



MODEN GLAS

บริษัท ไทยโพลีอะคริลิก จำกัด (มหาชน)

THAI POLY ACRYLIC PUBLIC COMPANY LIMITED



ANNUAL REPORT
2015
รายงานประจำปี 2558

Vision

Grow a dynamic portfolio of independently profitable downstream businesses
for both acrylic and non acrylic sheet

Values

always focus on customers and their needs

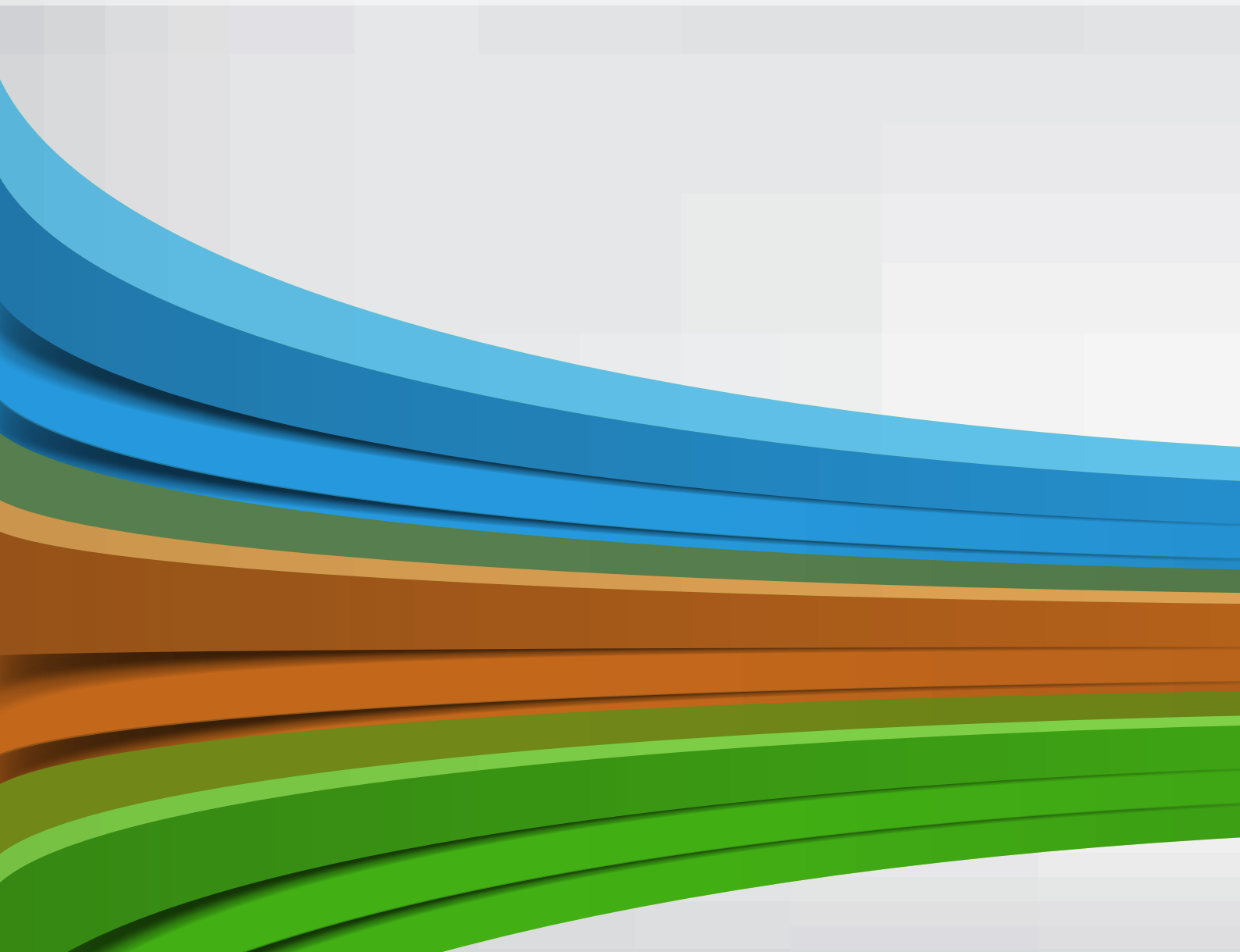
work together to deliver our promises

release personal potential and reward good performance

encourage creativity and innovation

treat each other with respect and act with integrity

have a passion for Safety, Health and Environment



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MESSAGE FROM CHAIRMAN



The difficult trading conditions we experienced in 2014 continued into 2015. Though there was an underlying improvement in the economy, growth through 2015 was slower than anticipated with GDP at 2.7% versus the very slow growth in 2014 of 0.4%. The first three quarters grew steadily with improved domestic output but this was not sufficient to offset the impact of slower global demand.

The newly appointed economic team, appointed by government, was established in August this year with the objective to stimulate economic growth. The team announced various stimulus packages in December 2015 which were welcomed in market.

The economic and political uncertainties continued to impact our customers, suppliers and competition. The impact of reducing oil prices and rapidly changing raw material prices and therefore selling pricing for our customers exacerbated an already uncertain environment. This resulted in declining demand in both the acrylic and non acrylic markets where our customers and suppliers also looked for ways to reduce costs. Our sales decreased from 1,218 Million Baht in 2014 to 1,127 Million Baht in 2015. This fall in sales was due to both lower selling prices, due to falling raw material prices and volume. Despite the declining volume in both acrylics and non-acrylics volumes, the company managed to deliver an improvement in net profit of baht 30.7 million from baht 31.4 million to baht 62.1 million. This resulted from focus on our approach to the market and customers needs, continuing to provide a high service level to our customers and in improvements in manufacturing efficiencies and fixed costs. Taking account of this improvement in performance, the Board has recommended a dividend of Baht 0.40 per share for 2015.

The marketing team has also continued to look for opportunities to develop new products, applications and markets which should benefit our customers and the Company in the coming years.

I would like to thank the management team and employees for continuing to maintaining their momentum in driving the business forward in this highly competitive environment.

Whilst the growth is expected to improve further in 2016 with the impact of the various stimulus packages implemented in 2015, the outlook for 2016 remains highly uncertain.

If demand, both domestic and export, continues to be challenging, this will put pressure on the Company's plan to improve volume and grow with our customers. However the business will continue to strive to improve manufacturing reliability through focus on efficiencies, yields and fixed costs.

I am however confident that the management and all the employees will continue focus on improving business performance and look forward to the full support from all the shareholders and stakeholders.

A handwritten signature in black ink, appearing to read 'Annie Sophia Veerman'.

(Ms. Annie Sophia Veerman)

Chairman of the Board of Directors

COMPANY PROFILE

The company is a manufacturing and distributor of Acrylic Sheet and Extruded Plastic Material of various kinds such as ABS Sheet, HIPS Sheet and PP Sheet etc.

The company was registered in 1985 under the management of Mr.Charoon Limchiyawat and family with a Founding Capital of Baht 10 million later raised to Baht 121.5 million.

In 1994 TPA became a public company on Thailand's Stock Exchange with registered number : 0 107 537 00 225 7.

On 22 April 2013 the Annual General Meeting of the Company's shareholders passed a resolution to approve a change in the par value of the Company's shares from Baht 10 per share to Baht 1 per share. The Company registered the change in par value with the Ministry of Commerce on 10 May 2013.

Today, the major shareholder of the company is Lucite International Co. Ltd., the world's major manufacturer of Methyl Methacrylate and Acrylic Sheet.

Our business objective is to expand volume and revenue for both cast and extrusion operations by using efficient machinery and new products development.

In addition, the company has a strategic plan for realizing productivity improvements year on year to remain competitive against the Asian casters and sheet manufacturers.

Our head office and factory located at : 60 - 61 Moo 9, Phutthamonthon 4 Rd.,
Krathumlom, Sam Phran,
Nakhonpathom 73220, Thailand
Telephone : (662) 429 2020, 429 2487-8, 889 8720-5
Facsimile : (662) 429 2541, 888 5953

Sales office located at : 134/5 Krung Thonburi Road,
Klong Tonsai, Klong Sarn,
Bangkok 10600, Thailand
Telephone : (662) 860 8765-70
Facsimile : (662) 860 9106, 860 8762.

Website : <http://www.thaipolyacrylic.com>

Registrar : Thailand Securities Depository Co., Ltd.
1st The Stock Exchange of Thailand,
Tower B (near China Embassy),
93 Ratchadaphisek Road,
Kheat Dindang, Kwang Dindang,
Bangkok 10400
Telephone : (662) 009-9999
Facsimile : (662) 009-9001

Auditor :

Ernst & Young Office Limited
33rd Floor, Lake Rajada Office Complex,
193/136-137 Rajadapisek Road
Klongtoey, Bangkok 10110
G.P.O. Box 1047, Bangkok 10501, Thailand
Telephone : (662) 264 0777
Facsimile : (662) 264 0789-90

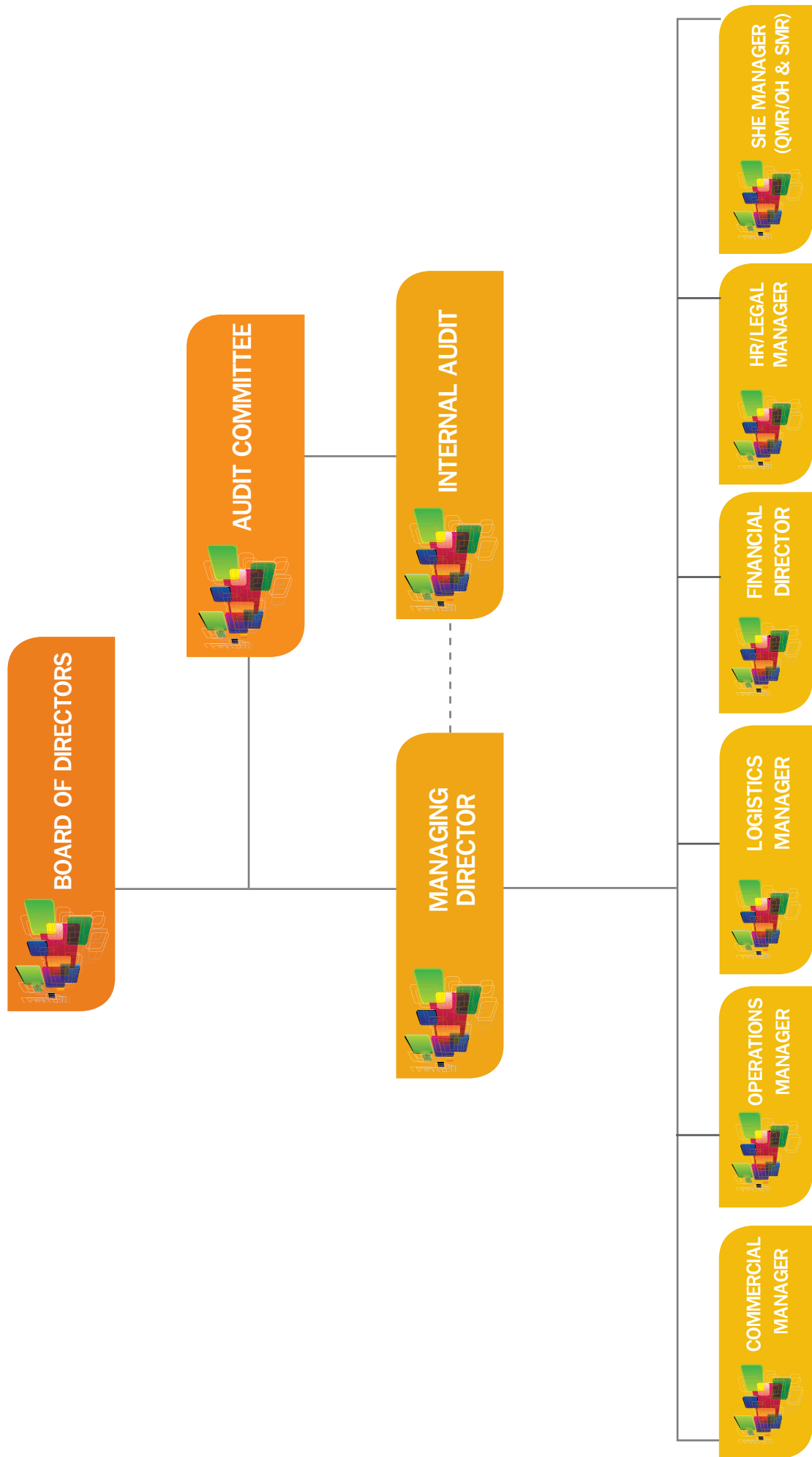
Legal Advisor:

Mr. Surat Jankaew
Lawyer
BZ Legal Advisor Law Office
52 Ladprow 81 (Thitiporn)
Kwang Klong choakhunsing,
Kheat Wang Thong Lang
Bangkok 10240
Telephone : (662) 539 3230
Facsimile : (662) 539 3230 # 103

Shareholding in other Business Entity at and above 10%

-Nil-

ORGANIZATION CHART



BOARD OF DIRECTORS



Ms. Annie Sophia Veerman

Title	Chairman
Age	54
Education	- Master of Business Administration (M.B.A.) Grandfield University (UK) - Degree in Business Studies (QUT, Brisbane) Certified Practicing Accountant Australia

Shareholding in the company None

Work Experience during last 5 years

13 August 2015 - present	- Chairman of Board Directors
12 November 2013	- Executive Director Thai Poly Acrylic Public Company Limited
1 June 2003 - Present	- Executive Director Chief Financial Officer Lucite International



Mr. Suchitr Srivetbodee

Title	Deputy Chairman of the Board of Directors
Age	67
Education	- Master Degree in Business Administration (M.B.A.) Pittsburgh State University of Kansas, USA. - Bachelor Degree in Finance, West Virginia State Collage, USA

Shareholding in the company 16,300 shares

Work Experience during last 5 years

13 August 2015 - Present	- Executive Director
2013 - 2015	- Non Executive Director Thai Poly Acrylic Public Company Limited
1993 - January 2013	- Managing Director Thai Poly Acrylic Public Company Limited

Director Training Program	- Director Accreditation Program : DAP Thai Institute of Directors Association (IOD)
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Mr. Chate Pattanakul

Title	Managing Director
Age	54
Education	<ul style="list-style-type: none"> - Master of Science Major Packaging Michigan State University - Bachelor Degree in Business Administration Ramkhanghang University - Bachelor Degree in Science Major : Food Science & Tech Kasetsart University
Shareholding in the company	6,600 Shares
Work Experience during last 5 years	
2013 - Present	<ul style="list-style-type: none"> - Managing Director Thai Poly Acrylic Public Company Limited
2010 - 2012	<ul style="list-style-type: none"> - Managing Director Interman Corporation Company Limited
Director Training Program	<ul style="list-style-type: none"> - Director Certification Program :DCP 2007 - Director Accreditations Program : DAP 2007 Thai Institute of Directors Association (IOD)



Mr. Benjamin James Harris

Title	Executive Director
Age	50
Education	<ul style="list-style-type: none"> - PhD. Dept Chemical Engineering University of Cambridge, United Kingdom - Bachelor Chemical and Process Engineering (1st Class) University of Canterbury, New Zealand
Shareholding in the company	None
Work Experience during last 5 years	
2015 - Present	<ul style="list-style-type: none"> - Executive Director Thai Poly Acrylic Public Company Limited
2010 - Present	<ul style="list-style-type: none"> - General Manager Lucite International Singapore Pte.,Ltd.
Director Training Program	None

Mr. Rakchai Sakulteera



Title	Executive Director
Age	56
Education	<ul style="list-style-type: none"> - Master Degree in Business Administration International Program Bangkok University - Graduate Diploma in Auditing Thammasat University - Bachelor Degree in Accounting, Chulalongkorn University
Professional Qualification	- Certified Public Accountant of Thailand
Shareholding in the company	None
Work Experience during last 5 years	
27 July 2015	- Finance Director
2014	<ul style="list-style-type: none"> - Independent Director and Member of Audit Committee Thai Poly Acrylic Public Company Limited
2013 - Present	<ul style="list-style-type: none"> - General Director S & B Foods Supply Company Limited
2010 - 2013	<ul style="list-style-type: none"> - Corporate Director Amcor Packaging Bangkok Public Company Limited
2011 - 2013	<ul style="list-style-type: none"> - General Director Amcor Packaging Bangkok Public Company Limited

Dr. Anuphan Kitnitchiva.



