305,707	66,595	13,855	16,718	-	608,359
Depreciation for the year	-	11,750	34,192	8,073	1,956	3,656	-	59,627
Depreciation on disposals and write-off	-	-	(12,132)	(4)	(511)	(3,974)	-	(16,621)
31 December 2017	-	217,234	327,767	74,664	15,300	16,400	-	651,365
Depreciation for the year	-	14,431	41,330	10,751	3,589	4,712	-	74,813
Depreciation on disposals and write-off	-	(3,090)	(77,497)	(37,826)	(8,301)	-	-	(126,714)
31 December 2018	-	228,575	291,600	47,589	10,588	21,112	-	599,464

Allowance for impairment

1 January 2017	-	-	-	-	-	-	-	-
Increase during the year	-	-	4,540	-	-	-	-	4,540
31 December 2017	-	-	4,540	-	-	-	-	4,540
Decrease during the year	-	-	(1,543)	-	-	-	-	(1,543)
31 December 2018	-	-	2,997	-	-	-	-	2,997

Net book value

31 December 2017	<u>101,463</u>	<u>79,070</u>	<u>284,233</u>	<u>38,317</u>	<u>9,988</u>	<u>13,048</u>	<u>38,030</u>	<u>564,149</u>
31 December 2018	101,463	104,397	305,898	38,408	26,576	8,363	198,853	783,958

Depreciation for the year

2017 (50.7 million included in manufacturing cost, and the balance in selling, distribution and administrative expenses)	59,627
2018 (60.5 million included in manufacturing cost, and the balance in selling, distribution and administrative expenses)	74,813

During the current year, the Company reversed allowance for impairment of Baht 1.5 million due to disposed the unused machinery and equipment. Therefore, as at 31 December 2018, the Company had the outstanding allowance for impairment of machinery and equipment of Baht 3.0 million (2017: Baht 4.5 million) which they are not used in the Company's operation.

As at 31 December 2018, the Company had vehicles with net book value of Baht 4.7 million (2017: Baht 7.7 million) which were acquired under finance lease agreements.

As at 31 December 2018, certain items of plant and equipment were fully depreciate but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 328.2 million (2017: Baht 421.0 million).

13. Intangible assets

	(Unit: Thousand Baht)			
	Computer software	License	Computer software under development	Total
Cost				
1 January 2017	9,716	10,590	-	20,306
Addition	-	320	7,450	7,770
Write-off	-	(1,187)	-	(1,187)
31 December 2017	9,716	9,723	7,450	26,889
Additions	1,728	480	14,026	16,234
Transfer in (out)	21,300	-	(21,300)	-
Write-off	-	(2,116)	-	(2,116)
31 December 2018	32,744	8,087	176	41,007
Accumulated amortisation				
1 January 2017	8,553	4,734	-	13,287
Amortisation during the year	340	1,559	-	1,899
Amortisation on write-off	-	(1,187)	-	(1,187)
31 December 2017	8,893	5,106	-	13,999
Amortisation during the year	1,549	1,072	-	2,621
Amortisation on write-off	-	(2,116)	-	(2,116)
31 December 2018	10,442	4,062	-	14,504
Net book value				
31 December 2017	823	4,617	7,450	12,890
31 December 2018	22,302	4,025	176	26,503

14. Trade and other payables

	(Unit: Thousand Baht)	
	2018	2017
Trade accounts payable - unrelated parties	223,095	301,114
Other payables - unrelated parties	50,488	11,333
Total trade and other payables	<u>273,583</u>	<u>312,447</u>

15. Liabilities under finance lease agreements

	(Unit: Thousand Baht)	
	2018	2017
Liabilities under finance lease agreements	5,124	8,301
Less: Deferred interest expenses	<u>(257)</u>	<u>(488)</u>
Total	4,867	7,813
Less: Current portion	<u>(2,159)</u>	<u>(2,946)</u>
Liabilities under finance lease agreements - net of current portion	<u>2,708</u>	<u>4,867</u>

The Company has entered into the finance lease agreements with leasing companies for rental of motor vehicles for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are 4 years.

