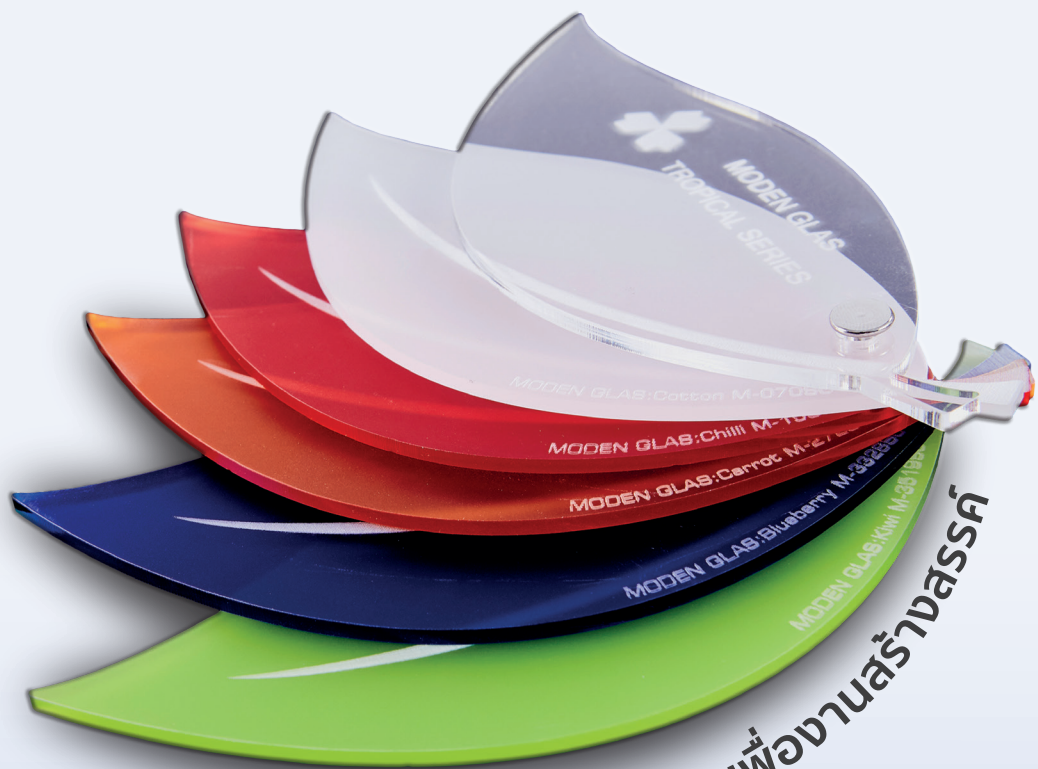


MODEN GLAS

THAI POLY ACRYLIC PUBLIC COMPANY LIMITED

บริษัท ไทยโพลีอะคริลิก จำกัด (มหาชน)



Quality bring creative

คุณภาพเพื่องานสร้างสรรค์

2020

ANNUAL REPORT

รายงานประจำปี 2563



www.thai-poly-acrylic.com

Vision and Mission Statements

Vision

To be recognized as a leading world class manufacturer/ distributor of cell cast and other plastic sheets, we will inspire and innovate, creating valuable products and solutions.

Mission

We are dedicated and committed to providing premium quality products and also to creating value and solutions for the benefit of our customers and stakeholders.

Value

We shall be creative and innovative for new development of acrylic sheet and other plastic materials through close co-operation and a better understanding of our customers' needs and requirements. We care for safety and healthy living of our colleagues and commit to a clean environment to the surrounded community.

CONTENTS

Business operation

01

- 02 General Information
- 03 Message From The Chairman
- 04 Message From The Managing Director
- 05 Board of Directors
- 06 Management Team
- 08 Key Financial Information
- 09 Message From The Chairman
(For Anti-Corruption)
- 10 Anti-Corruption Policy
- 12 Nature of The Business
- 16 Risk Factors And Risk Management
- 17 Legal Disputes

02

Management and Corporate governance

- 18 Major Shareholders &
Securities Holding of The
Directors And Executives
- 21 Management Structure
- 23 Dividend Payment Policy
- 39 Corporate Governance
- 50 Company Social Responsibilities
- 59 Internal Control
- 60 Related Party Transactions

03

Financial Performance and Operating results

- 62 Report of The Board of Directors'
Responsibilities For Financial
Statements
- 63 Report of The Audit Committee
- 65 Independent Auditor's Report
- 68 Explanation of Financial Analysis &
Operating Performance
- 74 Financial Statements
- 82 Notes to Financial Statements

GENERAL INFORMATION

| | |
|---|--|
| Company name | Thai Poly Acrylic Public Company Limited |
| Type of Business | Manufacturer and Distributor of Acrylic cast sheets and Extruded Plastic sheets |
| Registration Number | 0107537002257 |
| Registered Capital | Baht 121,500,000 in an ordinary share and paid - up capital in the amount of Baht 1.00 per share |
| Shareholding in other Business Entity at and above 10% | None |
| Head office and factory located at: | 60 – 61 Moo 9, Phutthamonthon 4 Rd., Krathumlom, Sam Phran, Nakhonpathom 73220, Thailand |
| Telephone: | 0 2429 - 2020, 0 2429 - 2487 - 8, 0 2889 - 8720 - 5 |
| Facsimile: | 0 2429 - 2541, 0 2888 - 5953 |
| Sales office | 134/5 Krung Thonburi Road, Klong Tonsai, Klong Sarn, Bangkok 10600, Thailand |
| Telephone: | 0 2860 - 8765 - 70 |
| Facsimile: | 0 2860 - 9106, 0 2860 - 8762 |
| Website: | http://www.thaipolyacrylic.com |
| Registrar: | Thailand Securities Depository Co., Ltd. 1 st Floor, The Stock Exchange of Thailand, Tower B 93 Ratchadaphisek Road, Dindang, Bangkok 10400 |
| Telephone: | 0 2009 - 9999 |
| Facsimile: | 0 2009 - 9001 |
| Auditor: | EY Office Limited 33 rd Floor, Lake Rajada Office Complex, 193/136-137 Rajadapisek Road Klongtoey, Bangkok 10110 G.P.O. Box 1047, Bangkok 10501, Thailand |
| Telephone: | 0 2264 - 9090 |
| Facsimile: | 0 2264 - 0789 - 90 |
| Website: | http://www.ey.com |
| Legal Advisor: | Mr. Surat Jankaew BZ Legal Advisor Law Office 52 Ladprao 81 (Thitiporn) Klongchoakhunsing, Wang Thong Lang Bangkok 10310 |
| Telephone: | 0 2539 - 3230 |
| Facsimile: | 0 2539 - 3230 # 103 |

MESSAGE FROM THE CHAIRMAN

TPA Chairman's Address

At the time of writing the Chairman's report last year, I noted that "the very recent emergence of Coronavirus as a threat is expected to impact certainly regional economies if not the global economy. There is little doubt that it will have a negative impact on the tourism sector which may counteract or indeed reverse any growth expectations". I also noted that "as yet excluding the impact of Coronavirus, consensus GDP growth expectations are reported to be stable compared to the out-turn from 2019 and of the order 2.8%" and further noted the "the impact of the Coronavirus on China's manufacturing sector is starting to be seen and this will certainly cause some loss of demand which may again place downward pressure on MMA price". Not only have these predictions unfortunately have been borne out, but the severity of the impact on local, regional and global economies has been significantly worse than most, if not all, contemporary forecasts.

At the time of writing this address this year, whilst there is some room for optimism as the global roll-out of a number of vaccines with reported varying, but significant effectiveness against the prevailing and emergent variants of the virus commences, much uncertainty remains and any forecast of the extent, and in particular the timing of local, regional or global recoveries and subsequent growth must be treated with great caution. As such I will not seek to report or comment on forecasts for Thailand's or the global economy's recovery or growth in this report. Rather I shall reflect upon what has been an impressive and pleasing performance by TPA given the operating and trading conditions of 2020 with a brief look-ahead to 2021 based on current trading conditions.

In summary, TPA has had an excellent year in 2020 improving its trading profit from Baht 41 Million in 2019 to Baht 73 Million in 2020. This performance has resulted from a number of factors including but not limited to retention of domestic market share, recovery and growth in exports, maintenance of contribution margin despite significant domestic and export competition, raw material procurement improvements and significant increase in demand for cast acrylic sheet for new applications associated with COVID-related protective applications (point of sale screens, medical protective barriers etc). Prevailing economic conditions maintained downward pressure on raw materials although in the second half of the year, global demand for acrylic products (COVID related applications coupled with some demand improvement in conventional sectors (coatings, automotive, optical) has seen MMA price recovery.

Whilst, in absolute terms TPA's profitability improved most in its Cast Acrylic ranges, in TPA's other product ranges (extruded sheet), there was also pleasing improvement in profitability resulting primarily from improvement in contribution margin, with the process improvement activities of 2019 translating into significant and sustained improvements to manufacturing costs in 2020.

Overall, the Company reported total revenue in 2020 of Baht 937 million which was 1.0% decrease over last year (Baht 946 million). However, this decrease in revenue was offset by significantly improved contribution margins (22% overall compared to 17% in 2019) resulting in the trading profit of Baht 73 million as reported above. Sales volume was virtually unchanged from 2019 (11.4 KMT vs. 11.5 KMT) when extrusion toll volume is included and improved to 10.1 KMT from 8.6 KMT in 2019 excluding tolled volumes.

TPA ceased to be a Thai-majority owned public Company as a result of changes in the ownership of its major shareholders announced in June 2020. Subsequently, TPA applied for, and was granted, a foreign business licence to allow it to continue with its tolling operations.

Anti-corruption and good-governance remain a focus of the Board of directors and management. As such TPA has continued to work to strengthen its governance and internal control processes during 2020 as part of its continuing Anti-Corruption program for which it received reaccreditation on 30 September, 2020.

Looking ahead, the Company expects that the price of key raw materials (MMA in particular) will increase in 2021 due to supply / demand imbalances at least in the first half of 2021 as a result of continued demand for acrylics productions for COVID-related applications and slow recovery in conventional applications demand. Price competition for TPA product range is expected to remain strong given excess manufacturing capacity in the local and regional markets. The two effects will likely result in some loss in contribution margin. Nevertheless, TPA management shall seek to minimize this and are targeting profitability to be of the same order as achieved in 2020.

In conclusion, TPA has delivered an excellent performance in extremely difficult operating and trading conditions. Not only has the TPA team been able to retain domestic market share, it has grown its export market and improved profitability in both its product ranges.

On behalf of the Board of Directors, I would like to thank the Company's shareholders, customers, and stakeholders for their support. I would also like to thank Mr Rakchai Sakulteeera, his management team, and in particular the employees of TPA for their great efforts to operate the plant safely and reliably in order to supply TPA's customers with cost competitive, high-quality products despite the significant constraints and precautions necessarily put in place to mitigate the risks associated with the COVID-19 pandemic.



Dr. Benjamin James Harris

Chairman of the Board of Directors

MESSAGE FROM THE MANAGING DIRECTOR



With the wide-reaching impact of the COVID-19 pandemic through which also spread Thailand in 2020, we have given the highest priority measures of being concerned about our employees's health. Also, we have established the COVID Center in which I, as a Company managing director, served as a Chairman, and the Committee was formed by our senior managers. The COVID Center monitored the pandemic situation and reinforced our employees' adherence to all government announcements and recommendations. The purpose was to ensure that our employees' work and business can continue smoothly. The pandemic has caused a devastating impact on people and the economy since the beginning of 2020. It brought a radical change to the global economy and society. Our Company, Thai Poly Acrylic Public Company Limited has also been directly and indirectly affected by the pandemic situation. Therefore, we have made some strategic changes and project plan adjustments to maintain and expand business profits during this major economic downturn.



Business Performance in 2020

We were able to maintain satisfactory business performance in 2020. The total revenue was Baht 937 million, slightly decreasing by Baht 9 million or 1% compared to the total revenue in 2019. The net profit after deducting income tax was Baht 58 million, increasing by Baht 25 million or 75% growth compared to the net profit in 2019.

Company Management in 2020

While facing severe price competition and the COVID-19 pandemic last year, we were able to maintain decent growth by continuously improving product quality, production efficiency, services and cost control. With high product standards and constant competitor marketing strategy analysis, our goals were to always serve the needs of our customers and maintain our market share.

Furthermore, we managed to control the cost fluctuation of raw materials which is another factor to our performance and profit. With various strategic changes, we were able to maintain good business performance.

The Company always adhered to good corporate governance with the responsibility to all stakeholders, environment, the vicinity and society. Moreover, we have paid attention to promote an anti-corruption that we received a notice of Recertificate from Thailand's Private Sector Collective Action Coalition against Corruption (CAC) for a period of 3 years from September 30th, 2020 till September 30th, 2023.

Business Plan for 2021

We are committed to continuous improvement of product quality, development of new products and sustaining excellent services to maximize our customer satisfaction. We continue to seek new domestic and global business opportunities. One of our priorities is product research and development to innovate and introduce new products, market channels and services.

Regarding management, reduction of production costs and other related expenses remains our priority to yield maximum returns. Moreover, we will continue our commitment to sustain the environment and support social activities.

I, on behalf of the Board of Directors of Thai Poly Acrylic Public Company Limited, would like to thank our Company executives and employees for all your hard work with determination and dedication to the success of our Company in 2020. I also wish to thank our shareholders, supporters, stakeholders, and all other concerned parties for your support and for placing your confidence and trust in our Company. We pledge to carry our mission with adherence to good corporate governance to ensure sustainable growth and maximum benefit for all stakeholders.

Mr. Rakchai Sakulteera
(Managing Director)

BOARD OF DIRECTORS

Dr. Benjamin James Harris
Chairman of the Board of Directors



Mr. Rakchai Sakulteera

- Executive Director
- Managing Director
- Company Secretary



Mr. Shinya Yano

- Executive Director



Mr. Dai Oyama

- Non-Executive Director
- Member of Nomination and Remuneration Committee



Mr. Adam Jonathan Sloan

- Non-Executive Director



Mr. Martin Thaysen

- Non-Executive Director



Dr. Anuphan Kitnitchiva

- Independent Director
- Chairman of Audit Committee



Mr. Jan Dam Pedersen

- Independent Director
- Member of Audit Committee
- Chairman of Nomination and Remuneration Committee



Mr. Jetsada Wongwatanasin

- Independent Director
- Member of Audit Committee
- Member of Nomination and Remuneration Committee



MANAGEMENT TEAM

1. **Mr. Rakchai Sakulteera**
Managing Director
2. **Mr. Wiwat Hom la - or**
Operations Manager
3. **Mr. Thanawat Kulprasertrat**
Human Resource/Legal Manager
4. **Mr. Thanetr Khumchoedchoochai**
Logistic Manager
5. **Mr. Apichai Srimahunt**
SHE Manager & QMR/OH & SMR
6. **Mr. Sorachai Wiboonchutikul**
Commercial Manager
7. **Ms. Surawadee Leethaweekul**
Finance and Accounting Manager
8. **Ms. Intiporn Tanampai**
Secretary to Managing Director



9. Mr. Wittaya Mongkolkachit
Technical Center Manager

10. Mr. Yotin Tamrongsawapark
Casting Plant Manager

11. Mr. Phairat Kumdee
Extrusion Plant Manager

12. Mr. Pongsun Asavasirijinda
Sales & Product Manager

13. Mr. Udomsak Tienchan
Warehouse & Distribution Manager

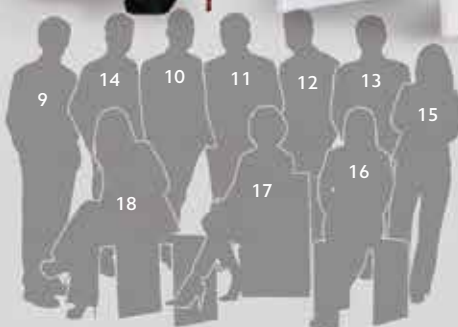
14. Mr. Pongthorn Chuencharoen
Site Engineering Manager

15. Ms. Noungrutai Boonpetch
Research & Technical Manager

16. Ms. Thanjira Kunathipsritrakool
Internal Auditor

17. Ms. Sompong Asavasirijinda
Sales Admin Section Manager (Domestic)

18. Ms. Janjira Thumsorn
Export Sales Manager

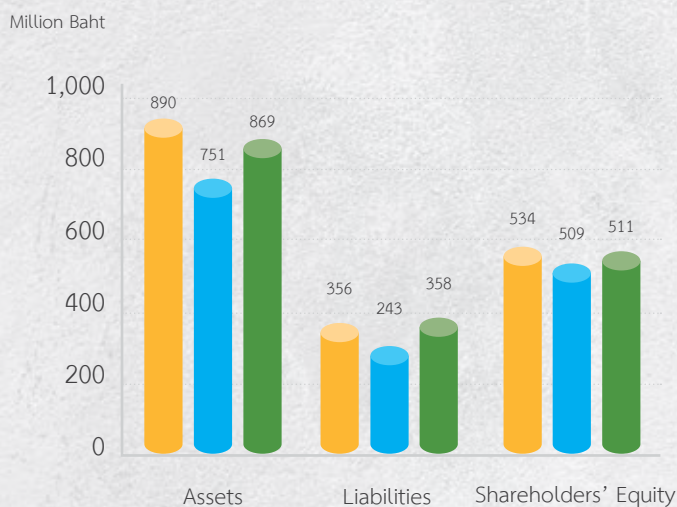


KEY FINANCIAL INFORMATION

| Financial Information | Unit | 2018 | 2019 | 2020 |
|---------------------------|---------------|----------|--------|--------|
| Total Revenues | Million Baht | 1,167.46 | 945.82 | 936.60 |
| Total Expenses | Million Baht | 1,216.65 | 904.50 | 863.60 |
| Net profit (loss) | Million Baht | (39.06) | 33.05 | 57.91 |
| Earnings (Loss) per share | Baht | (0.32) | 0.27 | 0.48 |
| Shares | Million Share | 121.50 | 121.50 | 121.50 |
| Assets | Million Baht | 889.54 | 751.25 | 869.14 |
| Liabilities | Million Baht | 355.89 | 242.54 | 358.19 |
| Shareholders' Equity | Million Baht | 533.66 | 508.71 | 510.95 |
| Book Value per share | Baht | 4.39 | 4.19 | 4.21 |

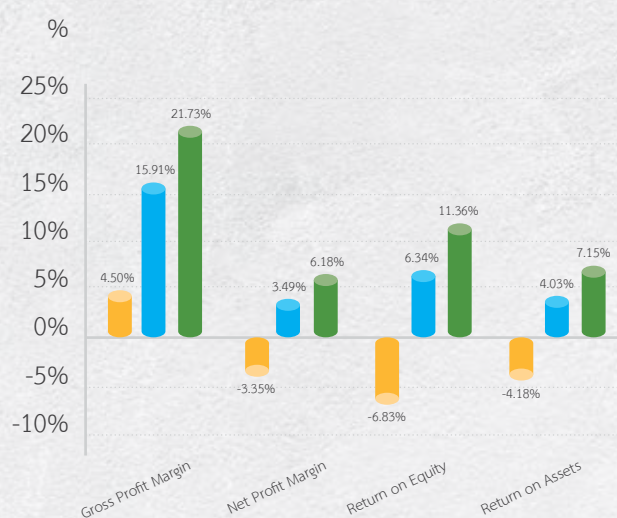
| Ratios | | 2018 | 2019 | 2020 |
|---------------------|-------|--------|-------|-------|
| Gross Profit Margin | % | 4.50 | 15.91 | 21.73 |
| Net Profit Margin | % | (3.35) | 3.49 | 6.18 |
| Return on Equity | % | (6.83) | 6.34 | 11.36 |
| Return on Assets | % | (4.18) | 4.03 | 7.15 |
| Asset Turnover | Times | 1.25 | 1.15 | 1.16 |
| Debts to Equity | Times | 0.67 | 0.48 | 0.70 |

FINANCIAL POSITION (COMPARATIVE 2018-2020)



● Year 2018 ● Year 2019 ● Year 2020

RATE OF RETURN (COMPARATIVE 2018-2020)



● Year 2018 ● Year 2019 ● Year 2020

MESSAGE FROM THE CHAIRMAN (For Anti-Corruption)

22nd February 2021

MESSAGE FROM THE CHAIRMAN (For Anti-Corruption)

Bribery means giving or receiving an undue reward to influence the behavior of someone in government or business to obtain commercial advantage. Most countries have laws that prohibit corruption. In addition, an increasing number of countries are adopting laws to prohibit bribery even when it is committed outside these countries' own borders - i.e. paid to a foreign government official. A breach of any of these laws is a serious offence, which can result in fines for companies and imprisonment for individuals. Even the appearance of a breach of anti-bribery or anti-corruption laws could do incalculable damage to our reputation.

This policy applies to directors, employees and agents in all levels. 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 - we must therefore be diligent in selecting and monitoring contractors, agents and partners.

In addition, it requires that we keep accurate books and records so that payments are honestly described, and our funds are not used for unlawful purposes.

This is a very important policy and non-compliance will result in disciplinary action in accordance with the Company's rules and regulations. If you have any questions about it, raise them with manager or HR team.

Moreover, we are pleased to inform you that our Company has received notice of the recertified Anti - Corruption Accreditation from CAC (Thailand 's Private Sector Collective Action Coalition Against Corruption) effective till 30th September 2023.



Dr. Benjamin James Harris
Chairman of the Board of Directors

ANTI-CORRUPTION POLICY

19th February 2020

Thai Poly Acrylic Public Co., Ltd. is committed to and encourages the operation of its business in a fair manner on the basis of ethics, integrity and good governance for sustainability and continued social and environmental responsibility. Therefore, the Company has publicly established this anti-corruption policy as one of its key policies, and has prepared the work ethics and business code of conduct for all its employees and businesses to observe in the operation of the business of the Company and its employees as follows:

Definition: “The Company or Company’s agents* (which include the Company’s Directors, Managing Director, Management and Employees in all departments at all levels, contractors and any companies or individuals acting on behalf of the Company) shall not give, receive, ask for, seek or promise to give any **“inducement”** (which includes money, gift, present, entertainment, sponsorship or donation, whether financial or otherwise, with a value exceeding the usual practice or custom or the appropriate limit), whether directly or indirectly, to/from any **“person”** (which includes those inside and outside the organisation and officials of the government, state enterprises, private entities, juristic persons or public organisations within and outside the country) for **“themselves”** (which includes family members and acquaintances) for an illegal purpose or in order to obtain a decision to grant or not to grant any favour which is outside the scope of acceptable business courtesy with concealed interests, regardless of whether such act is committed within or outside the country.”