Title	Independent Director Chairman of Audit Committee
Age	52
Education	<ul style="list-style-type: none"> - Ph.D. (Development Administration) School of Public Administration (International Doctoral Program) The National Institute of Development Administration. - Senior Executive Program Sasin, Graduate Institute of Business Administration of Chulalongkorn University - LLM (Business Law) Thammasat University - LLB (Honours) Thammasat University
Professional Qualification	Lawyer License No.18024/2529
Shareholding in the company	None
Work Experience during last 5 years	
2014 - Present	<ul style="list-style-type: none"> - Independent Director and Chairman of Audit Committee Thai Poly Acrylic Public Company Limited
2013	<ul style="list-style-type: none"> - Independent Director and Member of Audit Committee Thai Poly Acrylic Public Company Limited
2004 - Present	<ul style="list-style-type: none"> - Senior Partner Dherakupt International Law Office
Director Training Program	<ul style="list-style-type: none"> - Director Certification Program : DCP 130/2010 Thai Institute of Directors Association (IOD)

Mr. Jan Dam Pedersen



Title	Independent Director Member of Audit Committee
Age	64
Education	- Diploma EAC's full time course in Business Administration - Various high level business courses with General Management, - Finance, Strategy and Marketing at IMD Switzerland
Shareholding in the company	None
Work Experience during last 5 years	
27 July 2015 - Present	- Independent Director and Member of Audit Committee
2015	- Non Executive Director Thai Poly Acrylic Public Company Limited
2013 - Present	- Managing Director Novanta Company Limited
2010 - 2012	- COO of Brenntag Asia Pacific, Thailand
2010 - 2011	- CEO of EAC Industrial, Ingredients, Thailand Sr. Vice President, The EAC Group of Companies

Mr. Kulvech Janvatanavit



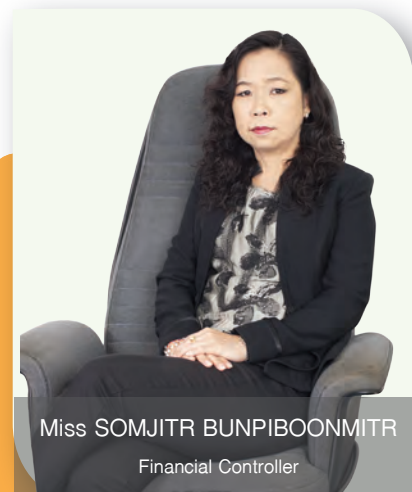
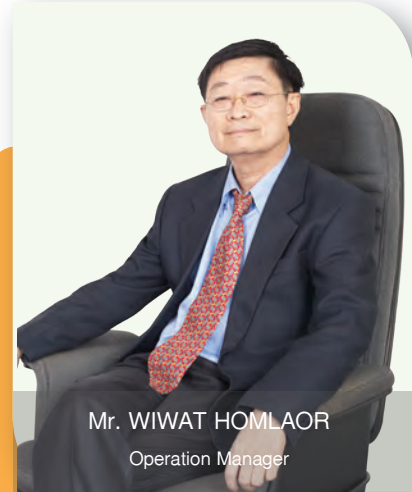
Title	Independent Director Member of Audit Committee
Age	51
Education	- Master Degree in Real Estate Development Massachusetts Institute of Technology, USA - MBA in Finance and International Business From Sasin GIBA - Bachelor Degree in Mechanical Engineering Chulalongkorn University
Shareholding in the company	None
Work Experience during last 5 years	
2014 - Present	- Independent Director and Member of Audit Committee Thai Poly Acrylic Public Company Limited
2013 - Present	- Principle Project Advisor
January 2014	- Private Sector Collective Action Coalition Against Corruption (CAC) at Thai Institute of Directors Association (IOD)
2012	- Director at Beyond Green Company Limited
2011	- Director at The Young Buddhists Association of Thailand under Royal Patronage
1999 - 2013	- Partner/Director/Advisor at Pricewaterhouse Coopers FAS In business and financial advisory
Director Training Program	- Director Certification Program : DCP - 2002 Thai Institute of Director Association (IOD)



Miss Patcharee Maneetamwong

Title	Company Secretary
Age	41
Education	<ul style="list-style-type: none"> - Master of Laws Chulalongkorn University - Bachelor of Laws Chulalongkorn University
Professional Qualification	- Lawyer License
Shareholding in the company	None
Work Experience during last 5 years	
2008 - Present	<ul style="list-style-type: none"> - Company Secretary Thai Poly Acrylic Public Company Limited
2008 - Present	<ul style="list-style-type: none"> - Company Secretary Brenntag Ingredients (Thailand) Public) Company Limited
2014 - Present	<ul style="list-style-type: none"> - Legal Counsel Brenntag Ingredients (Thailand) Public Company Limited
2006 - 2008	<ul style="list-style-type: none"> - Legal Counsel McEvily & Collins Co., Ltd.
2000 - 2005	<ul style="list-style-type: none"> - Legal Counsel Matzger Matgergor Minter Ellison (Thailand) Ltd.

MANAGEMENT TEAM





Mr. PONGTHORN CHUENCHAROEN
Site Engineering Manager



Mrs. NOUNGRUTAI BOONPETCH
R & T Manager



Mr. WITTAYA MONGKOLKACHIT
Technical Center Manager



Mr. UDOMSAK TIENCHAN
Warehouse & Distribution Manager



Mr. PONGSUN ASSAVASIRIJINDA
Sales & Product Manager



Mrs. JANJIRA THUMSORN
Export Sales Manager



Mrs. MASAYA RUNGRUENG
Secretary to Managing Director



Miss THANJIRA KUNATHIPSRI TRAKOOL
Internal Auditor

SHAREHOLDERS

The total authorized number of ordinary share is 121,150,00 share with a par value of Baht 1 per share.

All issued shares are fully paid.

SHAREHOLDERS

30/12/2015

No	Name/Surname/Company	Amount Total	% of total Shares
1.	LUCITE INTERNATIONAL UK OVERSEAS HOLDCO1 LIMITED	51,374,360	42.28
2.	ASIATIC ACRYLIC COMPANY LIMITED	41,450,530	34.12
3.	THAILAND SECURITIES DEPOSITORY COMPANY LIMITED FOR DEPOSITORS	25,412,080	20.91
		118,236,970	97.31

POLICY Flexible but to be considered and approved by the Meeting of Shareholders from time to time

REMARK : The top of shareholders are ranked by Thailand Securities Depository Co., Ltd.

DIRECTORS & EXECUTIVE SHAREHOLDING

DIRECTOR SHAREHOLDINGS

NAME	AMOUNT IN EARY YEAR	AMOUNT IN MID YEAR	AMOUNT IN END OF YEAR
1. Miss Annie Sophia Veerman	N/A	-	-
2. Mr. Suchitr Srivetbodee	16,300	16,300	16,300
3. Mr. Chate Pattanakul	1,100	3,900	6,600
4. Mr. Benjamin James Harris	N/A	-	-
5. Mr. Rakchai Sakulteera	N/A	-	-
6. Dr. Anuphan Kijnijcheeva	N/A	-	-
7. Mr. Jan Dam Pedersen	N/A	-	-
8. Mr. Kulvech Janvatanavit	N/A	-	-

EXECUTIVES SHAREHOLDINGS

NAME	AMOUNT IN EARY YEAR	AMOUNT IN MID YEAR	AMOUNT IN END OF YEAR
1. Mr. Wiwat Homlaor	2,000	2,000	2,000
2. Mr. Thanetr Khumchoedchoochai	2,000	2,000	2,000
3. Mr. Thanawat Kulprasertat	2,000	2,000	2,000
4. Mr. Pongsin Muangsri	2,000	2,000	2,000
5. Miss Somjittr Bunpiboonmiitr	N/A	-	-

NATURE OF BUSINESS

The Company is a manufacturer and distributor of acrylic sheet and extruded plastic materials of various kinds, such as, ABS sheet, HIPS sheet, and PP Sheet etc.

1. The Company's products can be classified according to production process as follows:

1.1 Cast Acrylic Production Line

The Company has altogether 3 cast acrylic production lines, producing and distributing cast acrylic sheets with total production capacity at 10,000 tons per year. The acrylic sheets produced and distributed by the Company can be categorized according to their uses as follows:

(a) Acrylic sheet for general use under the trademarks of "Moden Glas" and "Sign Ad", which are widely used in making advertisement signboards, company signboards, work pieces, and interior/exterior building decorations, etc. The Acrylic sheet can be made transparent or in various colors as required by each customer, as the Company is specialized, with fully equipped laboratory, for comparing and matching the color accurately.

(b) There are various grades and colors of sanitary ware and bath acrylic sheets produced by the Company according to the needs of customers, whereby such sanitary sheets could be further worked to make bath tub or shower base. These products are produced and distributed worldwide under the trademarks of "Moden Glas" and "Lucite TS", etc.

(c) Special grade acrylic sheet for specific use which is specially developed to suit different usage, such as impact modified cast sheet - a durable cast sheet which is six times more durable than the normal graded acrylic sheet, and LMS (Light Management Solutions) sheet which has been designed in such a way that light is directed to the edges and it is used as signboard or light advertisement signboard which is of a thinner shape than a general light signboard making it more beautiful and power saving.

Acrylic sheet is a thermo plastic sheet of plain transparent description but can be produced in many colours, both transparent and opaque. Its special characteristics are that when heated it will be softened and can then be easily bend or worked into many forms, and when it is cooled down, it will be hard and remain in such form. It is also light, able to withstand impact eight times more than normal glass, can be engraved, painted, or silkscreened in many designs. This kind of acrylic sheet is widely used to replace many materials, such as, glass, steel, aluminum, and plywood, etc., and can also be used as raw materials in making equipment for house and office building decorations, various kinds of sanitary wares, as well as multipurpose uses, such as, roof tile, goods and furniture display cabinet, advertisement signboard, public telephone booth, etc. The Company can produce acrylic sheet of a thickness from 1.0 - 40 mm., and there are many sizes to choose from according to suitability of usage.

1.2 Extrusion Production Line

The Company is also a manufacturer and distributor of ABS sheet and HIPS sheet, including other types of plastics, by applying extrusion system, under the trademark of "Moden Plas", and we also accept the made-to-order work of plastic production of customers both locally and abroad.

ABS sheet is a plastic sheet of thermo plastic type manufactured from polymer pellet of acrylonitrile butadiene styrene (ABS), and has the properties of withstanding impact, chemicals, etc. It can be heated to further work out in many forms. It also has shining surface.

HIPS sheet is a plastic sheet of thermo plastic type manufactured from polymer plastic pellet of high impact polystyrene (HIPS). Its general characteristics are similar to ABS sheet; the only differences are usage properties.

Presently, the Company is able to produce ABS sheet, HIPS sheet, polystyrene as well as many other value added plastic sheets, such as, extrusion acrylic sheet of both plain and frost design, PMMA capped ABS sheet, plain PP sheet, and plain HDPE and LDPE sheet, etc. We can also make them of a thickness from 1.5 to 10.00 mm. and of a width of 2.5 metres, using advanced and sophisticated rolling machines imported from leading machinery makers abroad.

2. Marketing and Competitive Industrial Situations

2.1 Marketing Development

Acrylic Sheet

We attach much importance to research and development as if it was a scientific apparatus for development of our products of both acrylic sheets and other plastic extrusion systems of special properties, such as being energy saving and environmental friendly. Our products can be used in numerous ways, for example, light advertisement boards or light signboards, etc. Besides, we also move forward in order to develop new technology for work piece conversion of large size and of as much as 40.0 mm. thickness, including continuous development of sanitary sheets or bath sheets which are more easy to form in various shapes and with anti-bacterial properties, so as to add value to respond to the needs of our local and overseas customers.

ABS Sheet and High Impact Polystyrene Sheet

We still attach importance to the development and improvement of the quality of the said sheets so that they are of the standards of the production of ABS and HIPS sheets to satisfy all customer needs. Most importantly, we aim to improve the quality of said sheets to be in line with the standards and expectations of each customer. This is because we produce such plastic sheets under orders from each customer which have different specifications, for example, different raw materials or different standards.

We have expanded the market of the new formula PE sheet and high impact extruded acrylic sheet, which can be used in many kinds of works, for example, making of parts in car decorations industry, equipment for refrigerator, etc.. We also developed extruded acrylic sheet to have dual colors, currently offered in transparent and white, and transparent and black, and we expect more colors will be developed in the future.

2.2 Industrial Trend and Competitiveness of Cast Acrylic Sheet

Overall market requirement for acrylic sheet in 2015 decreased in both domestic and overseas markets. It was a result of the continuing economic slowdown, the political situation, delay of consumers spending, and the fluctuation of foreign exchange rates. In the first half of 2015, both domestic and export sales volume dropped but the Company could maintain the profit by increasing the sales proportion of the high value added products together with the effective product and customer mix strategy and costs and overheads costs control. In the second half of 2015, the sales of domestic acrylic sheet have improved; however, sales and profit generated from customers in the automobile sector still significantly dropped as a result of the economic slowdown and political situation. The export market has been affected by the fluctuations in foreign exchange rates and the recovery of the global economy. The Company focused on improving the export sales market; however, the overseas demand still could not compensate for the decline in the domestic market.

In 2016, the Company forecasts a demand growth but not yet to see a return to normalcy due to slow recovery of the world economy, especially in Asia-Pacific, USA and Middle East. For the domestic market, this depends on confidence in counterparties business, growth in consumer consumption, outlook of raw material prices, especially the MMA solution price which is expected to decrease next year. As regards the forecasted recovery of global consumption, it is a challenge for the Company to maintain the sales price in line with the production costs and to control the increasing selling expenses caused by wage increases. It is most important to adjust the sales and marketing strategy for the export market by decentralization and increasing the market in each region corresponding to the increasing demand and competition.

Other Extruded Plastic Sheets

More than 90% of total sales of extruded plastic sheets each year are for domestic consumption. In 2015, the Company had planned to increase the production and distribution of extruded plastic sheet focusing on expanding domestic customer bases to cover every market segment application. However, the impact from economy slowdown and political uncertainty resulted in declining in demand from the automotive segment. The overall demand for all extrusion sheets also declined in the second half of the year.

The Company has also been working to improve sales in other market segments.

3. Important Production Policy

The Company has adopted its own important production policy as per the following strategies:

1. Setting targets on increased production, reducing percentage of losses, using suitable raw materials, and increasing production efficiency, etc.
2. Improving machinery and equipment to reduce losses during production, while also improving the quality of goods to be of good standards so that it be accepted by the customers both locally and abroad.
3. Preparing cost saving plan to reduce costs, such as, improvement of production process, production plan, so as to reduce the costs of production, which would make it more competitive in the markets.
4. The Company still attaches much importance to the upgrading of new product development, especially value added special products, by regarding this as its trade policy.
5. The Company gives importance to the development of skills of its staff. And though we are greatly affected by the world economic recession, we still put emphasis on personnel development, by arranging various training programs, and by promoting more consultation meetings to exchange viewpoints between organizations. The objective is to create an atmosphere of production efficiency development via good communications and brainstorming, as well as participation in problem solving process, all of which will in the end benefit the Company.
6. Developing and upgrading quality of goods and services continuously, by listening to viewpoints, needs, and complaints, from its customers both locally and abroad, and also setting suitable methods to improve and develop its products to meet utmost satisfaction of customers.
7. Giving importance to safety, occupational health, and environments among the staff and the communities, by regarding this as one of the top policies of the Company which state that it is the duty and responsibility of the Management and all staff to play a part in this aspect, whereby such shall be also used as an evaluation of their performances.

RISK FACTOR / RISK ASSESSMENT

1. Risks in the Manufacturing Process

Risks pertaining to materials sourcing

The main raw material used in the manufacture of acrylic sheets is MMA (Methyl Metha Acrylate). The Company locally procures MMA for the production throughout the year according to the purchase plan with sufficient volumes at the market prices. The purchase prices to be agreed on a monthly basis that can be monitored using reliable sources and can be mutually agreed on by both parties.

In the manufacture of plastic sheets under the extrusion system, the main raw materials are ABS, HIPS, PP and PE plastic pellets, most of them are local supplies. Some types of the materials are imported from overseas but only in the case where some specific types are not available locally, or in the case the imported materials are more competitive.