Future minimum lease payments required under the finance lease agreements of the Company were as follows:

	(Unit: Thousand Baht)		
	2018		
	Less than 1 year	1 - 4 years	Total
Future minimum finance lease payments	2,308	2,816	5,124
Deferred interest expenses	<u>(149)</u>	<u>(108)</u>	<u>(257)</u>
Present value of future minimum finance lease payments	<u>2,159</u>	<u>2,708</u>	<u>4,867</u>

(Unit: Thousand Baht)

	2017		
	Less than		
	1 year	1 - 4 years	Total
Future minimum finance lease payments	3,177	5,124	8,301
Deferred interest expenses	(231)	(257)	(488)
Present value of future minimum finance lease payments	2,946	4,867	7,813

16. Provision for long-term employee benefits

Movement of the provision for long-term employee benefits for the year ended 31 December 2018 and 2017 were summarised below:

	(Unit: Thousand Baht)	
	2018	2017
Provision for long-term employee benefits		
at beginning of year	37,797	33,437
Included in profit or loss:		
Current service cost	3,605	2,869
Interest cost	1,261	1,207
Included in other comprehensive income:		
Actuarial loss (gain) arising from		
Demographic assumptions changes	262	247
Financial assumptions changes	(657)	745
Experience adjustments	1,021	(408)
Benefits paid during the year	(1,182)	(300)
Provision for long-term employee benefits		
at end of year	42,107	37,797

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

	(Unit: Thousand Baht)	
	2018	2017
Cost of sales	897	1,420
Selling, distribution and administrative expenses	2,708	1,449
Finance cost	1,261	1,207
Total expenses recognised in profit or loss	4,866	4,076

The Company expects to pay Baht 5.2 million of long-term employee benefits during the next year (2017: Baht 1.1 million).

As at 31 December 2018, the weighted average duration of the liabilities for long-term employee benefit is 15 years for monthly staffs and 12 years for daily staffs (2017: 15 years for monthly staffs and 12 years for daily staffs).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)	
	2018	2017
Discount rate	3.08 and 2.80	3.08 and 2.72
Salary increase rate	5.31 and 2.43	5.46 and 2.88
Turnover rate	0 to 42	0 to 43

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2018 and 2017 are summarised below:

	(Unit: million Baht)			
	2018		2017	
	Decrease		Decrease	
	Increase 0.5%	0.5%	Increase 0.5%	0.5%
Discount rate	(1.8)	1.9	(1.7)	1.8
Salary increase rate	1.8	(1.7)	1.8	(1.7)
Turnover rate	(1.9)	2.1	(1.8)	2.0

On 13 December 2018, The National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which is in the process being published in the Royal Gazette. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation at a rate of not less than that of the last 400 days. This change is considered a post-employment benefits plan amendment and the Company have additional liabilities for long-term employee benefits of Baht 10.3 million. The Company will reflect the effect of the change by recognising past services costs as expenses in the comprehensive income statement of the period in which the law is effective.

17. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if

any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

18. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)	
	<u>2018</u>	<u>2017</u>
Salaries and wages and other employee benefits	484,256	416,320
Depreciation and amortisation expenses	76,897	61,526
Raw materials and packaging used	1,604,996	1,609,335
Changes in inventories of finished goods and work in process	(5,839)	(6,104)
Rental expenses from operating lease agreements	35,362	30,491

19. Income tax

Income tax expenses for the years ended 31 December 2018 and 2017 are made up as follows:

	(Unit: Thousand Baht)	
	<u>2018</u>	<u>2017</u>
Current income tax:		
Current income tax charge	35,436	52,011
Deferred tax:		
Relating to origination and reversal of temporary differences	(313)	(527)
Income tax expenses reported in the statements of comprehensive income	<u>35,123</u>	<u>51,484</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2018 and 2017 are as follows:

	(Unit: Thousand Baht)	
	<u>2018</u>	<u>2017</u>
Deferred tax relating to actuarial loss	(125)	(117)
	<u>(125)</u>	<u>(117)</u>

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

	(Unit: Thousand Baht)	
	<u>2018</u>	<u>2017</u>
Accounting profit before tax	<u>293,513</u>	<u>328,450</u>
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by income tax rate	58,703	65,690
Effects of:		
Promotional privileges (Note 20)	(19,968)	(11,462)
Non-deductible expenses	298	1,123
Additional expense deductions allowed	(3,910)	(3,867)
Total	<u>(23,580)</u>	<u>(14,206)</u>
Income tax expense reported in the statement of comprehensive income	<u>35,123</u>	<u>51,484</u>

The components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)	
	Statements of financial position	
	<u>2018</u>	<u>2017</u>
Deferred tax assets		
Allowance for doubtful accounts	-	1
Allowance for diminution in value of inventories	996	865
Allowance for impairment of assets	599	908
Provision for long-term employee benefits	8,421	7,559
Assets under finance lease agreements	13	13
Total	<u>10,029</u>	<u>9,346</u>
Deferred tax liabilities		
Accumulated depreciation - equipment	(4,248)	(4,003)
Total	<u>(4,248)</u>	<u>(4,003)</u>
Deferred tax - net	<u>5,781</u>	<u>5,343</u>

20. Promotional privileges

The Company has received promotional privileges from the Board of Investment for the manufacture of ECO-friendly products, pursuant to the investment promotion certificate No. 2103(1)/2554 issued on 2 March 2010. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax for a period of 8 years from the date the promoted operations begin generating revenues (23 April 2017) and a 50% reduction of corporate income tax on income derived from the promoted operations for a period of 5 years after the tax-exemption period ends.