This policy does not allow the giving in a manner of bribery with other concealed intention to any government agencies, government officials, juristic persons or individuals, of money or other things in the form of gift, present, entertainment, different forms of donation, consideration, aid or sponsorship, including the giving of political support in any manner, such as supporting a political party or supporting a political candidate, etc.

This policy also requires that all accounting entries shall be recorded and all documents related to such entries shall be gathered correctly and completely to ensure that all expenses are honestly accounted for and that the Company’s money or other resources will never be used for bribery-related purposes.

Any employee or Company’s agent* who violates, ignores or fails to comply with this policy shall be deemed to have committed a serious offence and shall be punished in accordance with the Company’s rules and the law. Any employee who refuses to commit corruption and thereby causes the Company to lose a business opportunity, shall not be punished or suffer any negative effect on their career.

The Company appoints all senior managers to be members of the Anti-Corruption Committee with the duty to attend meetings, submit reports, review policies and practice guidelines and assess risks in order to establish the internal control guideline, which shall be included in the audit plan. The Internal Auditor shall carry out the monitoring and evaluation in the annual audit plan and report the results to the Audit Committee. In the event of an emergency, a report may be submitted directly to the Audit Committee through the Chairman of the Audit Committee immediately.

Training and communication relating to the anti-corruption policy shall be provided regularly and thoroughly to all employees in all departments at all levels. The supervisors at each level shall have the duty to communicate and ensure that their subordinates understand the policy and observe it in the performance of all business activities under their responsibility, and supervise them to ensure that the performance is efficient and consistent with the guidelines. They shall also communicate the Company's policy and commitment to the customers, trade partners, contractors, agents and third party organisations.

Complaints, information and questions relating to corruption may be directed to:

1. Your direct manager, the Human Resources Manager.
2. The Audit Committee, email: Audit.Committee@thaipolyacrylic.com
3. Secretary to the Managing Director, postal address: 60-61 Moo 9, Putthamonthon 4 Road, Krathumlom Sub-District, Sampran District, Nakornpathom Province 73220
4. The Company's website at www.thaipolyacrylic.com
5. Hotline URL : (Thai site) <https://www.hotline.tokyo.jp/multi/mchc-th/access/login>
(English site) <https://www.hotline.tokyo.jp/multi/mchc-en/access/login>
password: MCHCthai

The Company will process the complaints or information from these channels through the inquiry procedures and respond to the complainant or information within 30 days in a confidential manner, and will provide justice and protection for the employee or any other person who has given information or evidence on the corruption related to the Company

Should you have any questions or need any further clarification on any issues, please contact or make an inquiry to your direct manager, the human resources manager or the legal counsellor.

Remark:

- In addition to this anti-corruption policy, all employees or Company's agents* at all levels are required to abide by the anti-corruption policies of affiliated companies as well.
- The Company's agents* include the Company's Directors, Managing Director, Management and Employees in all departments at all levels, contractors and any companies or individuals acting on behalf of the Company.

Board of Directors
Thai Poly Acrylic Public Co., Ltd.

NATURE OF THE BUSINESS



Thai Poly Acrylic PLC. or referred as a listed Company in SET as “TPA” is one of the leading cast acrylic sheet and other extruded plastic sheet producer in Thailand. Currently, the Company operates with two technologies of which the cast acrylic plant consists of 3 production lines with the capability to produce the combination of General Purpose acrylic sheet and Sanitary grade for bathtub applications, including the various kinds of specialty products such as Acrylic LED Block, Acrylic Diffusion and Acrylic LGP (Light Guide Panel) for signage and display panel applications, etc. In addition to cast acrylic production facilities, the Company also produce various kinds of extruded plastic products, such as ABS sheet, HIPS sheet, PE sheet, PP sheet, PP Profile and Co-ex PMMA capped ABS sheet, etc.



Our business objective is to strengthen our position as a market leader in satisfied quality standard cast acrylic sheet and extruded products as well as seeding and growing specialty acrylic and non-acrylic extruded products. This business objective can only be achieved through product diversification driven by R&T and Innovation under the management of NPD (New Product Development) team and steering team who work closely with our customers and providing them with innovative ideas, sharing our expertise and support solutions for their specific needs and requirements.

Our Management continues to focus on our product diversification strategy through the expansion into industries with value added materials and specialty plastic materials such as anti-static and conductive PP and HIPS products.



As mentioned above, the Company's businesses can be classified in accordance with different production technologies that the Company produces into 2 types as follows:

1. Acrylic Sheet Business

The Company manufactures and distributes acrylic sheets in two separated systems; cast acrylic and extruded acrylic sheet which can be classified into 3 grades including :

- General Purpose Grade
- Sanitary Grade : Acrylic sheets are formed into shapes of bathtub, Spa and Shower Units as well as Sanitary ware accessories.
- Premium Specialty Grade for specific applications, for example, Acrylic LED Block, Acrylic LGP, Acrylic Diffusion Panel, etc.

In addition to the cast acrylic sheet mentioned above, the Company also manufactures acrylic sheets for forming systems (Extruded Acrylic Sheet). Most of Extruded Acrylic Sheets are mainly produced for domestic sales, including both General Purpose grade and Impact Resistant Acrylic Panel grade. The Company can produce acrylic sheets with 2.5 meter width or tailor as per desired sizes and applications.

Apart from the solid flat sheet, the Company can also produce various patterned sheets and Anti-glare acrylic panels that are appropriated for directory signs that are not required of reflective light. At present, such acrylic sheets have been installed as the outer panels of advertising signs and directory signs of BTS stations, which often encounter a problem of blurry vision on signs due to sunlight reflecting off signs to passengers' eyes.



2. Extruded Plastics Business

The Company also manufactures and distributes various types of extruded plastic sheets with a variety of grades based on the type of raw materials for production as follows:

- ABS sheet made of Acrylonitrile Butadiene Styrene resin : it is widely used in the automotive parts industry and in the electrical appliance industry.
- HIPS sheet made of High Impact Styrene resin : its application is similar to ABS sheet's and it is normally used as another choice of plastic sheets due to its higher durability and cheaper price. In addition to its application in the electronics appliance industry, HIPS sheet is also popular to be used in the cold storage industry and general packaging. The production of HIPS sheet is also developed to produce both flat type and thin type that can be sold as HIPS rolls, including ordinary grade and special grade that are used for some specific works, for example, HIPS Anti-static and HIPS conductive are used in the electrical appliance packaging industry instead of importing.
- PP sheet (Polypropylene) includes both PP flat sheet and Rolls which are commonly used to produce general containers and packaging. Moreover, the Company also manufactures PP Profile Sheet or Core Flute, which is a popular plastic sheet used to make price tags, campaign signs, advertising and PR boards or supporting pads for packaging, etc.
- PE Sheet (Polyethylene) is commonly of black colour to be used as trays in cars or pick-ups and decoration and forming works in the general automotive industry.
- Co-extrusion Sheet is a special grade sheet consisting of minimum two types of plastic layers on the same sheet for different properties between the lower layer and the upper layer. At present, the Company launched the "ComPlas" sheet, which is a three-layer sheet consisting of ABS plastic layer, acrylic coated upper layer and color layer.



RISK FACTORS AND RISK MANAGEMENT

The Board of Directors has assigned the Management to be responsible for maintaining the risks in each of the Company's issues in acceptable level and in line with the ever-changing environment. Risks and Risk management guidelines will be prepared and submitted to the Audit Committee and the Board of Directors for acknowledgment. And, recommendations will be provided for improvement of the Management measures. The Company's risk management consists of the following main steps:

- **Risk identification** is a process of identifying risks and related factors both domestic and overseas, which will change in each period, as well as anticipating new risks that are likely to occur in the future from both internal and external databases.

- **Risk assessment and management** are processes that adopt various suitable methods and the participation of the management in the risk assessment to ensure efficiency that covers all risks and all potential consequences, as well as find ways to manage or reduce risks to an acceptable level.

- **Risk monitoring and control** is a process for monitoring and reporting performance to the Audit Committee and the Board of Directors annually. If there is any new risk factor that may occur unexpectedly and is likely to have a significant impact on business operations, the management may be required to review all business plans and goals, as well as present them to the Board of Directors for further consideration.

In 2020, the Company had specified risks and risk management guidelines as follows:

1. Risk from changes in the procurement policy of major customers. Such risk may have direct impact if major customers unexpectedly change their procurement policy. The Company requires maintenance of the proportion of production and distribution in order to prevent too much cluster at any one customer, in parallel with distributing the proportion of production and distribution to diversify industrial usage coverage as much as possible.
2. Risk from exchange rate fluctuations. The Company requires close monitoring of the situation of changes in exchange rates in order to be applied for adjusting marketing and sales strategies to maintain a proper balance between domestic and overseas sales.

3. Risk from raw material procurement, especially MMA, which is the main raw material for the production of cast acrylic sheets, and the main raw material pellet used in the production of plastic sheet extrusion line, all have purchase agreements and procurement plans in line with the production plan on a monthly basis in order to have stock of reserves available as needed. In addition, the Company may procure raw materials from more than one manufacturer, most of which are local manufacturers and distributors of raw materials. In case of emergency or necessity - the Company may also procure from overseas manufacturers and distributors as well.

4. Risk from product liability that may arise from litigation. The Company has insurance policies that cover product liability, which are regularly reviewed as appropriate.

5. Risk from trading goods and services with related companies. Purchase price will be according to the terms of the trade agreement and according to the mutually agreed price. And, it will be performed by taking into account the interests of the Company as if it is a transaction with third party. Such transaction will be reviewed by the Audit Committee and audited by the Auditor to ensure that such transaction complies with proper and transparent procedures.

6. Marketing and competition risk. The Company has established New Product Development team and New Business Development team to oversee new marketing channels and products with a focus on the strategy of creating product variations that are able to meet the needs of customers, in parallel with the developing existing machineries so that they can produce more product variations.

7. Risk from Covid-19 pandemic. Due to the outbreak of the COVID-19, the Company as an Acrylic sheet manufacturer who can produce an acrylic box "Aerosol Box" as a medical equipment and protection sheet which considered as the necessary and important equipment to protect the spreading of the Coronavirus Disease 2019 ("COVID-19"). Therefore, the Company has not received severe impact on business operation from the pandemic situation.

LEGAL DISPUTES

Throughout the year 2020, the Company has no significant legal disputes.



MAJOR SHAREHOLDERS & SECURITIES HOLDING OF THE DIRECTORS AND EXECUTIVES

The Company's shareholders structure & Securities holding of the Directors and Executives

- The total authorized number of ordinary share is 121,500,000 shares with a par value of Baht 1 per share. All issued shares are fully paid.

List of Major Shareholders

- The Company's shareholder structure as at the latest book closing date on 18 January 2021 are as follows:

| Nationality of shareholder | No. of Shareholders (person) | Total Shares | % |
|----------------------------|---------------------------------|--------------|-------|
| Thai | 939 | 69,588,939 | 57.27 |
| Foreigner | 8 | 51,911,061 | 42.73 |
| Total | 947 | 121,500,000 | 100% |

List of top 10 major shareholders of the Company are appeared below.

| Shareholders | Number of Shares | % |
|---|------------------|-------|
| 1. LUCITE INTERNATIONAL UK OVERSEAS HOLDCO1 LIMITED | 51,374,360 | 42.28 |
| 2. Asiatic Acrylic Company Limited | 41,450,530 | 34.12 |
| 3. Mr. Thanongsak Limchaiyawat | 2,300,000 | 1.89 |
| 4. Mrs. Arunsri Chiaradecho | 1,930,000 | 1.59 |
| 5. Mr. Surin Limchaiyawat | 1,560,000 | 1.28 |
| 6. Mr. Kasemsak Limchaiyawat | 1,111,200 | 0.92 |
| 7. Mr. Sarawut Limchaiyawat | 1,032,500 | 0.85 |
| 8. Ms. Jongkol Ngamlerdchai | 1,020,400 | 0.84 |
| 9. Mr. Somchai Limchaiyawat | 987,000 | 0.81 |
| 10. Mrs. Supatta Phairoahprasert | 794,700 | 0.65 |

Source: Thailand Securities Depository Company Limited

- b) The major shareholders whose behavior have had a significant influence on the operational policies or management of the Company.
- The Company's shares held by LUCITE INTERNATIONAL UK OVERSEAS HOLDCO1 LIMITED registered in United Kingdom in the amount of 51,374,360 shares or 42.28% of total issued and paid -up shares (as of 18 January 2021)
- The Company's shares held by Asiatic Acrylics Company Limited ("the Company") is a limited Company incorporated and domiciled in Thailand. The Company is principally engaged in the investment holding for long-term purpose, own shares in the amount of 41,450,530 shares or 34.12% of total issued and paid – up shares (as of 18 January 2021)

On 26 June 2020, Thai Poly Acrylic Public Company Limited (the "Company") hereby informs that the Company has recently been confirmed from Asiatic Acrylics Company Limited ("AACL"), the second major shareholder of the Company that EAC Invest A/S (formerly "Santa Fe Group A/S"), an ultimate shareholder of the AACL's group companies, has restructured its shareholding structure in The East Asiatic (Thailand) Company Limited ("EACT") (which holds 51 percent of the total shares in AACL). EAC Invest A/S acquired additional 51 percent of the total shares in EACT, increasing from the direct shareholding of 49 percent and the indirect shareholding of 51 percent to be the direct and indirect shareholding and control in the ratio of 100 percent.

In this regard, the Company has been confirmed from AACL that the shareholding restructuring of AACL's group companies was the internal shareholding restructuring within the group companies which would not be considered as a change of control in EACT and AACL. EAC Invest A/S has had full direct and indirect control over EACT at the ratio of 100 percent, either prior or post this shareholding restructuring. Therefore, this case is not considered as acquiring a control in the Company under the principle of an acquisition via chain principle and thus EAC Invest A/S is not required to make a tender offer for all securities of the Company under the Notification of the Capital Market Supervisory Board No. Tor Chor. 12/2554 Re: Rules, Conditions and Procedures for Acquisition of Securities for Business Takeover, dated 13 May B.E. 2554 (2011) (as amended). The Company had published the said news to Stock Exchange of Thailand on 26 June 2020.

- c) shareholding percentage of minor shareholders (free float). In total of 837 shareholders or equal to 23.55% (as of 18 July 2020)

2. Shareholder's agreement that significantly impact the Company or other shareholders

The Company does not have any shareholders agreements with the major shareholders of the Company, which could have an impact on the operations of the Company or on other shareholders.

Information of Securities Holding of the Directors and Executives

According to the Notification of the Securities and Exchange Commission, all of Directors and Executives of the Company shall have the duty to prepare and submit a report on changes of their securities holding to the SEC office within 3 working days from the date of purchase, sale transfer or acceptance of transfer of securities. In this regards, Directors and Executives shall report such changes of those of their spouses or cohabiting couple, children not yet of age, juristic person that those persons hold shares at an aggregate amount exceeding 30% of the total voting shares.

As of 31 December 2020, the securities holding of the Directors and Executives are as follows:

DIRECTORS & EXECUTIVE SHAREHOLDINGS

| Name of Directors | Common Share (Share) | | |
|--|----------------------|-------------------|---------------------|
| | As of 31 Dec 2019 | As of 31 Dec 2020 | Increase / Decrease |
| 1. Dr. Benjamin James Harris Relationship Persons | - - | - - | - - |
| 2. Mr. Rakchai Sakulteera Relationship Persons | - - | 30,000 - | 30,000 - |
| 3. Mr. Shinya Yano Relationship Persons | - - | - - | - - |
| 4. Mr. Dai Oyama Relationship Persons | - - | - - | - - |
| 5. Mr. Martin Thaysen Relationship Persons | - - | - - | - - |
| 6. Mr. Adam Jonathan Sloan Relationship Persons | - - | - - | - - |
| 7. Dr. Anuphan Kitnitchiva Relationship Persons | - - | - - | - - |
| 8. Mr. Jan Dam Pedersen Relationship Persons | - - | - - | - - |
| 9. Mr. Jetsada Wongwatanasin Relationship Persons | - - | - - | - - |

EXECUTIVES SHAREHOLDINGS

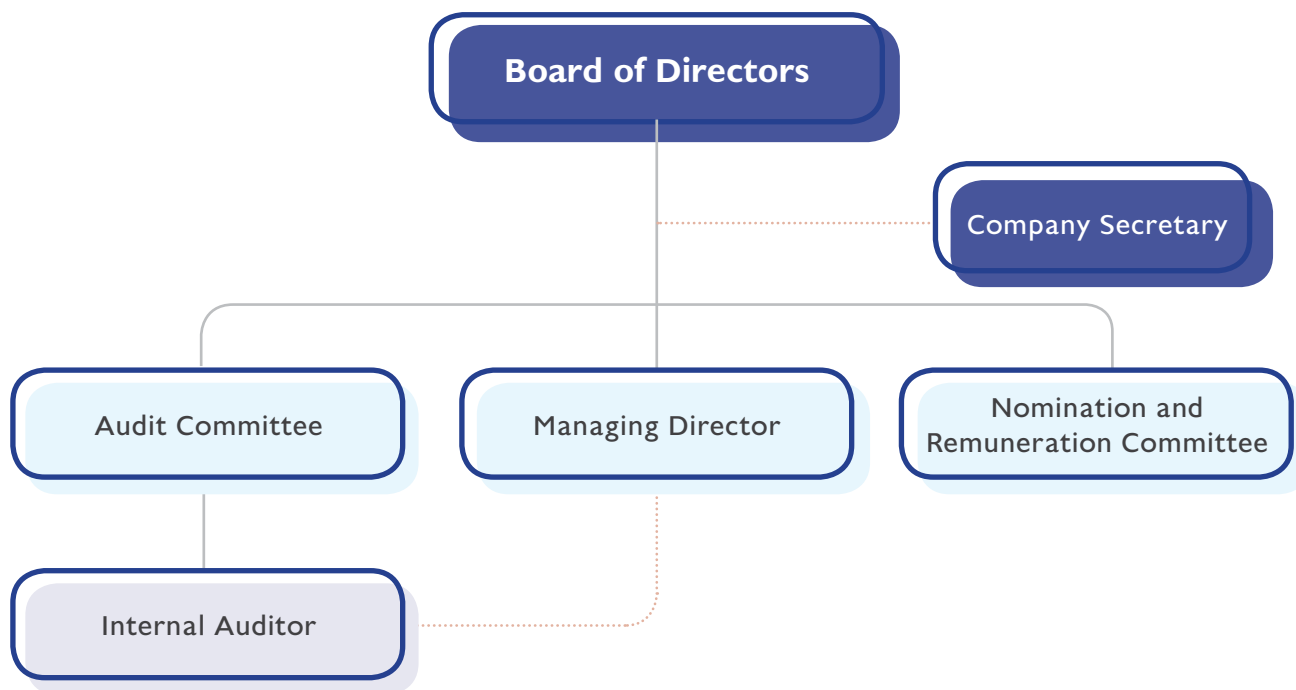
| Name of Executives | Common Share (Share) | | |
|--|----------------------|-------------------|---------------------|
| | As of 31 Dec 2019 | As of 31 Dec 2020 | Increase / Decrease |
| 1. Mr. Wiwat Hom La-or Relationship Persons | 2,000 - | 2,000 - | - - |
| 2. Mr. Thanetr Khumchoedchoochai Relationship Persons | 2,000 - | 2,000 - | - - |
| 3. Mr. Thanawat Kulprasertat Relationship Persons | 21,000 - | 21,000 - | - - |
| 4. Ms. Surawadee Leethaweekul Relationship Persons | - - | - - | - - |
| 5. Mr. Apichai Srimahunt Relationship Persons | - - | - - | - - |
| 6. Mr. Sorachai Wiboonthutikul Relationship Persons | - - | - - | - - |

Remarks: Relationship Persons means

1. spouse or cohabiting couple;
2. minor child;
3. juristic person wherein Directors, Executives and the persons in (1) and (2) hold shares at an aggregate amount exceeding thirty percent of the total voting shares of such juristic person and such aggregate shareholding is the largest proportion thereof.

MANAGEMENT STRUCTURE

Board Of Directors' Structure



Composition of Directors

Board of Directors consists of 9 Directors

| Composition | Independent Director 3 Directors | Executive Director 3 Directors | Non – Executive Director 3 Directors |
|---------------------------------------|--|-----------------------------------|---|
| Term of Director | One third of Directors shall be retire on the rotation at the Annual General Meeting every year, however, the retired Directors can be re-election. | | |
| Specific term of Independent Director | Not exceed a cumulative term of 9 years from first day of appointment as Independent Director. However, an Independent Director can continue to serve on the Board subject to the Board's rigorous review of his/her continued independence. | | |
| Appointed by | Annual General Meeting | | |

As of 31 December 2020, Board of Directors consists of the following directors as listed below

| Name of Directors | Position |
|------------------------------|--|
| 1. Dr. Benjamin James Harris | Chairman of the Board of Directors Executive Director |
| 2. Mr. Rakchai Sakulteera | Executive Director Managing Director Company Secretary |
| 3. Mr. Shinya Yano | Executive Director |
| 4. Dr. Anuphan Kitnichiva | Independent Director Chairman of Audit Committee |
| 5. Mr. Jan Dam Pedersen | Independent Director Member of Audit Committee Chairman of Nomination and Remuneration Committee |
| 6. Mr. Jetsada Wongwatanasin | Independent Director Member of Audit Committee Member of Nomination and Remuneration Committee |
| 7. Mr. Dai Oyama | Non-Executive Director Member of Nomination and Remuneration Committee |
| 8. Mr. Adam Jonathan Sloan | Non-Executive Director |
| 9. Mr. Martin Thaysen | Non-Executive Director |

DIVIDEND PAYMENT POLICY

The Company works to pay stable dividends in the medium-term, while managing retained earnings to fund the future business activities.

● BOARD OF DIRECTORS PROFILES



Dr. Benjamin James Harris 55 years

Position in TPA Chairman of the Board of Directors

Date of Appointment 9 November 2017

Education Background

Ph.D. Department of Chemical Engineering
University of Cambridge, United Kingdom

Bachelor's Degree in Chemical and Process.
Engineering (1st Class Honors), University of
Canterbury, New Zealand

Director Training - Thai Institute of Directors (IOD)

- None

Personal Qualification

- None

Family Relationship among Directors and Executives

- None

5 Years past working experiences

- 2017 - Present Chairman of the Board of Directors
Thai Poly Acrylic Public Company
Limited
- 2016 - Present Executive General Manager
Saudi Methacrylates
Company (SAMAC)

- 2015 - 2017 Executive Director
Thai Poly Acrylic Public Company
Limited
- 2013 - 2016 General Manager
Lucite International Singapore
Pte. Ltd.