The principles and the purchasing plans applied in acquiring raw materials both locally and overseas, therefore, protect the Company against related risks so that the Company adequately has each type of materials as required by its Sales & Operations Planning, which is monthly reviewed and made forecast 3 months in advance. Some risks are still present as the raw material prices may fluctuate, but the risks are not significant because the Company has no policy of storing more than 2 months' amount of the estimated materials needed in the production plan. This practice helps reduce the risks of price fluctuation to an acceptable level.

2. Risks in Operating the Business

2.1 Competition risks

In operating its business, the Company faces risks from competition from both domestic and overseas. However, in relation to this, the Company has formulated the policy for creating product differentiation by emphasizing the quality of the goods of which the quality warranty or certification can be issued from overseas; and by competitive pricing and emphasizing the development of the valued-added products, i.e.; antibacterial bath sheet, edge-lighting acrylic panel and High Impact Modified Acrylic Sheet, etc. This is to enhance competitive advantages and long-term growth of the business.

2.2 The Company has risk management system to minimize the impact from the fluctuation of foreign exchange especially between US dollars and Thai Baht by entering into forward contracts, hedging with counterpart commercial banks, and monitoring the market closely to be ready to modify sales and marketing strategy by balancing domestic and international sales as necessary and appropriate.

2.3 Furthermore, the Company continues to keep good business relationship with key customers and also providing technical sales assistance not only to customers but also include the ultimate customer of the customers in such a manner that they are acquainted with the product knowledge and are more capable to fabricate the product with a greater efficiency. This can be considered one of the Company's competitive edges, which greatly satisfies customers in each of the marketing channels.

2.4 Risk in production

Complex production process could incur various problems resulting in significant loss to the Company. Production control is implemented, tested, and reviewed regularly. Any changes in the process must have a thorough review through Modification Form process.

2.5 Change of management and purchase strategy of key customers

Customers might change their needs, adjust the purchase volume, perform budget review, or significantly change the guideline/operating procedure, which might affect the Company's performance. The Company has to follow up and communicate with customers regularly to keep up with the change to manage sales mix of each product and each customer. Product development is regularly conducted to explore new opportunities to substitute the existing products where applicable.

3. Risk relating to the management

3.1 Risk of purchasing goods from/ sell by the major shareholders

Although the Company made reciprocal business transactions with Lucite International and subsidiaries of which the majority will be purchase transactions of chemical raw materials used in the manufacturing of Acrylic sheets, and sales agreement of Acrylic Sheets with overseas customers, where Lucite International established an office or sales office in certain countries such as China, Korea, etc. The execution of the said transactions is subject to management and agreement in which the Company determines the purchase price by reference to the market price with discount as agreed with Lucite International. For sales transaction, the Company determines the selling price, trade discounts, and commission taking into account the prevailing sheet price sold to each customer.

Related transactions between the Company and Lucite International have been audited for accuracy and transparency by the Audit Committee, and audited by external auditors. The Committee is of the opinion that the price and trading terms mentioned above has entered into based on the arm length buying-selling price.

3.2 Risk pertaining to the Company's Shareholding Structure

Lucite International UK Overseas Holding Company Limited Group and Asiatic Acrylic Company Limited as a group of major shareholders hold 76.40% of the Company's issued and fully paid share capital, thus they are in a position to influence in any subject that legally required majority votes at the Shareholding Meeting e.g. appointment of director. However, in compliance to the Corporate Good Governance and for business transparency, the Board of Directors have appointed 3 independent directors who are actively performing as the Company's Audit Committee and all of them are well qualified professionals with outstanding qualifications as required by the Stock Exchange of Thailand. All other Company's directors, besides the Independent Directors, are also experts and professionals in various fields who are committed to manage the business for the upmost benefits of the Company to the shareholders.

The executive directors, independent directors and the audit committee who are representatives of the Company's major shareholders are always participated in the Board meetings.

MANAGEMENT

1. Management Structure

Board of Directors

As of December 31, 2015 the Board of Directors comprises of 8 members whose names are listed below:

1)	Miss. Annie Sophia Veerman	Chairman of Board of Directors
2)	Mr. Suchitr Srivetbodee	Deputy Chairman of the Board of Directors
3)	Mr. Chate Pattanakul	Managing Director
4)	Mr. Benjamin James Harris	Executive Director
5)	Mr. Rakchai Sakulteera	Executive Director
6)	Dr. Anuphan Kitnichiva	Independent Director and Chairman of Audit Committee
7)	Mr. Jan Dam Pedersen	Independent Director and Audit Committee
8)	Mr. Kulvech Janvatanavit	Independent Director and Audit Committee

Company Secretary is Miss Patcharee Maneetamwong

Scope of authority and duties of the Board of Directors

The Board of Directors has an authority to determine and amend the names of the directors who are authorized to sign on behalf of the Company. The names of directors who are authorized to sign on behalf of the Company are "Miss Annie Sophia Veerman, Mr. Suchitr Srivetbodee, and Mr. Chate Pattanakul, any two of these three Directors jointly sign together with the Company's seal affixed."

According to the Company's Articles of Association and the provisions of the Public Limited Companies Act, the Board of Directors has an authority to perform any acts within the scope of the Company's objectives as follows:

- 1) To file a complaint and proceed with legal action on behalf of the Company including to settle a dispute or assign arbitrator to settle any dispute.
- 2) To purchase, procure, lease, lease out, hold ownership or right of possession, modify, utilize, or carry out anything related to the assets and gains from those assets.
- 3) To sell, transfer, accept pledge, mortgage, exchange, or distribute assets in other way.
- 4) To borrow money, guarantee debtors, aval or endorse bills of exchange or other kinds of transferable financial instruments.
- 5) To bail out directors, officials, or employees of the Company charged in criminal court cases as a result of their performance carrying out the Company's business.
- 6) To hold shares and/or manage other public or private limited companies as well as collaborate with those companies to carry out specified business.
- 7) To carry out any duties that can only be performed by natural persons in accordance with the Company's objectives.
- 8) To prepare the Company's financial statements, financial documents, and submit evaluation reports on the adequacy of the Company's internal control system.

Audit Committee

As of December 31, 2015, the Audit Committee comprises 3 members whose names are listed below:

1)	Dr. Anuphan Kitnichiva	Chairman of Audit Committee
2)	Mr. Jan Dam Pedersen	Audit Committee
3)	Mr. Kulvech Janvatana	Audit Committee

Secretary of the Audit Committee is Miss Thanjira Kunathipsritrakool

Scope of Duties and Responsibilities of the Audit Committee

The Audit Committee has scope of duties and responsibilities as follows:

- 1) To review the Company's financial reporting process to ensure that it is accurate and adequate.
- 2) To review the Company's internal control system and internal audit to ensure that they are suitable and efficient.
- 3) To review the Company's compliance with the law on securities and exchange, the Exchange's regulations, and the laws relating to the Company's business.
- 4) To consider, select and nominate an independent person to be the Company's auditor, and to propose such person's remuneration.
- 5) To attend a non-management meeting with an auditor at least once a year.
- 6) To review the Connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Exchange's regulations, and are reasonable and for the highest benefit of the Company.
- 7) To determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit.
- 8) To prepare, and to disclose in the Company's annual report, an Audit Committee's report which must be signed by the Audit Committee's chairman and consist of at least the following information :
 - 8.1 an opinion on the accuracy, completeness and creditability of the Company's financial report.
 - 8.2 an opinion on the adequacy of the Company's internal control system.
 - 8.3 an opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business.
 - 8.4 an opinion on the suitability of an auditor.
 - 8.5 an opinion on the transactions that may lead to conflicts of interests.
 - 8.6 the number of the Audit Committee meetings, and the attendance of such meetings by each committee member.
 - 8.7 an opinion or overview comment received by the Audit Committee from its performance of duties in accordance with the charter.
 - 8.8 other transactions which, according to the Audit Committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's Board of Directors.
- 9) In its performance of duties, if it is found or suspected that there is a transaction or any of the following acts which may materially affect the Company's financial condition and operating results, the Audit Committee shall report it to the Company's Board of Directors for rectification within the period of time that the Audit Committee thinks fit :
 - 9.1 a transaction which causes a conflict of interest.
 - 9.2 any fraud, irregularity, or material defect in an internal control system.
 - 9.3 an infringement of the law on securities and exchange, the Exchange's regulations, or any law relating to the Company's business.

If the Company's Board of Directors or management fails to make a rectification within the period of time under the first paragraph, any Audit Committee member may report on the transaction or act under 9.1, 9.2 and 9.3 to the Securities and Exchange Commission or the Stock of Exchange of Thailand.

- 10) If the Auditor discovers any suspicious circumstance that the director, manager or any person responsible for the operation of such juristic person commits an offence the Securities and Exchange Act B.E. 1992 under the second paragraph of Section 281/2, Section 305, Section 306, Section 308, Section 309, Section 310, Section 311, Section 312 or Section 313, the Auditor shall inform the fact relating to such circumstance to the Audit Committee in order to continue the inspection without delay and the Audit Committee shall report the result of preliminary inspection to the Securities and Exchange Commission and the Auditor within thirty days.

Suspicious circumstances that shall be informed under the first paragraph and procedures for acquiring the fact relating to such circumstances shall comply with the notification of the Capital Market Supervisory Board.

- 11) In case that Audit Committee member wishes to resign before the expiration of his term of service, he should give a notice thereof to the Company one month in advance together with reason therefore so that the Company's Board of Directors or shareholders' meeting can consider appointing another director who is fully qualified to replace the resigning member.
- 12) To perform any other act as assigned by the Company's Board of Directors, with the approval of the Audit Committee.

The Audit Committee is responsible to the Company's Board of Directors according to the duties and responsibilities assigned by the Company's Board of Directors, while the responsibilities for all activities of the Company towards shareholders, stakeholder and other persons are still vested in the entire the Company's Board of Directors.

Managing Director

Mr.Chate Pattanakul is the Company's managing director whose scope of authority is as follows:

Scope of authority of the Managing Director

- 1) To consider the appointment, transfer, dismissal, discharge, and approval of resignations of the company's employees at every level.
- 2) To consider remunerations including salary, bonus, and other benefits as well as annual remuneration adjustments of the Company's employees at every level.
- 3) To approve the determination and changes in conditions on trade as assigned by the Board of Directors.
- 4) To consider and approve the purchasing of fixed assets within the signing authority as assigned by the Board of Directors.
- 5) To consider and carry out any operation related to general management of the Company except the acquisition and sale of the Company's assets and other connected transactions that must be operated in accordance with the notification of the Securities Exchange of Thailand and other related laws.

As of December 31, 2014 the Company's Management Team comprises 18 persons whose names are listed below :

1) Mr. Chate Pattanakul	Managing Director/Commercial Manager
2) Mr. Rakchai Sakulteera	Finance Director
3) Mr. Wiwat Hom La-or	Operations Manager
4) Mr. Thanawat Kulprasertat	Human Resource/Legal Manager (TLSMR)
5) Mr. Thanetr Khumchoedchoochai	Logistic Manager
6) Miss Somjit Bunpiboonmitr	Financial Controller
7) Mr. Pongsin Muangsri	SHE Manager & QMR/OH & SMR
8) Mr. Yotin Tamrongsawapark	Casting Plant Manager
9) Mr. Phairat Kumdee	Extrusion Plant Manager
10) Mr. Pongthorn Chuencharoen	Site Engineering Manager
11) Mrs. Noungrutai Boonpetch	Research & Technical Manager
12) Mr. Wittaya Mongkolkachit	Technical Center Manager
13) Mr. Udomsak Tienchan	Warehouse & Distribution Manager
14) Mr. Pongsun Asavasirijinda	Sales & Product Manager
15) Mrs. Janjira Thumsorn	Export Sales Manager
16) Mr. Mondop Ponpai	Business Development Manager
17) Mrs. Masaya Rungrueng	Secretary
18) Miss Thanjira Kunathipsritrakool	Internal Auditor

2. Directors and Management Selection

The selection and election of the directors shall be proceeded through the shareholders' meeting as following:-

- The Board of Directors identifies candidates for director position based on appropriate skills and characteristics. After reviewing their work experiences, the Board proposes them to the Board Meeting for selection and approval from the Meeting.
- To nominate the selected Directors to be appointed by the shareholders at the Shareholders' meeting.
- Each director must obtain the votes of more than a half of the total vote of the shareholders who have the right to vote and attends the meeting.

The shareholders' meeting shall elect and appoint the Company's directors. The criteria and procedure for the appointment of directors are as follows :

- 1) One shareholder's share is good for one vote.
- 2) In the election of directors, the method of voting is to elect individual directors one person at a time or collectively, several persons at a time, or any other method as the shareholders' meeting may see fit; but in passing each resolution, it must be voted on with all the votes entitlements under 1. The votes may not be divided between persons or groups to any extent.
- 3) The election of directors shall be decided by a majority of votes. In case of tied votes, the chairman of the meeting shall be entitled to a casting vote.

In accordance with clauses 22 and 50 of the Company's Articles of Association, one-third of the directors shall retire from the office at every annual general meeting of the shareholders. The retiring directors shall be those who have been longest in the office on the rotation basis. The chairman of the meeting shall request for the election of new directors until the vacant positions are filled.

Management selection is responsibility of the Managing Director as described in the Scope of authorities of the Managing Director.

3. Remuneration of Directors and Management

Financial Remuneration

Directors

In 2015, the Company paid remuneration to the Audit Committee, consisting of 3 Independent of Directors and 1 Executive Director (Mr. Suchitr Srivetbodee) totaling Baht 1,908,450.00 in form of annual Director's fees of Baht 1,633,450.00 Audit Committee meeting allowance totaling 5 times of Baht 89,000.00 and Boarding meeting allowance totaling 6 times 155,000.00 and Annual General Meeting 1 time of Baht 31,000.00

Management

In 2015, the Company paid salary, bonus, and other remunerations to managing director and executive officers totaling Baht 34,580,817.72 Moreover, the Company also paid contributions of Baht 1,296,976.50 to the executive's provident fund.

Other remunerations

-none-

4. Control of Inside Information

Since 1996 it has been the Company's policy that all the executives and employees shall adhere to the Company's regulations concerning the ethical code of conduct or business ethics. Employees must observe the rules laid down in instructions concerning the classifying and handling of documents and electronic data. It is the responsibility of all employees to acquaint themselves with the applicable rules. Information generated within the Group is the property of Lucite and should not, unless legally required, be disclosed outside the Group without proper authority.

They must not be used for unlawful purposes or for personal gain.

5. Personnel

As of December 31, 2015 the Company's employees consisted of :

Administration	34	persons
Production	<u>270</u>	persons
Total	<u>304</u>	persons

The remuneration of Company's employees in 2015 including salary, bonus, and other compensation fund. totaled Baht 114,536,734.57 and also contributions to the provident fund Baht 3,901,393.50

In the last 3 years, there has been no significant change in number of employees and no significant labors disputes.

6. Important Policy on Employees Development

The Company has provided its staff with training so that they will recognize their responsibility in product quality improvement and in serving customers demands to their utmost satisfactions. According to the Company's policy and annual training plan, the Company has covered in people training, review health and safety in work plan, process changes and new process technology in order to increase and improvement employees. Capabilities to be in line with organization development plan.

CORPORATE GOVERNANCE POLICY

The Board of Thai Poly Acrylic Public Company Limited is obliged to perform its duties in the best interests of the Shareholders and shall treat its stakeholders and all parties concerned with utmost fairness and provide quality products and services to fit the needs and requirements of the customers.

The Board adheres to the principles of good corporate governance, ensuring that its business transactions are properly conducted with transparency and fairness for the mutual benefit of the Company's shareholders, stakeholders as well as the community and society in which it operates.

The Company has publicized its 'Corporate Governance, Business Ethics Rules and Anti-Corruption Policy' on its website.

The Company's corporate governance performance can be summarized as follows:

1. THE RIGHTS OF SHAREHOLDERS

The rights of shareholders include all basic rights such as the right as an investor and the right as an owner of the Company including for instance the rights to buy new shares, sell or transfer owned shares, the rights to receive dividends, the rights to attend the shareholder's meetings, the rights to express or raise questions at the meetings, the rights to make decision by voting on the important affairs of the Company i.e. nomination of Directors, amendment of Memorandum of Association and regulations of the Company etc. and acknowledge Meeting Minutes.