The Company's operating revenues for the years ended 31 December 2018 and 2017, divided between promoted and non-promoted operations, are summarised below.

	Promoted operations		Non-promoted operations		(Unit: Thousand Baht) Total	
	2018	2017	2018	2017	2018	2017
Sales						
Export sales	624,412	320,109	1,984,486	2,152,140	2,608,898	2,472,249
Domestic sales	2,164	795	441,351	424,939	443,515	425,734
Total sales	626,576	320,904	2,425,837	2,577,079	3,052,413	2,897,983

21. Earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income).

22. Business segment information

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

The Company is organised into one operating segment to manufactures and sell plastic products and the single geographical area of their operation is Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements pertain to the aforementioned reportable operating segment and geographical area.

Production information

The Company manufactures and sell plastic products, which dividend into two main products are plastic bag and straw products. Other products e.g. Zipper tape and resin scrap.

The following tables present revenue and profit information regarding the Company's products for the years ended 31 December 2018 and 2017, respectively.

(Unit: Million Baht)								
	Plastic bag		Straw		Others		Total	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Sales								
- Export sales	2,277.3	2,154.0	233.7	226.0	97.9	92.2	2,608.9	2,472.2
- Domestic sales	<u>255.8</u>	<u>243.7</u>	<u>122.7</u>	<u>123.6</u>	<u>65.0</u>	<u>58.4</u>	<u>443.5</u>	<u>425.7</u>
Total sales	<u>2,533.1</u>	<u>2,397.7</u>	<u>356.4</u>	<u>349.6</u>	<u>162.9</u>	<u>150.6</u>	<u>3,052.4</u>	<u>2,897.9</u>
Gross profit	495.7	480.6	65.2	76.6	30.4	18.9	591.3	576.1
Other income							34.0	47.4
Selling and distribution expenses							(96.0)	(83.8)
Administrative expenses							(234.3)	(209.9)
Finance cost							(1.5)	(1.3)
Income tax expenses							<u>(35.1)</u>	<u>(51.5)</u>
Profit for the period							<u>258.4</u>	<u>277.0</u>

Geographic information

Revenue from external customers is based on locations of the customers.

(Unit: Thousand Baht)		
	<u>2018</u>	<u>2017</u>
Europe	1,896,517	1,692,074
Thailand	443,515	425,734
Australia and New Zealand	290,473	457,142
Asia	193,738	221,456
America	226,572	100,648
Others	<u>1,598</u>	<u>929</u>
Total	<u>3,052,413</u>	<u>2,897,983</u>

Property, plant and equipment

All property, plant and equipment of the Company are located in Thailand.

Major customers

For the year 2018, the Company has revenue from two major customers, arising from sales of plastic bag and straw products (2017: two major customers, arising from sales of plastic bag and straw products).

23. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company contribute to the fund monthly at the rate of 3 percent of basic salary and employees contribute to the fund monthly at the rate of 3 to 15 percent of basic salary. The fund, which is managed by SCB Asset Management Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2018 amounting to approximately Baht 4.6 million (2017: Baht 4.0 million) were recognised as expenses.

24. Dividends

Dividend declared for the years ended 31 December 2018 and 2017 consist of the following:

	Approved by	Total Dividend (Million Baht)	Dividend per share (Baht)	Paid on
2018				
Final dividend on 2017 income	Annual General Meeting of the shareholders on 24 April 2018	100.00	1.250	22 May 2018
Total dividend paid for the year ended 31 December 2018		<u>100.00</u>		
2017				
Final dividend on 2016 income	Annual General Meeting of the shareholders on 26 April 2017	113.44	1.418	24 May 2017
Total dividend paid for the year ended 31 December 2017		<u>113.44</u>		

25. Commitment and contingent liabilities

The Company has commitments and contingent liabilities other than those disclosed in other notes as follows:

25.1 Capital commitments

As at 31 December 2018, the Company had capital commitments of approximately Baht 56.4 million, relating to the acquisition of building improvement (2017: Baht 24.7 million, relating to the acquisition of computer software and building improvement).

