

**THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

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**REPORT AND CONSOLIDATED FINANCIAL STATEMENTS AND SEPARATE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014**

## **REPORT OF THE AUDITOR**

To The Shareholders and Board of Directors of  
Thai Nam Plastic Public Company Limited

I have audited the accompanying financial statements of Thai Nam Plastic Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at December 31, 2014, and the consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and the separate financial statements of Thai Nam Plastic Public Company Limited which comprise the statement of financial position as at December 31, 2014, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In my opinion, the consolidated financial statements of Thai Nam Plastic Public Company Limited and its subsidiaries and the separate financial statements of Thai Nam Plastic Public Company Limited referred to above present fairly, in all material respects, the financial position as at December 31, 2014, and the financial performance and the cash flows for the year then ended in accordance with the Financial Reporting Standards.

**Emphasis of Matter**

1) I draw attention to Note 1.3 to the financial statements. Two subsidiary companies had incurred continuous operation losses. As at December 31, 2014 and 2013, current liabilities were higher than current assets and deficits were significant amounts. These factors indicate the existence of material uncertainties which cast significant doubt over these subsidiaries' ability to operate and continue as a going concern.

2) I draw attention to Note 2.4 to the financial statements. In presenting the financial statements for the year ended December 31, 2014, the Company has adjusted the accounting errors of the previous period. The comparative information presented here with has already been adjusted on such matter.

3) I draw attention to Note 2.5 to the financial statements. In presenting the financial statements for the year ended December 31, 2014, the Company and its subsidiaries have changed their accounting policy relating to the valuation of property and plant and machine from the revaluation method to the cost method. The comparative information presented herewith has already been adjusted on such matter.

My unqualified opinion to the financial statements is not modified in respect of these matters.

**OTHER MATTER**

The statements of financial positions of Thai Nam Plastic Public Company Limited and its subsidiaries and the separate financial statements of Thai Nam Plastic Public Company Limited as at December 31, 2013 (before restatement), The statements of comprehensive income, statements of changes in shareholders' equity and statements of cash flows for the year ended December 31, 2013 (before restatement) presented herewith for comparative purposes, were audited by another auditor who expressed an unqualified opinion with an emphasis of matter about going concern issue of two subsidiaries in the report dated February 25, 2014.

(Mr. Thanawut Piboonsawat)  
Certified Public Accountant  
Registration No. 6699

Dharmniti Auditing Company Limited  
Bangkok, Thailand  
February 26, 2015  
2015/177/0142

**THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF FINANCIAL POSITION**

**AS AT DECEMBER 31, 2014**

		Baht						
		Consolidated financial statements			Separate financial statements			
		As at December 31,		As at January	As at December 31,		As at January	
		2014	2013	1, 2013	2014	2013	1, 2013	
Note			(Restated)			(Restated)		
<b>Current assets</b>								
	Cash and cash equivalents	4	39,081,085.43	55,385,210.07	11,329,058.67	1,195,978.10	1,031,051.99	888,019.66
	Trade and other accounts receivable							
	Related parties	5	-	-	-	112,967,451.12	108,791,515.12	81,663,716.56
	Other companies	6	218,927,914.50	207,564,640.96	301,140,863.96	152,312,041.91	138,350,972.91	195,573,608.07
			218,927,914.50	207,564,640.96	301,140,863.96	265,279,493.03	247,142,488.03	277,237,324.63
	Short-term loans to related parties	7	-	-	-	54,004,201.33	160,090,339.57	175,758,117.88
	Inventories	8	384,099,506.49	445,331,126.90	472,517,492.68	341,944,843.13	400,057,626.58	426,757,250.34
	Other current assets	9	4,701,716.51	7,572,743.24	4,802,674.87	3,543,237.84	21,439,850.30	14,774,838.68
	<b>Total current assets</b>		646,810,222.93	715,853,721.17	789,790,090.18	665,967,753.43	829,761,356.47	895,415,551.19
<b>Non-current assets</b>								
	Investments in subsidiaries	10	-	-	-	24,280,871.58	24,280,871.58	24,280,871.58
	Other long-term investment	11	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
	Property, plant and equipment	12	407,966,826.60	442,509,948.32	474,562,798.16	561,698,495.20	518,357,354.21	547,820,452.56
	Deferred tax assets	13	116,646,921.64	114,646,540.89	117,775,938.70	75,024,958.73	77,045,998.70	89,856,732.83
	Other non-current assets		870,566.05	742,566.05	309,066.05	648,781.05	648,781.05	203,281.05
	<b>Total non-current assets</b>		526,484,314.29	558,899,055.26	593,647,802.91	662,653,106.56	621,333,005.54	663,161,338.02
	<b>TOTAL ASSETS</b>		1,173,294,537.22	1,274,752,776.43	1,383,437,893.09	1,328,620,859.99	1,451,094,362.01	1,558,576,889.21

Notes to financial statements form an integral part of these statements.

**THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF FINANCIAL POSITION (CONT.)**  
**AS AT DECEMBER 31, 2014**

**LIABILITIES AND SHAREHOLDERS' EQUITY**

		Baht						
		Consolidated financial statements			Separate financial statements			
		As at December 31,		As at January	As at December 31,		As at January	
		2014	2013	1, 2013	2014	2013	1, 2013	
Note		(Restated)			(Restated)			
<b>Current liabilities</b>								
<b>Bank overdraft and short-term loans</b>								
	from financial institutions	14	150,040,327.81	126,526,660.12	176,959,304.28	150,040,327.81	126,457,869.35	176,943,951.26
<b>Trade and other account payable</b>								
	Related parties		-	-	-	737,155.17	1,384,128.57	2,344,077.97
	Other companies		164,637,345.53	185,909,400.50	265,147,083.67	157,810,478.19	182,244,329.19	262,940,988.84
		15	164,637,345.53	185,909,400.50	265,147,083.67	158,547,633.36	183,628,457.76	265,285,066.81
<b>Current portion of long-term liabilities</b>								
	Long-term loans from financial institution	16	96,000,000.00	166,708,000.00	116,000,000.00	96,000,000.00	166,708,000.00	116,000,000.00
	Finance lease agreement	17	238,179.45	295,832.52	197,233.68	238,179.45	295,832.52	98,622.84
	Income tax payable		11,150,510.43	16,509,951.60	33,626,318.99	11,150,510.43	15,871,712.23	29,623,148.55
	Other account payable		5,299,115.08	5,519,624.63	7,193,770.51	5,155,278.91	5,023,714.24	6,227,437.91
	<b>Total current liabilities</b>		<b>427,365,478.30</b>	<b>501,469,469.37</b>	<b>599,123,711.13</b>	<b>421,131,929.96</b>	<b>497,985,586.10</b>	<b>594,178,227.37</b>
<b>Non-current liabilities</b>								
	Long-term loans from financial institution	16	81,517,718.27	102,809,718.27	269,517,718.27	81,517,718.27	102,809,718.27	269,517,718.27
	Finance lease agreement	17	-	238,179.45	903,747.26	-	238,179.45	731,221.65
	Employee benefit obligation	18	70,634,997.45	70,763,656.44	60,876,454.21	64,509,150.58	64,927,423.57	56,000,326.21
	<b>Non-current liabilities</b>		<b>603,215.44</b>	<b>603,215.44</b>	<b>574,490.88</b>	<b>603,215.44</b>	<b>603,215.44</b>	<b>574,490.88</b>
	<b>Total non-current liabilities</b>		<b>152,755,931.16</b>	<b>174,414,769.60</b>	<b>331,872,410.62</b>	<b>146,630,084.29</b>	<b>168,578,536.73</b>	<b>326,823,757.01</b>
	<b>TOTAL LIABILITIES</b>		<b>580,121,409.46</b>	<b>675,884,238.97</b>	<b>930,996,121.75</b>	<b>567,762,014.25</b>	<b>666,564,122.83</b>	<b>921,001,984.38</b>

Notes to financial statements form an integral part of these statements.

**THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF FINANCIAL POSITION (CONT.)**  
**AS AT DECEMBER 31, 2014**

**LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)**

		Baht					
		Consolidated financial statements			Separate financial statements		
		As at December 31,		As at January	As at December 31,		As at January
		2014	2013	1, 2013	2014	2013	1, 2013
Note		(Restated)			(Restated)		
Shareholders' equity							
	Share capital	19					
	Authorized share capital						
	59,909,737 ordinary shares, Baht 5.00 each	299,548,060.00			299,548,060.00		
	54,463,407 ordinary shares, Baht 5.00 each		272,317,035.00			272,317,035.00	
	49,512,187 ordinary shares, Baht 5.00 each			247,560,935.00			247,560,935.00
	Issued and fully paid-up share capital						
	59,909,413 ordinary shares, Baht 5.00 each	299,547,065.00			299,547,065.00		
	54,463,282 ordinary shares, Baht 5.00 each		272,316,410.00			272,316,410.00	
	49,512,187 ordinary shares, Baht 5.00 each			247,560,935.00			247,560,935.00
	Retained earnings						
	Appropriated						
	Legal reserve	27,231,641.00	27,231,641.00	22,162,026.57	27,231,641.00	27,231,641.00	22,162,026.57
	Unappropriated	205,663,467.20	246,208,618.97	135,118,326.16	434,080,139.74	484,982,188.18	367,851,943.26
	Other components of equity	33,754,294.52	20,446,767.00	11,800,252.00	-	-	-
	Total equity attributable to owners of the parent	566,196,467.72	566,203,436.97	416,641,539.73	760,858,845.74	784,530,239.18	637,574,904.83
	Non-controlling interests	26,976,660.04	32,665,100.49	35,800,231.61	-	-	-
	<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>593,173,127.76</b>	<b>598,868,537.46</b>	<b>452,441,771.34</b>	<b>760,858,845.74</b>	<b>784,530,239.18</b>	<b>637,574,904.83</b>
	<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>1,173,294,537.22</b>	<b>1,274,752,776.43</b>	<b>1,383,437,893.09</b>	<b>1,328,620,859.99</b>	<b>1,451,094,362.01</b>	<b>1,558,576,889.21</b>

Notes to financial statements form an integral part of these statements.

**THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		2014	2013 (Restated)	2014	2013
<b>Revenues</b>					
Revenue from sales	22	1,129,166,773.56	1,336,546,203.96	1,086,128,027.46	1,279,278,331.07
Dividend incomes	22	-	-	4,000,002.00	7,500,003.75
Compensation income from insurance company		157,189.14	86,640,747.20	157,189.14	86,640,747.20
Other incomes	22	12,578,172.87	14,484,874.83	23,131,383.58	32,762,912.77
<b>Total revenues</b>		<u>1,141,902,135.57</u>	<u>1,437,671,825.99</u>	<u>1,113,416,602.18</u>	<u>1,406,181,994.79</u>
<b>Expenses</b>					
Cost of sales	22	918,336,059.63	1,038,574,881.34	872,746,695.87	990,170,680.87
Selling expenses		37,345,268.20	36,394,427.54	29,287,297.99	28,193,559.11
Administrative expenses	22	155,284,496.91	144,799,167.48	112,258,989.91	109,241,906.87
Doubtful debt (reversal)		(1,934,922.58)	2,250,199.02	70,570,742.50	54,043,963.37
Finance costs	22	24,462,220.07	32,213,588.97	24,424,101.07	32,190,321.96
<b>Total expenses</b>		<u>1,133,493,122.23</u>	<u>1,254,232,264.35</u>	<u>1,109,287,827.34</u>	<u>1,213,840,432.18</u>
Profit before income tax expenses		8,409,013.34	183,439,561.64	4,128,774.84	192,341,562.61
Tax expense	25	19,434,199.96	26,950,796.14	23,528,979.68	34,177,710.13
Profit (loss) for the year		<u>(11,025,186.62)</u>	<u>156,488,765.50</u>	<u>(19,400,204.84)</u>	<u>158,163,852.48</u>
<b>Other comprehensive income</b>					
Exchange differences on translating financial statements		13,307,527.52	8,646,515.00	-	-
Actuarial gain (loss) on define employee benefit plans	18	1,836,952.00	(7,820,851.16)	1,470,157.00	(7,820,851.16)
Income tax relating to components of other comprehensive income	25	(367,390.40)	1,564,170.23	(294,031.40)	1,564,170.23
Other comprehensive income (expense) for the year, net of tax		<u>14,777,089.12</u>	<u>2,389,834.07</u>	<u>1,176,125.60</u>	<u>(6,256,680.93)</u>
Total comprehensive income (expense) for the year		<u>3,751,902.50</u>	<u>158,878,599.57</u>	<u>(18,224,079.24)</u>	<u>151,907,171.55</u>
<b>Profit (loss) attributable to</b>					
Owners of the parent		(9,336,744.17)	152,123,900.37	(19,400,204.84)	158,163,852.48
Non-controlling interests		(1,688,442.45)	4,364,865.13	-	-
		<u>(11,025,186.62)</u>	<u>156,488,765.50</u>	<u>(19,400,204.84)</u>	<u>158,163,852.48</u>
<b>Total comprehensive income (expense) attributable to</b>					
Owners of the parent		5,440,344.95	154,513,734.44	(18,224,079.24)	151,907,171.55
Non-controlling interests		(1,688,442.45)	4,364,865.13	-	-
		<u>3,751,902.50</u>	<u>158,878,599.57</u>	<u>(18,224,079.24)</u>	<u>151,907,171.55</u>
<b>Basic earnings (loss) per share</b>					
Attributable to owners of the parent	26	<u>(0.16)</u>	<u>2.90</u>	<u>(0.34)</u>	<u>3.02</u>

Notes to financial statements form an integral part of these statements.

**THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

Baht

		Consolidated financial statements										
		Equity attributable to owners of the parent							Non - controlling	Total		
	Note	Ordinary shares,	Retained earnings		Other components of equity			Total equity	interest			
		issued and paid-up	Appropriated legal reserve	Unappropriated	Capital surplus revaluation of assets parent company - net of tax	Capital surplus revaluation of assets subsidiary company - net of tax	Exchange difference on translating financial statements	Gain (loss) from changing actuarial estimates - net of tax			Total other components of equity	parent company
Beginning balance as at January 1, 2013												
- as previous reported		247,560,935.00	22,162,026.57	117,685,444.99	105,707,844.73	92,973,757.17	-	-	198,681,601.90	586,090,008.46	37,674,879.35	623,764,887.81
Adjustment												
The cumulative effect of accounting errors	2.4	-	-	17,588,444.38	-	-	11,800,252.00	-	11,800,252.00	29,388,696.38	-	29,388,696.38
The cumulative effect of change in accounting policy	2.5	-	-	(155,563.21)	(105,707,844.73)	(92,973,757.17)	-	-	(198,681,601.90)	(198,837,165.11)	(1,874,647.74)	(200,711,812.85)
Beginning balance as at January 1, 2013												
- as restated		247,560,935.00	22,162,026.57	135,118,326.16	-	-	11,800,252.00	-	11,800,252.00	416,641,539.73	35,800,231.61	452,441,771.34
Increase in share capital		24,755,475.00	-	-	-	-	-	-	-	24,755,475.00	-	24,755,475.00
Legal reserve		-	5,069,614.43	(5,069,614.43)	-	-	-	-	-	-	-	-
Dividend		-	-	(29,707,312.20)	-	-	-	-	-	(29,707,312.20)	(7,499,996.25)	(37,207,308.45)
Total comprehensive income (expense) for the year												
Profit (loss) for the year		-	-	152,123,900.37	-	-	-	-	-	152,123,900.37	4,364,865.13	156,488,765.50
Other comprehensive income (expense) for the year, net of tax												
Loss from changing actuarial estimates		-	-	(6,256,680.93)	-	-	-	-	-	(6,256,680.93)	-	(6,256,680.93)
Exchange difference on translating financial statements		-	-	-	-	-	8,646,515.00	-	8,646,515.00	8,646,515.00	-	8,646,515.00
Ending balance as at December 31, 2013		272,316,410.00	27,231,641.00	246,208,618.97	-	-	20,446,767.00	-	20,446,767.00	566,203,436.97	32,665,100.49	598,868,537.46

Notes to financial statements form an integral part of these statements.



**THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONT.)**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

Baht

Consolidated financial statements

	Note	Equity attributable to owners of the parent							Total equity parent company	Non - controlling interest	Total	
		Ordinary shares, issued and paid-up	Retained earnings		Other components of equity							
		Appropriated legal reserve	Unappropriated	Capital surplus revaluation of assets parent company - net of tax	Capital surplus revaluation of assets subsidiary company - net of tax	Exchange difference on translating financial statements	Gain (loss) from changing actuarial estimates - net of tax	Total other components of equity				
Beginning balance as at January 1, 2014												
- as previous reported		272,316,410.00	27,231,641.00	235,711,184.88	105,154,619.26	78,956,495.78	6,225,491.20	(6,256,680.93)	184,079,925.31	719,339,161.19	34,539,748.23	753,878,909.42
Adjustment												
The cumulative effect of accounting errors	2.4	-	-	10,652,997.30	-	-	14,221,275.80	6,256,680.93	20,477,956.73	31,130,954.03	-	31,130,954.03
The cumulative effect of change in accounting policy	2.5	-	-	(155,563.21)	(105,154,619.26)	(78,956,495.78)	-	-	(184,111,115.04)	(184,266,678.25)	(1,874,647.74)	(186,141,325.99)
Beginning balance as at January 1, 2014												
- as restated		272,316,410.00	27,231,641.00	246,208,618.97	-	-	20,446,767.00	-	20,446,767.00	566,203,436.97	32,665,100.49	598,868,537.46
Increase in share capital	19	27,230,655.00	-	-	-	-	-	-	-	27,230,655.00	-	27,230,655.00
Dividend	20	-	-	(32,677,969.20)	-	-	-	-	-	(32,677,969.20)	(3,999,998.00)	(36,677,967.20)
Total comprehensive income (expense) for the year												
Profit (loss) for the year		-	-	(9,336,744.17)	-	-	-	-	-	(9,336,744.17)	(1,688,442.45)	(11,025,186.62)
Other comprehensive income for the year, net of tax												
Gain (loss) from changing actuarial estimates		-	-	1,469,561.60	-	-	-	-	-	1,469,561.60	-	1,469,561.60
Exchange difference on translating financial statements		-	-	-	-	-	13,307,527.52	-	13,307,527.52	13,307,527.52	-	13,307,527.52
Ending balance as at December 31, 2014		299,547,065.00	27,231,641.00	205,663,467.20	-	-	33,754,294.52	-	33,754,294.52	566,196,467.72	26,976,660.04	593,173,127.76

Notes to financial statements form an integral part of these statements.

**THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONT.)**

**FOR THE YEAR ENDED DECEMBER 31, 2014**

		Baht						
		Separate financial statements						
	Note	Ordinary shares, issued and paid-up	Retained earnings Appropriated legal reserve	Unappropriated	Capital surplus revaluation of assets - net of tax	Other components of equity Gain (loss) from changing actuarial estimates - net of tax	Total	Total
Beginning balance as at January 1, 2013 - as previous reported		247,560,935.00	22,162,026.57	367,851,943.26	71,408,712.86	-	71,408,712.86	708,983,617.69
Adjustment								
The cumulative effect of change in accounting policy	2.5	-	-	-	(71,408,712.86)	-	(71,408,712.86)	(71,408,712.86)
Beginning balance as at January 1, 2013 - as restated		247,560,935.00	22,162,026.57	367,851,943.26	-	-	-	637,574,904.83
Increase in share capital		24,755,475.00	-	-	-	-	-	24,755,475.00
Legal reserve		-	5,069,614.43	(5,069,614.43)	-	-	-	-
Dividend		-	-	(29,707,312.20)	-	-	-	(29,707,312.20)
Total comprehensive income (expense) for the year								
Profit (loss) for the year		-	-	158,163,852.48	-	-	-	158,163,852.48
Other comprehensive income (expense) for the year, net of tax								
Gain (loss) from changing actuarial estimates		-	-	(6,256,680.93)	-	-	-	(6,256,680.93)
Ending balance as at December 31, 2013		<u>272,316,410.00</u>	<u>27,231,641.00</u>	<u>484,982,188.18</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>784,530,239.18</u>
Beginning balance as at January 1, 2014 - as previous reported		272,316,410.00	27,231,641.00	491,238,869.11	70,855,487.40	(6,256,680.93)	64,598,806.47	855,385,726.58
Adjustment								
The cumulative effect of accounting errors	2.4	-	-	(6,256,680.93)	-	6,256,680.93	6,256,680.93	-
The cumulative effect of change in accounting policy	2.5	-	-	-	(70,855,487.40)	-	(70,855,487.40)	(70,855,487.40)
Beginning balance as at January 1, 2014 - as restated		272,316,410.00	27,231,641.00	484,982,188.18	-	-	-	784,530,239.18
Increase in share capital	19	27,230,655.00	-	-	-	-	-	27,230,655.00
Dividend	20	-	-	(32,677,969.20)	-	-	-	(32,677,969.20)
Total comprehensive income (expense) for the year								
Profit (loss) for the year		-	-	(19,400,204.84)	-	-	-	(19,400,204.84)
Other comprehensive income (expense) for the year, net of tax								
Gain (loss) from changing actuarial estimates		-	-	1,176,125.60	-	-	-	1,176,125.60
Ending balance as at December 31, 2014		<u>299,547,065.00</u>	<u>27,231,641.00</u>	<u>434,080,139.74</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>760,858,845.74</u>

Notes to financial statements form an integral part of these statements.

**THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF CASH FLOWS**

**FOR THE YEAR ENDED DECEMBER 31, 2014**

	Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013 (Restated)	2014	2013 (Restated)
Cash flows from operating activities				
Profit (loss) for the year	(11,025,186.62)	156,488,765.50	(19,400,204.84)	158,163,852.48
Reconciliations of net income to net cash provided by (used in) operating activities:				
Reverse allowance for damage goods	(1,044,798.38)	(90,980,380.81)	-	(90,517,012.61)
Increase (decrease) in allowance for doubtful accounts	(1,934,922.58)	2,250,199.02	70,570,742.50	54,043,963.37
Increase (decrease) in allowance for obsolete inventories	31,581,944.11	28,318,150.09	28,285,069.45	28,041,825.75
Depreciation	55,488,001.70	56,645,941.48	53,177,225.10	53,415,793.35
(Gains) loss on disposal of fixed assets	841,883.91	(415,420.21)	658,413.65	(432,116.53)
Unrealized (gain) loss on exchange rate	3,589,627.90	2,509,709.43	(507,728.10)	(5,177,083.85)
Interest income	(302,718.50)	(341,627.25)	(8,447,039.75)	(16,813,861.30)
Withholding tax written-off	56,846.18	-	-	-
Employee benefit expense	5,852,949.01	6,493,256.82	5,196,540.01	5,453,223.88
Dividend income from subsidiary	-	-	(4,000,002.00)	(7,500,003.75)
Interest expenses	24,462,220.07	32,213,588.97	24,424,101.07	32,190,321.96
Tax expense	19,434,199.96	26,950,796.14	23,528,979.68	34,177,710.13
Profit provided by operating activities before changes in operating assets and liabilities	127,000,046.76	220,132,979.18	173,486,096.77	245,046,612.88
(Increase) decrease in operating assets				
Trade and other account receivable	(8,992,876.45)	91,980,535.24	(22,330,334.81)	28,766,032.36
Inventories	30,694,472.68	89,848,596.50	29,827,714.00	89,174,810.62
Other current assets	2,618,474.48	(2,770,068.37)	1,703,584.03	(18,369,123.86)
Other non-current assets	12,000.00	(433,500.00)	-	(445,500.00)
Increase (decrease) in operating liabilities				
Trade and other account payable	(23,799,882.74)	(64,789,462.86)	(24,235,899.17)	(67,401,993.49)
Other current liabilities	53,766.45	(1,674,145.88)	131,564.67	(1,203,723.67)
Employee benefit obligation	(4,144,656.00)	(4,427,447.75)	(4,144,656.00)	(4,346,977.68)
Other non-current liabilities	-	28,724.56	-	28,724.56
Cash received from operations	123,441,345.18	327,896,210.62	154,438,069.49	271,248,961.75
Interest income received	302,718.50	341,627.25	43,752.12	16,813,861.30
Income tax expense paid	(27,323,762.21)	(36,527,101.37)	(26,523,172.91)	(33,554,242.09)
Net cash provided by operating activities	96,420,301.47	291,710,736.50	127,958,648.70	254,508,580.96

Notes to financial statements form an integral part of these statements.

**THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS (CONT.)**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013 (Restated)	2014	2013 (Restated)
<b>Cash flows from investing activities</b>				
Dividend received from investment in subsidiary company	-	-	4,000,002.00	7,500,003.75
Increase (decrease) in short-term loan to related company	-	-	(13,950,784.18)	(19,452,161.07)
Cash received from disposal of fixed assets	-	896,280.24	551,828.44	432,149.53
Cash paid for purchase of fixed assets	(22,687,545.77)	(39,460,076.86)	(19,999,390.06)	(38,397,234.32)
Net cash used in investing activities	(22,687,545.77)	(38,563,796.62)	(29,398,343.80)	(49,917,242.11)
<b>Cash flows from financing activities</b>				
Increase (decrease) in bank overdraft and short term loan from financial institutions	23,703,078.23	(50,893,468.82)	23,771,869.00	(50,946,906.57)
Cash paid for repayment of long-term loan from financial institutions	(92,000,000.00)	(116,000,000.00)	(92,000,000.00)	(116,000,000.00)
Cash paid for repayment of liabilities under finance lease agreements	(295,832.52)	(566,968.97)	(295,832.52)	(295,832.52)
Dividend paid	(5,447,314.20)	(4,951,837.20)	(5,447,314.20)	(4,951,837.20)
Dividend paid for non-controlling interest	(3,999,998.00)	(7,499,996.25)	-	-
Interest expense paid	(24,462,220.07)	(32,276,997.24)	(24,424,101.07)	(32,253,730.23)
Net cash used in financing activities	(102,502,286.56)	(212,189,268.48)	(98,395,378.79)	(204,448,306.52)
Effect of translation adjustment on foreign currency financial statements	12,465,406.22	3,098,480.00	-	-
Net increase (decrease) in cash and cash equivalents	(16,304,124.64)	44,056,151.40	164,926.11	143,032.33
Cash and cash equivalents - beginning of year	55,385,210.07	11,329,058.67	1,031,051.99	888,019.66
Cash and cash equivalents - ending of year	39,081,085.43	55,385,210.07	1,195,978.10	1,031,051.99
<b>Supplement disclosures of cash flows information</b>				
<b>1. Reconciliation of cash paid for acquisition of property, plant and equipment Acquisition of plant and equipment for the year</b>				
Increase (decrease) in payable from acquisition of assets	(900,781.88)	(14,444,506.32)	(900,781.88)	(14,444,506.32)
Cash paid for acquisition of plant and equipment	(22,687,545.77)	(39,460,076.86)	(19,999,390.06)	(38,397,234.32)
<b>2. Reconciliation of dividend paid</b>				
- Stock dividend	27,230,655.00	24,755,475.00	27,230,655.00	24,755,475.00
- Received from short-term loan to related company by transfer the land and plant	-	-	78,630,000.00	-

Notes to financial statements form an integral part of these statements.

**THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

1. GENERAL INFORMATION

1.1 Legal status and address of the Company company and its subsidiaries

The Company had registered to be a limited company on May 25, 1970. The Company's status had been changed to be the public company limited and registered with the Ministry of Commerce on February 7, 1992.

The address of its registered office is as follows:

Head office is located at 40 Moo 7, Petchkasem Road, KM.23, Omnoi, Kratumban, Samutsakorn 74130 Thailand.