Board Member in other listed Company

- None

Positions in other Company / Organization / Institution

- Executive General Manager
Saudi Methacrylates Company
- Board of Directors
Asiatic Acrylic Company Limited

Position in other organization competing with the Company

- None

Mr. Rakchai Sakulteera 60 years

Position in TPA Executive Director
Managing Director
Company Secretary

Date of Appointment 13 August 2015 Executive Director
1 January 2020 Managing Director
11 November 2016 Company Secretary



Education Background

Master's Degree in Business Administration
International Program, Bangkok University

Bachelor's Degree in Accounting
Chulalongkorn University Graduate Diploma
in Auditing

Graduate Diploma in Auditing Thammasat University

Director Training - Thai Institute of Directors (IOD)

- Company Secretary Program (CSP) 811/2017

Personal Qualification

- Certified Public Accountant of Thailand

Family Relationship among Directors and Executives

- None

5 Years past working experiences

- 2015 - Present Executive Director
Thai Poly Acrylic Public Company Limited
- 2020 - Present Managing Director
Thai Poly Acrylic Public Company Limited

- 2016 - Present Company Secretary
Thai Poly Acrylic Public Company Limited
- 2015 - 2019 Financial Director
Thai Poly Acrylic Public Company Limited
- 2014 - 2015 Independent Director and
Member of Audit Committee
Thai Poly Acrylic Public Company Limited

Board Member in other listed Company

- None

Positions in other Company / Organization / Institution

- Board of Directors
Asiatic Acrylic Company Limited

Position in other organization competing with the Company

- None



Mr. Shinya Yano 54 years

Position in TPA Executive Director

Date of Appointment 14 November 2019

Education Background

Bachelor's in Economics Seikei University, Tokyo, Japan

Director Training - Thai Institute of Directors (IOD)

- None

Personal Qualification

- None

Family Relationship among Directors and Executives

- None

5 Years past working experiences

- 2019 - Present Executive Director
Thai Poly Acrylic Public Company Limited
- 2019 - Present President
Diapolyacrylate, Thailand
- 2017 - 2019 Manager
Mitsubishi Chemical
- 2014 - 2017 Director
Plastic Sheeting Department
Mitsubishi Rayon

Board Member in other listed Company

- None

Positions in other Company / Organization / Institution

- President Diapolyacrylate, Thailand

Position in other organization competing with the Company

- None

Mr. Dai Oyama 52 years

Position in TPA Non - Executive Director
Member of Nomination and
Remuneration Committee

Date of Appointment 24 April 2019



Education Background

Bachelor's degree in Law Rikkyo University, Tokyo, Japan

Director Training - Thai Institute of Directors (IOD)

- None

Personal Qualification

- Certified Public Accountant of USA (USCPA, Pass in 2008)

Family Relationship among Directors and Executives

- None

5 Years past working experiences

- 2019 - Present Non-Executive Director
Member of Nomination and
Remuneration Committee
Thai Poly Acrylic Public Company
Limited
- 2017 - Present Deputy General Manager
MMA Planning Department
Mitsubishi Chemical Headquarter
- 2015 - 2017 General Director
MMA Administration Department
Mitsubishi Rayon Headquarter

- 2014 - 2015 Director
Corporate Planning Division
Mitsubishi Rayon Headquarter
- 2013 - 2014 Finance Director
Lucite International UK Ltd.,
Southampton, UK

Board Member in other listed Company

- None

Positions in other Company / Organization / Institution

- Board of Directors
 1. The Saudi Methacrylates Company
 2. Lucite International Holdco Limited
 3. Lucite International UK Overseas Holdco1 Limited
 4. Lucite International Finco Limited

Position in other organization competing with the Company

- None



Mr. Adam Jonathan Sloan 35 years

Position in TPA Non-Executive Director

Date of Appointment 21 March 2019

Education Background

Master's Degree in Business Administration (M.B.A)
Herriot Watt University Edinburgh, United Kingdom

Director Training - Thai Institute of Directors (IOD)

- Director Accreditation Program (DAP) 158/2019

Personal Qualification

- None

Family Relationship among Directors and Executives

- None

5 Years past working experiences

- 2019 - Present Non-Executive Director
Thai Poly Acrylic Public Company Limited
- 2020 - Present Managing Director
South Asia Santa Fe Relocation
- 2018 - Present Country General Manager
Santa Fe Relocation Thailand
- 2017 - 2018 General Manager Sales & Marketing
Santa Fe Relocation Thailand

- 2016 - 2017 Sales Director
Santa Fe Relocation Thailand
- 2013 - 2016 Corporate Sales Manager
Santa Fe Relocation Thailand

Board Member in other listed Company

- None

Positions in other Company / Organization / Institution

- Chairman
 1. Santa Fe Relocation Thailand
 2. Santa Fe Enterprises
 3. Santa Fe Services

Position in other organization competing with the Company

- None

Mr. Martin Thaysen 49 years

Position in TPA Non-Executive Director

Date of Appointment 14 November 2019



Education Background

Master's Degree in Business Administration (M.B.A)
IMD Business school, Lausanne, Switzerland

Director Training - Thai Institute of Directors (IOD)

- None

Personal Qualification

- None

Family Relationship among Directors and Executives

- None

5 Years past working experiences

- 2019 - Present Non-Executive Director
Thai Poly Acrylic Public Company Limited
- 2019 - Present CEO and Member of the Board
EAC Invest A/S, Copenhagen, Denmark
- 2015 - 2019 CEO of Santa Fe Group A/S
London, United Kingdom
- 2015 CEO of EAC A/S and Santa Fe
Relocation London, United Kingdom

- 2012 - 2014 Managing Director
CEVA Logistics, Shanghai, China

Board Member in other listed Company

- EAC Invest A/S, Copenhagen, Denmark

Positions in other Company / Organization / Institution

- Chairman of the Board of Directors
 1. East Asiatic (Thailand) Company Limited
 2. East Asiatic (China) Company Limited
 3. Asiatic Acrylics Company Limited
- Board of Directors
Beijing Dongzhimen Apartment Company Limited

Position in other organization competing with the Company

- None



Dr. Anuphan Kitnitchiva 58 years

Position in TPA

Independent Director

Chairman of Audit Committee

Date of Appointment 26 April 2016

Education Background

Ph.D. in Development Administration School of Public Administration (International Doctoral Program) The National Institute of Development Administration

Senior Executive Program at Sasin Graduate Institute of Business Administration Chulalongkorn University

LL.M. (Business Law) Faculty of Law Thammasat University

LL.B (Honours) Faculty of Law, Thammasat University

Director Training - Thai Institute of Directors (IOD)

- Successful formulation and Execution of Strategy (SFE) 26/2016
- Role of the Chairman Program (RCP) 38/2016
- Advanced Audit Committee Program (AAP) 17/2014
- Director Certification Program (DCP) 130/2010

Personal Qualification

- Lawyer License No. 18024/1986

Family Relationship among Directors and Executives

- None

5 Years past working experiences

- 2014 - Present Chairman of Audit Committee and Independent Director Thai Poly Acrylic Public Company Limited
- 2014 - Present Director Humanica Public Company Limited
- 2004 - Present Senior Partner / Director Dherakupt International Law Office Ltd.
- 2014 - 2018 Chairman of Audit Committee and Independent Director TOT Public Company Limited
- 2013 - 2014 Member of Audit Committee Independent Director Thai Poly Acrylic Public Company Limited

Board Member in other listed Company

- Director Humanica Public Company Limited

Positions in other Company / Organization / Institution

- Senior Partner / Director Dherakupt International Law Office Ltd.

Position in other organization competing with the Company

- None

Mr. Jan Dam Pedersen 68 years

Position in TPA

Independent Director
Member of Audit Committee
Chairman of Nomination and
Remuneration Committee

Date of Appointment 24 April 2015



Education Background

Diploma, EAC's full time course in Business Administration

Management, Finance, Strategy and Marketing IMD Switzerland

Director Training - Thai Institute of Directors (IOD)

- Director Certification Program (DCP) 256/2018
- Director Accreditation Program (DAP) 125/2016

Personal Qualification

- None

Family Relationship among Directors and Executives

- None

5 Years past working experiences

- 2018 - Present Chairman of Nomination and Remuneration Committee
Thai Poly Acrylic Public Company Limited
- 2015 - Present Member of Audit Committee and Independent Director
Thai Poly Acrylic Public Company Limited

- 2013 - Present Non - Executive Director
Berli Asiatic Soda Company Ltd.
- 2013 - 2015 Non - Executive Director
Thai Poly Acrylic Public Company Limited

Board Member in other listed Company

- None

Positions in other Company / Organization / Institution

- Non - Executive Director
Berli Asiatic Soda Company Limited

Position in other organization competing with the Company

- None



Mr. Jetsada Wongwatanasin 50 years

Position in TPA Independent Director
Member of Audit Committee
Member of Nomination and
Remuneration Committee

Date of Appointment 22 February 2019

Education Background

Master's Degree in International Business
The George Washington University, Washington DC,
U.S.A

Bachelor's Degree in Economics (International
Economics) 2nd class Honors, Chulalongkorn
University

Director Training - Thai Institute of Directors (IOD)

- Director Accreditation Program (DAP) 151/2018

Personal Qualification

- None

Family Relationship among Directors and Executives

- None

5 Years past working experiences

- 2019 - Present Independent Director
Member of Audit Committee
Member of Nomination and
Remuneration Committee
Thai Poly Acrylic Public
Company Limited

- 2018 – Present First Vice President
Thai Ethanol Manufacturing
Association
- 2014 - Present Managing Director
Thai Kanjanaburi Power 2
Company Limited
- 2010 - Present CFO
Thai Udon Thani Sugar Mill
Company Limited (TSM GROUP)
- 2003 - Present Managing Director
Thai Sugar Mill Group Company
Limited

Board Member in other listed Company

- None

Positions in other Company / Organization / Institution

- CFO
Thai Udon Thani Sugar Mill Company Limited
(TSM GROUP)
- Managing Director
Thai Sugar Mill Group Company Limited

Position in other organization competing with the Company

- None

Scope of Authority and Duties of the Board of Directors

The Board of Directors has an authority to determine and amend the name 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 “**Mr. Benjamin James Harris, Mr. Shinya Yano, and Mr. Rakchai Sakulteera**”, any two of these three Directors can jointly sign together with the Company’s seal affixed. The names of Directors who are authorized to sign on behalf of the Company are

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.

Duties and Responsibilities of the Board of Directors

1. Define the Company’s vision, mission, policies, strategies and business plans as well as to monitor the Company’s performance to ensure set targets are achieved.
2. Perform its duties under TPA’s Articles of Association, Policies, the resolutions of Board of Directors and shareholders’ meetings and supervise the management to achieve the set targets and the budget efficiency and effectiveness of the Company.
3. Protect the interests of the Company by executing the policy to prohibit all directors, executives and employees to conduct any business competing with the Company and not acting in conflict of interest to the Company and ensuring that the Directors, executives and employees of the Company abide by the corporate governance policies and ethical business practices.
4. Voting at the meeting must have a minimum quorum of Directors more than 2 out of 3 of the total number of all Directors who attend in the meeting.
5. The Board of Directors will arrange the evaluation of the Board of Directors to be considered and improved work efficiency.
6. The Board of Directors is responsible for overseeing the succession plan, the highest executive position of the organization with guidelines for actions such as monitoring the progress of the successor, development of competence and readiness in various areas that are necessary to perform in the highest management position as well as academic training continuous.

COMMITTEE

SUB COMMITTEE

Board of Directors

| Sub Committee |  Audit Committee | Nomination and Remuneration Committee |
|---------------|--|---|
| Qualification |  Independent Director and Qualifications are complied with the Rules of Notification of the Capital Market Supervisory. | Member of the Board of Directors and at least one person is an Independent Director |
| Appointed by |  Board of Directors | |

Management Structure of Company consists of Board of Directors and 2 Subcommittees: Audit Committee, Nomination and Remuneration Committee. Therefore, Company has Management Structure which has Independent Directors, not less than 3 persons and not less than one-third of total directors of the Company. The qualification of each Independent Directors and Audit Committee are complied with the Rules of Notification of the Capital Market Supervisory.

AUDIT COMMITTEE

As of 31 December 2020, the Audit Committee comprises of 3 members whose names are listed below:

- | | | |
|----|---------------------------|-----------------------------|
| 1. | Dr. Anuphan Kitnitchiva | Chairman of Audit Committee |
| 2. | Mr. Jan Dam Pedersen | Member of Audit Committee |
| 3. | Mr. Jetsada Wongwatanasin | Member of Audit Committee |

Secretary of the Audit Committee is Miss Thanjira Kunathipsritrakool.

Duties and Responsibilities of the Audit Committee

1. To review and ensure that the Company's financial reports are accurate and sufficient.
2. To review and give opinions on good governance, risk management, and internal control in terms of sufficiency and appropriateness in accordance with the Securities and Exchange law and the regulations of the Stock Exchange of Thailand.
3. To review and ensure that the Company complies with the law on Securities and Exchange, the regulations of the Stock Exchange, and the laws applicable to the Company's business.
4. To consider, select and propose for appointment or termination any independent individual to act as the Company's auditor, and to propose the fee for such individual.
5. To have a meeting with the Auditor without the Management present at least once a year.
6. To review and regulate to ensure that associated transactions or transactions, which may involve a conflict of interests, are in compliance with the law and the regulations of the Stock Exchange.
7. To consider the independency of the internal audit, approve appointments, transfers or removals, and consider the merits.
8. To prepare the Audit Committee's report signed by the Chairman of the Audit Committee and publish in the Company's Annual report. The report shall contain at least the following information:
 - 8.1 opinions on the accuracy, completeness and reliability of the financial reports;
 - 8.2 opinions on the sufficiency of good governance, risk management and internal control;
 - 8.3 opinions on compliance with the Securities and Exchange law, the regulations of the Stock Exchange, and the laws applicable to the Company's business;
 - 8.4 opinions on the suitability of the auditor;
 - 8.5 opinions on the transactions which may involve conflicts of interest;
 - 8.6 the number of meetings and the attendance of each member of the Audit Committee;
 - 8.7 opinions or overall observations of the Audit Committee derived from the execution in accordance with the charter of the Audit Committee; and
 - 8.8 matters which, in the Audit Committee's opinion, should be made known to the shareholders and general investors within the scope of duties and responsibilities entrusted by the Company's Board of Directors.
9. In the performance of its duties, if the Audit Committee finds or suspects that any transaction or act may significantly affect the financial position and operational results of the Company, the Audit Committee shall report it to the Company's Board of Directors for improvement or correction within a period as the Audit Committee deems fit:
 - 9.1 any transaction involving conflicts of interest;
 - 9.2 any corruption, irregularity or material defect in the internal control system; or
 - 9.3 any violation of the law on Securities and Exchange, the regulations of the Stock Exchange or the laws applicable to the Company's business.

Should the Company's Board of Directors or the Management fail to make the improvement within the given period, any member of the Audit Committee may report the transaction or act under 9.1, 9.2 or 9.3 to the Office of the Securities and Exchange Commission or the Stock Exchange of Thailand.

10. To conduct a self-evaluation at least once a year and report the result to the Company's Board of Directors.
11. If a member of the Audit Committee wishes to resign before the end of his/her term, a notice should be given to the Company one month in advance with the reasons specified, so that the Company's Board of Directors or the Shareholders' meeting may consider appointing a qualified replacement for the resigning member.
12. To perform any other work assigned by the Company's Board of Directors, with the approval of the Audit Committee.
13. To review policies and regulate to ensure that an effective anti-corruption support system is in place, to give advice and monitor the implementation of anti-corruption measures, as well as to receive corruption reports, verify the facts and propose the matter to the Company's Board of Directors for joint consideration on the punishment or solution to the problem.

NOMINATION AND REMUNERATION COMMITTEE

As of 31 December 2020, the Nomination and Remuneration Committee comprises of 3 members whose names are listed below:

- | | |
|------------------------------|---|
| 1. Mr. Jan Dam Pedersen | Chairman of Nomination and Remuneration Committee |
| 2. Mr. Dai Oyama | Member of Nomination and Remuneration Committee |
| 3. Mr. Jetsada Wongwatanasin | Member of Nomination and Remuneration Committee |

Duties and Responsibilities of the Nomination and Remuneration Committee

1. Search, screen and nominate qualified candidates for Independent Directors to the Board of Directors for approval.
2. Screen candidates nominated by the major shareholders and submit qualified candidates to the Board of Directors for approval.
3. Establish procedures and criteria for nomination of Directors.
4. Submit with opinion, the proposed Director's fees as recommended by the Chairman of the Board and Managing Director of the Company to the Board of Directors for considerations prior to formal approval from the Shareholders Meetings.
5. The Chairman of the Board will propose remuneration for the top Management in consultation with the Committee.
6. To perform any other duties delegated by the Board of Directors of the Company.

Company Secretary

In order to comply with the Securities and Exchange Act (No.4) B.E. 2551, at its meeting on 11 November 2017 the Board passed a resolution to appoint Mr. Rakchai Sakulteera, as Company Secretary.

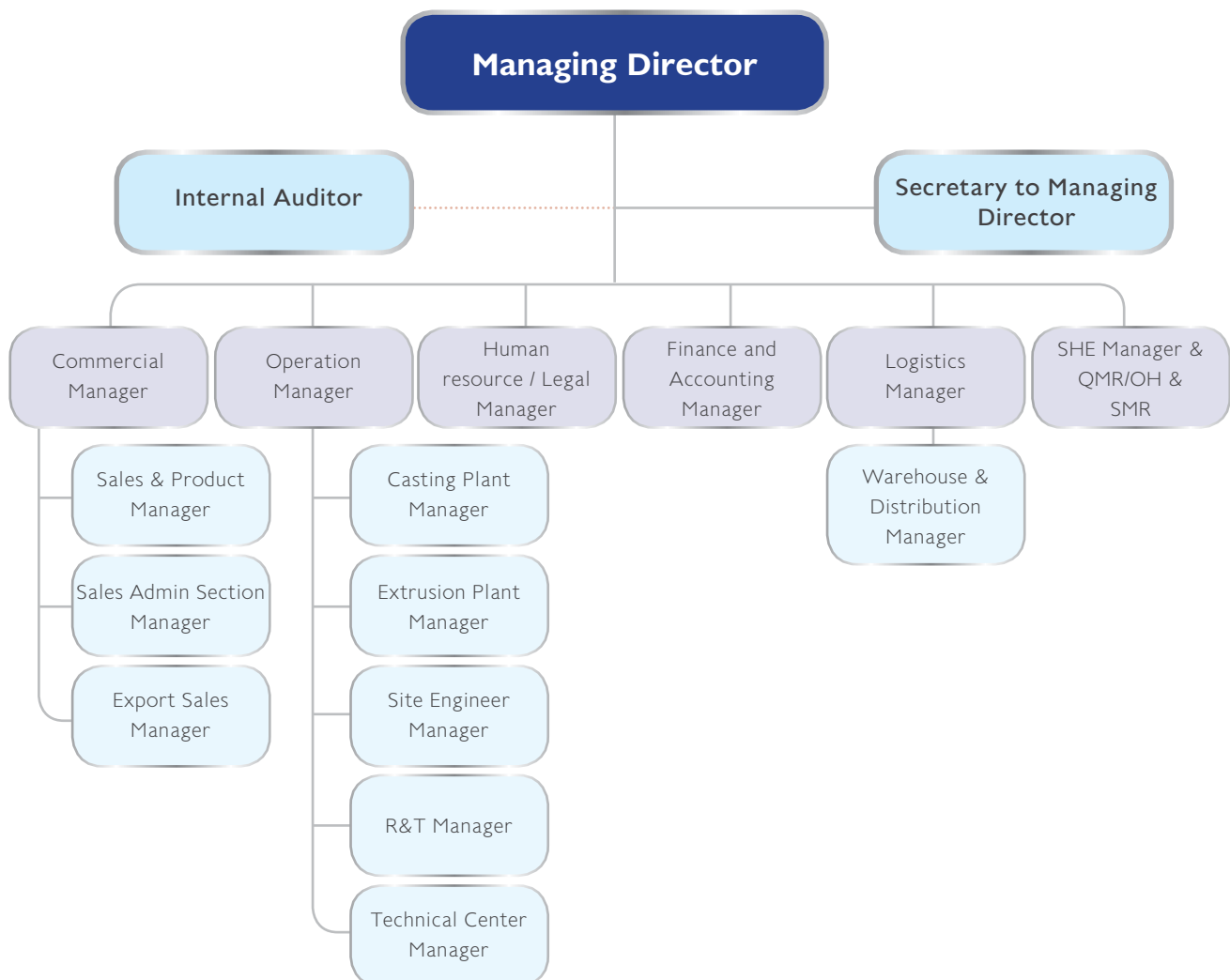
Qualification of Company Secretary

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 Stock Exchange Control 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' meetings 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' terms 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 Directors' Meeting, Minutes of Board of Directors' Meeting and an Annual report of the Company.
 - (c) Notice calling Shareholders' Meetings and Minutes of Shareholders' Meetings.
5. Ensuring that the Directors and Executives have filed reports on their interest as required by law.
6. Keeping the reports on interest filed by Directors and Executives as well as
7. Submitting a copy of such report to the Chairman and the Chairman of the Audit Committee within 7 business days from the date on which the Company has received the reports.
8. Performing any other acts as specified in the notification of the Capital Market Supervisory Board.