1.1 Shareholders' Meetings

As a rule, the Company schedules an Annual General Meeting of shareholders (AGM) within 4 months of the annual closing date of its accounting books. For urgent matters that affect or involve the shareholders' interests or relate to conditions, regulations or laws that require shareholders' approval, it calls an Extraordinary General Meeting of the shareholders.

In 2015, the AGM took place on April 23 at the Royal City Hotel, Pinklao, 9th Floor, Borom Rajchonn Road, Bangbunru Sub-district, Bangplad District, Bangkok. No Extraordinary General Meeting was held this year.

1.2 Delivering Meeting Notices

For 2015, the Board at the meeting No. 1/2015 on February 25 decided to call an Annual General Meeting of shareholders on April 23, 2015. This decision, meeting date and meeting agenda was disclosed in detail ahead of time by announcement on the SET's website to alert the shareholders before sending out meeting notices. The Company assigned Thailand Securities Depository Co., Ltd. (TSD), its securities registrar, to mail meeting notices together with details of the agenda and accompanying documents, supplementary and supporting information for decision-making, opinions of the Board, complete Minutes of the past Annual General Meeting, the Annual Report, meeting documents, proxy forms with detailed instructions to the shareholders more than 14 days ahead of the meeting date. The invitation was further announced through one Thai newspaper, each for 3 consecutive days, to allow the shareholders enough time to prepare themselves for the meeting.

The AGM meeting notice and supporting documents were made available at the Company's website (<http://www.thaipolyacrylic.com>) 30 days ahead of the meeting date.

1.3 On the Meeting Date

Before the meeting, the Chairman of the meeting introduced the Directors, Management Team members, the external Auditor and the Legal Adviser who acts as a moderator. After explaining the Company's rules on balloting and vote counting for individual agenda items, the Chairman must clearly address how to vote on each agenda item. Once information has been provided for each item, the Chairman gives the floor to all attendants to express opinions or recommendations and ask questions providing adequate time for debate. The Chairman and the Management are to address and answer all questions clearly and precisely, treating all questions with due respect. For the election of Directors, individual votes are required.

The Chairman ensures that the meeting proceeds according to the order of the agenda and does not add any items without notifying shareholders in advance. At the 2015 AGM, the order of the agenda was not changed, and there was no request to consider any other matters.

1.4 Disclosure of Shareholder Meeting Outcome

For the 2015 AGM, the Company duly submitted the summary of resolutions of the AGM to SET and the SET Board within the afternoon of the date of the meeting (April 23, 2015). The Company also duly submitted the report of the shareholders meeting with Minutes (each agenda item clearly separated), number of Directors in attendance and/or absent, questions raised by shareholders and answers from the Directors and voting tallies of each agenda item to SET and the SEC within 14 days after the meeting. All meeting information is accessible through the Company's website.

2. EQUITABLE TREATMENT OF SHAREHOLDERS

The Company treats all shareholders equally and fairly (despite the different shareholding proportions and voting power due to shares owned). The fundamental rights of the shareholders are preserved regardless of gender, age, origin, nationality, religion, belief or social status.

2.1 Proposing Additional Meeting Agenda Items and Nomination of Directors

To enable minor shareholders to earnestly take part in the business operations and the auditing of the Company, TPA has defined criteria and a consideration process for entitling them to propose meeting agenda items and/or nominate Directors in advance to agenda items that could be useful to TPA, including the selection of qualified Directors to perform their duties efficiently in the best interests of the Company and all shareholders and stakeholders.

For the 2015 AGM, The Company posted such criteria on its website and posted an announcement on the website of SET from December 26, 2014 - February 16, 2015 to enable shareholders to propose meeting agenda items and/or nominate Directors in advance. However, it attracted no recommendation of any additional agenda items and no nomination of Directors.

2.2 Facilitating Shareholders at the Meeting

As in previous AGM meetings, the Company assisted shareholders attending the AGM by providing staff to welcome and take care including general support and verification services of relevant documents as required. Coffee break was arranged for the attending shareholders. Since most shareholders attending the AGM were Thais, the meeting was conducted in the Thai language. However, for the benefit of foreign shareholders, the Company commissioned a translation of the proceedings of the shareholder meeting as well as any supplementary or other relevant documents in English. The Company's website is also bilingual.

2.3 Appointing Proxies

To maintain the rights of shareholders who cannot attend the 2015 Annual General Meeting in person, they have the right to appoint proxies or delegate their votes to any Independent Director in attendance. To this end, the Company has specified these Independent Directors' names in the proxy forms as defined by the Ministry of Commerce for voting on behalf of shareholders without conditions. The Company treats proxies as if they were shareholder votes. Thirty days ahead of each meeting, the Company discloses the proxy form, which is attached along with details and procedures on its website. Shareholders may make further inquiries about this by phone or through other channels such as the Company's website and e-mail.

3. ROLES TOWARD STAKEHOLDERS

The Company conducts its business responsibly in order to provide equal benefits to all groups of stakeholders, and thereby ensuring that the administration and the business operations of the Company shall not have any impact on the rights of any stakeholder concerned.

- To Shareholders Operating a profitable business that leads to sustainable growth.

- **To Employees** The Company regards all employees as the most valuable asset and shall continue to develop the competencies and the integrity of the employees. The Company shall provide its employees with good benefits and provide a workplace that is safe within a healthy environment.
- **To Customers** Ensuring customer satisfaction and loyalty by delivering world-class quality products and services at competitive prices.
- **To Business Partners** Observing fair and mutually beneficial business practices with all business partners while promoting trust as well as relationship and cooperation with a view to expand business capabilities and increase efficiency in a long-term partnership
- **To Creditors** Maintain good relationship with creditors in such a way that mutual trust and confidence are gained. In doing so the Company shall commit to and honor promises and obligations agreed with the creditors.
- **To Business Competitors** The Company shall treat its business competitors in a manner that is acceptable in accordance with International law and generally accepted principles and standards. The Company shall furthermore operate its business within a fair, but competitive context and shall not take unfair advantage of its business competitors.
- **Community and Society** The Company shall continue to operate its business in a manner that is beneficial to the society and the community in which it operates. The Company shall co-operate with the community and relevant authorities to prevent any business transaction with any party that might be hazardous to the community and the society as a whole.

Treatment of Seven Main Stakeholder Groups

1. Shareholders

The Company is committed to corporate governance in tandem with corporate social responsibility (CSR) to ensure investors that the Company provides sound investment returns and is sustainable.

The Company has established channels for all stakeholders to contact either directly or through whistleblowing via its website (www.thaipolyacrylic.com) or via direct email (masaya.rungrueng@lucite.com.)

2. Employees

Professional development opportunities are provided for all employees, helping to continuously and sustainably increase their productivity. In 2015, the Company provided training for employees both internally and externally through totally 18 programs.

3. Customers

The Company takes customer satisfaction seriously, since customers are buyers and users of our products and services. The Company offers fair prices, quality products and accountability to customers and consumers, and is committed to consistently develop its products and to provide safe, integrated, attentive quality services in response to their needs.

The Company has implemented quality, security, safety and occupational health standards in its operations in order to focus on quality management through efficient work processes with a view to deliver products and services that satisfy customers.

4. Business Partners

Business partners are the key to business success through mutual support, and the Company takes them seriously and treats them fairly on the basis of fairness and mutual respect in a cooperative spirit. The Company strictly complies with contracts and values procurement processes. Clear procurement procedures have been formulated to ensure transparency, openness to scrutiny and mutual benefit.

The Company requires business partners to strictly conform to the rules about work safety and handling of tools, as well as other regulations, particularly in the type of work affecting health, safety and the surrounding environment.

The Company's approved Vendor List is prepared through a detailed selection process that reviews business/operational procedures of candidates to ensure that the business partners selected for the Vendor List are efficient and are capable of delivering products/services that meet the Company's requirements. In 2015, the Company's Approved Vendor List consisted of 58 business partners.

5. Creditors

The Company makes sure to strictly comply with all terms of any loan agreement it enters into in a responsible and transparent manner. The Company will not conceal any information or hide any facts that might possibly result in the realization of losses for its creditors. During 2015, no event occurred where the Company was unable to meet any of the criteria agreed with creditors.

6. Business Competitors

The Company has a policy to operate in an upright and transparent manner in dealings with its business competitors. The framework of this policy has been shaped by related laws and regulations as well as concepts related to generally accepted business codes of conduct. The collection of insider information from a business competitor is expressly prohibited. The policy further prohibits the infringement of intellectual property rights and trade secrets. Furthermore, it includes provisions that prohibit the slandering of business competitors and any form of collusion in conflict with existing laws and regulations.

7. Society and Communities

The Company is committed to the contribution to society and the community in which it operates. In 2015, the Company actively engaged in various projects that benefitted local communities and society as a whole. Details of this subject are further described in the Annual Report 2015 under Corporate Social Responsibilities.

4. DISCLOSURE OF INFORMATION AND TRANSPARENCY

Disclosure of information is a key index of transparency and an important factor to create confidence among investors and stakeholders. The Company values correct, accurate disclosure of information and creates numerous channels of disclosure of information so that all stakeholders can gain easy access to information. The Company promotes awareness among Directors, the Management and the employees of the importance of good corporate governance and transparency in their work, and creates appropriate mechanisms to receive complaints and fair treatment both for those who file complaints and those who have been complained against.

The Company offers opportunities for the public to file complaints on improper behavior of Directors, the Management and staff or their violation of Company's business ethics. They are to be directed to either the Managing Secretary and/or the Human Resource Department. The Company treats all complaints on the basis of equality, transparency and fairness to all concerned. When complaints are received, the secrecy and the protection of those who file the complaints will be observed. No material whistleblowing or complaint cases occurred during the year 2015.

5. BOARD RESPONSIBILITIES

5.1 COMPOSITION OF THE BOARD

- The Board consist of not less than 5 persons according to the Company's Articles of Association.
- Independent Directors consist of at least 1/3 of all Directors in accordance with Corporate Governance guidelines.

In 2015, The Board of Directors consisted of 8 directors :

- 3 Non - Executive Directors as Independent Director (min. 1/3 of all Directors)
- 4 Executive Directors
- One Managing Director

5.2 SEGREGATION OF DUTIES OF THE CHAIRMAN AND THE MANAGING DIRECTOR

To segregate policy-making duties from those of day-to-day management and to enable Directors to oversee, look after and assess performance effectively, the Company requires that the Chairman and the Managing Director are always two distinct and separate persons to ensure the balance of authority. The role of the Chairman is the Head at the policy level and the role of the Managing Director is the Head of operational Management who look after the daily management of the Company.

5.3 QUALIFICATIONS OF DIRECTORS

1. DIRECTORS must be qualified, experienced professionals from various fields, demonstrating breadth of vision and leadership as well as a proven record of ethical integrity. Furthermore, such persons should have good communication abilities and being capable of expressing themselves professionally.

2. AUDIT COMMITTEE must be consist of 3 Independent Directors. The Independent Directors must be qualified under the SET's guidelines governing the qualifications and scope of the operation of an Audit Committee. At least one person should have adequate expertise and experience to review the credibility of the financial reports.

3. Independent Directors must be qualified under the SET's guidelines governing the qualifications and scope of the operation of the Audit Committee as follows :

- Holding shares not exceeding 1 percent of the total shares with voting rights of its parent company, its subsidiary, its associated company or potential conflicting juristic persons provided that also any shares held by his or her related persons must be taken into account.
- Not being nor having been an executive director, employee, officer, monthly paid advisor or controlling person of the Company, its parent company, its subsidiary, its associated company, its parallel subsidiary or potential conflicting juristic person.
- Not having nor having had a business relationship with the Company, its parent company, its subsidiary, its associated company or potential conflicting juristic person that might interfere in his or her use of independent discretion.
- Not being nor having been an auditor of the Company, its subsidiary, its parent company, its associated company or potential conflicting juristic person as well as not being a major shareholder, a director who is not an independent director, an executive, or a managing partner of the auditing firm employing an auditor of the Company, its parent company, its subsidiary, its associated company or potential conflicting juristic person.
- Not being nor having been any professional service providers, including a legal advisor or a financial advisor, obtaining service fees of more than baht two million per annum from the Company, its parent company, its subsidiary, its associated company or potential conflicting juristic person. If a professional service provider is a juristic person, this will include a major shareholder, a director who is not an independent director, an executive or a managing partner of such professional service provider.
- Not having any other characteristic which makes him or her incapable of expressing an independent opinion with regard to the Company's operation.
- Maximum of five directorships in SET's listed companies.

5.4 TERM OF DIRECTORS

- Directors and Independent Directors - 3 years term
- Independent directors cannot hold positions longer than nine consecutive years.

5.5 APPOINTMENT AND DISMISSAL OF DIRECTORS

According to the Company's Article of Association, one third of Directors shall be retired on the rotation basis at every Annual General Meeting, however, the retired Directors can be re-elected at the Shareholders' Meeting. In the case any Director has tendered a resignation or is to be retired for any other reasons prior to the end of the term, the Board can appoint a succeeding Director and he or she can remain in the position to complete the remaining term of the former Director.

5.6 DUTIES AND RESPONSIBILITIES

1. DIRECTOR

- Define the Company's vision, directions, strategies and policies and review the business strategic plans.
- Monitor and ensure that the Company's operation provides maximum benefit to the shareholders and stakeholders
- Protect the Company's interest without seeking personal benefits or acting in conflict of interest to the Company.
- Adhere to good governance

2. AUDIT COMMITTEE

- Prepare charter on internal audit of the Audit Committee to correspond with scope of works and responsibilities. The charter must be approved by the Board and revised at least once a year.
- Review Company's financial reporting process to ensure accuracy and reliability
- Review compliance with laws of SET regulations, securities and exchange laws and laws relevant to business.
- Ensure the suitability and sufficient of the internal control system and the independence of the Internal Auditor.
- Consider connected transactions or transactions of potential conflicts of interest or potential malfeasance affecting operations under the laws and SET's regulations.
- Provide recommendations to the Board on the appointment, transfer, promotion and assessment of the Internal Auditor.
- Select, nominate, and recommend fees for the external auditor to the Board.
- Reviewed the risk approaches under the corporate and operation profile which affects the Company's operation.
- Review complaints and whistleblowing processes for compatibility with good governance practices.

3. INDEPENDENT DIRECTOR

To comply with duties and responsibilities of the Audit Committee

5.7 DIRECTORS MEETING

1. Board of Directors' Meeting

The Board of Directors must meet at least once every 3 months according to the Company's Articles of Association and planned for the entire year. The Company Secretary will issue a meeting notice along with the meeting agenda and relevant supplementary documents to each Director 7 days ahead of the meeting to allow the Directors enough time to prepare for the meeting.

In 2015, the Company held 5 Board meetings. Attendance Record of the Board of Directors Meetings was as follows:

NAME	MANAGEING DIRECTOR	INDEPENDENT AUDIT COMMITTEE	EXECUTIVE DIRECTOR	INDEPENDENT	REMARK
Mr. Chate Pattanakul	5/5				
Mr. Hans Henrik Melchior			1/1		Not to stand for re-election as Director with effect from 24 April 2015
Mr. Benjamin James Harris			4/4		As Director to replace Mr. Hans Henrik Melchior with effect from 24 April 2015
Ms. Annie Sophia Veerman			5/5		
Mr. Suchitr Srivetbodee			5/5		
Dr. Anuphan Kitnitchiva		5/5			
Mr. Rakchai Sakulteera	3/3	2/2			Resign as Independent Director / Audit Committee member with effect from 28 July 2015
Mr. Kulvech Janvatanavit		5/5			
Mr. Jan Dam Pedersen		2/2		3/3	As Audit Committee member to replace Mr. Rakchai Sakulteera with effect from 13 August 2015

2. Audit Committee Meeting

The Audit Committee shall have the duty to arrange meetings at least 4 times a year and planned for the entire year. The Audit Committee Secretary will issue a meeting notice along with the meeting agenda and relevant supplementary documents to each Director 5 days ahead of the meeting to allow the Directors enough time to prepare for the meeting.

In 2015, TPA held 5 Audit Committee meetings. Attendance Record of the Audit Committee Meetings was as follows:

NAME	No. 1/2558	No. 2/2558	No. 3/2558	No. 4/2558	No. 5/2558	REMARK
Dr. Anuphan Kitnitchiva	/	/	/	/	/	
Mr. Rakchai Sakulteera	/	/				Resign as Independent Director / Audit Committee member with effect from 28 July 2015
Mr. Kulvech Janvatanavit	/	/	/	/	/	
Mr. Jan Dam Pedersen				/	/	As Audit Committee member to replace Mr. Rakchai Sakulteera with effect from 13 August 2015

5.8 REMUNERATION FOR DIRECTORS

None of the Company's Directors, except the Independent Directors and the Executive Director, shall receive any form of remuneration and benefits from the Company. The Board of Director provide agreed annual fees and meeting allowances, the rates of which are considered fair in the industry in which the Company operates.