The four addresses of its subsidiaries are as follows:

- (1) Taweewattana Logistics Company Limited had registered to be a limited company on November 6, 2007. Its head office is located at 40 Moo 7, Petchkasem Road, KM.23, Omnoi, Kratumban, Samutsakorn 74130 Thailand.
- (2) Thai Nam-Kyowa Company Limited had registered to be a limited company on January 24, 2002. Its head office is located at 40 Moo 7, Petchkasem Road, KM.23, Omnoi, Kratumban, Samutsakorn 74130 Thailand. The branch office is located at 89/1 Moo 4, Bangpla Road, K.M. 3, Bankoh, Samutsakorn 74000 Thailand.
- (3) T.N.P. Industry Company Limited had registered to be a limited company on November 3, 1983. Its head office is located at 87/9 Bangpla Road, Bankoh, Samutsakorn 74000 Thailand.
- (4) TNV Plastics (Proprietary) Limited had registered in South Africa. Its head office is located at 1106 Courtyard Gants Centre Building, Somerset West 7140, South Africa.

1.2 Nature of the Company's operations

Its main business operations are the production and distribution of flexible plastic, synthetic leather and car mat and its subsidiaries operate business as follows;

- (1) Taweewattana Logistics Company Limited, its business operation is a distributor all kinds of plastic.
- (2) Thai Nam-Kyowa Company Limited, its business is a manufacturing and distributing of PVC, Foam sheet, PP foam leather and TPO (Thermo plastic olefin).
- (3) T.N.P. Industry Company Limited, its business is a manufacturing and distributing of rigid PVC.
- (4) TNV Plastics (Proprietary) Limited, its business operation is an importer and exporter of polyvinyl chloride products (PVC).

**THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2014**

1.3 Going concern of two subsidiary companies

Two subsidiary companies had incurred continuous operation losses, As at December 31, 2014 and 2013, current liabilities were higher than current assets and deficits were significant amounts. These factors indicate the existence of material uncertainties which cast significant doubt over these subsidiaries' ability to operate and continue as a going concern. However, the management has a plan to solve the problem by adjusting the plan and production process to control product manufacturing costs including finding marketing channels to increase sale. The Company will provide financial support to both subsidiaries. The above event has caused the uncertainty situation of going concern to be relieved. Therefore, these financial statements are prepared on the going concern basis. Accordingly, they do not include any adjustments relating to the recoverability of the carrying value of assets and reclassification of liabilities that might is necessary should the Company be unable to continue as a going concern.

2. BASIS FOR THE PREPARATION OF FINANCIAL STATEMENTS

2.1 Basis for the preparation of financial statements

The financial statements have been prepared in accordance with the accounting standards prescribed by Thai Accounts Act enunciated under the Accounting Profession Act B.E.2547 by complying with the financial reporting standards for Publicly Accountable Entities. The presentation of the financial statements has been made in compliance with the Notification of the Department of Business Development, the Ministry of Commerce, re : the financial statements presentation for public limited company, issued under the Accounting Act B.E.2543.

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

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 such financial statements in Thai language.

**THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2014**

2.2 Basis for the preparation of consolidated financial statements

2.2.1 The consolidated financial statements have included the financial statements of Thai Nam Plastic Public Company Limited and its subsidiaries as follows;

Company name	Type of business	Percentage of holding		Country of Establishment
		% of share capital		
		2014	2013	
<b>Direct shareholding</b>				
Taweewattana Logistics Co., Ltd.	Selling of PVC	99.99	99.99	Thailand
Thai Nam-Kyowa Co., Ltd.	Production of PVC, Foam sheet, PP foam leather and TPO	50.00	50.00	Thailand
TNV Plastics (Proprietary) Limited	Operations of PVC and manufacture of PVC	100.00	100.00	South Africa
<b>Indirect shareholding</b>				
<b>Held by Taweewattana Logistics Co., Ltd.</b>				
T.N.P. Industry Co., Ltd.	Production and sale of rigid PVC	99.29	99.29	Thailand

2.2.2 Accounting policy for subsidiary companies will utilize the same policy as Thai Nam Plastic Public Company Limited.

2.2.3 Outstanding balances and significant transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.

2.2.4 Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately from the portion of owners of the parent.

2.3 Accounting standards effective for using in current year

The Federation of Accounting Professions (FAP) has issued Notifications to mandate the use of the accounting standards and financial reporting standards revised 2012, and the new issued of accounting standards interpretations and financial reporting standards interpretations of which they are effective for using in the periods beginning on or after January 1, 2014, as follows.

TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows

**THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS (CONT.)****DECEMBER 31, 2014**

TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rate
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Venture
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible assets
TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economics
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers
TSIC 15	Operating Leases - Incentives
TSIC 27	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosure
TSIC 32	Intangible Assets - Web Site Costs

The management of the Company and its subsidiaries have assessed the effects of above and believes that these accounting standards do not have any significant impact on the financial statements for the current year.



**THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2014**

2.4 Correction of accounting errors

In presenting the interim financial information for the year ended December 31, 2014, the correction of the accounting error of the previous accounting year is as follows:

- 2.4.1 Actuarial gain (loss) on define employee benefit plans in the consolidated financial statement and separate financial statement by adjusting the actuarial gain (loss) on define employee benefit plans recognized in other component of equity to be immediately recognized in retained earnings.
- 2.4.2 Deferred tax assets in the consolidated financial statements by adjusting deferred tax assets that relates to the allowance for doubtful debts of trade account receivable and loan to the subsidiary which was previously written off tax deferred assets from the consolidated financial statements.
- 2.4.3 Gains from exchange difference translation in the consolidated financial statement that were calculated and recorded incorrectly.

The company has corrected the accounting error by retrospectively adjusting the financial statements with the effect as follows:

● Statements of financial position

	Baht					
	Consolidated financial statements					
	As at January 1, 2013			As at December 31, 2013		
	Previous report	Adjustment	Restated	Previous report	Adjustment	Restated
		increase		increase		
		(decrease)		(decrease)		
Deferred tax assets	38,716,841.85	29,388,696.38	68,105,538.23	37,487,808.13	31,130,954.02	68,618,762.15
Retained earning - Unappropriated	117,685,444.99	17,588,444.38	135,273,889.37	235,711,184.88	10,652,997.30	246,364,182.18
Other components of equity	198,681,601.90	11,800,252.00	210,481,853.90	184,079,925.31	20,477,956.72	204,557,882.03

  

	Baht					
	Separate financial statements					
	As at January 1, 2013			As at December 31, 2013		
	Previous report	Adjustment	Restated	Previous report	Adjustment	Restated
		increase		increase		
		(decrease)		(decrease)		
Retained earning - Unappropriated	-	-	-	491,238,869.11	(6,256,680.93)	484,982,188.18
Other components of equity	-	-	-	64,598,806.47	6,256,680.93	70,855,487.40

**THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2014**

● Statements of comprehensive income

	Baht		
	Consolidated financial statements		
	For the year ended December 31, 2013		
	Previous report	Adjustment increase (decrease)	Restated
<b>Profit (loss) for the year :</b>			
Tax expense	23,173,549.99	678,766.15	23,852,316.14
Profit (loss) for the year	157,167,531.65	(678,766.15)	156,488,765.50
<b>Basic earnings (loss) per share :</b>			
Profit (loss) for the year	2.72	(0.01)	2.71