Management Team Organisation Chart



As of 31 December 2020, the Management team comprises 18 members whose names are listed below:

Management team

| | | |
|--------------------|--------------------|--|
| 1. Mr. Rakchai | Sakulteera | Managing Director |
| 2. Mr. Wiwat | Hom la-or | Operations Manger |
| 3. Mr. Thanawat | Kulprasertat | Human Resource/Legal Manager |
| 4. Mr. Thanetr | Khumchoedchoochai | Logistic Manager |
| 5. Mr. Apichai | Srimahunt | SHE Manager & QMR/OH & SMR |
| 6. Mr. Sorachai | Wiboonchutikul | Commercial Manager |
| 7. Ms. Surawadee | Leethaweekul | Finance and Accounting Manager |
| 8. Mr. Yotin | Tamrongsaowapark | Casting Plant Manager |
| 9. Mr. Phairat | Kumdee | Extrusion Plant Manager |
| 10. Mr. Pongthorn | Chuencharoen | Site Engineering Manager |
| 11. Ms. Noungrutai | Boonpetch | Research & Technical Manager |
| 12. Mr. Wittaya | Mongkolkachit | Technical Center Manager |
| 13. Mr. Udomsak | Tienchan | Warehouse & Distribution Manager |
| 14. Mr. Pongsun | Assavasirijinda | Sales & Product Manager |
| 15. Ms. Janjira | Thumsorn | Export Sales Manager |
| 16. Ms. Sompong | Assavasirijinda | Sales Admin Section Manager (Domestic) |
| 17. Ms. Thanjira | Kunathipsritrakool | Internal Auditor |
| 18. Ms. Intiporn | Tanampai | Secretary to Managing Director |

MANAGING DIRECTOR

On 19 February 2020, the Board of Directors of Thai Poly Acrylic Public Company Limited by suggestion of the Company's Nomination and Remuneration Committee passed the resolution to approve the appointment of Mr. Rakchai Sakulteera as Managing Director effective from 1 January 2020.

Roles and Responsibilities of 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.

Management Selection

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

Remuneration for Management and Employee

Management Remuneration

- [Remuneration in cash](#)

In 2020, the Company paid remuneration in cash for Management as listed below:

| Management Remuneration | Remuneration (Baht) |
|----------------------------------|---------------------|
| Salary, Bonus and other benefits | 34,162,016.50 |
| Provident Fund | 1,655,729.00 |
| Total | 35,817,745.50 |

- [Other Remuneration](#)
None

Employee remuneration

| Employee Remuneration | Remuneration (Baht) |
|----------------------------------|---------------------|
| Salary, Bonus and other benefits | 80,065,624.40 |
| Provident Fund | 2,839,027.25 |
| Total | 82,904,651.65 |

Apart from the remuneration in cash, the Company provides the good welfare and benefit to all employees, including the safe workplace, health insurance and also the skill development. The Company is listed as the member of Personnel Management Association of Thailand (PMAT) and also annually performs the salary survey to ensure that the remuneration of each level is up to current market rate.

The Company has established a performance appraisal system on both department level and individual level by setting the standards and goals to monitor the development and progress of employees performance. The assessments will measure the individual performance to ensure that personal performance is aligned with the organization's direction governing credibility, accuracy, fairness and motivation to all employees.

Employees Development Policy

AS of 31 December 2020, the Company has employees (included management) in total of 313 persons, and can classify as listed below:

| | | | | | | | | |
|----------------|----|---------|------------|-----|---------|-------|-----|---------|
| Administration | 69 | persons | Production | 244 | persons | Total | 313 | persons |
|----------------|----|---------|------------|-----|---------|-------|-----|---------|

The Company has provided its staff with training so that they will recognize their responsibility in the safe and efficient operation of the plant, in operating the plant to be compliant with relevant legislation and to ensure consistency of product quality and to continuously improve all aspects of the manufacturing and commercial operations so as to and in serve and meet customers' expectations. According to the Company's policy and annual training plan, the Company has program covering people training, health and safety in work plan, process changes and new process technology in order to increase and improve employees to be in line with the needs and objectives of the business.

The Company conducted employee training by lecturer in 2020 totalling 1,509.50 hours and involving training expenses in an amount of Baht 320,381 as listed below.

| Training Topics | Training hours by lecturer |
|--|----------------------------|
| Management / Professional | 80.50 |
| On the Job Training / Procedure / Work Instruction | 1,242.50 |
| SHE / License | 186.50 |
| Total | 1,509.50 |

In 2020, the Company conducted the employee training totalling 9,172 .50 hours

| Training hours by gender | Training hours |
|--------------------------|----------------|
| Male | 8,078.50 |
| Female | 1,094.00 |

Labor Disputes

The Company does not have any significant change on number of employees or any major labor disputes within the past 3 years.

CORPORATE GOVERNANCE

The Board of Directors 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 of Directors adheres to the principles of good corporate governance, and have introduced recommendations under the guideline for listed companies 2017 issued by the Office of Securities and Exchange Commission (SEC). The guideline consists of 8 practices for director and to be the norm in controlling business transparent management and fair for the mutual benefit of the shareholders of the company, stakeholders including society and communities in which the company operates as following detail;

1. Recognizing the roles and responsibilities of the Board of Directors as leaders that create value for the business sustainably.
2. To determine the objectives and main goals of the business that are going for sustainability.
3. To strengthen the Board of Directors.
4. Recruiting and developing high-level executives and personnel management.
5. To promote innovation and responsible business operations.
6. Ensuring appropriate risk management systems and internal controls.
7. To maintain financial credibility and disclosure.
8. Support participation and communication with shareholders.

The Company has publicized “Corporate Governance, Business Ethics Rules and Anti-Corruption Policy” on its website. In the year 2020, The Company can comply with all of SEC’s Corporate Governance principles.

The Company’s Corporate Governance performance can be summarized as follows :

1. 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 Shareholders’ 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 Articles of Association of the Company etc. and acknowledge the Minutes of Annual General’s Meeting.

2. EQUITABLE TREATMENT OF SHAREHOLDERS

The Company shall provide the equitable treatment to every individual shareholder, every group of shareholders, major or minor shareholders as well as the investors and foreign investment institutions. The fundamental rights of the shareholders are preserved regardless of gender, age, origin, nationality, religion, belief or social status.

3. ROLES OF STAKEHOLDERS

The Company conducts its business responsibly in order to provide mutual 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.

4. DISCLOSURE 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 accurate disclosure of information and creates variety channels of disclosure of information so that all stakeholders can gain easy access to information.

5. RESPONSIBILITIES OF BOARD OF DIRECTORS

The Board of the Directors recognizes its roles and responsibilities in instituting policies and directions of the Company's operations in compliance with the law, the Company's objectives and regulations as well as the resolution from the Shareholder's Meeting. The Company supervises and monitors departments to follow the set policies effectively to maintain the Company's interest, increase economic value to the business and promote stability among shareholders base on good corporate governance. The Board of Directors has followed up the implementation of strategies for sustainable business management. Roles and responsibilities of Board of Directors toward the Company and Shareholders are important since the Board consists of the expert persons with leadership skills, sharp vision, knowledge and high experience. They have honesty and independence for decision making, which is beneficial to the Company's maximum interest and overall shareholders.

APPLIED PRACTICES

1. THE RIGHTS OF SHAREHOLDERS

- 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 2020, an Extraordinary General Meeting was not held.
- 1.2 In 2020, the Annual General Meeting of shareholders took place on 21 July 2020 at the S.D Avenue Hotel, Pinklao Room, 3rd floor, Borom Rajchonn Road, Bangbunru Sub-district, Bangplad District, Bangkok Metropolis.
- 1.3 Recognizing the importance of protecting and facilitating the exercise of Shareholders' Rights, the Company has established a policy of equitable and fair treatment for all shareholders as follows:
 - 1) Promoting Exercise of Shareholders Rights
 - The Company encourages all shareholders to exercise their rights in an equitable manner.
 - All shareholders are encouraged to attend the shareholders' meetings, and to provide comments and suggestions to the Board of Directors.
 - 2) Facilitating Shareholders Attendance and Voting at the Meetings
 - 3) The Company encourages shareholders' participation in decision making on important issues and voting on such issues at General Meetings. All resolutions are voted on by poll.
 - 4) Giving Information Relating to Shareholders' Meetings

The Company will ensure that shareholders are informed in advance of General Meetings, of important information, criteria and procedures for those meetings, including the voting procedure for each agenda item. The Company will strive to provide all information regarding General Meetings to all Shareholders 21 days (but not less than 7 days) in advance, so that Shareholders can study all the information prior to attending the meeting. In addition, the Company will post all information on the Company's web site prior to sending out the notice of the meeting.
 - 5) Giving Opportunity to Shareholders to ask questions and express their Opinions in the Annual General Meetings.
 - 6) The Company will, at all General Meetings, provide the opportunity to all Shareholders to ask questions, express comments or offer any suggestions.



1.4 Disclosure of Resolutions of Shareholders' Meetings

The Company will submit the summary of resolutions of Shareholders' Meetings to the Stock Exchange of Thailand within the date after the meeting or 9 am of the next working day at the latest. The Company will also submit 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 within 14 days and to the Ministry of Commerce within 30 days after the meetings. All meeting information will be accessible through the Company's website.

2. THE EQUITABLE TREATMENT OF SHAREHOLDERS

2.1 Proposing Additional Meeting Agenda Items and Nomination of Directors

- To enable minor shareholders to take part in the operations of the Company, the Company has established criteria and process for them to propose meeting agenda items and/or nominate Directors in advance.
- The Company will post such criteria on its website and post an announcement on the website of SET to enable shareholders to propose meeting agenda items and/or nominate Directors in advance.

2.2 Facilitating Shareholders at the Meetings

As most shareholders attending the Shareholder Meetings are Thais, the meetings will be conducted in the Thai language. The Company's website is bilingual.

2.3 Appointing Proxies

To maintain the rights of shareholders who cannot attend Annual General Meetings in person, they have the right to appoint proxies or delegate their votes to any Independent Director in attendance. The Company will state the names of these Independent Directors in the proxy forms as defined by the Ministry of Commerce for voting on behalf of shareholders without conditions. The Company treats proxies as shareholder votes. Thirty days ahead of each meeting, the Company discloses the proxy form 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. THE ROLES TOWARD STAKEHOLDERS

• To Shareholders

Operating a profitable business that leads to sustainable growth. 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 directly through whistleblowing via its website www.thaipolyacrylic.com.

• 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. Professional development opportunities are provided for all employees, helping to continuously and sustainably increase their productivity. The Company has indicated the employee's performance by using performance indicator to measure the employee's performance. The Company will provide reasonable benefits to all employees based on their capabilities and competencies as well as career path and succession plan.

The employee benefits are divided into two categories: Short – term benefits, and post – employment benefits and other long – term benefits.

1. Short – term employee benefits

The Company has a policy to consider remuneration for employees and executives in term of considering adjusting the rate of employment for employees and executives, they will consider the working conditions, Intentions of work assigned, duties and responsibilities, other abilities, Company's performance and also comparison with market competition. In part of considers the annual bonus, Company has a policy to pay every year. However, some criteria will be taken into consideration for approval, including the annual operating results of the Company, both financial and non-financial. The work of the staff and the team dedication to work under responsibility etc.

2. Post-employment benefits and other long-term employee benefits

2.1 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.

2.2 Defined Retirement Benefit plans and other long – term employee benefits

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

● **To Customers**

Ensuring customer satisfaction and loyalty by delivering world-class quality products and services at competitive prices. 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.

● **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. Business partners are the key to business success through mutual support, and the Company treats them fairly. 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.

● **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. The Company ensures strict compliance 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.

- **To Business Competitors**

The Company's policy is that it 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. 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.

- **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.

4. DISCLOSURE OF INFORMATION AND TRANSPARENCY

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.

- (1) Department Manager and / or Human Resources Manager
- (2) Audit Committee Email: " Audit.Committee@thaipolyacrylic.com
- (3) Corporate Whistle Blower
Hotline URL : (Thai site) <https://www.hotline.tokyo.jp/multi/mchc-th/access/login>
(English site) <https://www.hotline.tokyo.jp/multi/mchc-en/access/login>
password: MCHCthai

The Company will listen to all complaints equally, transparently, caring and giving fairness to all parties as appropriate action.

The Company discloses information of the Company and financial statements to the Stock Exchange of Thailand completely, accurately, adequately and in time. In addition, the Company has disclosed other information. More to achieve transparency in operation.

1. Allow the investors, community, institutions and interested persons to access the information of the Company through Company website.
2. Recognizing the fact that some Directors reside abroad, and may consequently be excused from attending all Board Meetings, the Board encourages all Directors to attend the meetings when important issues are raised in the meeting agenda, such as the consideration and approval of future investments for plant expansion projects, and the consideration and approval of the annual financial statements and the annual budget proposals, etc.
3. Publish the corporate governance policy and Anti-Corruption policy on the Company's website.
4. Disclose the direct shareholding of directors and executives and indirect shareholding of spouses, or/and minor children of the "Directors Shareholding" and "Executive Shareholding" in Annual Report.
5. The Company has a policy that all directors must report their interests with the Company or that is expected to be immediately available for further in order to consider and disclose.

6. Provide the opportunity for the shareholders to propose matters to be included as agenda items for the Annual General Meeting of Shareholders (“AGM”) and to nominate person(s) to serve as the Company’s director(s). The criteria and procedures have been disclosed on the Company’s websites at <http://www.thaipolyacrylic.com>
7. Appointment for Auditor’s Remuneration
Agenda for an appointment of auditors clearly includes names of auditors, affiliated Company, auditor licenses, experience, auditors’ competency, years of auditing for the Company, issues relating to the independence of auditors and auditors’ remuneration with the opinion of the Board of Directors according to recommendation of the Audit Committee.

Auditor’s Remuneration

The Company paid the audit fee to the EY office Limited in fiscal year 2020 for Baht 1,480,000 and no other non-audit service. The Auditors did not receive any other remuneration from the Company.

| | 2020 | 2019 |
|-------------------------|----------------|----------------|
| Audit fee | Baht 1,480,000 | Baht 1,290,000 |
| Other non audit service | Baht - | Baht - |
| Total | Baht 1,480,000 | Baht 1,290,000 |

5. BOARD RESPONSIBILITIES

5.1 COMPOSITION OF THE BOARD OF DIRECTORS

Company has prescribed that the Board shall comprise of 9 Directors consisting of 3 Independent Directors (Company has Independent Directors not less than 3 persons and not less than one third of total directors of the Company), 3 Executive Directors and 3 Non-Executive Directors (Representatives of its major shareholder)

Audit Committee is appointed by the Board of Directors, and consists of 3 members and all must be Independent Directors.

Nomination and Remuneration Committee will be selected from Board of Directors, and consists of 3 members out of which the Chairman of the Committee and at least one member must be Independent Directors. Nomination and Remuneration Committee serve for 3 years per term.

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. The Company has decided to appoint Chairman, who is not an Independent Director as defined in the SET guidelines, but whose interests are fully disclosed to the Board. However, the Board has appointed one of the Independent Directors to participate in setting the agendas for Board Meetings.

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. Each director must hold not more than five (5) directorships in other listed companies.
2. Audit Committee must 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 one per cent of the total number of shares with voting rights of the applicant, its parent company, subsidiary, affiliate, major shareholder or controlling parties, including shares held by related persons of such independent director.
- neither being nor used to be an executive director, employee, staff, advisor who receives salary, or controlling parties of the company, its parent company, subsidiary, affiliate, major shareholder or controlling parties. Exception: It has been at least two years after the person has held the position.
- neither by blood nor legally registered with other directors, executives, major shareholders, controlling parties, or persons who will be nominated as directors, executives, or controlling parties of the company or subsidiary.
- neither having nor used to have a business relationship with the company, its parent company, subsidiary, affiliate major shareholder or controlling parties, in the manner which may interfere with his independent judgement, and neither being nor used to be a significant shareholder or controlling person of any person having a business relationship with the company, its parent company, subsidiary, affiliate major shareholder or controlling parties. Exception: It has been at least two years after the person has held the position.
- neither being nor used to be an auditor of the company, its parent company, subsidiary, affiliate, major shareholder or controlling parties, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the company, its parent company, subsidiary, affiliate, major shareholder or controlling parties. Exception: It has been at least two years after the person has held the position.
- neither being nor used to be a provider of any professional services including those as legal advisor or financial advisor who receives service fees exceeding two million baht per year from the company, its parent company, subsidiary, affiliate, major shareholder or controlling parties, and not being a significant shareholder, controlling person or partner of the provider of professional services. Exception: It has been at least two years after the person has held the position.
- not being a director appointed as representative of directors of the applicant, major shareholder or shareholder who is related to major shareholder.
- Not currently be operating under similar business nature and significant competition to the company or subsidiary; or not a significant partner of the partnership, executive director, salaried worker, employee, or consultant; or holding more than 1% of voting shares of any other companies operating under similar business nature and significant competition to the company and subsidiary.
- not having any other characteristics which cause the inability to express independent opinions with regards to the company's business operations.

5.4 TERM OF DIRECTORS

In compliance with the Public Companies Limited Act one third of the directors retire by rotation at the Annual General Meeting every year but are eligible for re-election. It is the policy that the tenure of an Independent Director should not exceed a cumulative term of 9 years from the first day of appointment as Independent Director. Upon completing 9 years, an Independent Director may continue to serve on the Board, subject to the Board's rigorous review of his/her continued independence.

5.5 APPOINTMENT AND DISMISSAL OF DIRECTORS

According to the Company's Articles 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 THE BOARD OF DIRECTORS' MEETING AND COMMITTEES' MEETING

The Company has scheduled all Board of Directors' Meeting in advance throughout the year, allowing the Directors to allocate time and attend meeting. Unless there is a special agenda, the Chairman of the Board of Director or Directors required by law can hold additional meetings as necessary. The meetings of the Board of Director or Directors, at least half of the total members must be presented to constitute a quorum.

The Board of Directors' Meeting has meetings in every 3 month according to the Company's Articles of Association, and Audit Committee meeting shall have the duty to arrange meetings at least 4 times a year. The Company Secretary or Audit Committee's secretary will send a letter of meeting invitation

together with the agenda and meeting documents to members at least 7 days in advance so that the Board or Director could have sufficient time to study the information before attending each meeting.

The Nomination and Remuneration Committee will be meeting at least 2 times a year.

On Monday 9 November 2020, the Company had organized a meeting with no participation of management team concerned. The Meeting without management concerned will be conducted at least once a year.

The details of Board of Directors' Meeting and Sub Committees' Meeting are as follows:

| Name | Board of Directors' Meeting | Extra Board of Directors' Meeting | Audit Committees' Meeting | Nomination and Remuneration Committees' Meeting | Annual General Meeting of Shareholders | Other Meeting |
|---------------------------|-----------------------------|-----------------------------------|---------------------------|---|--|---------------|
| Number of meeting | 4 times by quarter | 3 times | 4 times | 2 times | 1 time | 1 time |
| Dr. Benjamin James Harris | 4/4 | 3/3 | | | 0/1 | |
| Mr. Rakchai Sakulteera | 4/4 | 3/3 | | | 1/1 | 1/1 |
| Mr. Shinya Yano | 4/4 | 3/3 | | | 1/1 | |
| Mr. Dai Oyama | 4/4 | 2/3 | | 2/2 | 0/1 | |
| Mr. Adam Jonathan Sloan | 4/4 | 2/3 | | | 0/1 | |
| Mr. Martin Thaysen | 4/4 | 3/3 | | | 0/1 | |
| Dr. Anuphan Kitnitchiva | 4/4 | 3/3 | 4/4 | | 1/1 | |
| Mr. Jan Dam Pedersen | 4/4 | 2/3 | 4/4 | 2/2 | 1/1 | 1/1 |
| Mr. Jetsada Wongwatanasin | 2/4 | 2/3 | 4/4 | 1/2 | 1/1 | |
| Attendance rate | 94% | 85% | 100% | 83% | 56% | 100% |

5.7 REMUNERATION FOR DIRECTORS

The Company has a policy to pay remuneration for directors both in terms of remuneration for Independent Directors and meeting allowance per time (only for attendants) which will pay only 3 Independent Directors. The Remuneration for Directors will be at the rate specified in each year as approved by Shareholders' Meeting.

For other Directors who is not the Independent Director but being a Director who has been selected and appointed by the Management of the Company or being a representative Director of a major Shareholder which received compensation and other forms of benefits from the employment of the Company or from the representative of the major shareholder, they will not receive any remuneration or meeting allowance in any way.

Remuneration and Meeting Allowance of Independent Directors for the year 2020

Unit: Baht

| Name | Position | Remuneration for Independent Directors | Meeting Allowance |
|--|--|--|-------------------|
| Dr. Anuphan Kitnitchiva | Independent Director | 460,000.00 | 120,000.00 |
| Mr. Jan Dam Pedersen | Chairman of Audit Committee Independent Director | 460,000.00 | 116,000.00 |
| | Member of Audit Committee Chairman of Nomination and Remuneration Committee | | |
| Mr. Jetsada Wongwatanasin | Independent Director | 460,000.00 | 80,000.00 |
| | Member of Audit Committee Member of Nomination and Remuneration Committee | | |
| Remuneration and Meeting Allowance in Total | | 1,380,000.00 | 316,000.00 |

5.8 DIRECTORS AND MANAGEMENT SELECTION

The selection and election of the Directors shall proceed through the Shareholders' Meeting. The Nomination and Remuneration Committee reviews candidates for Director position based on appropriate skills, knowledge and relevant experience. After reviewing their work experience, The Nomination and Remuneration Committee proposes candidates deemed suitable to the Board of Directors for their approval prior to the Board proposed them to the Shareholders' Meeting for approval by the shareholders.

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 Director on 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 no. 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 shall request for the election of new Directors until the vacant positions are filled.

5.9 ORIENTATION FOR NEW DIRECTORS

The Board of Directors establishes an orientation for every new Directors to create knowledge and understanding in the business including the Company's operations such as capital structure, shareholders, performance and system information including laws and regulation that useful for being a Director. This aims to prepare readiness of new Directors, enabling them to recognize their roles and responsibilities. There is a policy to enhance conceptual knowledge so that Directors can hold positions with efficiency.

5.10 SUCCESSION PLAN

The Board of Directors has established a succession plan in the management level and positions in the main line by considering performance, potential and readiness of the individual. The Company has equipped a successor with knowledge development, skills required by job positions so that he or she will take important positions in the future.

5.11 DEVELOPMENT OF DIRECTORS

The Board of Directors has a policy to promote and facilitate training and education for the Directors. In order to improve and perform continually, training courses inside and outside the country are offered to the Directors, enabling them to understand the Directors' performance. Due to the Covid – 19 situation therefore, In 2020 there is no Board of Director participated in Training course.

5.12 SELF ASSESSMENT OF DIRECTORS

In accordance with the SET's corporate governance principles for listed companies, the Board of Directors makes annual overall self-assessment of performance. This Self – Assessment form is complied with the guideline of the Stock Exchange of Thailand. The conclusion of the overall performance assessment for 2020 was 4.5 out of 5 or equal to 90% (the score of 2019 was 4.2 out of 5). The assessment criteria are divided into 6 main areas as follows (1) structure and qualification of the board (2) Roles and Responsibilities of the Board (3) The Board of Directors Meeting (4) Duties of Directors (5) Relationship with Management (6) Self Development of the Board and the Management.