In 2015, The Company paid remuneration to Directors as follows :

NAME	POSITION	REMUNERATION		REMARK
		Annual fees 2014	Total Meeting allowances	
Mr. Suchitr Srivetbodee	Executive Director	376,950	42,000	
Dr. Anuphan Kitnitchiva	Independent Director / Audit Committee	376,950	77,000	
Mr. Kulvech Janvatanavit	Independent Director / Audit Committee	251,300	66,000	As Independent Director / Audit Committee with effect from 23 April 2014
Mr. Jan Dam Pedersen	Independent Director / Audit Committee	376,950	54,000	As Audit Committee with effect from 13 August 2015 (from "Non - Executive Director)
Mr. Rakchai Sakulteera	Executive Director	251,300	36,000	- As Executive Director with effect from 23 April 2015 (Management Director) - Resigned as Independent Director / Audit Committee with effect from 28 July 2015

5.9 DIRECTORS' ORIENTATION

For new Directors, the Company arranges an orientation program to inform them of its business policies, capital structure, shareholding structure, business performance, information systems as well as related laws and regulations.

In 2015, the Company had a new Executive Director (Rakchai Sakulteera) who has been through the orientation program.

5.10 NOMINATION OF DIRECTORS

Details appear under "Management" as a topic detailing Director and Management Selection

5.11 SELF ASSESSMENT OF DIRECTORS

BOARD OF DIRECTORS

1. In accordance with SET's corporate governance principles for listed companies, the Board has made an overall self-assessment of performance during 2015. The conclusion of the overall performance assessment for 2015 was 76% that the Board acted and performed in accordance with the Company

2. AUDIT COMMITTEE

The Audit Committee also assessed its own performance overall, through self-assessment under the guidelines for Audit Committees of SET.

In 2015, the conclusion was the Audit Committee acted in compliance with the Charter of the Audit Committee and in accordance with SET's guidelines governing the qualifications and scope of the operation of the Audit Committee

5.12 RISK MANAGEMENT

The Board has prepared a risk management system and has applied this throughout the the Company's operations in order to prevent and manage identified risks. Moreover, the Company has a monitoring- and assessment system in place. The Board has assigned the Audit Committee to oversee and audit the risk management system in order to ensure that risks being identified are addressed suitably and sufficiently.

The Audit Committee reviews the risk management processes with relevant Departments/Functions and the Internal Auditor. Its opinion is that the Board maintains adequate risk management practices that are relevant, suitable and sufficient.

5.13 INTERNAL AUDIT FUNCTION

The Board of Directors has established an Internal Auditor function with responsibility to review and monitor the sufficiency of the internal control system as well as to audit the operations of the Management functions and the Company's risks management. The Internal Auditor works independently and reports directly to the Company's Audit Committee.

Currently, Ms. Thanjira Kunathipsritrakool is the Internal Auditor.

5.14 COMPANY SECRETARY

In order to comply with the Securities and Exchange Act (No. 4) B.E. 2551, the Board of Directors' Meeting No. 3/2008 held on 8 August 2008, passed a resolution to appoint Brenntag Ingredients (Thailand) Public Company Limited represented by Miss Patcharee Maneetamwong as Company Secretary.

QUALIFICATION OF COMPANY SECRETARY

1. Having well-rounded knowledge and understanding of the Company's businesses.
2. Understand the roles and duties of the Company Secretary.
3. Having knowledge and understanding concerning legal matters, regulations of the Office of SEC and the Stock Exchange of Thailand.
4. Do not exploit the Company's business opportunity for personal benefits as well as preserve the confidential information of the Company.
5. Having good human relationship and can coordinate and contact with other agencies inside and outside the Company.
6. Possess English proficiency.

DUTIES AND RESPONSIBILITIES

1. Preparing agenda and supporting documents for the Board of Directors' Meeting and Shareholders' Meeting.
2. Arranging and coordinating the Board of Directors' Meeting, Shareholders' Meeting as well as coordinate to ensure all resolutions have been implemented and complied with in accordance with the Company's Objectives, Articles of Association and the relevant laws and regulations.
3. Monitoring the appointment of Directors and change of Directors' term and arranging for the registration of the change of Directors with the relevant Authorities.
4. Preparing and keeping the following documents:
 - (a) Register of Directors.
 - (b) Notice calling Director s' Meeting, Minutes of Board of Directors' Meeting and an Annual Report of the Company.
 - (c) Notice calling Shareholders' Meeting and Minutes of Shareholders' Meeting.
5. Ensuring that the Directors and Executives have filed report on their interest as required by law.
6. Keeping the report on interest filed by Directors and Executives as well as submitting a copy of such report to the Chairman and the Chairman of Audit Committee within 7 business days from the the date on which the Company has received the report.
7. Performing any other acts as specified in the notification of the Capital Market Supervisory Board.

INSIDER INFORMATION

Insider trading is both illegal and unethical. Securities laws and Company policy prohibit the buying or selling of securities on the basis of material, non-public information. Directors, officers and any other employees, at any level, who are aware of non-public material information related to the Company or any other businesses, may not, directly or indirectly, use such material non-public information in purchasing or selling any securities of the Company or these businesses. Directors, officers and any other employees prohibited from purchasing or selling the securities of the Company or other businesses because they possess material, non-public information, may not have any other person purchase or sell securities on their behalf. Any purchases or sales made by another person on their behalf will be attributable to them. Material non-public information may not be disclosed to any person outside the Company (including relatives, friends or business associates and regardless of the purpose for which such disclosure may be made) until authorized Company officials have adequately disclosed the information to the public.

ANTI - CORRUPTION POLICY

Thai Poly Acrylic Public Company Limited has adopted concepts in doing business with the highest code of ethic and morality to promote corporate governance and fairness to achieve sustainable growth, and responsibility to society and environment.

On 9th October 2015, the Company has announced its Anti-Corruption Policy that applies to all employees and agents worldwide. It forbids making, offering or promising to make a payment or transfer anything of value (including the provision of any service, gift or entertainment to Government personnel and other officials) for the purpose of improperly obtaining or retaining business. It also forbids making improper payments through third parties. Subsequently, the Board of Directors has approved a resolution to declare an intention to officially join the Anti-Corruption Program of CAC.

CORPORATE SOCIAL RESPONSIBILITY

Thai Poly Acrylic Public Company Limited adopts concepts in doing business with the highest code of ethic and morality to promote corporate governance and fairness to achieve sustainable growth, and responsibility to society and environment.

Doing Business with Fairness

The Board of Directors is responsible for leading business to maximize shareholders' benefits, ensure fairness among stakeholders, and creates quality products and services to support customers' needs.

The Board of Directors manages, controls and monitors the business with good corporate governance to create transparency and fairness for mutual benefits of shareholders, stakeholders, society and community the Company incorporated with.

In order to achieve the fairness in doing business, the Company initiated Good Corporate Governance Policy to ensure alignment with the Stock Exchange of Thailand stipulation in 2006, comprises 5 sections as detailed in Good Corporate Governance section.

Anti Corruption

The Company has codes of conduct, codes of ethic, and business codes of conduct as a guideline for every employee of the company and the group detailed as follows:

"Employee will not use the company's sum of money in paying any bribes either directly or indirectly to government officer for illegal or inappropriate acts. Bribes include money and gifts with values higher than that in the normal practices, and inappropriate or extra of entertainment transactions.

Gifts and entertainment to third parties could be done under appropriate business cultures; however, at the appropriate values, and this shall not violate the applicable law. Employee shall not provide gifts or entertainment at the reputational risk of the company and the group. This information is disclosed to the public."

Employee shall not seek for gifts or entertainment items from any person believed conducting connected transactions. Employee shall not receive any forms of entertainment which is beyond the normal business practice having possible conflict of interest. Employee shall return all gifts which are not under acceptable conditions or donate for charity

Human rights concern and fairness to Labor

The Company recognises the values of employees, accepts personal differentiation and ability of both male and female employees which form integral parts of business operation.

All employees are treated with respect and honor as well as fairness in opportunities for development and career advancement.

Staff hiring and promotion will be considered based on the required capability in certain position. Other irrelevant factors or work performance in irrelevant functions will not be included in the consideration. Career advancement is solely depended on employees' work performance.

Responsibility to consumers and environment

The Company treated Occupational, Safety, Health, and Work Environment as part of the business operation and social responsibility. Policies are implemented, effective on 1 August 2014, as follows:

1. Compliance with laws and stipulations applicable at the present and in the future, and will implement system to manage occupational and work safety under Mor.Or. Kor. 18001, ISO 14001, and business codes of conduct. Those stipulations are adopted as minimum standards.
2. Minimised the risk and prevent employees, relevant parties, and community from danger, injury, diseases relevant to work, and environmental pollution.
3. Prevents injury and illness which could occur from work according to the Company's objectives and mission.
4. Complies with the standard in discharging of waste and minimises its volume. Environmental resources such as energy and water are used efficiently in line with the Company's objectives and mission.
5. Implements standards on Occupational, Safety, Health, and Work Environment for outsource staff or visitors according to the Company's objectives and mission.
6. Cooperates and announces data, information, policies to employees and external parties including both government and private sectors.
7. Engages to have performance assessment on compliance to Occupational, Safety, Health, and Work Environment stipulations. This is taken as integral part of annual performance assessment of all employees.
8. Roles and responsibilities relevant to Occupational, Safety, Health, and Work Environment are of all management and employees both within and off working hours.
9. Promotes and supports capability development by training and imprinting good mindsets.
10. Determination in responsibility in product development to be consumer and environmental safe in all product life cycle.
11. Allocates resources appropriately to be complied with the Company's objectives and mission,
12. Continuous development in Occupational, Safety, Health, and Work Environment.

Company perform cost saving in name of Led Front Office. Objective is to reduce electricity by changing T8 to be LED tube. This project is saving energy project and to reduce CO 2 releasing as policy of Ministry of Energy

Cooperation in Community Development

Society and community: The Company is doing the business aiming to benefit the economy, social, and community the Company incorporated with, especially on increasing opportunities in studying and competency development of youth in the area of sports, creativity and innovation, and science and technologies. This also includes cooperation with community and government sector to prevent any acts which could harm or affect environment, community and society.

Company is also paying attention and keeps an eye on our neighbor to avoid any annoyance that cause of trouble. Moreover, we also educate school in close area.

THE COMPANY'S SIGNIFICANT PROJECTS FOR COMMUNITY AND SOCIETY IN 2015



9 January 2015 Giving Scholarship to children

The company gave scholarship to students from Baan Kra Thum Lom School on Children day.

6 March 2015 Diphtheria and tetanus vaccination for employee

The Company together with the government sector gave knowledge on diphtheria and tetanus and provided vaccination for employee.



7-9 April 2015 Internal communication and knowledge sharing on common disease coming during summer

The Company focused on employee wellbeing by setting up an activity to give knowledge on common disease coming during summer, with cold beverages for all employees at the plant.

10 Aril 2015 campaign drunk no drive during Songkarn Festival

The company together with employee joined campaign Drunk no Drive during Songkran Festival to raise employee awareness in safety driving.





16 May 2015 Giving scholarship to employee's children

The company supported children education by give scholarship to 7 employee's children.

25 May 2015 Donation at Thai Red Cross for earthquake in Nepal

The Company gave donation to Thai Red Cross Disaster Operation Center for helping those impacted from earthquake in Nepal.



7 July 2015 Campaign on respiratory disease (Mers-cov) Preventive measures

The company rolled out a campaign on respiratory disease (Mers-cov) to promote employee understandings and the preventive measures.



25 July 2015 Giving large candle

The Company was aware of the significance of Buddhist, and joined with employees to give the large candle together with some other necessities for monk to Nakorn Chum Cheun Temple during Kao Phansa Festival.

29 July 2015 Campaign No Drink in Kao Pansa

The Company together with employee joined the campaign No Drinking in Kao Pansa. The Activity was held in front of the plant by sharing knowledge to raise awareness during 31 Jul — 27 Oct 2015, with cold beverage for all employees.



12 August 2015 Mother Day

The Company joined Sub-district Administrative Organization Mother Day ceremony on the Queen Birthday anniversary.

9 November 2015 Anti-Corruption and misconduct

The Company with its employee conducted a campaign to promote Anti-Corruption and misconduct in front of the Company.





28 November 2015 Planting Mangrove Forest and Release Blue Crab Activity

The Company its employee and management participated in Planting Mangrove Forest and Release Blue Crab activity at the Sirindhorn International Environmental Park, Rama VI Camp, Cha-am, Phetchaburi.

23 November - 29 December 2015 Sport Day Event

The Company held a Sports Day Event for the year 2015 comprising many types of sports, with an aim to promote sports and for employee to avoid using drugs. This also promotes harmony in the organization.





5 December Father Day

The Company joined Sub-district Administrative Organization Father Day ceremony on the king birthday anniversary.

22 December 2015 Promoting and Sharing on making Acrylic Sheet project

Group of Communities from nearby areas, including teachers and student from Baan Kra Toom Lom School joined the project to promote and share knowledge on making acrylic sheet at Technical Center



25 December 2015 Campaign to promote wearing helmet in motorcycle driving

The Company and its employees set up campaign to promote wearing helmet during driving motorcycles for the more safety drive.

29 December 2015 New year Party

All employees joined the New Year Party 2016, with shows from employees creating smile and happiness after working for the whole year.



RELATED PARTY TRANSACTIONS

The material related party transactions consist of the transactions carried out with Lucite Group Mitsubishi Rayon Group and Asiatic Acrylic Company Limited. They were carried out on the terms and conditions similar to those carried out with third parties and based on an arm's length basis. Service fee is charged based on contract price and as agreed.

In 2015 the company had related transactions with corporate entities which might cause the conflict of interests and would be subject to the regulations of the Stock Exchange of Thailand as follows:-

a) Purchases/sales of goods and services for the years ended 31 December 2015

(Unit : Million Baht.)

Parties that might cause the conflict	Relationship	Type of transaction	Transaction Value	Price Policy	Reason
Lucite International (Shanghai) Trading Ltd.	Shareholder is Lucite International UK Overseas Holdco1 Limited	Sales of goods Service expenses	12.35 1.35	With reference to market price. Contract price and as agreed.	To expand the business in China.
Lucite International Korea Ltd.	Shareholder is Lucite International UK Overseas Holdco1 Limited	Service expenses	2.44	Contract price and as agreed.	To expand the business in Korea.
Lucite International UK Ltd. (Darwen)	Shareholder is Lucite International UK Overseas Holdco1 Limited	Purchases of raw materials Service expenses	5.82 0.73	As agreed with reference to market price. Contract price and as agreed.	Quality and prevent loss of supply.
Lucite International Japan	Shareholder is Lucite International UK Overseas Holdco1 Limited	Purchases of raw materials	0.14	As agreed with reference to market price.	Quality and prevent loss of supply.
Lucite International (U.S.A)	Shareholder is Lucite International UK Overseas Holdco1 Limited	Sales of goods	17.16	With reference to market price.	To expand the business in USA.

RELATED PARTY TRANSACTIONS

Kaohsiung Monomer Co.,Ltd.	Shareholder is Lucite International UK Overseas Holdco1 Limited	Service expenses	0.42	Contract price and as agreed.	To expand the business in Taiwan.
Lucite Internation Singapore Pte Ltd.	Shareholder is Lucite International UK Overseas Holdco1 Limited	Service expenses	0.53	Contract price and as agreed.	To expand the business in Singapore.
Thai MMA Co.,Ltd.	Shareholder is Mitsubishi Rayon Co.,Ltd	Purchases of raw materials Purchases of finish goods	430.64 0.17	As agreed with reference to market price.	Quality and prevent loss of supply.
Diapolyacrylate Co.,Ltd.	Shareholder is Mitsubishi Rayon Co.,Ltd	Purchases of raw materials	23.56	As agreed with reference to market price.	Quality and prevent loss of supply.
Mitsubishi Rayon Group Ryoko Co.,Ltd.	Shareholder is Mitsubishi Rayon Co.,Ltd	Purchases of finish goods	0.70	As agreed with reference to market price.	Quality and prevent loss of supply.