2.5 Changes in accounting policy relating to revaluation of property, plant and machinery

Originally, the Company and its subsidiaries had used the accounting policy relating to the revaluation of property, plant and machinery by using the appraisal method, as well as using the alternative of accounting method by the treatment when there is a revaluation in accordance with the notification of Federation of Accounting Professions (FAP) No. 18/2011, subject “accounting when there is a revaluation”. In addition, from January 1, 2014, the Company and its subsidiaries has changed the accounting policy from the revaluation method to the historical cost method. The Company has restated the financial statements with the effects on the statement of financial position as follows:

	Baht					
	Consolidated financial statements					
	As at January 1, 2013			As at December 31, 2013		
	Previous report	Adjustment increase (decrease)	Restated	Previous report	Adjustment increase (decrease)	Restated
Property, plant and equipment	724,945,011.48	(250,382,213.32)	474,562,798.16	674,679,053.04	(232,169,104.72)	442,509,948.32
Deferred tax assets	68,105,538.23	49,670,400.47	117,775,938.70	68,618,762.15	46,027,778.74	114,646,540.89
Retained earning - Unappropriated	135,273,889.37	(155,563.21)	135,118,326.16	246,364,182.18	(155,563.21)	246,208,618.97
Other components of equity	210,481,853.90	(198,681,601.90)	11,800,252.00	204,557,882.03	(184,111,115.03)	20,446,767.00
Non-controlling interests	37,674,879.35	(1,874,647.74)	35,800,231.61	34,539,748.23	(1,874,647.74)	32,665,100.49

**THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2014**

	Baht					
	Separate financial statements					
	As at January 1, 2013			As at December 31, 2013		
	Previous report	Adjustment increase (decrease)	Restated	Previous report	Adjustment increase (decrease)	Restated
Property, plant and equipment	637,081,343.64	(89,260,891.08)	547,820,452.56	606,926,713.45	(88,569,359.24)	518,357,354.21
Deferred tax assets	72,004,554.61	17,852,178.22	89,856,732.83	59,332,126.86	17,713,871.84	77,045,998.70
Other components of equity	71,408,712.86	(71,408,712.86)	-	70,855,487.40	(70,855,487.40)	-

Deferred tax assets, retained earnings - unappropriated and other component of equity in the consolidated financial statements as shown above has the amount by the error correction as described in the financial statement no. 2.4

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Revenue and expenses recognition

The Company and its subsidiaries recognizes the revenues on sales when significant risks and rewards of ownership of the goods are transferred to the buyer. The revenues on sales are recorded on invoicing price net of output tax, rebate and discounts.

The Company recognizes the revenues from rendering services when the services are rendered.

The Company and its subsidiaries recognized the interest income on the period and accrual basis.

The Company and its subsidiaries recognized other income and expenses on the accrual basis.

#### 3.2 Cash and cash equivalents

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

#### 3.3 Trade accounts receivable and others receivable

Trade and other accounts receivable (including balances with related parties) are initially recognized by the invoice amount and subsequently measured at the remaining amount less an allowance for doubtful accounts (if any) based on a review of all outstanding amounts at year end. The allowance for doubtful accounts is the difference between the carrying amount of trade accounts receivable and the amount expected to be collectible. Bad debts are immediately recognized in the income statement as part of administrative expenses.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Allowances made are based on historical write-off patterns and the aging of accounts receivable. Bad debts are written off when incurred.

**THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2014**

3.4 Inventories

Inventories are presented at the lower of cost or net realizable value, cost of inventories is calculated as follow:

- Raw material has calculated cost by moving average method.
- Finished good, work in process and maintenance and factory supplies have calculated cost by first in - first out method.

The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The costs of conversion above include an appropriate share of production overheads based on normal production capacity.

The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties, transportation charges and other direct costs incurred in acquiring the inventories less all trade discounts, allowances or rebates.

The net realizable value of inventory is estimated from the selling price in the ordinary course of business less the estimated costs to complete production and the estimated costs to complete the sale.

Allowance for obsolete stocks is set up based on the outstanding inventories balance at the end of year which estimated from consideration of states and quality of inventories.

3.5 Investment in subsidiaries

Subsidiaries are entities over which the Company has the power to control their financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The financial statements of the subsidiaries are consolidated from the date the Company exercises control over the subsidiaries until the date that control power ceases.

Investment in subsidiaries in separate financial statement

Investment in subsidiary is accounted for under the cost method less allowance for impairment loss on the investment, (if any). The Company recognizes impairment loss (if any) on the investment in the statement of comprehensive income.

**THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2014**

3.6 Property, plant and equipment and depreciation

Land is stated at cost.

Plant and equipment are stated at cost less accumulated depreciation and impairment loss (if any).

Cost is initially recognized upon acquisition of assets along with other direct costs attributing to acquiring such assets in the condition ready to serve the objectives, including the costs of asset demolition, removal and restoration of the asset location, which are the obligations of the company.

Allowance for impairment loss of assets will be made when there is any event or circumstance indicating that the recoverable values of these assets are less than their carrying values.

Expenditure incurred in addition, renewal or betterment are recorded add in involve fixed asset, if it is certainly probable the future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Repair and maintenance costs are recognized as an expense when incurred.

Depreciation is calculated by cost less residual value on the straight-line method over the estimated useful life of the assets as follows:

Land improvement	10 years
Building and building improvement	10 - 20 years
Machinery and equipment	5 - 12 years
Utility system	10 years
Office equipment and equipment and tools	2-5 years
Vehicles	5 years

The Company and its subsidiaries has reviewed the residual value and useful life of the assets every year.

The depreciation for each asset component is calculated on the separate components when each component has significant cost compared to the total cost of that asset.

Depreciation is included in determining income.

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

Property, plant and equipment are written off at disposal. Gains or losses arising from sale or write-off of assets are recognized in the statement of comprehensive income.

3.7 Borrowing costs

Borrowing costs directly attributed to the acquisition or construction of an asset that necessarily takes long time to put in ready to use or available for sale state are capitalized as part of the cost of the respective asset until that asset condition is ready for its intended use. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs arising from such borrowing.

**THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2014**

3.8 Intangible asset

Intangible assets are stated at cost less accumulated amortization and allowance on impairment (if any). Amortization is calculated by cost on a straight-line method over their estimated useful life of 3 years.

3.9 Impairment of assets

As at the statement of financial position date, the Company assesses whether there is an indication of asset impairment. If any such indication exists, the Company will make an estimate of the asset's recoverable amount. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized in the statement of comprehensive income. In addition, impairment loss is reversed if there is a subsequent increase in the recoverable amount. The reversal shall not exceed the carrying value that would have been determined net of accumulated depreciation or amortization. The recoverable amount of the asset is the asset's value in use or fair value less costs to sell.

3.10 Trade accounts payable and others payable

Trade and other accounts payable (including balances with related parties) are stated at cost.

3.11 Finance lease

The contract of leased asset carried the risk and owner remuneration is mainly transferred to lessors will be classified as financial leased contract. The contract of financial lease is recorded as capital expenditure by fair value of leased asset or present value of minimum amount which has to repay in accordance with the leased contract whichever amount is lower. The amount which has to repay in each time is divided as liability portion and financial expenditure so that fixed interest rate over outstanding liability obligation burden in accordance with the financial leased contract will be recorded as long term liability. Interest payable will be recorded in the statement of income throughout the leased contract life.