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.

The results from the assessment will be used for planning, developing, and improving the roles and responsibilities of the Board of Directors.

5.13 RISK MANAGEMENT

The Board has established a risk management system and has applied this throughout 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 department / function and the internal auditor. Its opinion is that the Board maintains adequate risk management practices that are relevant, suitable and sufficient.

5.14 INSIDER INFORMATION POLICY

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.

The Company established and communicated the Inside information and Securities Trading Policy for the Company's Directors, Executives and employees for acknowledgement and strict compliance as follows:

- (1) All Directors, Executives and employees must strictly comply with the prohibition of insider trading in securities prescribed in the Securities and Exchange Act B.E.2535 (1992)
- (2) The person specified by the Company is prohibited to trade the Company's securities within 30 days prior to the disclosure of quarterly and annual financial statements and other periods which will be occasionally specified by the Company unless in some necessary situations or complying with the law or being under the court's order, the Compliance Unit shall notify the prohibited securities trading period in advance.

Designated person(s) means the following person(s) with positions or duty that knows the Company's inside information (including spouse and non-full age children of the said person) as follows:

- (a) Director
 - (b) Executive
 - (c) Executive and employee of the Company who knows the Company's inside information
 - (d) Spouse and non-full age children of the person specified by the Company under Clause (a) – (c)
 - (e) All executives and employees who attend the meetings of the Board of Directors and/or the meetings of Sub – Committees
 - (f) Any other persons specified by the Company
- (3) In reporting the securities holding, any designated person shall report their holding of the Company's securities (including securities possession of his/her spouse and non – full age children) as follows:

The initial securities holding report: The report must be submitted to the Company Secretary as following conditions:

- In case of Directors and Executive, they shall report within 7 working days from the position appointment date by filling in the form of the Conflict of interest Report (Form 89/14) and attaching their personal profile.

- In case of any designated person other than Directors and Executives, he/she shall report within 7 working days from the date notified by the Company Secretary by filling the form of the Company's Securities Holding Change Report.

Reporting when having changes: The report must be submitted to the Company Secretary within 3 working days from the securities trading date as follows:

- In case of Directors and Executives, they shall use the form of the Conflict of interest Report (Form89/14) and attaching personal profile of Director.
 - In case of any designated person other than Directors and Executives, he/she shall use the form of Company's Securities Holding Change Report.
- (4) All Directors and Executives are responsible in reporting their own holding of the Company's Securities, including their spouse and non-full age children's holding of the Company securities and also reporting their change of securities holding to the office of SEC in accordance with Section 59 of the Securities and Exchange Act B.E.2535 (1992).
 - (5) The Company Secretary is required to prepare copies of Securities Holding Report as mentioned in Clause (3) and submit to the Chairman of the Board of Directors, the Chairman of the Audit Committee and the Chairman of the Board of Executives within 7 working days from the date of receiving reports, and the report to the Board of Directors for acknowledgement in the next meeting.
 - (6) Any Director, Executive or employee who violates this policy may be considered for disciplinary punishment up to dismissal, and may be liable both for criminal and civil cases in accordance with the Securities and Exchange Act, B.E.2535 (1992)

In case the group of person mentioned on No. (2) would like to purchase the Company's Securities or have any questions, they can contact Senior Manager or Company Secretary Department.

5.15 ANTI-CORRUPTION POLICY

The Company shall operate its business with integrity, morality, and under principles of good governance to promote continuing sustainable growth, and corporate social and environmental responsibility.

On 9 October 2015, the Company formulated the Anti-Corruption Policy and enforced to all employee and agents throughout the world to not offer, promise to pay cash, or transfer any benefits (including service rendered, gifts, entertainment to government or other units), with objective to receive or maintain unappropriated benefits related to business. This includes payment or transfer benefit through third party.

The Board of Directors passed a resolution to declare an intent to join Thailand's Private Sector Collective Action Coalition Against Corruption (CAC). The Company has received a notice of recertificate for a period of 3 years from September 30th, 2020 till September 30th, 2023.

COMPANY SOCIAL RESPONSIBILITIES

Thai Poly Acrylic Public Company Limited (the “Company”) has a policy and commitment to conduct business with fairness in accordance with good corporate governance principles. In addition, the Company encourages employees to respect the law and adhere to ethics, code of conduct and responsibility for their own safety and all colleagues and also have responsibility for society, community and sustainable environmental protection. The Company has formulated the corporate governance policy in the same direction as used by the Stock Exchange of Thailand since 2006, divided into 5 categories. The details for topics mentioned above are described in topic named “Good Corporate Governance”.

Detail for social responsibilities are summarized below.

1. Fair business operations

The Board of Directors adheres to the duties and responsibilities of supervising the business for the maximum benefit of the shareholders and building the fairness for stakeholders including responding to the customers’ need by producing safety and good quality products. Even in the trade competition, the Company has established a fairness competition. Executives and employees must strictly comply with the Company’s Business Ethics / Code of Conducts. In this respect, all employees have trained and signed for acknowledgement since the first day of working with the Company.

2. Respect for human rights and fair treatment to colleagues

The Board of Directors, as well as executives, recognize the importance of all employees by accepting and respecting the differences in gender or any limitations of each employee. The Company will consider human rights that everyone must be treated equally. The supervisors must respect human rights and give honor and fairness to subordinates, not consider gender issues as an important factor in determining merit, but must consider based on the results of work and responsibility. The Company has adhered to the Code of Conducts and Compliance Practices, which employees at all levels have trained and acknowledged.

In addition, the Company also requires executives to provide equality and fairness for employees at all levels for the opportunity to develop the working skills based on the personnel ability and appropriateness of the job’s qualifications, without considering other factors that are not in the consideration criteria.

For the past year, the Company has launched a training program to enhance working skills by allowing employees to receive training in other areas of work that may be different from their previous duties. It appears that many employees have registered to receive such training e.g. the Product counting staff join the training for Quality inspection staff. It is an activity that enhances working skill which is beneficial to employees as well as to the Company.

3. Responsibility for work safety

The Company considered this as the highest policy that directors, executives and employees at all levels

must pay attention to and have a mission to conduct work safety for themselves and all colleagues by being conscious at all times to be careful, and evaluate the working process that they are working or assign others to perform whether there is any risk at each stage of the work or not. In addition, close monitoring of staff under supervision should be focused, especially for new employees, of which a job term is not more than one year, must be trained to ensure the safety first. Moreover, the Company's premises are regularly checked to ensure that all the equipment and tools are in correct position and in good working condition, safe, and not be a cause for unsafety events.

4. Sustainable environmental protection

As well as the policy and mission that the Directors have given priority to the safety of work, the Company also integrated the sustainable health care and environmental protection as part of the policy named "Safety, Healthy & Environment Policy" or "SHE Policy".

The Company always focuses on its neighbors by ongoing monitoring to ensure no problems or any issues impacting neighbors and surrounding communities. There are also ongoing knowledge activities were held regularly for students in nearby schools.

5. Activity for society and community

The Company operates its business which is beneficial to economy, society and community the Company located on, especially increasing opportunities in studying and competency development of children in terms of sports, initiation, innovation, science and technology. This also includes good cooperation with communities and government units in any measures preventing dangers or impact to environment.

Over two decades of operating the business in Kratoomlom district, Nakornpratom province, the Company has manufactured products with good quality which are distributed domestically and globally, generating revenues with over 300 of Thai labors. Every year, management and employees take an important role in conducting activities for society and community in various aspects e.g. scholarship for education and potential development for good students with financial problems, support in various sports activities, contest on initiation and innovation in science and technology, and cooperation with government units in preventing labors and children from narcotics.

SAFETY, HEALTHY & ENVIRONMENT POLICY

The Company considers occupational safety, health, and environment as an integral part of the business and as corporate social responsibility. Therefore, the Company has established the following policies for implementation:

1. Comply with current and future applicable laws and requirements including commitments to develop occupational health and safety management system according to TIS 18001, environmental management system according to ISO14001, and group's business practices by adopting rules and requirements as minimum standard in the operation.
2. Manage risks and opportunities for prevention and control of occupational hazards, injuries, diseases, environmental pollution, and avoid risks that may affect employees and stakeholders.
3. Commit to environmental protection including pollution prevention, and commit to protection and prevention in relation to the context of the organization, as well as prevention of occupational injuries and illness according to objectives and goals.
4. Comply with standards for waste disposal, and reduce waste to a minimum, as well as consume energy and water resources efficiently according to objectives and goals.
5. Provide standards for occupational safety, health and environment for contractors and/or visitors by complying with policies and regulations of the organization.

6. Cooperate and disseminate information and policies to employees, stakeholders, third parties in both government and private sectors.
7. Assess performance of all employees in terms of their cooperation in compliance with rules and regulation on occupational safety, health, and environment as a main topic in the annual employee assessment.
8. Define responsibilities in terms of occupational safety, health, and environment as the responsibilities of every executive and employee both at work and at home.
9. Promote, support and develop knowledge and competency by provide training, education, and create awareness.
10. Commit to product development responsibility, which must be safe for users and the environment throughout the product's life cycle.
11. Allocate necessary resources appropriately to ensure that the operations are in accordance with the policy, objectives and goals.
12. Continuously develop and improve in terms of occupational safety, health, and environment in order to raise the level of the Company's management competency.

In terms of occupational safety, health, and environment under the supervision of the occupational safety, health, and environment committee which has been assigned to supervise, define policies, objectives and goals, as well as prepare an ongoing annual improvement plan, and monitor the implementation and evaluate performance.

ACHIEVEMENTS & AWARDS



The Company has been certified for the following:

| Certificate | Issued by the institution | Year of certificated |
|------------------------------------|--|----------------------|
| ISO9001:2015 (Quality System) | TUV NORD | 5 August 2020 |
| TIS18001:2554 (Safety System) | MASCI | 9 August 2020 |
| ISO14001:2015 (Environment System) | TUV NORD | 7 December 2018 |
| Anti-Corruption Policy | Thailand Private Sector Collective Action Coalition Against Corruption (CAC) | 30 September 2020 |

Operating performance on SHE according to 2020, objectives and targets are the following

| Incident | Number |
|---|----------|
| Injuries require leave day of 1-3 days | 0 person |
| Injuries require leave day more than 3 days | 1 person |
| FIRE | 1 time |
| Chemical leakage to outside of the plant | 0 time |

Audit on SHE, Working environment, Surrounding Environment

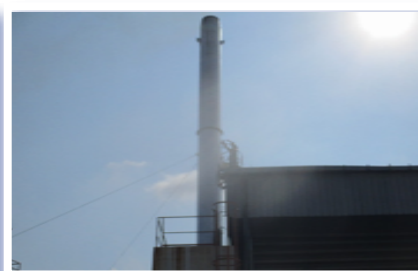
The Company conducted annual audit on SHE in 2020 to monitor SHE problems to employees, and environmental problem which might impact surrounding communities.



Picture #1 shows the measuring of an 8-hour average noise level measuring, within the Boiler Building



Picture#2 shows the measuring of noise level exposure to the individual in the sheet cutting area.



Picture#3 shows the measurement of air quality levels in the Extrusion Welex working area.



Picture#4 shows the air quality monitoring system on the New Co-Exist Stack.



Picture#5 shows the measurement of air quality levels in the Extrusion Welex working area.



Picture#6 shows the measurement of air quality levels in the wire stripping labor areas 1-3

A Major Project for Locality, and Internal Social Environment of an Organization in 2020

»» January 3, 2020

Volunteering: We volunteered a cleaning up at a locality and a surrounding area of the Company. This will help staff's sense of cleaning presence.



»» January 10, 2020

On National Children's day, Thai Poly Acrylic Public Company Limited presented scholarships to students from kindergarten level to junior high-school level. We were as well honored to take pictures with Mr. Sonchai Ratsamichaem, the Director of Ban Krathum Lom School.



We, Thai Poly Acrylic Public Company Limited, provided an ice-cream and donuts booth for ones who had been joining in the National Children's Day activities at Ban Krathum Lom school in 2020.

»» January 27, 2020

Employment opportunity for mental and behavioral disorder people rehabilitation in developmental program: Mr. Thanawat Kulprasert, Human Resource/ Legal manager, was given an honor as a lecturer by the Galya Rajanagarindra Institute, Department of Mental Health. In the event, he delivered and shared experiences concerning mental and behavioral disorder people employment. The purpose is to comprehend these people and caretakers regarding a nature of employing system.



January 31, 2020

Influenza Prevention Campaign: From the activity, the staff was encouraged to beware of their own health and influenza prevention. To be addressed, this virus is wide spreading every year, particularly in winter.



April 9, 2020

Songkran Festival – Sprinkle Water onto a Buddha Statue: This is for an auspiciousness of the staffs, as well as conducting their worship to Lord Buddha and Buddhist monks at the beginning of the traditional Thai New Year.



May 28, 2020

Mosquito Extermination Campaign: The Company and the staffs campaigned for the prevention 3 acute diseases which all carried by mosquito such as Dengue fever, Zika fever, Chikungunya fever and the extermination of mosquito larvae.



June 5, 2020

Scholarship Program: We recognize the importance of education, so we provide scholarships for children of the staff. The Company presented awards to 13 students who were qualified, ranging from grade 1 level to vocational level.



The Company, in partnership with Krathum Lom Sub-district Health Promoting Hospital, provided Measles and Rubella vaccinations, in order to strengthen immunity against the virus.



June 8, 2020

Labor Rights Campaign: A campaign is not to use children under 18 years old for labor as well as not to violate women's labor rights. The Company recognizes the importance of labor rights, and ensures that there will be no child labor and no violation of women's labor rights.



» June 1 and 24, 2020

'Pantry of Sharing' Activities: During the current Covid-19 pandemic, the Company acknowledged the seriousness of the spreading Covid-19 virus impact. In response, we contributed items to the municipality of Sam Phran district. Mr. Yongyut Suanthong, a representative from the Register Office of Sam Phran. He received the pantry of sharing for distribution in communities.



» August and October, 2020

Standard on Prevention and Solution to Drugs Problems in an Establishment (Mor Yor Sor) Project: Thai Poly Acrylic Public Company Limited conducted a campaign, according to the Standard on Prevention and Solution to Drugs Problems in an Establishment (Mor Yor Sor), focusing on drug problems and information sharing on drugs as well as providing guidance in prevention and suppression of drugs in an establishment. Sampling of addictive substance was also carried out.

» August 17, 2020

Distribution of Young Plants Activity: This project was undertaken to promote and help staff to appreciate the value of nature and the restoring of natural resources. Young plants were also handed out to the staff.



» July 6, 2020

Abstaining from Alcohol Campaign: The Company, along with the staff, campaigned for the abstaining of alcohol during the 3 months Buddhist Lent period.



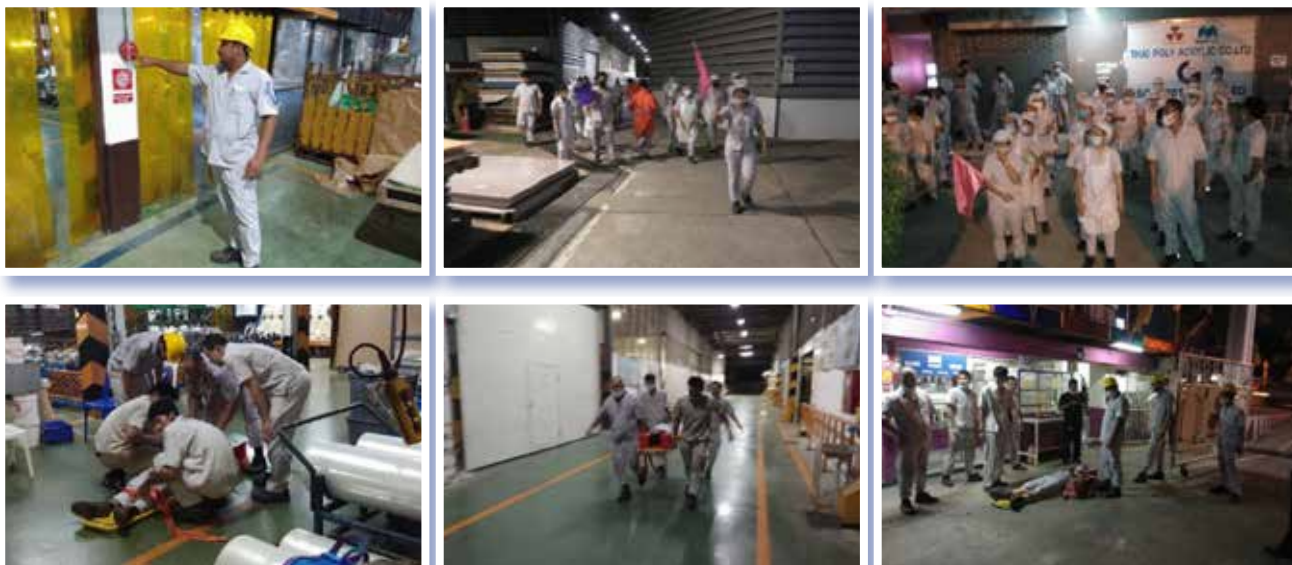
» August 2020

National Mother's Day Activity, 2020: In recognizing the importance of Mother's Day, the Company organized a drawing contest where staff could send in their drawing/painting with 39 staff members competing.



»» August 11, 2020

Fire Drill Exercise: At 7:00 p.m. on August 11, 2020, the Company carried out a fire drill exercise for night shift staff.



»» September 10, 2020

Waste Management Campaign: The Company and staff initiated a campaign on trash separation, promoting awareness and being mindful in appropriately separating trash.



»» September 18, 2020

Contingency plan practice in case of chemical leakage during the chemical transportation (MMA or Methyl Methacrylate) from the carrier to the storage tank (MMA tank).



» September 29, 2020

Receiving the Prevention and Solution of Drugs Problems in Establishment (Mor Yor Sor) Certificate: Mr. Rakchai Sakulteera was the Company representative to receive the certificate from Mr. Ratthasat Chidchu, vice governor of Nakhon Pathom.



» November and December 2020

Anti-Corruption Week Activities: A project to help create alliance with Thailand's Private Sector Collective Action Coalition against Corruption. In 2019, the Company was awarded a certificate of membership by Thailand's Private Sector Collective Action Coalition against Corruption. The project has since been ongoing and gaining extensive results. The activity in 2020 focused on the promotion of knowledge and understanding of:

- 1) The Anti-Corruption Policy: A policy, which is clearly defined and covers all the representatives of the Company administrators and staff on all levels and departments.
- 2) A channel to receive complaints on corrupt behavior; this includes theft, conflicts of interest and bribery.
- 3) A policy on management of complaints and organizing corrupt behavior investigations in which all data will be kept confidential, handled fairly, staffs are guaranteed anonymity and their jobs will not be threatened.



» November 10, 2020

The Company arranged an annual medical Examination for the staff on November 10, 2020, to monitor any health issues.



INTERNAL CONTROL

The Board of Directors and the Management give the importance to internal control. The Company has continuous monitoring and supervision as it realizes that an internal control system is an important mechanism that enables the Company to conduct business and achieve its objectives, reliable financial and operational data reporting, compliance with laws, rules and regulations and prevention or mitigation of risks from actions that may cause loss to the Company's properties and reputation. Internal control evaluates performance based on Good Corporate Governance (GCG) and Collective Action Coalition Against Corruption (CAC). The Board of Directors has clearly defined roles and responsibilities and the Directors shall comply with such roles and responsibilities. The Company clearly defines structure of organization, committee and the Management and monitors work lines in order to balance the authority and internal control appropriately, leading to appropriate work.

The Board of Directors appoints the Audit Committee to supervise and manage the internal control system, risk management system, corporate governance and compliance with the Company's policy and anti-corruption measures to ensure its appropriateness and effectiveness. The internal control also requires the Company to comply with related regulations and laws. It ensures that there will be no conflict of interest, relate transaction and use of properties to prevent fraud or misconduct. The Company has established the internal auditor (as present, the internal auditor is Miss Thanjira Kunathipsritrakool) who is an independent auditor working directly under the Audit Committee, to inspect and evaluate sufficiency of internal control systems, risk management system, corporate governance in all departments in the Company. This is to ensure that operations employ sufficient and appropriate with overall performance, and ensure that the internal control systems are fully operated as defined so that immediate solution can be proceeded in a timely manner. (Evaluation results on above are disclosed in Audit Committee report)

RELATED PARTY TRANSACTIONS

The material related party transactions consist of the transactions carried out with Lucite Group, Mitsubishi Chemical Corporation (MCC) and Asiatic Acrylic Company Limited.

During the years, the Company had significant business transactions with related parties. Such transactions, which are summarized 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 as follows :-

1. Transactions with related parties for the year ended 31 December 2020

(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 | Service expenses | 1.32 | Contract price and as agreed. | To expand the business in China. |
| Mitsubishi Chemical UK Ltd (formerly known as Lucite International UK Ltd. (Darwen)) | Shareholder is Lucite International UK Overseas Holdco1 Limited | Service expenses | 1.20 | Contract price and as agreed. | Contract price and as agreed. |
| Lucite International Singapore Pte Limited | Shareholder is Lucite International UK Overseas Holdco1 Limited | Service expenses | 0.09 | Contract price and as agreed. | To expand the business in Singapore. |
| Thai MMA Co., Ltd. | Shareholder is Mitsubishi Chemical Corporation (MCC) | Purchase of raw materials | 345.50 | As agreed with reference to market price. | Quality and prevent loss of supply. |
| Diapolyacrylate Co., Ltd. | Shareholder is Mitsubishi Chemical Corporation (MCC) | Purchase of raw materials | 3.68 | As agreed with reference to market price. | Quality and prevent loss of supply. |
| Mitsubishi Chemical (Thailand) | Shareholder is Mitsubishi Chemical Corporation (MCC) | Purchase of Spare parts and factory supplies | 8.51 | As agreed with reference to market price. | Quality and prevent loss of supply. |

2. The balances of the accounts between the Company and those related parties as at 31 December 2020 as follows:

(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 | Other payable | 0.21 | Contract price and as agreed. | To expand the business in China. |
| Mitsubishi Chemical UK Ltd (formerly known as “Lucite International UK Ltd (Darwen)”)) | Shareholder is Lucite International UK Overseas Holdco1 Limited | Other payable | 0.94 | Contract price and as agreed. | To expand the business in United kingdom |
| Lucite International Singapore Pte Ltd. | Shareholder is Lucite International UK Overseas Holdco1 Limited | Other payable | 0.01 | Contract price and as agreed. | To expand the business in Singapore. |
| Thai MMA Co., Ltd. | Shareholder is Mitsubishi Chemical Corporation (MCC) | Trade accounts payable | 150.03 | As agreed with reference to market price. | Quality and prevent loss of supply. |
| Diapolyacrylate Co., Ltd. | Shareholder is Mitsubishi Chemical Corporation (MCC) | Trade accounts payable | 1.12 | As agreed with reference to market price. | Quality and prevent loss of supply. |
| Mitsubishi Chemical (Thailand) | Shareholder is Mitsubishi Chemical Corporation (MCC) | Other payable | 1.62 | As agreed with reference to market price. | Quality and prevent loss of supply. |

REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS

The Board of Directors is responsible for overseeing the preparation of financial reports and the presentation financial statements and financial information in accordance with the good corporate governance of the Company and in accordance with generally accepted accounting standards. Financial reports must disclose complete and accurate information and financial statements with transparency as shown in the Company's Annual Report by adopting appropriate accounting policies that are regularly implemented with discretion and care as well as establishing and maintaining an effective internal control to ensure reasonable confidence in the reliability of the financial statements, assets maintenance with good protection system without fraud or unusual business operations, connected transactions which may cause a conflict of interest, actual transactions that are reasonable, normal and for the best interest of the business, including compliance with relevant laws and regulations.