RELATED PARTY TRANSACTIONS

b) Outstanding balances arising from sales/purchases of goods and services as at 31 December 2015

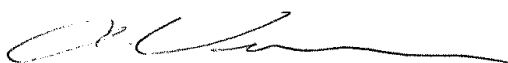
(Unit : Million Baht.)

Parties that might cause the conflict	Relationship	Type of transaction	Transaction Value	Price Policy	Reason
Lucite International (Shanghai) Trading Ltd.	Shareholder is Lucite International UK Overseas Holdco1 Limited	Trade accounts receivable	4.72	Contract price and as agreed.	To expand the business in China.
		Other payable	0.52	Contract price and as agreed.	
Lucite International Korea Ltd.	Shareholder is Lucite International UK Overseas Holdco1 Limited	Other payable	1.58	Contract price and as agreed.	To expand the business in Korea.
Lucite International UK Ltd. (Darwen)	Shareholder is Lucite International UK Overseas Holdco1 Limited	Trade accounts payable	2.13	As agreed with reference to market price.	Quality and prevent loss of supply.
		Other payable	0.14	Contract price and as agreed.	
Lucite International (U.S.A)	Shareholder is Lucite International UK Overseas Holdco1 Limited	Trade accounts receivable	2.51	Contract price and as agreed.	To expand the business in USA.
Kaohsiung Monomer Co.,Ltd.	Shareholder is Lucite International UK Overseas Holdco1 Limited	Other payable	0.42	Contract price and as agreed.	To expand the business in Taiwan.
Thai MMA Co.,Ltd.	Shareholder is Mitsubishi Rayon Co.,Ltd	Trade accounts payable	135.34	As agreed with reference to market price.	Quality and prevent loss of supply.
Diapolyacrylate Co.,Ltd.	Shareholder is Mitsubishi Rayon Co.,Ltd	Trade accounts payable	7.00	As agreed with reference to market price.	Quality and prevent loss of supply.

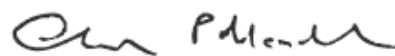
REPORT ON ACCOUNTABILITY OF THE BOARD OF DIRECTORS TO THE FINANCIAL REPORT

In accordance with the Company's accounting and finance policies, the Board of Directors is responsible for governing financial statements presentation and financial information disclosures in the Company's annual report in accordance with generally accepted accounting standards to ensure accuracy, adequacy, and transparency of the financial statements and disclosures. The Board of Directors was tasked on oversight of internal control systems, through the Audit Committee which incorporates three independent directors. Each of the Audit Committee members is a qualified and independent in establishing a reviewing system on accounting and financial information including all related party transactions. This is to ensure that all transactions are transparent without any conflict of interest which could minimize the Company's benefits, and to ensure the Company's financial statements reliability and accuracy, all of which are in line the Company's objectives and policies to operate under good corporate governance.

All of the Board of Directors members have considered and reviewed the financial statements for the year 2015, and assured that the Company's financial statements for the year ended 31 December 2015 are accurately and consistently prepared with adequate disclosures in accordance with generally accepted accounting standards as reference in the audit opinion of the external auditor report.



(Miss Annie Sophia Veerman)
Chairman of the Board of Directors



(Mr. Chate Pattanakul)
Managing Director

AUDIT COMMITTEE'S REPORT



บริษัท ไทยโพลีอะคริลิก จำกัด (มหาชน)
THAI POLY ACRYLIC PUBLIC COMPANY LIMITED.

Report of the Audit Committee Year 2015

Dear Shareholders,

The current Audit Committee of Thai Poly Acrylic Public Company Limited or TPA consists of three Independent Directors : Dr. Anuphan Kitnitchiva as the Chairman, Mr. Kulvech Janvatanavit and Mr. Jan Dam Pedersen as committee members.

During the fiscal year 2015, the Audit Committee were constituted as follows :

- January – July 2015 : Mr. Rakchai Sakulteera and Mr. Kulvech Janvatanavit as committee members. Mr Rakchai Sakulteera resigned on July 2015.
- August – 31 December 2015 : Mr. Kulvech Janvatanavit and Mr. Jan Dam Pedersen as committee members.

Ms. Thanjira Kunathipsritrakool, Internal Auditor, serves as the secretary to the Audit Committee.

The committee carried out its duties as assigned by the Board of Directors in accordance with the audit committee charter and in agreement with the regulations of the Stock Exchange of Thailand (SET). The duties focus on compliance with the principles of corporate good governance and preparation for risk management mechanisms especially with focus on significant risk exposure and a sufficient and efficient internal audit system.

This year the committee held 5 meetings including consultations with Management, the Internal Auditor and the company's Auditors as deemed necessary. The Audit Committee's main activities in 2015 are summarized below :

1. **Financial Reports Review.** The committee reviews quarterly and annual financial statements during the year, including related party transactions and items with potential conflicts of interest with the Auditor where also Management is invited to join these meetings. The committee discussed with the Auditor about the accuracy and completeness of the financial statements, any adjustment entries materially affecting the statements, adequacy and suitability of account recording methods and provisioning policies, accuracy and adequacy of information disclosure as well as the Auditor's independence. All these to ensure that the financial statements preparation is in conformity with legal requirements and accounting standards under the generally accepted accounting principles, and presented in a reliable and timely manner with information sufficiently disclosed in such statements for the benefit of investors or financial statement users. To review the external Annual Audit Plan and Approach, the committee also held one meeting with the Auditor in the absence of Management.



บริษัท ไทยโพลีอะคริลิค จำกัด (มหาชน)
THAI POLY ACRYLIC PUBLIC COMPANY LIMITED.

2. **Risk Management Review.** The committee reviewed the risk approaches under the corporate and operation profile which affects TPA's operation. The committee held meetings with the Management to review the suitability of risk management processes and assigned to the Internal Auditor the responsibility to continue following up on mitigation with relevant Departments/Functions.

3. **Internal Control Review.** The committee reviews the internal control system together with the Auditor every quarter and obtain required information from Internal Auditor during this process. The Auditor agreed that no significant problems or shortcomings were found.

4. **Corporate Good Governance.** The committee reviewed TPA's performance and found that TPA's overall business conduct is ethical and complies with securities and exchange legislation and SET's requirements as well as other laws related to its business. The committee also reviewed complaints and whistleblowing processes for compatibility with good governance practices and pushed for an anti-corruption policy in writing. This policy was declared on October 9, 2015 for executives and employees to acknowledge and observe in their work, and was publicized for all stakeholders to acknowledge and observe. The Internal Auditor was assigned to review the self-assessment on anti-corruption procedures of Thailand's Private Sector Collective Action Coalition against Corruption (CAC) standards. Subsequently, the Board of Directors has approved TPA to declare an intention to officially join the Anti-Corruption Programme of CAC.

The Audit Committee also assessed its own performance overall, through self-assessment under the guidelines for Audit Committees of SET. The conclusion was the TPA's Audit Committee acted in compliance with the Charter of the Audit Committees of SET.

5. **Internal Audit Oversight.** The committee reviewed the Annual Audit Plan, audit findings and recommendations as well. The Audit Committee provided recommendations and monitored corrective actions on significant issues and also reviewed the performance and the annual merit for the Internal Auditor. The committee concluded that TPA's internal audit and information management systems were sufficient and suitable.

6. **Appointment of the company's auditor for 2016.** The committee endorsed the Auditor of EY Office Limited as Thai Poly Acrylic Public Company Ltd.'s Auditor for 2016, subject to the Board of Directors' concurrence and the shareholders' approval at the AGM 2016, including the proposed audit fee.



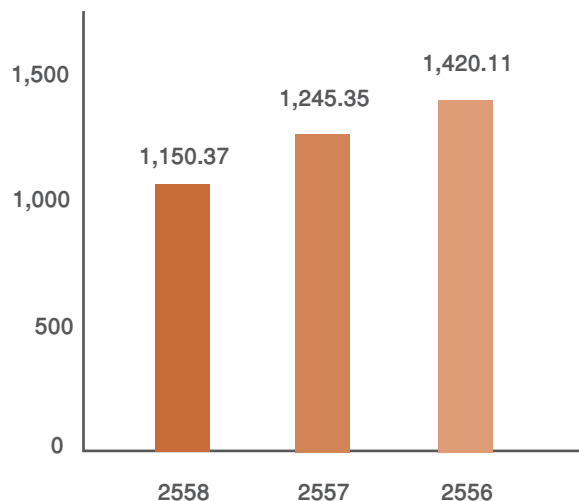
บริษัท ไทยโพลีอะคริลิก จำกัด (มหาชน)
THAI POLY ACRYLIC PUBLIC COMPANY LIMITED.

In summary, the committee performed its duties and responsibilities stated in its Board-approved charter with care, prudence and adequate independence for the equitable benefit of stakeholders. Its opinion is that TPA's financial statements are accurate, reliable and in accordance with the generally accepted accounting principles. In addition, TPA maintains adequate risk management practices and has a suitable, sufficient internal audit in place with work practices aligned with good corporate governance that complies with laws, requirements and obligations related to its business.

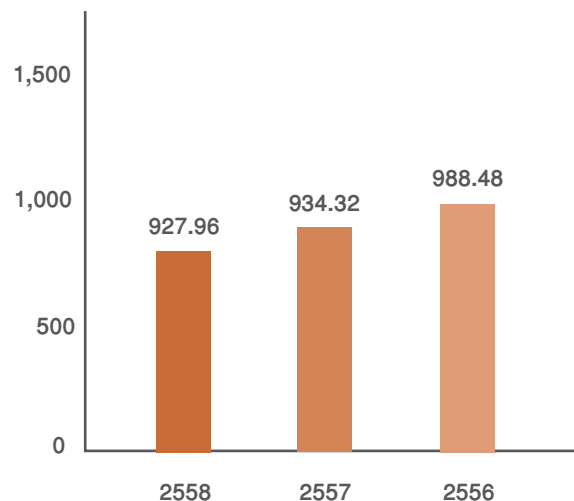
(Anuphan Kitnitchiva, Ph.D.)
Chairman of Audit Committee
February 27, 2016

FINANCIAL OVERVIEW

Revenues (Million Baht)



Assets (Million Baht)



		2015	2014	2013
Revenues	(Million Baht)	1,150.37	1,245.35	1,420.11
Expenses	(Million Baht)	1,070.71	1,205.72	1,378.09
Net profit (loss)	(Million Baht)	62.14	31.42	33.42
Earnings (Loss) per share	(Baht)	0.51	0.26	0.28
Shares	(Million share)	121.50	121.50	121.50
Assets	(Million Baht)	927.96	934.32	988.48
Liabilities	(Million Baht)	280.49	323.80	379.00
Shareholders' Equity	(Million Baht)	647.48	610.52	609.48
Book Value per share	(Baht)	5.33	5.02	5.01

EXPLANATION FINANCIAL ANALYSIS & OPERATING PERFORMANCE

1. Operating results according to Business Operation Plans

Operating results according to the 2015 Business Operation Plans can be summarized as follows:

- a) The Company has all along adhered to its occupational safety, health and environment policy with much emphasis on its own staff and community, by arranging training for the staff at all levels to ensure that they do have good understanding and attain the skills in working together to create a safety and hygiene atmosphere while at the same time achieving good working environments. There is also the SHE Committee whose tasks are to set policies, objectives, targets and annual improvement plan. Further, the Committee also monitors and evaluates the performances during the year.

Besides, the Company also focuses on the importance of continual maintenance and improvement of machinery and equipment to ensure maximum safety among workers and to increase production efficiency.

By adopting work safety as one of the important policies, all staff and management are responsible for adhering to policies and regulation on work safety.

The Company has been examined and obtained TIS18001, a certification on occupational safety management standard, which is to ensure that the Company is attentive in the work safety of staff and all relevant persons.

- b) Amid worldwide economic retraction, internal and global political instability and the fluctuation of Thai Baht compared to major foreign currencies, especially US Dollars, having direct impact to both domestic and export sales, the Company had managed to balance its market share both locally and abroad to minimize the impact and improve profitability. In 2015, the Company had maintained the proportion of its export sales throughout the year, to gain the benefit of Thai Baht depreciation comparing to US Dollars, but the impact of domestic economy slow down and political issue had resulted in decreasing in sales volume of both acrylic and extrusion sheets especially ABS and HIPS sheets in refrigerator manufacturing and automotive businesses, as the major manufacturers had maintained their production capacity of such materials for their own use and reduced the purchase from the Company. The overall production and sales of extrusion sheets in 2015 were lower compared with the previous year.
- c) In the past year, the Company still applied the strategy of focusing on product quality improvement to attain higher standards so as to respond to the needs of its customers both locally and abroad, and also set the target of increasing production efficiency and reducing losses from the production process with an aim to reduce the overall production costs and create product differentiation to avoid price competition strategy.

2. Operating Results

In 2015, the Company had net revenue of Baht 1,127.23 million, a decrease of Baht 90.33 million or 7.42% compared to the previous year. However the Company's net profit in 2015 increase by 30.72 million or 97.78% compared to the previous year. The higher net profit was from efficient sales management in the product segments that the Company had good market position and improving in production efficiency as a whole. Resulted in the operating ratio from 2015 was increased to compared to the previous year at 0.97%. The return on equity ratio was 9.60% higher than the previous year of 5.15%.

Trade Receivables and Other Receivables

Trade receivables and other receivables are detailed below.

Comparative trade receivables from 2013 - 2015

	31 Dec 2015		31 Dec 2014		31 Dec 2013	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Trade receivables - related parties						
Not due	2,323	0.9%	6,878	2.4%	4,840	1.6%
Overdue not over 3 months	4,907	2.0%	2,530	0.9%	-	0.0%
Total trade receivables - related parties	7,230	2.9%	9,408	3.3%	4,840	1.6%
Trade receivables - non - related parties						
Not due	189,557	77.3%	217,118	75.8%	277,411	89.3%
Overdue						
Not over 3 months	39,817	16.2%	55,504	19.4%	26,991	8.7%
3 - 6 months	3,809	1.6%	258	0.1%	1,105	0.4%
6 - 12 months	410	0.2%	588	0.2%	-	0.0%
Over 12 months	4,400	1.8%	3,701	1.3%	245	0.1%
Total trade receivables - non-related parties	237,993	97.1%	277,169	96.7%	305,592	98.4%
Total trade receivables	245,223	100.0%	286,577	100.0%	310,592	100.0%
Less : Allowance for doubtful accounts	(4,400)	-1.8%	(1,958)	-0.7%	(1,958)	-0.6%
Total trade receivables - net	240,823	98.2%	284,619	99.3%	308,634	99.4%

Trade receivables as at 31 December 2013, 2014 and 2015 were Baht 240.82 million, Baht 284.62 million and Baht 308.63 million, respectively, comprising both trade receivables - related parties and non-related parties. Trade receivables have credit terms of 30 - 90 days depending on trade conditions of each customer.

The average day receivable from 2013-2015 were 89 days, 88 days, and 85 days, respectively. As at 31 December 2013 and 2014, the Company set up allowance for doubtful accounts amounting to Baht 1.96 million. As at 31 December 2015, the outstanding allowance for doubtful accounts was Baht 4.40 million, an increase of Baht 2.44 million, resulting from additional set up during the year. The allowance for doubtful account was set considering the aging of the accounts, payment history and probability to receive payment.

As at 31 December 2013 - 2015, most of the trade receivables were not due or overdue for not over 3 months, accounted for 99.6%, 98.5% and 96.4% of total trade receivables before allowance for doubtful accounts, respectively. The trade receivables which were overdue for more than 3 months were 0.5%, 1.6% and 3.6%, respectively.

The Company has closely followed up with accounts which were overdue for more than 6 months through calls as well as taking appropriate legal measures. Allowance for doubtful accounts were set up for accounts having difficulty in payment.

Inventory

The Company's inventory is detailed below.

Comparative inventory from 2013 - 2015

	31 Dec 2015		31 Dec 2014		31 Dec 2013	
	Thousand Baht	%	Thousnad Baht	%	Thousand Baht	%
Finished goods	47,405	38%	60,728	40%	45,705	35%
Raw materials	26,714	22%	39,229	26%	34,991	27%
Spareparts and materials	45,232	37%	49,539	33%	44,701	34%
Work in progress	4,234	3%	2,652	2%	6,059	5%
Sub total	123,585	100%	152,148	100%	131,456	100%
Less: Allowance for diminution in value of inventory	(13,847)	-11%	(9,305)	-6%	(5,850)	-4%
Total	109,738	89%	142,843	94%	125,606	96%

As at 31 December 2013 - 2015, the outstanding inventory were Baht 125.61 million, Baht 142.84 million, and Baht 109.74 million respectively. The inventory turnover ratios were 23.01, 20.38 and 17.37, respectively. Consequently, the day inventory ratios were 16 days, 18 days and 21 days, respectively.