3.12 Provisions

A provision is recognized in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event. It is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pretax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

**THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
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3.13 Financial instruments

The Company and its subsidiaries have no policy to speculate in and or engage in the trading of any financial derivative instruments.

Details of significant accounting policies and methods adopted, including criteria for recognition of revenues and expenses relating to financial assets and financial liabilities are disclosed in note 27.

3.14 Significant accounting judgments and estimates

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates would affect to the amount relating to incomes, expenses, assets, liabilities and disclosures of data relating to contingent assets and liabilities. The actual results may differ from amounts already estimated. Significant judgments and estimates are as follows:

3.14.1 Leases

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

3.14.2 Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgment and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the financial position of each client.

3.14.3 Impairment of investments in securities and equity investments

The Company treats investments as impaired when the management judges that there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgment.

**THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
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3.14.4 Property plant and equipment / Depreciation

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

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

3.14.5 Intangible assets

The initial recognition and measurement of intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

3.15 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

3.16 Foreign currency transactions

3.16.1 Currency transactions

Transactions in foreign currencies throughout the years are recorded in Baht at prevailing Bank of Thailand rates at the transaction dates. Outstanding monetary assets and liabilities denominated in foreign currencies at the statement of financial position dates are translated into Baht at the prevailing rates at those dates. Gain or loss arising from translation are credited or charged against current operations.



**THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2014**

3.16.2 Foreign operations

The financial statements of oversea subsidiary companies is translated into Thai Baht at the closing exchange rate as at statements of financial position date to assets and liabilities, and market exchange rates in which the transaction took place as to revenues and expenses. The resultant differences are record in statements of comprehensive income and shown as gain (loss) on exchange rate and convert financial statement in equity until investment are sold out.

3.17 Employee benefits

Short-term employment benefits

The Company and its subsidiaries recognizes salary, wage, bonus and contributions to social security fund as expenses when incurred.

Post-employment benefits (Defined benefit plans)

The Company and its subsidiaries have obligations in respect of the severance payments that it must pay to the employees upon retirement under the Company's and its subsidiaries's article and the labor law and other employee benefit plans. The Company and its subsidiaries treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is calculated based on the actuarial principles by a qualified independent actuary using the projected unit credit method. Such estimates are made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and inflation rate.

Actuarial gains and losses for post-employment benefits of the employees will be recognized immediately in other comprehensive income as a part of retain earing.

3.18 Operating Lease

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under an operating lease are recognized as expense on a straight-line basis over the lease term.

3.19 Income tax

Income tax comprises current income tax and deferred tax.

Current tax

The Company and its subsidiaries records income tax expense, if any, based on the amount currently payable under the Revenue Code at the income tax rates (20%) of net profit before income tax, after adding back certain expenses which are non-deductible for income tax computation purposes, and less certain transactions which are exemption or allowable from income tax.

**THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
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Deferred tax

Deferred tax assets and liabilities are provided on the temporary differences between the carrying amount and the tax bases of assets and liabilities at the end of the reporting period. Changes in deferred tax assets and liabilities are recognized as deferred tax income or deferred tax expense which are recognized in the profit or loss except to the extent that it relates to items recognized directly in shareholders' equity or in other comprehensive income.

The deductible temporary differences are recognized as deferred tax assets when it is probable that the Company and its subsidiaries will have future taxable profit to be available against which the deferred tax assets can be utilized. The taxable temporary differences on all taxable items are recognized as deferred tax liabilities. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that the Company and its subsidiaries expect to apply to the period when the deferred tax assets are realised or the deferred tax liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

At the end of each reporting period, the carrying amount of deferred tax assets are reviewed and reduced the value when it is probable that the Company and its subsidiaries will have no longer the future taxable profit that is sufficient to be available against which all or some parts of deferred tax assets are utilized.

Deferred tax assets and deferred tax liabilities are offset when there is the legal right to settle on a net basis and they relate to income taxes levied by the same tax authority on the same taxable entity.

3.20 Basic earning per share

Basis earnings per share is determined by dividing profit (loss) for the year by the weighted average number of ordinary shares held by outsiders and outstanding during the year.

**THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2014**

**4. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consisted of:-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash and deposits at financial institutions				
Cash on hand	130,712.00	137,818.00	90,000.00	100,000.00
Deposits at financial institutions - current accounts	1,537,534.44	5,050,878.79	1,104,851.39	929,677.38
- savings accounts	37,412,838.99	50,196,513.28	1,126.71	1,374.61
Total	<u>39,081,085.43</u>	<u>55,385,210.07</u>	<u>1,195,978.10</u>	<u>1,031,051.99</u>

**5. TRADE AND OTHER ACCOUNTS RECEIVABLE - RELATED PARTIES**

Trade and other accounts receivable - related parties consisted of:-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Account receivable				
Subsidiaries company - domestic	-	-	87,456,579.51	101,425,004.21
Subsidiaries company - oversea	-	-	53,061,782.55	27,979,909.36
Total	-	-	140,518,362.06	129,404,913.57
Less Allowance for doubtful debts	-	-	(27,931,100.18)	(21,129,234.39)
Account receivable, net	-	-	112,587,261.88	108,275,679.18
Other receivable	-	-	380,189.24	515,835.94
Total	<u>-</u>	<u>-</u>	<u>112,967,451.12</u>	<u>108,791,515.12</u>

Movement of the change in the allowance for doubtful accounts for the years ended December 31, 2014 and 2013 were summarized as follows :-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Beginning balance of the year	-	-	21,129,234.39	21,129,234.39
Additional during the year	-	-	6,801,865.79	-
Deduction during the year	-	-	-	-
Ending balance at end of year	<u>-</u>	<u>-</u>	<u>27,931,100.18</u>	<u>21,129,234.39</u>

**THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2014**

Trade and other accounts receivable - related parties classified by currency consisted of:-

	Separate financial statements			
	Foreign currencies		Baht	
	2014	2013	2014	2013
Trade accounts receivable, domestic;				
Baht	-	-	87,456,579.51	101,425,004.21
Trade accounts receivable, oversea;				
U.S. Dollars	1,655,595.77	889,715.31	53,061,782.55	27,979,909.36
			<u>140,518,362.06</u>	<u>129,404,913.57</u>

Trade and other accounts receivable - related parties classified by ages of accounts consisted of:-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Not over due	-	-	48,818,257.20	69,373,117.91
Over due not over 1 months	-	-	14,588,157.23	5,938,974.76
Over due 1 months to 2 months	-	-	10,167,270.76	5,826,517.22
Over due 2 months to 6 months	-	-	29,779,078.92	24,788,026.94
Over due 6 months to 12 months	-	-	9,234,497.77	1,559,728.06
Over due more than 12 months	-	-	27,931,100.18	21,918,548.68
Total	-	-	<u>140,518,362.06</u>	<u>129,404,913.57</u>