In overseeing the preparation and presentation of the Company's financial reports in order to achieve the above objectives, the Board of Directors has appointed Independent Auditors to audit the Company's financial statements, as well as assigned the Audit Committee, consisting of 3 Independent Directors, to establish a system for auditing financial accounting information.

Every member of the Board of Directors have considered and reviewed the 2020 financial statements, and certify that the Company's financial statements as of December 31, 2020 are accurate and complete with sufficient information, and have been prepared in accordance with generally accepted accounting standards based on the opinion made by the Auditor in the Auditor's Report. In addition, they have also been audited by the Internal Auditor, which is considered that the process of financial statements preparation is in compliance with the above audit process.



(Benjamin James Harris)
Chairman of the Board of Directors



(Rakchai Sakulteera)
Managing Director

REPORT OF THE AUDIT COMMITTEE YEAR 2020

Dear Shareholders,

The current Audit Committee of Thai Poly Acrylic Public Company Limited is made up of three knowledgeable directors: Dr. Anuphan Kitnitchiva as the Chairman, Mr. Jan Dam Pedersen and Mr. Jetsada Wongwatanasin as Committee members. Ms. Thanjira Kunathipsritrakool, Internal Auditor serves as secretary to the Audit Committee.

The Committee performed its Board-assigned duties in line with its own charter, with priority given to the design of a systematic structure and work process. This facilitated the Company's conformance to corporate governance, established a risk management system and a sufficient internal control system.

In 2020, the Committee held 4 meetings with the Management, the Internal Auditor and the external Auditor. Also, the Audit Committee had the annual session with the EY Auditors without the presence of Management one time as highlighted below:

1. Review of financial reports: Together with the Management, the Internal Auditor and the external Auditor, the Committee reviewed quarterly and annual financial statements, including related party transactions and conflict of interest transactions. The Committee discussed with the external Auditor 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 as well as accuracy and adequacy of information disclosure and the Auditor's independence. All to ensure that the financial statements preparation is in conformity with legal requirements and accounting standards under the generally accepted accounting principles, and is presented in a reliable and timely manner with information sufficiently disclosed in such statements for the benefit of investors or financial statement users.

2. Review of risk management: The Committee reviewed the efficiency and suitability of risk management processes, including the Risk Management Policy and the plans and the approach that affect the Company's operations and investment plans. Also, the Committee reviewed the Management's risk assessments and oversaw risk mitigation associated with key issues significantly affecting the Company to ensure that the Company commands systematic, efficient, and prompt monitoring processes.

3. Review of the effectiveness of internal control: The Committee evaluated compliance with laws and relevant regulations. The Committee also considered internal control systems with the external Auditor and Internal Auditor once a year by reviewing : Operations, resource consumption, stewardship of properties, prevention or reduction of errors or damage, losses, waste or fraud as well as the credibility of financial reports and compliance with laws and regulations. The external Auditor agreed that no significant problems or shortcomings were found.

4. Review of good governance: The Committee focused on the management policies supporting good corporate governance. It actively encouraged Management to implement an anti-corruption program in order to ensure the effectiveness of the anti-corruption control. Furthermore, the Committee reviewed compliance with relevant laws and regulations and defined business processes. Related party transactions were also reviewed to ensure that the Company adhered to sensible conformance to normal business conditions. Also, the Committee reviewed the Anti-Corruption guideline, process of complaint and whistle-blowing to ensure alignment with Company's corporate governance and business philosophy.

5. Review of internal audit: This year the Committee reviewed the annual internal audit plans and conformance to the plans and findings of audits. To this end, it commented on and monitored corrective actions for significant aspects of good governance and adequate internal control as well as the annual appraisal and merit consideration for the internal auditor. The Committee also encouraged the Internal Auditor to attend training courses on internal audit and English and to participate in a seminar in internal audit with a view to develop and equip her with internal-audit skills and improve her professional knowledge.

6. Appointment of the external Auditor for 2021: The Committee endorsed the EY Office Limited as the Company's Auditor for 2021 with the Board's concurrence for presentation and shareholders' approval at the AGM 2021 incl. the audit fees.

In summary, the Audit Committee performed the duties and responsibilities stated in its charter with care, prudence and adequate freedom, whilst providing creative views and constructive recommendations for the equitable benefit of stakeholders. Its opinion is that Company's financial reports are accurate, credible and in line with generally accepted accounting standards. In addition, the Company commands practices that comply with relevant laws and business obligations together with good governance, adequate risk management and a suitable, sufficient internal control system and internal audit.



(Anuphan Kitnitchiva, Ph.D.)
Chairman of the Audit Committee
February 16, 2021

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Thai Poly Acrylic Public Company Limited

Opinion

I have audited the accompanying financial statements of Thai Poly Acrylic Public Company Limited (the Company), which comprise the statement of financial position as at 31 December 2020, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Thai Poly Acrylic Public Company Limited as at 31 December 2020, its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matter

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

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

Key audit matter and how audit procedures respond for the matter are described below.

Sales

The amount of sales presented in the financial statements for the year 2020, amounting to Baht 931 million, is significant and the account directly impacts on the Company's operating results. Moreover, the Company has a large number of customers both in Thailand and overseas and sales are made under various terms and conditions. Therefore, I focused on the Company's recognition of sales revenue.

I assessed and tested the Company's internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed key controls. I also examined,

on a sampling basis, supporting documents for sales transactions occurring during the year and near the end of the accounting period. In addition, I reviewed credit notes that the Company issued after the period-end and performed analytical review procedures on sales accounts.

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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



Watoo Kayankannavee
Certified Public Accountant (Thailand) No. 5423

EY Office Limited
Bangkok: 18 February 2021

EXPLANATION OF FINANCIAL ANALYSIS & OPERATING PERFORMANCE

1. Operating results under the Business Operation Plans

Operating results under the Business Operation Plans 2020 can be summarized as follows:

- a) The Company is highly committed to the importance of the Safety, Health and Environment (SHE) policy which all Directors, Management, Employees and Visitors must strictly follow the policy and guidelines.

The SHE Committee is set up and assigned to supervise and control, set SHE's policies & guidelines, objectives and targets, including annual SHE Improvement Plan. Furthermore, the Committee also monitors and evaluates the performances during the year.

The Company has focused on encountering the corruption by setting up Anti-Corruption Policy, with the support and commitments from the Board of Directors and the management executives to preventing corruption, monitoring and assessment of the internal control system. The Company has joined Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) and received a notice of recertificate for a period of 3 years from September 30th, 2020 till September 30th, 2023.

One of the important targets that the Company has considered is to set up annual plan for pre-maintenance and improvement for machinery and equipment conditions to ensure the maximum safety in working place to all Operators and to improve production efficiency.

SHE is the Company's important policy that all management and staff are responsible for adhering to the policy and strictly follow the safety at work regulation in all aspects.

The Company has been examined and accredited for Occupational Health and Safety Management Systems (TIS18001) and Environment Management System (ISO 14001), this ensures the Company's attentiveness to issues of workplace safety as well as health and environmental protection for employees and all relevant persons.

- b) In 2020 the Company maintained a good proportion between domestic and export sales in order to maximize the benefit from the fluctuation on conversion rate between Baht and other hard currencies, especially US Dollar. In order to mitigate the risks of foreign currency, the Company has the policy to hedge the currency risk with the reputable commercial bank in Thailand.

Also the Company has developed new marketing strategies and adjusted new product portfolios in order to improve production line of plastic materials in responding to the dynamic changes of supply and demand in both domestic and overseas market. A lot of progress has been made but the management will continue to search for more new business opportunities through the new product development (NPD) process, particularly focusing on value added products. The NPD process will be handled by NPD Committee, headed by Managing Director. The Committee is fully responsible for the Product Portfolio Management for a sustainable long term growth of the Company.

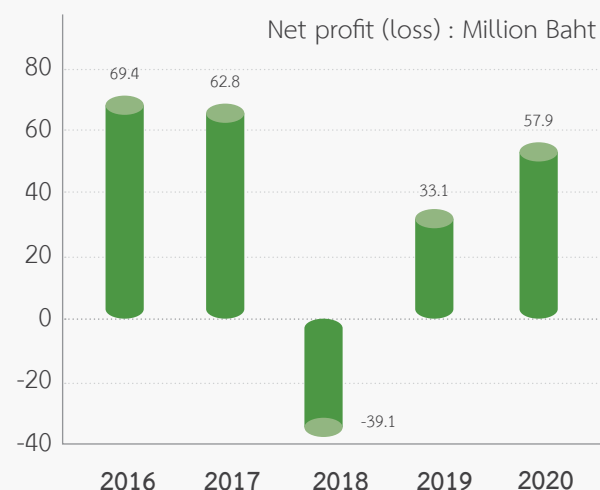
- c) In the past year, the Company continued to focus on product quality and service improvement in order to attain higher standards so as to respond to the needs of its customers both in domestic and overseas, and also aimed to improve the production efficiency and reducing production waste that will be beneficial to the overall production costs. Also, the Company has a high emphasis on the product differentiation as a key business driven to growing profitable volume for both existing and new products that will encourage the Company to avoid price competition.

2. Operating Results

Operating Results for the year 2020

| Key Financial Performance | Year 2020 | Year 2019 | Year 2018 | Inc (Dec) 2020/2019 | | Inc (Dec) 2019/2018 | |
|----------------------------------|-----------------|-----------------|-----------------|------------------------|-------|------------------------|---------|
| | Million Baht | Million Baht | Million Baht | Million Baht | % | Million Baht | % |
| Total Sales and service income | 930.8 | 935.7 | 1,149.0 | (4.9) | -0.5% | (213.3) | -18.6% |
| Total Revenues | 936.6 | 945.8 | 1,167.5 | (9.2) | -1.0% | (221.6) | -19.0% |
| Total Expenses | 863.6 | 904.6 | 1,216.6 | (41.0) | -4.5% | (312.1) | -25.7% |
| Gross Profit | 202.3 | 148.8 | 51.7 | 53.5 | 35.9% | 97.2 | 188.0% |
| Profit (loss) before tax | 72.9 | 41.3 | (49.3) | 31.6 | 76.7% | 90.5 | -183.8% |
| Net profit (loss) | 57.9 | 33.1 | (39.1) | 24.9 | 75.2% | 72.1 | -184.6% |
| Earnings (Loss) per share (Baht) | 0.48 | 0.27 | (0.32) | 0.21 | 77.8% | 0.59 | -184.4% |
| Dividend per share (Baht) | 0.45 | 0.45 | 0.30 | - | - | 0.15 | 50.0% |

| Ratios | Year 2020 | Year 2019 | Year 2018 | Inc (Dec) 2019/2018 | |
|-------------------------------------|--------------|--------------|--------------|------------------------|-------|
| | % | % | % | % | % |
| Gross Profit Margin | 21.7% | 15.9% | 4.5% | 5.8% | 11.4% |
| Net Profit Margin to total revenues | 6.2% | 3.5% | -3.4% | 2.7% | 6.8% |
| Return on Equity | 11.4% | 6.3% | -6.8% | 5.0% | 13.2% |
| Return on Assets | 7.1% | 4.0% | -4.2% | 3.1% | 8.2% |



Sales and service income

In 2020, the Company had revenue from sales and services of Baht 930.8 million, slightly decrease of Baht 4.9million or 0.5% compared to the previous year. The main reasons were decrease in average selling price whereas increase in sales volume by 17% compared to the previous year.

Gross Profit Margin

Gross profit in 2020 of Baht 202.3 million, increased by Baht 53.5 million or 35.9% with gross profit margin of 21.7%, increased by 5.8% compared to the previous year at 15.9%, as a result of higher sales volume and lower production cost.

Net Profit and Earnings per share

The Company's operating results in 2020 was net profit after tax at Baht 57.9 million, increasing by Baht 24.9 million or 75.2 % compared to net profit in previous year at Baht 33.1 million. Earning per share was Baht 0.48, increased by Baht 0.21 per share. The main reasons of the improved profitability in 2020 were increase in sales volume and higher contribution margin as a result of lower production costs.

Profitability Ratio

In 2020, the overall profitability ratio improved from the previous year, with net profit margin to total revenues of 6.2% (2019 = 3.5%), return on equity of 11.4% (2019 = 6.3%) and return on assets of 7.1% (2019 = 4.0%).

3. Financial position, Cash flows and Liquidity

Summary Financial position as of December 31, 2020

Unit: Million Baht

| Financial position as of December 31 | 2020 | 2019 | 2018 | % Inc (Dec) | |
|---|--------|--------|--------|-------------|-----------|
| | | | | 2020/2019 | 2019/2018 |
| Current Assets | 609.18 | 491.05 | 611.42 | 24.1% | -19.7% |
| Non-current assets | 259.96 | 260.20 | 278.12 | -0.1% | -6.4% |
| Total assets | 869.14 | 751.25 | 889.54 | 15.7% | -15.5% |
| Current liabilities | 312.80 | 203.64 | 328.77 | 53.6% | -38.1% |
| Non-current liabilities | 45.39 | 38.90 | 27.12 | 16.7% | 43.4% |
| Total liabilities | 358.19 | 242.54 | 355.89 | 47.7% | -31.8% |
| Total shareholders' equity | 510.95 | 508.71 | 533.66 | 0.4% | -4.6% |
| Book Value per share (Baht) | 4.21 | 4.19 | 4.39 | 0.5% | -4.6% |

Total Assets

As at 31st December 2020, the Company had total assets at Baht 869.1 million which was increased by Baht 117.9 million or 15.7% from the previous year, which comprised of the key items as follows :

- Cash and cash equivalents including fixed deposit, in total of Baht 180.1 million, increased by Baht 16.2 million.
- Trade receivables of Baht 296.1 million, increased by Baht 71.7 million due to the increase in sales of the 4th quarter compared to the previous year.
- Inventories of Baht 123.0 million, increased by Baht 26.1 million which resulted from stock management and production plan to serve higher sales volume and maintain proper safety levels of stock in order to reduce lead time of the customer orders.
- Property, plant and equipment of Baht 250.2 million, slightly decreased by Baht 2.3 million which resulted from depreciation and amortization of Baht 22.5 million, acquisitions of Baht 17.0 million and record of right-of-use asset due to TFRS16 adoption of Baht 3.4 million.

Total Liabilities

As at 31st December 2020, the Company had total liabilities at Baht 358.2 million which was increased by Baht 115.7 million or 47.7% from the previous year, which comprised the key items as follows :

- Trade and other payables of Baht 294.0 million, increased by Baht 93.1 million mainly from higher purchase volume of key raw material during the 4th quarter due to the increased production plan.
- Income tax payable of Baht 9.3 million, increased by Baht 8.3 million as a result of higher operating profit.
- Provision for long-term employee benefits of Baht 43.2 million, increased by Baht 4.3 million.

Cash flows

In 2020, the Company had cash and cash equivalents amounting to Baht 142.2 million, decreased from the previous year by Baht 20.5 million, consisting of :

- net cash flow generated from operating activities at Baht 82.9 million, increased by Baht 49.3 million from the previous year, mainly from increase of operating profit.
- net cash flow used in investment activities at Baht 46.1 million mainly from increase in fixed deposit of Baht 36.7 million and improvement of plant and acquisition of machinery and equipment of Baht 10.1 million.
- Net cash flow used in financing activities at Baht 57.6 million from dividend payment at Baht 54.7 million and payment of lease liabilities at Baht 2.9 million.

Liquidity and capital structure

As at 31 December 2020, the Company has good and adequate financial liquidity and stability with sufficient cash flow for its operation and sufficient current assets for short-term debt repayment, with the key financial ratios as follows :

- Liquidity Ratio in 2020 at 1.95 times, decreased from previous year at 2.41 times mainly due to increase in trade payables.
- The Debt to Shareholders' equity Ratio in 2020 at 0.70 times, increased from the previous year at 0.48 times due to an increase in total liabilities by Baht 115.7 million whereas slightly increase in Shareholders' equity by Baht 2.2 million resulted from operating profit offset by dividend payment.

Based on the financial position and the operating results of the year 2020, the Board of Directors' Meeting No 1/2021, on 18 February 2021 passed a resolution to propose to the 2021 Annual General Meeting of the Company's Shareholders to approve the payment of final dividend at the rate of Baht 0.45 per share, totaling Baht 54,675,000 (Fifty four million six hundred and seventy five thousand only) which will be paid on 20st May 2021

4. Asset Management Capabilities

Trade Receivables

Comparative trade receivables from year 2018 – 2020 are detailed below

| Comparative trade receivables | 31-Dec-20 | | 31-Dec-19 | | 31-Dec-18 | |
|--|---------------|------------|---------------|------------|---------------|------------|
| | Million Baht | % | Million Baht | % | Million Baht | % |
| Trade receivables - related parties | | | | | | |
| Not due | - | 0% | - | 0% | - | 0% |
| Overdue Not over 3 months | - | 0% | - | 0% | - | 0% |
| Total trade receivables - related parties | - | 0% | - | 0% | - | 0% |
| Trade receivables - non-related parties | | | | | | |
| Not due | 227.19 | 75% | 179.58 | 78% | 233.19 | 80% |
| Overdue | | | | | | |
| Not over 3 months | 71.20 | 23% | 45.69 | 20% | 52.08 | 18% |
| 3 - 6 months | 0.01 | 0% | - | 0% | - | 0% |
| 6 - 12 months | 2.25 | 1% | - | 0% | - | 0% |
| Over 12 months | 2.46 | 1% | 5.66 | 2% | 6.14 | 2% |
| Total trade receivables - non-related parties | 303.11 | 100% | 230.92 | 100% | 291.41 | 100% |
| Total trade receivables | 303.11 | 100% | 230.92 | 100% | 291.41 | 100% |
| Less: Allowance for expected credit loss (2018-2019: Allowance for doubtful accounts) | (6.99) | -2% | (6.56) | -3% | (6.14) | -2% |
| Total trade receivables - net | 296.12 | 98% | 224.37 | 97% | 285.27 | 98% |

Trade receivables as at 31 December 2018, 2019 and 2020 were Baht 285.27 million, Baht 224.37 million and Baht 296.12 million, respectively, comprising trade receivables - non-related parties. Most of the trade receivables were not due and overdue not over 3 months, accounted for 98% of total trade receivables before allowance for doubtful accounts. The trade receivables which were overdue for more than 3 months remained the same proportion at 2% each year.

The average days in receivables from 2018-2020 were 88 days, 100 days and 103 days, respectively. As at 31 December 2018 – 2020, the Company set up allowance for doubtful accounts amounting to Baht 6.14 million, Baht 6.56 million and Baht 6.99 million respectively. In 2020, the outstanding allowance for doubtful accounts was increased by Baht 0.43 million, resulting from the accounting estimate for general reserve whereas the long outstanding receivables were partially collected during the year.

The Company recognises a loss allowance based on lifetime expected credit losses at each reporting date. It is based on its historical credit loss experience and adjusted for forward - looking factor specific to the debtors and the economic environment. The Company has credit control management policy to evaluate customers and review credit terms and credit limits annually by considering individual sales target plan, trading and payment history. Trade receivables have credit terms of 30 – 120 days depending on trade conditions of each customer.

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

Inventories

Inventories are detailed below. (comparative year 2018 – 2020)

| Comparative inventory | 31-Dec-20 | | 31-Dec-19 | | 31-Dec-18 | |
|--|---------------|------------|--------------|------------|---------------|------------|
| | Million Baht | % | Million Baht | % | Million Baht | % |
| Finished goods | 45.38 | 34% | 30.32 | 28% | 36.41 | 29% |
| Raw materials | 45.60 | 34% | 41.87 | 39% | 39.37 | 31% |
| Spare parts and factory supplies | 35.73 | 27% | 32.49 | 30% | 35.01 | 28% |
| Goods in transit | 6.21 | 5% | 2.93 | 3% | 15.32 | 12% |
| Total | 132.92 | 100% | 107.62 | 100% | 126.11 | 100% |
| Less : Reduce cost to net realisable value | -9.94 | -7% | -10.72 | -10% | -11.33 | -9% |
| TOTAL | 122.98 | 93% | 96.90 | 90% | 114.78 | 91% |

Inventory as at 31 December 2018 – 2020 were Baht 114.78 million, Baht 96.89 million and Baht 122.98 million, respectively. The inventory turnover ratio from 2018 – 2020 were 26.94 times, 23.59 times and 19.25 times, respectively. The average number-of-day-sales from 2018 – 2020 were 13 days, 15 days and 19 days respectively.

The increase of inventory lead time in 2020 resulted from stock management and production plan to serve higher sales volume and maintain proper safety levels of stock in order to reduce lead time of the customer orders.

The Company has a policy to set up an allowance to reduce cost to net realizable value based on slow moving items, aging profile of inventories and the amount the inventories are expected to realize. The allowance of reduce cost to net realizable value from 2018 – 2020 were Baht 11.33 million, Baht 10.72 million and Baht 9.94 million, respectively. The decreased allowance in 2020 was due to continuously monitoring the inventory.