As at 31 December 2015, total inventory decreased compared to previous year as a result of better inventory management by controlling the level of raw materials and finished goods to be in line with the sales volume.

The Company sets up allowance for diminution in value of inventory to adjust the inventory costs to net realizable value, considering slow moving stock and stock with aging over 1 year by comparing the inventory costs with the net realizable values. As at 31 December 2013 - 2015, the allowance for diminution in value of inventory were Baht 5.85 million, Baht 9.31 million, and Baht 13.85 million, respectively. The increase was mainly from additional set up of allowances for diminution in value of raw materials with aging over 1 year.

Property, plant and equipment

As at 31 December 2013-2015, property, plant, and equipment were detailed below.

Property, plant, and equipment (net)

Category of Asset	31 Dec 2015		31 Dec 2014		31 Dec 2013	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Land	241.11	63%	241.11	61%	241.11	60%
Building and building improvement	41.91	11%	38.68	10%	9.52	2%
Machine and equipment	84.39	22%	90.15	23%	78.29	19%
Furniture, fixture and office equipment and vehicles	8.04	2%	6.04	2%	7.25	2%
Assets under construction and installment	5.50	1%	17.68	4%	67.45	17%
Total	380.95	100%	393.66	100%	403.62	100%

During the year 2015, the Company has acquired fixed assets amounting Baht 11.89 million (2014: Baht 7.64 million). The return on fixed assets from 2013-2015 were 13.21%, 12.39% and 20.98%, respectively

3. Financial position

Assets

As at 31st December 2015, the Company had total assets of Baht 927.96 million, a decrease of Baht 6.36 million, or 0.68 compared to the previous year. Main reasons were the decrease in property, plant and equipment.

Liabilities

As at 31st December 2015, the Company had total liabilities at Baht 280.49 million, a decrease of Baht 3.31 million or 13.38 from the previous year, as a result of the decrease of current liabilities at Baht 44.67 million or 14.79% compared to that of the year before. Main reasons were a decrease in trade account payables lower production volumes. Caused by less sales volume when compared to the previous year. This made the liability to shareholder's equity ratio decreased to 43.3% compared to the previous year 53.0%.

Liquidity

In 2015, the Company had net cash flow from operations in amount of Baht 126.69 million, an increase of Baht 113.22 million from the previous year. Reasons were the decrease in accounts receivable and inventories. While the operating profit on increase from the previous year result in on increased the net operating cash-inflow and higher when compared to the previous year. The cash flow spent in investment activities amounted to Baht 12.69 million and a decrease of Baht 7.37 million and in financing activities amount Baht 25.12 and a decrease from the previous year amount Baht 6.02 million. Due to lower investment when compared the previous year and lower dividend to shareholders have the 2014 results the net cash and cash equipment in 2015 was increased from 2014 by Baht 88.91 million.

Even though the Company recorded an increase in net cash flows from operating activities, it also reduced cash flows in on investment and in financing activities. The company liquidity ratio in year 2015 was therefore 2.12 times compared with last year at 1.79 times.

Capital Structure

The Company had ratio of liabilities to shareholders' equity at 0.43 times, a slight decrease to that of the past year which was at 0.53 times, as a result of a decrease in accounts payable and other payables as earlier mentioned.

Based on the financial position and the operating results of the year 2015, the Board of Directors Meeting No 1/2016, on 25 February 2016 passed a resolution to propose to the annual General Shareholders Meeting to approve the payment of dividend for 2015 at the rate of Baht 0.40 per share, totaling Baht 48,600,000 (Forty eight million and six thousand only), calculating as the dividend payout ratio of 98.21% of net profit of the year 2015, which will be paid on 23 May 2016.

4. Main Factor and Influences That May Affect Operations or Financial Position in the Future

The factor that may have certain influences towards the future operations of the Company have already been stated in Article 1: Risk Factors.

AUDITOR'S REPORT

To the Shareholders of Thai Poly Acrylic Public Company Limited

I have audited the accompanying financial statements of Thai Poly Acrylic Public Company Limited, which comprise the statement of financial position as at 31 December 2015, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Thai Poly Acrylic Public Company Limited as at 31 December 2015, and its financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Wtee K.

Watoo Kayankannavee

Certified Public Accountant (Thailand) No. 5423

EY Office Limited

Bangkok: 25 February 2016

FINANCIAL STATEMENTS

Thai Poly Acrylic Public Company Limited

Statement of financial position

As at 31 December 2015

		(Unit: Baht)	
		As at	As at
	Note	31 December 2015	31 December 2014
Assets			
Current assets			
Cash and cash equivalents	7	186,021,032	97,105,286
Current investment - fixed deposit		1,107,550	1,091,344
Trade and other receivables	8	241,366,477	285,183,616
Inventories	9	109,738,109	142,842,602
Other current assets		6,434,194	13,497,159
Total current assets		544,667,362	539,720,007
Non-current assets			
Property, plant and equipment	10	380,948,659	393,659,514
Intangible assets - computer software		542,855	655,213
Deferred tax assets	16	1,520,179	-
Other non-current assets		284,017	286,717
Total non-current assets		383,295,710	394,601,444
Total assets		927,963,072	934,321,451

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

Thai Poly Acrylic Public Company Limited
Statement of financial position (continued)
As at 31 December 2015

(Unit: Baht

		As at	As at
	Note	31 December 2015	31 December 2014
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables	11	239,324,176	292,775,649
Current portion of liabilities under finance lease agreements		848,187	795,538
Income tax payable		11,826,575	2,193,239
Other current liabilities		5,364,389	6,267,543
Total current liabilities		<u>257,363,327</u>	<u>302,031,969</u>
Non-current liabilities			
Liabilities under finance lease agreements - net of current portion		1,282,360	2,130,547
Provision for long-term employee benefits	12	21,841,151	18,763,114
Deferred tax liabilities	16	-	875,699
Total non-current liabilities		<u>23,123,511</u>	<u>21,769,360</u>
Total liabilities		<u>280,486,838</u>	<u>323,801,329</u>
Shareholders' equity			
Share capital			
Registered			
121,500,000 ordinary shares of Baht 1 each		<u>121,500,000</u>	<u>121,500,000</u>
Issued and fully paid-up			
121,500,000 ordinary shares of Baht 1 each		121,500,000	121,500,000
Share premium		233,350,000	233,350,000
Retained earnings			
Appropriated - statutory reserve	14	12,150,000	12,150,000
Unappropriated		<u>280,476,234</u>	<u>243,520,122</u>
Total shareholders' equity		<u>647,476,234</u>	<u>610,520,122</u>
Total liabilities and shareholders' equity		<u>927,963,072</u>	<u>934,321,451</u>
		-	-

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

Thai Poly Acrylic Public Company Limited
Statement of comprehensive income
For the year ended 31 December 2015

		(Unit: Baht)	
	<u>Note</u>	<u>2015</u>	<u>2014</u>
Profit or loss:			
Revenues			
Sales		1,126,296,758	1,217,554,347
Service income		929,313	-
Other income			
Scrap sales		13,159,534	22,104,136
Exchange gains		6,628,392	3,307,595
Others		3,351,015	2,382,897
Total revenues		<u>1,150,365,012</u>	<u>1,245,348,975</u>
Expenses			
Cost of sales and services		937,676,869	1,084,515,582
Selling expenses		48,655,000	56,548,242
Administrative expenses		84,377,154	64,652,362
Total expenses		<u>1,070,709,023</u>	<u>1,205,716,186</u>
Profit before finance cost and income tax expenses		79,655,989	39,632,789
Finance cost		(161,798)	(212,601)
Profit before income tax expenses		79,494,191	39,420,188
Income tax expenses	16	(17,353,981)	(8,001,330)
Profit for the year		<u>62,140,210</u>	<u>31,418,858</u>
Other comprehensive income:			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>			
Actuarial loss		(1,105,122)	-
Less: Income tax effect	16	221,024	-
Other comprehensive income for the year		<u>(884,098)</u>	<u>-</u>
Total comprehensive income for the year		<u>61,256,112</u>	<u>31,418,858</u>
Earnings per share	17		
Basic earnings per share		<u>0.51</u>	<u>0.26</u>

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

Thai Poly Acrylic Public Company Limited
Statement of changes in shareholders' equity
For the year ended 31 December 2015

	Issued and fully paid-up share capital	Share premium	Retained earnings		(Unit: Baht)
			Appropriated - statutory reserve	Unappropriated	Total
Balance as at 1 January 2014	121,500,000	233,350,000	12,150,000	242,476,264	609,476,264
Total comprehensive income for the year	-	-	-	31,418,858	31,418,858
Dividend paid (Note 20)	-	-	-	(30,375,000)	(30,375,000)
Balance as at 31 December 2014	<u>121,500,000</u>	<u>233,350,000</u>	<u>12,150,000</u>	<u>243,520,122</u>	<u>610,520,122</u>
Balance as at 1 January 2015	121,500,000	233,350,000	12,150,000	243,520,122	610,520,122
Profit for the year	-	-	-	62,140,210	62,140,210
Other comprehensive income for the year	-	-	-	(884,098)	(884,098)
Total comprehensive income for the year	-	-	-	61,256,112	61,256,112
Dividend paid (Note 20)	-	-	-	(24,300,000)	(24,300,000)
Balance as at 31 December 2015	<u>121,500,000</u>	<u>233,350,000</u>	<u>12,150,000</u>	<u>280,476,234</u>	<u>647,476,234</u>
					-

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

Thai Poly Acrylic Public Company Limited

Cash flow statement

For the year ended 31 December 2015

	(Unit: Baht)	
	<u>2015</u>	<u>2014</u>
Cash flows from (used in) operating activities		
Profit before tax	79,494,191	39,420,188
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	19,108,150	17,970,577
Allowance for doubtful accounts	2,442,492	-
Reduction of inventory cost to net realisable value	4,541,573	3,455,366
Gains on sales of equipment	(294,173)	(73,307)
Losses from write-off of equipment	6,015,206	8,502
Provision for long-term employee benefits	2,962,015	3,136,070
Unrealised exchange losses (gains)	(569,302)	415,796
Interest income	(888,704)	(360,417)
Interest expenses	161,798	212,601
Income from operating activities before changes in operating assets and liabilities	112,973,246	64,185,376
Operating assets (increase) decrease		
Trade and other receivables	42,330,566	24,257,985
Inventories	28,562,920	(20,691,714)
Other current assets	6,317,810	(1,513,179)
Other non-current assets	2,700	(9,000)
Operating liabilities increase (decrease)		
Trade and other payables	(52,006,862)	(47,848,260)
Other current liabilities	(1,176,901)	1,031,166
Provision for long-term employee benefits	(989,100)	(464,004)
Cash flows from operating activities	136,014,379	18,948,370
Cash paid for interest expenses	(161,798)	(212,601)
Cash paid for income tax	(9,164,591)	(5,261,612)
Net cash flows from operating activities	126,687,990	13,474,157

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

Thai Poly Acrylic Public Company Limited

Cash flow statement (continued)

For the year ended 31 December 2015

(Unit: Baht)

	<u>2015</u>	<u>2014</u>
Cash flows from (used in) investing activities		
Acquisitions of plant, machinery and equipment	(13,464,708)	(20,617,174)
Acquisitions of computer software	(432,500)	-
Cash received from sales of equipment	316,977	180,990
Interest income	886,745	381,172
Net cash flows used in investing activities	<u>(12,693,486)</u>	<u>(20,055,012)</u>
Cash flows from (used in) financing activities		
Payment of liabilities under finance lease agreements	(795,538)	(744,735)
Dividend paid	(24,300,000)	(30,375,000)
Net cash flows used in financing activities	<u>(25,095,538)</u>	<u>(31,119,735)</u>
Net increase (decrease) in cash and cash equivalents	88,898,966	(37,700,590)
Unrealised exchange gains (losses) for cash and cash equivalents	16,780	(16,120)
Cash and cash equivalents at beginning of year	<u>97,105,286</u>	<u>134,821,996</u>
Cash and cash equivalents at end of year	<u><u>186,021,032</u></u>	<u><u>97,105,286</u></u>

Supplemental cash flow information:

Non-cash transactions

Decrease in accounts payable from		
purchases of machinery and equipment	1,574,261	12,980,869

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

Thai Poly Acrylic Public Company Limited

Notes to financial statements

For the year ended 31 December 2015

1. Corporate information

Thai Poly Acrylic Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. Its major shareholders are Lucite International UK Overseas Holdco1 Limited, incorporated in England and Asiatic Acrylic Company Limited, incorporated in Thailand, with shareholdings of 42.3 percent and 34.1 percent, respectively. Lucite International UK Overseas Holdco1 Limited is a subsidiary of Mitsubishi Rayon Lucite Group Limited, incorporated in England and the ultimate controlling party of the Group is Mitsubishi Chemical Holding Corporation, incorporated in Japan. The Company is principally engaged in the manufacture and distribution of Acrylic sheets, Acrylonitrile Butadiene Styrene sheets, High Impact Polystyrene sheets and other extruded plastic sheets. The registered office of the Company is at 60-61 Moo 9, 4th Putthamonthon Road, Krathumlom, Sampran, Nakompathom.

2. Basis of preparation

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

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

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

3. New financial reporting standards

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

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

The Company has adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements. However, some of these standards involve changes to key principles, which are summarised below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognise actuarial gains and losses from post-employment benefits immediately in other comprehensive income while the former standard allowed the entity to recognise such gains and losses immediately in either profit or loss or other comprehensive income, or to recognise them gradually in profit or loss.

This revised standard does not have any impact on the financial statements as the Company already recognise actuarial gains and losses from post-employment benefits immediately in other comprehensive income.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurement. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effects of the adoption of this standard are to be recognised prospectively.

This standard does not have any significant impact on the Company's financial statements.

(b) Financial reporting standard that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of the revised (revised 2015) and new financial reporting standards and accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The Company's management believes that the revised and new financial reporting standards and accounting treatment guidance will not have any significant impact on the financial statements when it is initially applied.

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

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

Rendering of services

Service revenue is recognised when services have been rendered taking into account the stage of completion.

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 are valued at the lower of cost (under the weighted average method) and net realisable value and includes all production costs and attributable factory overheads.

Raw materials, spare parts and factory supplies are valued at the lower of cost (under the first-in, first-out method) and net realisable value and are charged to production costs whenever consumed.

4.5 Property, plant and equipment/Depreciation

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

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

Buildings	-	20 years
Building improvements	-	5 years
Machinery and equipment	-	5 - 20 years
Furniture, fixtures and office equipment	-	3 and 5 years
Motor vehicles	-	5 years

Depreciation is included in determining income.

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

4.6 Intangible assets and amortisation - computer software

Computer software is recognised at cost. Following the initial recognition, computer software is carried at cost less any accumulated amortisation and allowance for impairment losses (if any).

Computer software with finite life is amortised on a straight-line basis over the useful life of 5 years and tested for impairment whenever there is an indication that the computer software may be impaired. The amortisation period and the amortisation method of such computer software are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

4.7 Related party transactions

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

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

4.8 Long-term leases

Leases of 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 long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the useful life of the asset.

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

4.9 Foreign currencies

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

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

Gains and losses on exchange are included in determining income.

4.10 Impairment of assets

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

An impairment loss is recognised in profit or loss.

4.11 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 and other long-term employee benefits

Defined contribution plans

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

Defined benefit plans and other long-term employee benefits

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

The obligations under the defined benefit plan and other long-term employee benefit plan are 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.

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

4.12 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.

4.13 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 profits 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 profits 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.

4.14 Forward exchange contracts

Receivables and payables arising from forward exchange contracts are translated into Baht at the rates of exchange ruling at the end of reporting period. Unrecognised gains and losses from the translation are charged to profit or loss. Premiums or discounts on forward exchange contracts are amortised on a straight-line basis over the contract periods.

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.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgements and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Reduction of inventory cost to net realisable value

In determining a reduction of inventory cost to net realisable value, the management needs to make judgements and estimates based upon, among other things, slow-moving inventories and net realisable value.