25.2 Operating lease commitments

The Company has entered into several lease agreements in respect of the lease of land, office building space and motor vehicles. The terms of the agreements are generally between 1 and 9 years.

Future minimum lease payments required under these operating leases contracts were summarised below:

	(Unit: Million Baht)	
	<u>2018</u>	<u>2017</u>
Payable:		
In up to 1 year	26.3	27.2
In over 1 and up to 5 years	11.1	23.0
In over 5 years	3.0	4.0
	<u>40.4</u>	<u>54.2</u>

25.3 Bank Guarantees

As at 31 December 2018, the Company had outstanding bank guarantees of approximately Baht 20.9 million (2017: Baht 19.8 million) issued by banks on behalf of the Company, in respect of guarantee electricity use, purchase of raw material and performance guarantees as required in the normal course of business.

26. Fair value hierarchy

As at 31 December 2018 and 2017, the Company had the assets that was disclosed fair value using different levels of inputs as follows:

	(Unit: Million Baht)	
	Fair value hierarchy Level 2	
	<u>2018</u>	<u>2017</u>
Assets for which fair value are disclosed		
Investment property	189.0	189.0
Derivatives		
Forward exchange contracts	16.2	-

27. Financial instruments

27.1 Financial risk management

The Company's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade accounts receivable and current investments. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

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

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its cash at banks and current investments. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2018 and 2017, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	2018					Effective interest rate (% per annum)
	Fixed interest rates		Floating interest rate		Total	
	within 1 year	More than 1 - 5 years		Non- interest bearing		
<u>Financial Assets</u>						
Cash and cash equivalent	-	-	167.5	11.6	179.1	0.15 - 1.20
Current investments	269.9	-	-	-	269.9	1.30 - 2.00
Trade and other receivables	-	-	-	290.1	290.1	
	269.9	-	167.5	301.7	739.1	
<u>Financial liabilities</u>						
Trade and other payables	-	-	-	264.5	264.5	-
Liabilities under finance lease agreements	2.2	2.7	-	-	4.9	1.47 - 4.75
	2.2	2.7	-	264.5	269.4	

(Unit: Million Baht)

	2017					Effective interest rate (% per annum)
	Fixed interest rates		Floating		Total	
	within 1 year	More than 1 - 5 years	interest rate	Non- interest bearing		
Financial Assets						
Cash and cash equivalent	140.1	-	213.3	0.7	354.1	0.15 - 1.75
Current investments	250.0	-	-	-	250.0	1.35 - 1.60
Trade and other receivables	-	-	-	285.9	285.9	-
	390.1	-	213.3	286.6	890.0	
Financial liabilities						
Trade and other payables	-	-	-	312.4	312.4	-
Liabilities under finance lease agreements	2.9	4.9	-	-	7.8	1.47 - 4.75
	2.9	4.9	-	312.4	320.2	

Foreign currency risk

The Company's exposure to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies.

The Company has significant foreign currency assets and liabilities that were unhedged against foreign exchange risk, as summarised below.

Currency	Amount		Exchange rate as at 31 December	
	2018 (Million)	2017 (Million)	2018 (Baht per unit of foreign currency)	2017
Assets				
US dollars	2.82	1.60	32.1924	32.4342
Euro	0.11	0.07	36.6577	38.5567
Swiss franc	-	0.04	-	32.9867
Liabilities				
US dollars	3.87	5.16	32.6148	32.8472
Japanese yen	2.30	1.03	0.2970	0.2936

The majority of the liabilities are due within one year.

As at 31 December 2018 and 2017, foreign exchange contracts outstanding are summarised below.

Foreign currency	Bought amount		Contractual exchange rate for amount bought		Contractual maturity date	
	2018 (Million)	2017 (Million)	2018 (Baht per unit of foreign currency)	2017	2018	2017
US dollar	0.5	-	32.6600 - 32.8000	-	2 January 2019 - 6 June 2019	-

27.2 Fair values of financial instruments

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

28. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2018, the Company's debt-to-equity ratio was 0.2:1 (2017: 0.3:1).

29. Reclassification of accounts

Certain amounts in the prior year financial statements presented herein for comparative purpose have been reclassified to conform to the current year's classification, with no effect on profit or shareholders' equity as previously reported. The significant reclassifications are as follows:

	(Unit: Thousand Baht)	
	As at 31 December 2017	
	As reclassified	As previously reported
Statement of comprehensive income		
Sales	2,897,983	2,892,348
Other income	47,357	52,992

30. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 11 February 2019.

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PROVIDER WORLDWIDE



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