Property, plant and equipment

Property, plant and equipment are detailed below (comparative year 2018 – 2020)

| Category of Asset | 31-Dec-20 | | 31-Dec-19 | | 31-Dec-18 | |
|---|---------------|-------------|---------------|-------------|---------------|-------------|
| | Million Baht | % | Million Baht | % | Million Baht | % |
| Land | 136.33 | 54% | 136.33 | 54% | 136.33 | 51% |
| Building and building improvement | 42.06 | 17% | 41.22 | 16% | 38.21 | 14% |
| Machine and equipment | 55.54 | 22% | 60.86 | 24% | 68.76 | 26% |
| Furniture, fixture, office equipment and vehicles | 5.42 | 2% | 3.70 | 1% | 6.82 | 3% |
| Assets under construction and installation | 10.86 | 4% | 10.36 | 4% | 15.06 | 6% |
| Total | 250.21 | 100% | 252.47 | 100% | 265.18 | 100% |

During the year 2020, the Company had acquired additional assets amounting to Baht 17.01 million (2019: Baht 9.50 million). The return on fixed assets ratio from 2018 – 2020 were -6.81%, 20.86% and 32.09%, respectively.

5. 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.

Financial



STATEMENT OF FINANCIAL POSITION

Thai Poly Acrylic Public Company Limited

As at 31 December 2020

| | | | (Unit: Baht) |
|--|-------------|--------------------|--------------------|
| | <u>Note</u> | <u>2020</u> | <u>2019</u> |
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 8 | 142,246,712 | 162,744,016 |
| Current investment - fixed deposit | | - | 1,166,289 |
| Trade and other receivables | 9 | 296,768,010 | 224,821,400 |
| Inventories | 10 | 122,984,222 | 96,895,430 |
| Other current financial assets - fixed deposit | 11 | 37,861,867 | - |
| Other current assets | | 9,320,438 | 5,423,009 |
| Total current assets | | 609,181,249 | 491,050,144 |
| Non-current assets | | | |
| Other non-current financial assets | | 303,018 | - |
| Property, plant and equipment | 12 | 250,208,082 | 252,468,541 |
| Intangible assets - computer software | | 657,960 | 950,707 |
| Deferred tax assets | 21 | 8,791,071 | 6,473,784 |
| Other non-current assets | | - | 303,018 |
| Total non-current assets | | 259,960,131 | 260,196,050 |
| Total assets | | 869,141,380 | 751,246,194 |

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

STATEMENT OF FINANCIAL POSITION (continued)

Thai Poly Acrylic Public Company Limited

As at 31 December 2020

(Unit: Baht)

| | <u>Note</u> | <u>2020</u> | <u>2019</u> |
|---|-------------|--------------------|--------------------|
| Liabilities and shareholders' equity | | | |
| Current liabilities | | | |
| Trade and other payables | 13 | 293,999,689 | 200,894,744 |
| Current portion of lease liabilities | 14 | 1,575,414 | - |
| Income tax payable | | 9,338,458 | 1,075,158 |
| Other current financial liabilities - forward contracts | 28.1 | 237,320 | - |
| Other current liabilities | | 7,650,377 | 1,673,595 |
| Total current liabilities | | <u>312,801,258</u> | <u>203,643,497</u> |
| Non-current liabilities | | | |
| Lease liabilities net of current portion | 14 | 2,215,807 | - |
| Provision for long-term employee benefits | 15 | 43,173,316 | 38,895,259 |
| Total non-current liabilities | | <u>45,389,123</u> | <u>38,895,259</u> |
| Total liabilities | | <u>358,190,381</u> | <u>242,538,756</u> |

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

STATEMENT OF FINANCIAL POSITION (continued)

Thai Poly Acrylic Public Company Limited

As at 31 December 2020

(Unit: Baht)

| | <u>Note</u> | <u>2020</u> | <u>2019</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 | 17 | 12,150,000 | 12,150,000 |
| Unappropriated | 24 | <u>143,950,999</u> | <u>141,707,438</u> |
| Total shareholders' equity | | <u>510,950,999</u> | <u>508,707,438</u> |
| Total liabilities and shareholders' equity | | <u>869,141,380</u> | <u>751,246,194</u> |
| | | - | - |

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

STATEMENT OF COMPREHENSIVE INCOME

Thai Poly Acrylic Public Company Limited
For the year ended 31 December 2020

(Unit: Baht)

| | Note | 2020 | 2019 |
|--|------|--------------------|--------------------|
| Profit or loss: | | | |
| Revenues | | | |
| Sales and service income | | 930,788,341 | 935,712,897 |
| Other income | 18 | 5,810,594 | 10,107,415 |
| Total revenues | | <u>936,598,935</u> | <u>945,820,312</u> |
| Expenses | | | |
| Cost of sales and services | | 728,497,762 | 786,883,561 |
| Selling and distribution expenses | | 47,880,362 | 36,906,626 |
| Administrative expenses | | 83,383,229 | 80,224,930 |
| Other expenses | 19 | 3,841,812 | 554,138 |
| Total expenses | | <u>863,603,165</u> | <u>904,569,255</u> |
| Operating profit | | 72,995,770 | 41,251,057 |
| Finance cost | 14 | (118,394) | - |
| Profit before income tax expenses | | 72,877,376 | 41,251,057 |
| Income tax expenses | 21 | (14,964,233) | (8,200,844) |
| Profit for the year | | <u>57,913,143</u> | <u>33,050,213</u> |
| Other comprehensive income: | | | |
| <i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i> | | | |
| Actuarial loss - net of income tax | | (994,582) | (3,323,019) |
| Other comprehensive income for the year | | <u>(994,582)</u> | <u>(3,323,019)</u> |
| Total comprehensive income for the year | | <u>56,918,561</u> | <u>29,727,194</u> |
| Earnings per share | 22 | | |
| Basic earnings per share | | <u>0.48</u> | <u>0.27</u> |

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Thai Poly Acrylic Public Company Limited

For the year ended 31 December 2020

| | Issued and fully paid-up | | Retained earnings | | Total |
|---|-----------------------------|--------------------|-------------------------------------|--------------------|--------------------|
| | share capital | Share premium | Appropriated - statutory reserve | Unappropriated | |
| Balance as at 1 January 2019 | 121,500,000 | 233,350,000 | 12,150,000 | 166,655,244 | 533,655,244 |
| Profit for the year | - | - | - | 33,050,213 | 33,050,213 |
| Other comprehensive income for the year | - | - | - | (3,323,019) | (3,323,019) |
| Total comprehensive income for the year | - | - | - | 29,727,194 | 29,727,194 |
| Dividend paid (Note 26) | - | - | - | (54,675,000) | (54,675,000) |
| Balance as at 31 December 2019 | <u>121,500,000</u> | <u>233,350,000</u> | <u>12,150,000</u> | <u>141,707,438</u> | <u>508,707,438</u> |
| | | | | | - |
| Balance as at 1 January 2020 | 121,500,000 | 233,350,000 | 12,150,000 | 141,707,438 | 508,707,438 |
| Profit for the year | - | - | - | 57,913,143 | 57,913,143 |
| Other comprehensive income for the year | - | - | - | (994,582) | (994,582) |
| Total comprehensive income for the year | - | - | - | 56,918,561 | 56,918,561 |
| Dividend paid (Note 26) | - | - | - | (54,675,000) | (54,675,000) |
| Balance as at 31 December 2020 | <u>121,500,000</u> | <u>233,350,000</u> | <u>12,150,000</u> | <u>143,950,999</u> | <u>510,950,999</u> |
| | | | | | - |

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

CASH FLOW STATEMENT

Thai Poly Acrylic Public Company Limited
For the year ended 31 December 2020

(Unit: Baht)

| | <u>2020</u> | <u>2019</u> |
|---|-------------------|-------------------|
| Cash flows from (used in) operating activities | | |
| Profit before tax | 72,877,376 | 41,251,057 |
| Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities: | | |
| Depreciation and amortisation | 22,744,593 | 20,948,144 |
| Allowance for doubtful accounts | - | 414,803 |
| Impairment loss on financial assets | 435,281 | - |
| Reversal of reduce cost of inventory to net realisable value | (779,089) | (605,159) |
| Gain on sales of machinery and equipment | (124,317) | (187,554) |
| Provision for long-term employee benefits | 5,521,943 | 11,574,107 |
| Unrealised loss (gain) on foreign exchange | 3,154,309 | (1,089,544) |
| Loss on fair value adjustments of forward contract | 237,320 | - |
| Interest income | (331,842) | (762,085) |
| Finance cost | 118,394 | - |
| Profit from operating activities before changes in operating assets and liabilities | 103,853,968 | 71,543,769 |
| Operating assets (increase) decrease | | |
| Trade and other receivables | (76,301,904) | 60,746,316 |
| Inventories | (25,309,703) | 18,492,708 |
| Other current assets | (3,897,429) | 5,866,738 |
| Operating liabilities increase (decrease) | | |
| Trade and other payables | 89,974,655 | (113,638,199) |
| Other current liabilities | 5,998,921 | (5,401,868) |
| Cash paid for long-term employee benefits | (2,487,113) | (3,079,016) |
| Cash flows from operating activities | 91,831,395 | 34,530,448 |
| Cash paid for interest | (118,394) | - |
| Cash paid for income tax | (8,769,575) | (876,964) |
| Net cash flows from operating activities | <u>82,943,426</u> | <u>33,653,484</u> |

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

CASH FLOW STATEMENT (continued)

Thai Poly Acrylic Public Company Limited

For the year ended 31 December 2020

(Unit: Baht)

| | <u>2020</u> | <u>2019</u> |
|--|---------------------------|---------------------------|
| Cash flows from (used in) investing activities | | |
| Increase in fixed deposit | (36,695,578) | - |
| Improvements of plant and acquisition of machinery and equipment | (10,050,173) | (15,251,384) |
| Acquisitions of computer software | - | (554,400) |
| Cash received from sales of machinery and equipment | 386,995 | 1,800,800 |
| Cash received from interest | 293,020 | 762,837 |
| Net cash flows used in investing activities | <u>(46,065,736)</u> | <u>(13,242,147)</u> |
| Cash flows from (used in) financing activities | | |
| Payment of lease liabilities | (2,946,004) | - |
| Payment of liabilities under finance lease agreements | - | (1,397,595) |
| Dividend paid | (54,675,000) | (54,675,000) |
| Net cash flows used in financing activities | <u>(57,621,004)</u> | <u>(56,072,595)</u> |
| Net decrease in cash and cash equivalents | (20,743,314) | (35,661,258) |
| Unrealised exchange gains for cash and cash equivalents | 246,010 | 9,848 |
| Cash and cash equivalents at beginning of year | <u>162,744,016</u> | <u>198,395,426</u> |
| Cash and cash equivalents at end of year | <u><u>142,246,712</u></u> | <u><u>162,744,016</u></u> |
| | - | - |

Supplemental cash flow information

Non-cash transactions:

| | | |
|--|-----------|-------------|
| Increase (decrease) in accounts payable from purchases | | |
| of machinery and equipment | 3,666,667 | (5,753,520) |
| Increase in assets under lease contracts | 3,290,000 | - |

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

NOTES TO FINANCIAL STATEMENTS

Thai Poly Acrylic Public Company Limited
For the year ended 31 December 2020

1. General information

1.1 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 the United Kingdom and Asiatic Acrylics 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 the United Kingdom and the ultimate controlling party of the Group is Mitsubishi Chemical Holding Corporation, incorporated in Japan.

During the second quarter of the year 2020, there was a restructuring of shareholding within the Group by an ultimate shareholder of Asiatic Acrylics Company Limited, the second largest shareholder of the Company, which did not result in a change of control. As a result of the restructuring, Asiatic Acrylics Company Limited has become a foreign company, as defined under the Foreign Business Act B.E. 2542. As a consequence, when all holdings of the Company’s foreign shareholders are combined, the Company has also become a foreign company.

During the third quarter of the year 2020, the Company applied for a business license under Section 17 of the Foreign Business Act B.E. 2542 regarding the original equipment manufacturer business and completed the payment of business license fees to the Department of Business Development on 14 August 2020. The Company must comply with the conditions specified in the foreign business license as discussed in Note 24 to the financial statements.

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, Putthamonthon Sai 4 Road, Krathumlo, Sampran, Nakornpathom (Its branch office is located at 134/5 Krung Thonburi Road, Klong Tonsai, Klong Sarn, Bangkok).

1.2 Coronavirus disease 2019 pandemic

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in a generally economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Company operates.

The Company's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

2. Basis of preparation

The financial statements have been prepared in accordance with Thai Financial Reporting Standards (TFRS) 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, issued under the Accounting Act B.E. 2543.

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

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

3 New financial reporting standards

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

During the year, the Company has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements. However, the new standard involves changes to key principles, which are summarised below:

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

| | |
|--------|------------------------------------|
| TFRS 7 | Financial Instruments: Disclosures |
| TFRS 9 | Financial Instruments |

Accounting standard:

| | |
|--------|-------------------------------------|
| TAS 32 | Financial Instruments: Presentation |
|--------|-------------------------------------|

Financial Reporting Standard Interpretations:

| | |
|----------|---|
| TFRIC 16 | Hedges of a Net Investment in a Foreign Operation |
| TFRIC 19 | Extinguishing Financial Liabilities with Equity Instruments |

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

The adoption of these standards has the impact on the Company's financial statements to result in the following adjustments.

- Recognition of expected credit losses - The Company recognises an allowance for expected credit losses on its debt instruments measured at amortised cost or fair value through other comprehensive income, and it is no longer necessary for a credit-impaired event to have occurred.

The Company recognised the cumulative effect of the adoption of these financial reporting standards as an adjustment to retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 4.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases.

The Company recognised the cumulative effect of the adoption of this financial reporting standard as an adjustment to retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 4.

b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2021

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Company has evaluated that these standards do not have any significant impact on the Company's financial statements in the year when they are adopted.

4. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 3 to the financial statements, during the current year, the Company has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings as at 1 January 2020. Therefore, the comparative information was not restated.

The impacts of changes in accounting policies on the statements of financial position at the beginning of 2020 due to the adoption of these standards are presented as follows:

(Unit: Thousand Baht)

| | The impacts of | | | |
|--|----------------|-------------|---------|-----------|
| | 31 December | financial | TFRS 16 | 1 January |
| | 2019 | instruments | | 2020 |
| Statement of financial position | | | | |
| Assets | | | | |
| Current assets | | | | |
| Current investment - fixed deposit | 1,166 | (1,166) | - | - |
| Other current financial assets | - | 1,166 | - | 1,166 |

(Unit: Thousand Baht)

| | 31 December 2019 | The impacts of | | | 1 January 2020 |
|--|---------------------|---|---------|--|-------------------|
| | | Financial reporting standards related to financial instruments | TFRS 16 | | |
| Non-current assets | | | | | |
| Other non-current financial assets | - | 303 | - | | 303 |
| Property, plant and equipment | 252,469 | - | 3,447 | | 255,916 |
| Other non-current assets | 303 | (303) | - | | - |
| Liabilities and shareholders' equity | | | | | |
| Current liabilities | | | | | |
| Current portion of lease liabilities | - | - | 1,241 | | 1,241 |
| Non-current liabilities | | | | | |
| Lease liabilities, net of current portion | - | - | 2,206 | | 2,206 |

4.1 Financial instruments

The classifications, measurement basis and carrying values of financial assets in accordance with TFRS 9 as at 1 January 2020, and with the carrying amounts under the former basis, are as follows:

| | (Unit: Thousand Baht) | |
|--|--|--|
| | Carrying amounts under the former basis | Classification and measurement in accordance with TFRS 9 - amortised cost |
| Financial assets as at 1 January 2020 | | |
| Cash and cash equivalents | 162,744 | 162,744 |
| Other current financial assets | 1,166 | 1,166 |
| Trade and other receivables | 224,821 | 224,821 |
| Other non-current financial assets | 303 | 303 |
| Total financial assets | 389,034 | 389,034 |

As at 1 January 2020, the Company has not designated any financial liabilities at fair value through profit or loss.

4.2 Leases

Upon initial application of TFRS 16 the Company recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate at 1 January 2020.

For leases previously classified as finance leases, the Company recognised the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

| | (Unit: Thousand Baht) |
|---|-----------------------|
| Operating lease commitments as at 31 December 2019 | 1,531 |
| Add: Option to extend lease term | 2,544 |
| Less: Contracts reassessed as service agreements | (577) |
| Deferred interest expenses | (51) |
| Increase in lease liabilities due to TFRS 16 adoption | 3,447 |
| Lease liabilities as at 1 January 2020 | 3,447 |
| Weighted average incremental borrowing rate (percent per annum) | 1.1 |
| Comprise of: | |
| Current lease liabilities | 1,241 |
| Non-current lease liabilities | 2,206 |
| | 3,447 |

The adjustments of right-of-use assets due to TFRS 16 adoption as at 1 January 2020 are summarised below:

| | (Unit: Thousand Baht) |
|----------------------------------|-----------------------|
| Building | 3,447 |
| Total right-of-use assets | 3,447 |

5. Significant accounting policies

5.1 Revenue recognition

Sales of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns, discounts, allowances and price promotions to customers.

Rendering of services

Service revenue is recognised at a point in time upon completion of the service.

5.2 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.

5.3 Inventories

Finished goods are valued at the lower of cost (under the weighted average method) and net realisable value. The cost of inventories is measured using the standard cost method, which approximates actual cost and includes all 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.

5.4 Property, plant and equipment and 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 costs, on the straight-line basis over the following estimated useful lives:

| | | |
|--|---|---------------|
| Buildings | - | 20 years |
| Building improvements | - | 5 years |
| Machinery and equipment | - | 3 - 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.

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

5.5 Intangible assets

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

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

A summary of the intangible assets are computer software with finite useful lives of approximately 5 years.

5.6 Leases

At inception of contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Accounting policies adopted since 1 January 2020

The Company applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Company recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less any accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs on the straight-line basis over the shorter of their estimated useful lives and the lease term.

| | | |
|----------------|---|---------|
| Buildings | - | 2 years |
| Motor vehicles | - | 7 years |

If ownership of the leased asset is transferred to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right of use are presented as part of the property, plant and equipment in the financial position.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Company discounted the present value of the lease payments by the interest rate implicit in the lease or the Company's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

Accounting policies adopted before 1 January 2020

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

5.7 Related party transactions

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

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

5.8 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.

5.9 Impairment of non-financial assets

At the end of each reporting period, the Company performs impairment reviews in respect of the property, plant and equipment, right-of-use-asset 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.

5.10 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 and other employee benefit plans. The Company treats these severance payment obligations as a defined benefit plan. In addition, the Company provides other long-term employee benefit plan, namely long service awards.

The 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 defined benefit plans 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.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Company recognises restructuring-related costs.

5.11 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.

5.12 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.

5.13 Financial instruments

Accounting policies adopted since 1 January 2020

The Company initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

a) **Classification and measurement of financial assets**

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI), or fair value through profit or loss (FVTPL). The classification of financial assets at initial recognition is driven by the Company's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Company measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Company has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Dividends on listed equity investments are recognised as other income in profit or loss.

b) Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Company's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Company takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

c) Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Company has transferred substantially all the risks and rewards of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

d) Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Company considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due, and considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

e) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Accounting policies adopted before 1 January 2020

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.

5.14 Derivatives

The Company uses derivatives which are forward currency contracts, to hedge its foreign currency risks.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

5.15 Fair value measurement

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

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

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

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

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

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

6. 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:

6.1 Leases

Determining the lease term with extension and termination options

In determining the lease term, the management is required to exercise judgement in assessing whether the Company is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Company to exercise either the extension or termination option.

Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate (IBR) to discount lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

6.2 Allowance for expected credit losses of trade receivables

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Company's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

6.3 Reduction of inventory cost to net realisable value

In determining a reduction of inventory cost to net realisable value, the management makes judgement and estimates net realisable value of inventory based on the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price directly relating to events occurring after the end of the reporting period. Also, the management makes judgement and estimates expected loss from stock obsolescence based upon aging profile of inventories and the prevailing economic condition.

6.4 Property, plant and equipment and depreciation

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

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

6.5 Deferred tax assets

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

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

The obligations under the defined benefit plans 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.

7. 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>2020</u> | <u>2019</u> | <u>Transfer pricing policies</u> |
| <u>Transactions with related parties</u> | | | |
| Purchases of raw materials | 349 | 356 | As agreed with reference to market price |
| Purchases of spare parts and factory supplies | 9 | 4 | As agreed with reference to market price |
| Service expenses | 3 | 3 | Contract price and as agreed |

The balances of the accounts between the Company and those related parties as at 31 December 2020 and 2019 are as follows:

| | (Unit: Thousand Baht) | |
|--|-----------------------|----------------|
| | 2020 | 2019 |
| Trade and other payables - related parties (Note 13) | | |
| Related parties (by common shareholders): | | |
| Thai MMA Company Limited | 150,031 | 96,662 |
| Diapolyacrylate Company Limited | 1,123 | 2,382 |
| Mitsubishi Chemical Performance Polymers (Thailand) Company Limited | - | 1,123 |
| Mitsubishi Chemical (Thailand) Company Limited | 1,616 | - |
| Lucite International (Shanghai) Trading Company Limited | 214 | 469 |
| Mitsubishi Chemical UK Ltd (formerly known as "Lucite International UK Ltd") | 937 | 83 |
| Lucite International Singapore Pte Ltd | 5 | 5 |
| Total trade and other payables - related parties | <u>153,926</u> | <u>100,724</u> |

Directors and management's benefits

During the years ended 31 December 2020 and 2019, the Company had employee benefit expenses payable to its directors and management as below.

| | (Unit: Thousand Baht) | |
|---|-----------------------|---------------|
| | <u>2020</u> | <u>2019</u> |
| Short-term employee benefits | 17,213 | 19,652 |
| Post-employment benefits | <u>1,841</u> | <u>3,737</u> |
| Total directors and management's benefits | <u>19,054</u> | <u>23,389</u> |

8. Cash and cash equivalents

| | (Unit: Thousand Baht) | |
|---------------------------------|-----------------------|----------------|
| | <u>2020</u> | <u>2019</u> |
| Cash | 20 | 50 |
| Bank deposits | <u>142,227</u> | <u>162,694</u> |
| Total cash and cash equivalents | <u>142,247</u> | <u>162,744</u> |

As at 31 December 2020, bank deposits in saving accounts carried interests between 0.05 and 0.125 percent per annum (2019: between 0.15 and 1.00 percent per annum).