Property, plant and equipment/Depreciation

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

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

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

The obligations under the defined benefit plan and other long-term employee benefit plan are 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 significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

	(Unit: Million Baht)		
	<u>2015</u>	<u>2014</u>	<u>Transfer pricing policies</u>
<u>Transactions with related parties</u>			
Sales of goods	30	29	With reference to market price
Purchases of raw materials	461	565	As agreed with reference to market price
Service expenses	5	5	Contract price and as agreed

The balances of the accounts between the Company and those related parties as at 31 December 2015 and 2014 are as follows:

	(Unit: Thousand Baht)	
	<u>2015</u>	<u>2014</u>
<u>Trade receivables - related parties (Note 8)</u>		
Fellow subsidiaries	<u>7,230</u>	<u>9,408</u>
<u>Trade and other payables - related parties (Note 11)</u>		
Fellow subsidiaries	4,797	2,801
Subsidiaries of ultimate parent		
Thai MMA Company Limited	135,339	176,322
Others	<u>6,996</u>	<u>3,820</u>
Total trade and other payables - related parties	<u>147,132</u>	<u>182,943</u>

Directors and management's benefits

During the years ended 31 December 2015 and 2014, the Company had employee benefit expenses payable to its directors and management as below.

	(Unit: Thousand Baht)	
	<u>2015</u>	<u>2014</u>
Short-term employee benefits	19,642	17,010
Post-employment benefits	1,717	1,674
Other long-term benefits	<u>4</u>	<u>4</u>
Total	<u>21,363</u>	<u>18,688</u>

7. Cash and cash equivalents

	(Unit: Thousand Baht)	
	<u>2015</u>	<u>2014</u>
Cash	50	50
Bank deposits	85,971	97,055
Bank of Thailand Bonds	100,000	-
Total	<u>186,021</u>	<u>97,105</u>

As at 31 December 2015, bank deposits in saving accounts and Bank of Thailand Bonds carried interests between 0.03 and 1.49 percent per annum (2014: between 0.03 and 0.63 percent per annum).

8. Trade and other receivables

	(Unit: Thousand Baht)	
	<u>2015</u>	<u>2014</u>
Trade receivables - related parties		
Aged on the basis of due dates		
Not yet due	2,323	6,878
Past due		
Up to 3 months	4,907	2,530
Total trade receivables - related parties	<u>7,230</u>	<u>9,408</u>
Trade receivables - unrelated parties		
Aged on the basis of due dates		
Not yet due	189,557	217,118
Past due		
Up to 3 months	39,817	55,504
3 - 6 months	3,809	258
6 - 12 months	410	588
Over 12 months	4,400	3,701
Total	237,993	277,169
Less: Allowance for doubtful debts	(4,400)	(1,958)
Total trade receivables - unrelated parties, net	<u>233,593</u>	<u>275,211</u>
Total trade receivables - net	<u>240,823</u>	<u>284,619</u>
Other receivables	<u>543</u>	<u>565</u>
Total trade and other receivables - net	<u>241,366</u>	<u>285,184</u>

9. Inventories

(Unit: Thousand Baht)

	Cost		Reduce cost to net realisable value		Inventories - net	
	2015	2014	2015	2014	2015	2014
Finished goods	47,405	60,728	(5,047)	(9,305)	42,358	51,423
Raw materials	26,714	39,229	(8,715)	-	17,999	39,229
Spare parts and factory supplies	45,232	49,539	(85)	-	45,147	49,539
Goods in transit	4,234	2,652	-	-	4,234	2,652
Total	123,585	152,148	(13,847)	(9,305)	109,738	142,843

During the current year, the Company reduced cost of inventories by Baht 13 million (2014: Baht 5 million), to reflect the net realisable value. This was included in cost of sales. In addition, the Company reversed the write-down of cost of inventories by Baht 8 million (2014: Baht 2 million), and reduced the amount of inventories recognised as expenses during the year.

10. Property, plant and equipment

	Land	Buildings and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	Total
(Unit: Thousand Baht)							
Cost:							
1 January 2014	241,114	139,110	422,097	19,418	10,835	67,444	900,018
Additions	-	-	1,174	369	553	5,540	7,636
Disposals/Write-off	-	(41)	(2,214)	(1,071)	(774)	(84)	(4,184)
Transfer in (out)	-	31,445	23,483	291	-	(55,219)	-
31 December 2014	241,114	170,514	444,540	19,007	10,614	17,681	903,470
Additions	-	19	1,991	1,679	2,637	5,564	11,890
Disposals/Write-off	-	-	(3,560)	(2,499)	(1,816)	(5,952)	(13,827)
Transfer in (out)	-	6,165	5,631	-	-	(11,796)	-
31 December 2015	241,114	176,698	448,602	18,187	11,435	5,497	901,533
Accumulated depreciation:							
1 January 2014	-	129,588	343,806	17,083	5,916	-	496,393
Depreciation for the year	-	2,272	12,783	1,286	1,145	-	17,486
Depreciation on disposals/write-off	-	(23)	(2,202)	(1,070)	(774)	-	(4,069)
31 December 2014	-	131,837	354,387	17,299	6,287	-	509,810
Depreciation for the year	-	2,952	13,300	912	1,399	-	18,563
Depreciation on disposals/write-off	-	-	(3,477)	(2,496)	(1,816)	-	(7,789)
31 December 2015	-	134,789	364,210	15,715	5,870	-	520,584
Net book value:							
31 December 2014	241,114	38,677	90,153	1,708	4,327	17,681	393,660
31 December 2015	241,114	41,909	84,392	2,472	5,565	5,497	380,949
Depreciation for the year							
2014 (Baht 14 million included in manufacturing cost, and the balance in selling and administrative expenses)							17,486
2015 (Baht 16 million included in manufacturing cost, and the balance in selling and administrative expenses)							18,563

The Company had a piece of land with a carrying value of approximately Baht 104 million which is currently not being used in its operation.

As at 31 December 2015, the Company has motor vehicles with net book value of Baht 3 million (2014: Baht 4 million) which were acquired under finance lease agreements.

As at 31 December 2015, certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 398 million (2014: Baht 402 million).

11. Trade and other payables

	(Unit: Thousand Baht)	
	2015	2014
Trade payables - related parties	144,464	181,082
Trade payables - unrelated parties	55,093	78,200
Amounts due to related parties	2,668	1,861
Other payables	9,356	10,062
Accrued expenses	27,743	21,571
Total trade and other payables	239,324	292,776

12. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire from the Company and other long-term employee benefits, namely long service awards, was as follows:

	(Unit: Thousand Baht)		
	2015		
	Legal severance payment plan	Long service awards	Total
Provision for long-term employee benefits			
at beginning of year	17,312	1,451	18,763
Included in profit or loss:			
Current service cost	2,344	356	2,700
Interest cost	639	52	691
Actuarial gain arising from:			
Demographic assumptions changes	-	80	80
Financial assumptions changes	-	46	46
Experience adjustments	-	(555)	(555)
Included in other comprehensive income:			
Actuarial loss arising from:			
Demographic assumptions changes	(17)	-	(17)
Financial assumptions changes	1,693	-	1,693
Experience adjustments	(571)	-	(571)
Benefits paid during the year	(797)	(192)	(989)
Provision for long-term employee benefits			
at end of year	20,603	1,238	21,841

	(Unit: Thousand Baht)		
	2014		
	Legal severance payment plan	Long service awards	Total
Provision for long-term employee benefits			
at beginning of year	14,725	1,366	16,091
Included in profit or loss:			
Current service cost	2,187	346	2,533
Interest cost	552	51	603
Benefits paid during the year	(152)	(312)	(464)
Provision for long-term employee benefits			
at end of year	17,312	1,451	18,763

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

	(Unit: Thousand Baht)	
	2015	2014
Cost of sales	1,314	1,170
Selling and administrative expenses	1,648	1,966
Total expenses recognised in profit or loss	2,962	3,136

The Company expect to pay Baht 0.6 million of long-term employee benefits during the year (2014: Baht 0.2 million).

As at 31 December 2015, the weighted average duration of the liabilities for long-term employee benefit is 10 years (31 December 2014: 12 years).

Significant actuarial assumptions are summarised below:

	Percent per annum	
	2015	2014
Discount rate	2.9	3.8
Salary increase rate	4.0	4.0
Staff turnover rate (depending on age of employees)	0 - 34.0	0 - 45.3

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

	(Unit: Million Baht)			
	Legal severance payment plan		Long service awards	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(1.9)	2.2	(0.1)	0.1
Salary increase rate	2.2	(2.0)	-	-
Staff turnover rate	(2.1)	2.1	(0.1)	0.1

13. Undrawn credit facilities

As at 31 December 2015, undrawn credit facilities of the Company granted by financial institutions amounted to approximately Baht 331 million (2014: Baht 231 million).

In August 2015, the Company was granted forward contract facilities amounting to Baht 100 million by a financial institution.

14. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 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.

15. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)	
	<u>2015</u>	<u>2014</u>
Raw materials and consumables used	763,818	936,452
Changes in finished goods	13,323	(15,024)
Salaries, wages and other employee benefits	118,438	113,354
Fuel and utility expenses	57,024	60,057
Transportation expenses	25,740	32,705
Depreciation and amortisation	19,108	17,971
Repair and maintenance expenditure	8,499	9,212

16. Income tax

Income tax expenses for the years ended 31 December 2015 and 2014 are made up as follows:

	(Unit: Thousand Baht)	
	<u>2015</u>	<u>2014</u>
Current income tax:		
Current income tax charge	19,529	7,455
Deferred tax:		
Relating to origination and reversal of temporary differences	(2,175)	546
Income tax expenses reported in the statement of comprehensive income	<u>17,354</u>	<u>8,001</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2015 and 2014 are as follows:

	(Unit: Thousand Baht)	
	<u>2015</u>	<u>2014</u>
Deferred tax on actuarial loss	221	-

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

	(Unit: Thousand Baht)	
	<u>2015</u>	<u>2014</u>
Accounting profit before tax	79,494	39,420
Applicable tax rate	20 percent	20 percent
Accounting profit before tax multiplied by income tax rate	15,899	7,884
Effects of:		
Additional deductible expenses	(78)	(76)
Non-deductible expenses	1,533	193
Income tax expenses reported in the statement of comprehensive income	17,354	8,001

The components of deferred tax assets and deferred tax liabilities as at 31 December 2015 and 2014 are as follows:

	(Unit: Thousand Baht)	
	<u>2015</u>	<u>2014</u>
Deferred tax assets		
Reduce cost of inventories to net realisable value	2,769	1,861
Provision for long-term employee benefits	4,368	3,752
Deterred expenses	1,669	225
Others	925	497
Total	9,731	6,335
Deferred tax liabilities		
Difference depreciation for accounting and tax purpose	(7,763)	(6,209)
Duty drawback under section 19 bis	(448)	(1,002)
Total	(8,211)	(7,211)
Deferred tax assets (liabilities) - net	1,520	(876)

17. Earnings per share

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

18. Segment information

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

The Company is principally engaged in the manufacture and sale of Acrylic sheets, Acrylonitrile Butadiene Styrene sheets, High Impact Polystyrene sheets and other extruded plastic sheets. Each of these products is considered part of the same line of business, which is regarded as a single operating segment. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment.

Geographic information

Revenues from sales and service income is based on locations of the customers for the years ended 31 December 2015 and 2014 are as follows:

	(Unit: Million Baht)	
	<u>2015</u>	<u>2014</u>
Thailand	632	697
Overseas	495	521
Total	<u>1,127</u>	<u>1,218</u>

Major customer

For the years 2015 and 2014, the Company has no major customer with revenue of 10 percent or more of an entity's revenues.

19. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The registered provident fund plan was approved by the Ministry of Finance on 1 June 1999. Both employees and the Company contribute to the fund monthly at the rate of 3 or 5 or 7 percent of basic salary. The fund, which is managed by a fund manager, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2015 amounting to approximately Baht 4 million (2014: Baht 4 million) were recognised as expenses.

20. Dividends

<u>Dividends</u>	<u>Approved by</u>	<u>Total dividends</u> (Million Baht)	<u>Dividend per share</u> (Baht per share)
<u>For the year ended 31 December 2015</u>			
Final dividend for year 2014	Annual General Meeting of the shareholders on 23 April 2015	24.3	0.20
<u>For the year ended 31 December 2014</u>			
Final dividend for year 2013	Annual General Meeting of the shareholders on 23 April 2014	30.4	0.25

21. Commitments and contingent liabilities

21.1 Operating lease and service commitments

The Company has entered into lease agreements in respect of the lease of buildings and equipment and several service agreements. The terms of the agreements are generally between 1 to 3 years.

Future minimum payments required under these non-cancellable operating lease and service agreements were as follows.

	(Unit: Million Baht)	
	As at 31 December	
	<u>2015</u>	<u>2014</u>
Payable:		
In up to 1 year	5	5
In over 1 and up to 3 years	1	2

21.2 Bank guarantees

As at 31 December 2015, there were outstanding bank guarantees of approximately Baht 7 million (2014: Baht 7 million) issued by a bank on behalf of the Company in respect of certain performance bonds as required in the normal course of business to guarantee electricity usage and others.

22. Financial instruments

22.1 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, current investment - fixed deposit, trade and other receivables, trade and other payables, and liabilities under finance lease agreements. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

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

Interest rate risk

The Company is exposed to interest rate risk related primarily to its deposits at financial institutions and liabilities under finance lease agreements. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

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 Ba)

As at 31 December 2015						
	Fixed interest rates					
	Within 1 year	1 - 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
<u>Financial assets</u>						
Cash and cash equivalents	100	-	86	-	186	0.03 - 1.4
Current investment - fixed deposit	1	-	-	-	1	1.50
Trade and other receivables	-	-	-	241	241	-
	101	-	86	241	428	
<u>Financial liabilities</u>						
Trade and other payables	-	-	-	239	239	-
Liabilities under finance lease agreements	1	1	-	-	2	0.40 - 0.6
	1	1	-	239	241	

(Unit: Million Ba)

As at 31 December 2014						
	Fixed interest rates					
	Within		Floating	Non-interest		Effective
	1 year	1 - 5 years	interest rate	bearing	Total	interest rate
						(% p.a.)
<u>Financial assets</u>						
Cash and cash equivalents	-	-	97	-	97	0.03 - 0.6
Current investment - fixed deposit	1	-	-	-	1	1.50
Trade and other receivables	-	-	-	285	285	-
	1	-	97	285	383	
<u>Financial liabilities</u>						
Trade and other payables	-	-	-	293	293	-
Liabilities under finance lease agreements	1	2	-	-	3	0.40 - 0.6
	1	2	-	293	296	

Foreign currency risk

The Company's exposure to foreign currency risk arises mainly from the purchases/sales of goods that are denominated in foreign currencies. The Company seeks to reduce this risk by entering into forward exchange contracts when it considers appropriate. Generally, the forward contracts mature within one year.

The balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	as at 31 December		as at 31 December		as at 31 December	
	2015	2014	2015	2014	2015	2014
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	2.2	3.2	0.5	0.4	36.0886	32.9630
Australian dollar	0.4	0.6	-	-	26.2836	26.8068
Japanese yen	-	-	11.2	6.9	0.2996	0.2738

The outstanding forward exchange contracts of the Company are summarised below.

As at 31 December 2015			
Foreign currency	Sold amount	Contractual exchange rate	Contractual maturity date
	(Million)	(Baht per 1 foreign currency unit)	
US dollar	0.7	35.7600 - 36.0575	25 April 2016 to 12 May 2016

As at 31 December 2014			
Foreign currency	Sold amount	Contractual exchange rate	Contractual maturity date
	(Million)	(Baht per 1 foreign currency unit)	
US dollar	1.9	32.1950 - 33.0075	6 February 2015 to 15 May 2015

22.2 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature and deposits at financial institutions bear interest rates which are close to the market rate, their fair value is not expected to be materially different from the amounts presented in statement of financial position.

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

23. 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.

24. Event after the reporting period

On 25 February 2016, the Board of Directors' meeting passed a resolution to propose the payment of a dividend for 2015 of Baht 0.40 per share, or a total of Baht 48.6 million, to its shareholders. The dividend payment will be proposed to the 2016 Annual General Meeting of the Company's shareholders for approval.

25. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 25 February 2016.



MODEN GLAS

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