9. Trade and other receivables

| | (Unit: Thousand Baht) | |
|--|-----------------------|----------------|
| | <u>2020</u> | <u>2019</u> |
| <u>Trade receivables - unrelated parties</u> | | |
| Aged on the basis of due dates | | |
| Not yet due | 227,189 | 179,582 |
| Past due | | |
| Up to 3 months | 71,200 | 45,686 |
| 3 - 6 months | 11 | - |
| 6 - 12 months | 2,246 | - |
| Over 12 months | 2,462 | 5,656 |
| Total | 303,108 | 230,924 |
| Less: Allowance for expected credit loss | | |
| (2019: Allowance for doubtful accounts) | (6,990) | (6,555) |
| Total trade receivables - unrelated parties, net | 296,118 | 224,369 |
| Other receivables | 650 | 452 |
| Total trade and other receivables - net | <u>296,768</u> | <u>224,821</u> |

Set out below is the movement in the allowance for expected credit losses of trade and other receivables:

| | (Unit: Thousand Baht) |
|--------------------------------------|-----------------------|
| As at 1 January 2020 | 6,555 |
| Provision for expected credit losses | <u>435</u> |
| As at 31 December 2020 | <u>6,990</u> |

10. Inventories

(Unit: Thousand Baht)

| | Cost | | Reduce cost to net realisable value | | Inventories - net | |
|-------------------------------------|---------|---------|--|----------|-------------------|--------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Finished goods | 45,379 | 30,322 | (3,074) | (2,896) | 42,305 | 27,426 |
| Raw materials | 45,606 | 41,870 | (3,520) | (4,326) | 42,086 | 37,544 |
| Spare parts and factory supplies | 35,734 | 32,492 | (3,349) | (3,500) | 32,385 | 28,992 |
| Goods in transit | 6,208 | 2,933 | - | - | 6,208 | 2,933 |
| Total inventories | 132,927 | 107,617 | (9,943) | (10,722) | 122,984 | 96,895 |

During the current year, the Company reversed the write-down of cost of inventories by Baht 1 million (2019: Baht 1 million), and reduced the amount of inventories recognised as expenses during the year.

11. Other current financial assets

(Unit: Thousand Baht)

31 December
2020

| | |
|--|--------|
| Debt instruments at amortised cost | |
| Fixed deposits | 31,178 |
| Restricted fixed deposits | 6,684 |
| Total other current financial assets - net | 37,862 |

As at 31 December 2020, bank deposits in 12-month fixed account carried interest 0.375 - 1.25 percent per annum (2019: 1.25 percent per annum).

In addition, the Company had placed such 12-month fixed deposit of Baht 7 million with banks to secure bank guarantees issued by banks on behalf of the Company (2019: Nil).

12. Property, plant and equipment

(Unit: Thousand Baht)

| | 2020 | 2019 |
|-------------------------------------|---------|---------|
| Net book value | | |
| Property, plant and equipment | 245,067 | 252,469 |
| Right-of-use assets (Note 14) | | |
| Buildings | 2,194 | - |
| Motor vehicles | 2,947 | - |
| Total property, plant and equipment | 250,208 | 252,469 |

Movements of property, plant and equipment for the years ended 31 December 2020 and 2019 are summarized below.

| Cost | (Unit: Thousand Baht) | | | | | |
|--|-----------------------|-------------------------------------|-------------------------|--|----------------|--|
| | Land | Buildings and building improvements | Machinery and equipment | Furniture, fixtures and office equipment | Motor vehicles | Assets under installation and under construction |
| | | | | | | Total property, plant and equipment |
| 1 January 2019 | 136,331 | 185,049 | 471,313 | 21,993 | 13,582 | 15,064 |
| Additions | - | 95 | 1,321 | 1,026 | - | 7,056 |
| Disposals | - | (719) | (2,783) | (2,830) | (3,449) | - |
| Transfer in (out) | - | 8,402 | 3,294 | 65 | - | (11,761) |
| 31 December 2019 | 136,331 | 192,827 | 473,145 | 20,254 | 10,133 | 10,359 |
| Adjustments of right-of-use assets due to TFRS 16 adoption (Note 4.2) | - | 3,447 | - | - | - | - |
| Additions | - | 450 | 2,493 | 838 | 3,290 | 9,936 |
| Disposals/write-off | - | (559) | (1,688) | (451) | (2,849) | - |
| Transfer in (out) | - | 4,420 | 5,018 | - | - | (9,438) |
| 31 December 2020 | 136,331 | 200,585 | 478,968 | 20,641 | 10,574 | 10,857 |
| Accumulated depreciation | | | | | | |
| 1 January 2019 | - | 146,842 | 402,558 | 17,920 | 10,831 | - |
| Depreciation for the year | - | 5,480 | 12,360 | 1,821 | 935 | - |
| Depreciation on disposals | - | (718) | (2,633) | (2,810) | (2,006) | - |
| 31 December 2019 | - | 151,604 | 412,285 | 16,931 | 9,760 | - |
| Depreciation for the year | - | 7,478 | 12,571 | 1,687 | 716 | - |
| Depreciation on disposals/write-off | - | (560) | (1,428) | (448) | (2,848) | - |
| 31 December 2020 | - | 158,522 | 423,428 | 18,170 | 7,628 | - |
| Net book value | | | | | | |
| 31 December 2019 | 136,331 | 41,223 | 60,860 | 3,323 | 373 | 10,359 |
| 31 December 2020 | 136,331 | 42,063 | 55,540 | 2,471 | 2,946 | 10,857 |
| Depreciation for the year | | | | | | |
| 2019 (Baht 17 million included in manufacturing cost, and the balance in selling and distribution and administrative expenses) | | | | | | 20,596 |
| 2020 (Baht 18 million included in manufacturing cost, and the balance in selling and distribution and administrative expenses) | | | | | | 22,452 |

As at 31 December 2020, 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 436 million (2019: Baht 433 million).

13. Trade and other payables

| | (Unit: Thousand Baht) | |
|------------------------------------|-----------------------|----------------|
| | <u>2020</u> | <u>2019</u> |
| Trade payables - related parties | 151,237 | 99,044 |
| Trade payables - unrelated parties | 87,524 | 68,857 |
| Other payables - related parties | 2,689 | 1,680 |
| Other payables - unrelated parties | 12,526 | 7,877 |
| Accrued expenses | 40,024 | 23,437 |
| Total trade and other payables | <u>294,000</u> | <u>200,895</u> |

14. Leases

The Company has lease contracts for various items of property, plant, and equipment used in its operations. Leases generally have lease terms between 2 - 5 years.

a) Right-of-use assets

Movement of right-of-use assets for the year ended 31 December 2020 are summarised below:

| | (Unit: Thousand Baht) | | |
|---------------------------|-----------------------|-----------------------|---------------------------------|
| | | | Total right-of-use assets |
| | <u>Buildings</u> | <u>Motor vehicles</u> | |
| 1 January 2020 | 3,447 | - | 3,447 |
| Additions | - | 3,290 | 3,290 |
| Depreciation for the year | (1,253) | (343) | (1,596) |
| 31 December 2020 | <u>2,194</u> | <u>2,947</u> | <u>5,141</u> |

b) Lease liabilities

| | (Unit: Thousand Baht) | |
|--|-----------------------|------|
| | 2020 | 2019 |
| Lease payments | 4,098 | - |
| Less: Deferred interest expenses | (307) | - |
| Total | 3,791 | - |
| Less: Portion due within one year | (1,575) | - |
| Lease liabilities - net of current portion | 2,216 | - |

c) Expenses relating to leases that are recognised in profit or loss

| | (Unit: Thousand Baht) |
|---|-----------------------|
| | For the year ended |
| | 31 December 2020 |
| Depreciation expense of right-of-use assets | 1,596 |
| Interest expense on lease liabilities | 118 |

d) Others

The Company had total cash outflows for leases for the year ended 31 December 2020 of Baht 2.9 million. Moreover, the Company had non-cash additions to right-of-use assets and lease liabilities of Baht 3.3 million.

15. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents severance payment plan and other long-term employee benefits, namely long service awards, was as follows:

| | 2020 | | | 2019 | | | (Unit: Thousand Baht) | |
|--|-------------------------------|---------------------|-------------------|-------------------------------|---------------------|-------------------|-----------------------|--|
| | Total provision for long-term | | | Total provision for long-term | | | | |
| | Severance payment plan | Long service awards | employee benefits | Severance payment plan | Long service awards | employee benefits | | |
| Provision for long-term employee benefits at beginning of year | 37,818 | 1,077 | 38,895 | 25,513 | 733 | 26,246 | | |
| Included in profit or loss: | | | | | | | | |
| Current service cost | 4,310 | 301 | 4,611 | 3,936 | 408 | 4,344 | | |
| Interest cost | 882 | 29 | 911 | 792 | 24 | 816 | | |
| Past service cost | - | - | - | 6,414 | - | 6,414 | | |
| Included in other comprehensive income: | | | | | | | | |
| Actuarial loss arising from financial assumptions changes | 1,243 | - | 1,243 | 4,154 | - | 4,154 | | |
| Benefits paid during the year | (2,315) | (172) | (2,487) | (2,991) | (88) | (3,079) | | |
| Provision for long-term employee benefits at end of year | 41,938 | 1,235 | 43,173 | 37,818 | 1,077 | 38,895 | | |

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law was effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Company has additional long-term employee benefit liabilities of Baht 6.4 million as a result. The Company reflects the effect of the change by recognising past service costs as expenses in the income statement of the year 2019.

The Company expects to pay Baht 0.6 million of long-term employee benefits within next year (2019: Baht 3.4 million).

As at 31 December 2020, the weighted average duration of the liabilities for long-term employee benefit is 9 years (2019: 9 years).

Significant actuarial assumptions are summarised below:

| | <u>2020</u> | <u>2019</u> |
|----------------------|-------------|-------------|
| Discount rate | 1.1% | 1.3% |
| Salary increase rate | 4.0% | 4.0% |
| Turnover rate | 0% - 27.0% | 0% - 27.0% |

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2020 and 2019 are summarised below:

| | (Unit: Million Baht) | | | |
|----------------------|------------------------|-------------|---------------------|-------------|
| | 2020 | | | |
| | Severance payment plan | | Long service awards | |
| | Increase 1% | Decrease 1% | Increase 1% | Decrease 1% |
| Discount rate | (3.0) | 3.4 | (0.1) | 0.1 |
| Salary increase rate | 4.1 | (3.6) | - | - |
| Turnover rate | (3.2) | 2.1 | (0.1) | 0.1 |

(Unit: Million Baht)

| | 2019 | | | |
|----------------------|------------------------|-------------|---------------------|-------------|
| | Severance payment plan | | Long service awards | |
| | Increase 1% | Decrease 1% | Increase 1% | Decrease 1% |
| Discount rate | (3.2) | 3.6 | (0.1) | 0.1 |
| Salary increase rate | 4.0 | (3.5) | - | - |
| Turnover rate | (3.4) | 2.3 | (0.1) | 0.1 |

16. Undrawn credit facilities

As at 31 December 2020, undrawn credit facilities of the Company granted by financial institutions amounted to approximately Baht 325 million (2019: Baht 325 million).

17. 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.

18. Other income

| | (Unit: Thousand Baht) | |
|--------------------|-----------------------|---------------|
| | <u>2020</u> | <u>2019</u> |
| Scrap sales | 3,326 | 5,802 |
| Others | 2,485 | 4,305 |
| Total other income | <u>5,811</u> | <u>10,107</u> |

19. Other expenses

| | (Unit: Thousand Baht) | |
|-------------------------------|-----------------------|-------------|
| | <u>2020</u> | <u>2019</u> |
| Net loss on forward contracts | 237 | - |
| Net foreign exchange loss | 3,605 | 554 |
| Total other expenses | <u>3,842</u> | <u>554</u> |

20. Expenses by nature

Significant expenses classified by nature are as follows:

| | (Unit: Thousand Baht) | |
|---|-----------------------|-------------|
| | <u>2020</u> | <u>2019</u> |
| Raw materials and consumables used | 567,517 | 607,247 |
| Salaries, wages and other employee benefits | 132,458 | 134,116 |
| Fuel and utility expenses | 52,460 | 55,367 |
| Transportation expenses | 33,985 | 23,226 |
| Depreciation and amortisation | 22,745 | 20,948 |
| Repair and maintenance expenditure | 10,476 | 14,102 |
| Changes in finished goods | (15,057) | 6,085 |

21. Income tax

Income tax for the years ended 31 December 2020 and 2019 are made up as follows:

| | (Unit: Thousand Baht) | |
|---|-----------------------|--------------|
| | <u>2020</u> | <u>2019</u> |
| Current income tax | | |
| Current income tax charge | 17,281 | 1,952 |
| Deferred tax | | |
| Relating to origination and reversal of temporary differences | (2,317) | 6,249 |
| Income tax expenses reported in profit or loss | <u>14,964</u> | <u>8,201</u> |

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2020 and 2019 are as follows:

| | (Unit: Thousand Baht) | |
|---|-----------------------|--------------|
| | <u>2020</u> | <u>2019</u> |
| Deferred tax relating to actuarial losses | <u>(249)</u> | <u>(831)</u> |

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

| | (Unit: Thousand Baht) | |
|--|-----------------------|---------------|
| | <u>2020</u> | <u>2019</u> |
| Accounting profit before tax | <u>72,877</u> | <u>41,251</u> |
| Applicable tax rate | 20 percent | 20 percent |
| Accounting profit before tax multiplied by income tax rate | 14,575 | 8,250 |
| Effects of: | | |
| Non-deductible expenses | 657 | 147 |
| Additional expense deductions allowed | <u>(268)</u> | <u>(191)</u> |
| Income tax expenses reported in profit or loss | <u>14,964</u> | <u>8,201</u> |

The components of deferred tax assets and deferred tax liabilities as at 31 December 2020 and 2019 are as follows:

| | (Unit: Thousand Baht) | |
|---|-----------------------|----------------|
| | <u>2020</u> | <u>2019</u> |
| Deferred tax assets | | |
| Provision for long-term employee benefits | 8,635 | 7,779 |
| Reduction of inventory cost to net realisable value | 1,988 | 2,144 |
| Allowance for expected credit loss | | |
| (2019: Allowance for doubtful accounts) | 1,398 | 1,311 |
| Provision for expenses | 1,470 | 980 |
| Unrealised fair value loss on forward contracts | 47 | - |
| Leases | 31 | - |
| Total deferred tax assets | <u>13,569</u> | <u>12,214</u> |
| Deferred tax liabilities | | |
| Difference depreciation for accounting and tax purposes | <u>(4,778)</u> | <u>(5,740)</u> |
| Total deferred tax liabilities | <u>(4,778)</u> | <u>(5,740)</u> |
| Deferred tax assets - net | <u>8,791</u> | <u>6,474</u> |

22. 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.

23. Segment information

The Company is engaged principally in the manufacture, sale and original equipment manufacturer business 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 profit and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment.

Geographic information

Sales and service income are based on locations of the customers for the years ended 31 December 2020 and 2019 are as follows:

| | (Unit: Million Baht) | |
|--------------------------------|----------------------|-------------|
| | <u>2020</u> | <u>2019</u> |
| Thailand | 509 | 567 |
| Overseas | 422 | 369 |
| Total sales and service income | <u>931</u> | <u>936</u> |

Major customers

For the year 2020, the Company has revenue from one major customer in amount of Baht 161 million (2019: The Company has no major customer with revenue of 10 percent or more of an entity's revenues.).

24. Business operation of foreign company

As discussed in Note 1.1 to the financial statements, the Company's status changed to a foreign company, and for some business segments it was necessary to apply to the Department of Business Development for a license to conduct business under Section 17 of the Foreign Business Act B.E. 2542. The terms of the foreign business license require the Company to comply with conditions such as maintain minimum capital of not less than Baht 67.5 million, in addition to the capital required under other laws, a requirement that loans for operation of the licensed business not exceed seven times of the share capital and a requirement that at least one person who is responsible for operation of the licensed business is domiciled in Thailand.

25. 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 2020 amounting to approximately Baht 4 million were recognised as expenses (2019: Baht 4 million).

26. Dividends

| <u>Dividends</u> | <u>Approved by</u> | <u>Total dividends</u> (Million Baht) | <u>Dividend per share</u> (Baht per share) |
|--|---|--|---|
| Final dividend for 2018 | Annual General Meeting of the shareholders on 24 April 2019 | 54.7 | 0.45 |
| Interim dividend on the unappropriated retained earnings | Board of Directors' Meeting on 2 April 2020 | 54.7 | 0.45 |

27. Commitments and contingent liabilities

27.1 Capital commitments

As at 31 December 2020, the Company had capital commitments relating to the acquisitions of building improvements, machinery and equipment totaling Baht 8 million (2019: Baht 3 million).

27.2 Service commitments

The Company has entered into several service agreements. The terms of the agreements are generally between 1 to 3 years. As at 31 December 2020, the Company has future minimum payments required under these service agreements amounted to Baht 2 million (2019: Baht 2 million).

27.3 Guarantees

As at 31 December 2020, there were outstanding bank guarantees of approximately Baht 7 million (2019: 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.

28. Financial instruments

28.1 Derivatives

As at 31 December 2020, the Company had the derivatives liabilities not designated as hedging instruments, which were foreign exchange forward contracts. Their fair value were Baht 0.2 million that were measured at fair value using level 2 of fair value measurement (2019: Nil).

Derivatives not designated as hedging instruments

The Company uses foreign exchange forward contracts to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from one to 12 months.

28.2 Financial risk management objectives and policies

The Company's financial instruments-principally comprise of cash and cash equivalents and trade accounts receivable. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company is exposed to credit risk primarily with respect to trade accounts receivable, deposits with banks and financial institutions and other financial instruments. Except for derivative financial instruments, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

Trade receivables

The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance obtained from reputable banks and other financial institutions. In addition, the Company does not have high concentrations of credit risk since it has a large customer base in various industries.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Company classifies all trade receivables in one group because all trade receivables have similar credit risks. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and not subject to enforcement activity.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's management in accordance with the Company's policy. Investments are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Executive Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on debt instruments and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Market risk

There is one type of market risk which is a currency risk. The Company enters into derivative financial instruments to manage its risk exposure, including foreign exchange forward contracts to hedge the foreign currency risk arising on the export of goods.

Foreign currency risk

The Company's exposure to the foreign currency risk relates primarily to its trading transactions that are denominated in foreign currencies. The Company seeks to reduce this risk by entering into foreign exchange forward contracts when it considers appropriate. Generally, the forward contracts mature within one year.

As at 31 December 2020 and 2019, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

| Foreign currency | Financial assets | | Financial liabilities | | Average exchange rates | |
|-------------------|------------------|-----------|-----------------------|-----------|------------------------------------|---------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| | (Million) | (Million) | (Million) | (Million) | (Baht per 1 foreign currency unit) | |
| US dollar | 6.0 | 2.5 | 0.9 | 1.0 | 30.0371 | 30.1084 |
| Australian dollar | 0.7 | 1.0 | - | - | 22.9118 | 21.0131 |
| Japanese yen | - | - | 16.6 | 13.2 | 0.2907 | 0.2754 |
| Euro | - | - | 0.2 | - | 36.8764 | 33.6780 |

Foreign currency sensitivity

The following table demonstrates the sensitivity of the Company's profit before tax to a reasonably possible change in US dollar exchange rate, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities as at 31 December 2020.

(Unit: Million Baht)

| Currency | Effect on profit before tax | |
|-----------|-----------------------------|-------------|
| | Increase 1% | Decrease 1% |
| US dollar | 1.5 | (1.5) |

The Company's exposure to foreign currency changes for all other currencies is not material.

Interest rate risk

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

As at 31 December 2020 and 2019, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

| | 2020 | | | | |
|------------------------------|----------------|---------------|--------------|-------|---------------|
| | Fixed interest | | | | |
| | rates within | Floating | Non-interest | | Effective |
| | 1 year | interest rate | bearing | Total | interest rate |
| | | | | | (% p.a.) |
| Financial assets | | | | | |
| Cash and cash equivalents | - | 142 | - | 142 | 0.05 - 0.125 |
| Trade and other receivables | - | - | 297 | 297 | - |
| Other financial assets | 38 | - | - | 38 | 0.375 - 1.25 |
| | 38 | 142 | 297 | 477 | |
| Financial liabilities | | | | | |
| Trade and other payables | - | - | 294 | 294 | - |
| | - | - | 294 | 294 | |

(Unit: Million Baht)

| | 2019 | | | | |
|------------------------------|----------------|---------------|--------------|-------|---------------|
| | Fixed interest | | | | |
| | rates within | Floating | Non-interest | | Effective |
| | 1 year | interest rate | bearing | Total | interest rate |
| | | | | | (% p.a.) |
| Financial assets | | | | | |
| Cash and cash equivalents | - | 163 | - | 163 | 0.15 - 1.00 |
| Current investment | 1 | - | - | 1 | 1.25 |
| Trade and other receivables | - | - | 225 | 225 | - |
| | 1 | 163 | 225 | 389 | |
| Financial liabilities | | | | | |
| Trade and other payables | - | - | 201 | 201 | - |
| | - | - | 201 | 201 | |

Liquidity risk

The Company monitors the risk of a shortage of liquidity through the use of bank overdrafts and lease contracts. Approximately 87% of the Company's debt will mature in less than one year at 31 December 2020 (2019: 84%) based on the carrying value of borrowings reflected in the financial statements. The Company has assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Company's non-derivative financial liabilities and derivative financial instruments as at 31 December 2020 based on contractual undiscounted cash flows:

| | (Unit: Million Baht) | | |
|------------------------------|----------------------|--------|-------|
| | Less than | 1 to 5 | |
| | 1 year | years | Total |
| Non-derivatives | | | |
| Trade and other payables | 294 | - | 294 |
| Lease liabilities | 2 | 2 | 4 |
| Total non-derivatives | 296 | 2 | 298 |

28.3 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature and bank deposits 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.

29. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value.

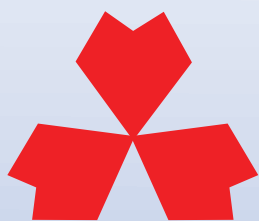
As at 31 December 2020, the Company's debt-to-equity ratio was 0.70:1 (2019: 0.48:1).

30. Event after the reporting period

On 18 February 2021, the Board of Directors' meeting passed a resolution to propose the payment of a dividend of Baht 0.45 per share, or a total of Baht 54.7 million, to its shareholders. The dividend payment will be proposed to the 2021 Annual General Meeting of the Company's shareholders for approval.

31. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 18 February 2021.



MODEN GLAS

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