**6. TRADE AND OTEHR ACCOUNTS RECEIVABLE - OTHER COMPANIES**

Trade and other accounts receivable - other companies consisted of:-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Trade accounts receivable	220,092,509.73	215,024,010.33	153,413,541.38	146,061,043.92
Note receivable	9,060,195.67	4,700,344.11	9,060,195.67	4,449,642.47
Total	229,152,705.40	219,724,354.44	162,473,737.05	150,510,686.39
<u>Less</u> Allowance for doubtful accounts	(10,224,790.90)	(12,159,713.48)	(10,161,695.14)	(12,159,713.48)
Net	<u>218,927,914.50</u>	<u>207,564,640.96</u>	<u>152,312,041.91</u>	<u>138,350,972.91</u>

**THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2014**

Movement of the change in the allowance for doubtful accounts for the years ended December 31, 2014 and 2013 were summarized as follows :-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Beginning balance of the year	12,159,713.48	32,598,117.57	12,159,713.48	31,039,458.12
Additional during the year	275,822.46	2,250,199.02	212,726.70	2,250,199.02
Deduction during the year	(2,210,745.04)	(22,688,603.11)	(2,210,745.04)	(21,129,943.66)
Ending balance at end of year	<u>10,224,790.90</u>	<u>12,159,713.48</u>	<u>10,161,695.14</u>	<u>12,159,713.48</u>

Trade and other accounts receivable - other classified by currency consisted of:-

	Consolidated financial statements			
	Foreign currencies		Baht	
	2014	2013	2014	2013
Trade accounts receivable, domestic;				
Baht	-	-	191,293,654.19	185,029,585.79
Trade accounts receivable, oversea;				
U.S. Dollars	1,108,848.57	1,017,763.55	36,519,661.21	33,333,671.65
Rand	471,413.00	434,494.00	1,339,390.00	1,361,097.00
			<u>229,152,705.40</u>	<u>219,724,354.44</u>
	Separate financial statements			
	Foreign currencies		Baht	
	2014	2013	2014	2013
Trade accounts receivable, domestic;				
Baht	-	-	125,954,075.84	117,177,014.74
Trade accounts receivable, oversea;				
U.S. Dollars	1,108,848.57	1,017,763.55	36,519,661.21	33,333,671.65
			<u>162,473,737.05</u>	<u>150,510,686.39</u>

Trade and other accounts receivable - other companies classified by ages of accounts consisted of:-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Not over due	177,722,259.68	147,465,151.65	123,142,033.59	88,277,250.84
Over due not over 1 months	36,744,588.87	45,490,949.46	25,903,838.66	36,309,301.91
Over due 1 months to 2 months	3,598,152.93	7,029,674.14	2,403,256.64	6,334,999.21
Over due 2 months to 6 months	945,017.63	6,809,822.05	945,017.63	6,809,822.05
Over due 6 months to 12 months	-	489,369.17	-	489,369.17
Over due more than 12 months	<u>10,142,686.29</u>	<u>12,439,387.97</u>	<u>10,079,590.53</u>	<u>12,289,943.21</u>
Total	<u>229,152,705.40</u>	<u>219,724,354.44</u>	<u>162,473,737.05</u>	<u>150,510,686.39</u>

## THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2014

## 7. SHORT-TERM LOANS TO RELATED PARTIES

Chages in short-term loans to related company for the year ended December 31, 2014 and 2013 are as follows :-

	Baht			As at December 31, 2014
	Separate financial statements			
	As at December 31, 2013	During the year		
	Increase	Decrease		
<u>Subsidiary company</u>				
TNV Plastics (Proprietary) Limited	82,485,110.68	13,794,037.44	-	96,279,148.12
<u>Indirect subsidiary company</u>				
T.N.P. Industry Co., Ltd.	178,484,058.58	-	(78,630,000.00)	99,854,058.58
Total	260,969,169.26	13,794,037.44	(78,630,000.00)	196,133,206.70
<u>Less Allowance for doubtful accounts</u>				
TNV Plastics (Proprietary) Limited	(63,566,218.61)	(6,706,725.35)	-	(70,272,943.96)
T.N.P. Industry Co., Ltd.	(37,312,611.08)	(34,543,450.33)	-	(71,856,061.41)
Total	(100,878,829.69)	(41,250,175.68)	-	(142,129,005.37)
Net	160,090,339.57			54,004,201.33

	Baht			As at December 31, 2013
	Separate financial statements			
	As at December 31, 2012	During the year		
	Increase	Decrease		
<u>Subsidiary company</u>				
TNV Plastics (Proprietary) Limited	58,834,671.31	23,650,439.37	-	82,485,110.68
<u>Indirect subsidiary company</u>				
T.N.P. Industry Co., Ltd.	178,484,058.58	-	-	178,484,058.58
Total	237,318,729.89	23,650,439.37	-	260,969,169.26
<u>Less Allowance for doubtful accounts</u>				
TNV Plastics (Proprietary) Limited	(44,426,466.34)	(19,139,752.27)	-	(63,566,218.61)
T.N.P. Industry Co., Ltd.	(17,134,145.67)	(20,178,465.41)	-	(37,312,611.08)
Total	(61,560,612.01)	(39,318,217.68)	-	(100,878,829.69)
Net	175,758,117.88			160,090,339.57

**THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2014**

TNV Plastics (Proprietary) Limited

The Company made loan to TNV Plastics (Proprietary) Limited at the interest rate Prime rate + 2 per annum and due at call.

T.N.P. Industry Co., Ltd.

The Company made loan to T.N.P Industry Co., Ltd. in the form of promissory notes with the interest rate at MLR per annum.

For the year ended December 31, 2014 and 2013, the Company records an allowance for doubtful accounts of the loan and accrued interest to TNV Plastics (Proprietary) Limited in the amount of Baht 25.21 million and Baht 19.14 million and T.N.P. Industry Co., Ltd. in the amount of Baht 40.56 million and Baht 32.65 million respectively.

The Company has stopped the recognition of interest in the financial statements from July 1, 2014, onwards, as the two subsidiaries will not have the ability to repay the interest in the near future.

On December 23, 2014, the Company was transferred the ownership in land and building to receive for the loan to related party - T.N.P Industry Co., Ltd. The fair value of the land and building for this debt settlement is derived from the appraisal value by an independent appraiser in the total amount Baht 78.63 million, which consists of land for Baht 63.53 million and building for Baht 15.10 million. The Company has record to receive the transfer of land and building and deducted the balance of loan to T.N.P Industry Co., Ltd. by such amount.

## 8. INVENTORIES

Inventories consisted of:-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Finished goods	342,455,975.14	346,013,902.76	321,170,076.87	317,430,827.46
Work in process	65,930,554.45	66,424,219.17	46,468,333.11	46,262,332.34
Raw materials	153,827,575.09	182,545,509.86	133,225,564.04	166,204,032.34
Maintenance and factory supplies	24,188,947.40	25,355,010.54	20,961,592.52	22,787,298.93
Goods in transit	7,760,264.54	4,519,148.97	3,870,185.52	2,838,974.99
Total	594,163,316.62	624,857,791.30	525,695,752.06	555,523,466.06
<u>Less</u> Allowance for obsolete stock	(210,063,810.13)	(179,526,664.40)	(183,750,908.93)	(155,465,839.48)
Net	384,099,506.49	445,331,126.90	341,944,843.13	400,057,626.58

**THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2014**

Movement of the change in the allowance for obsolete stock for the years ended December 31, 2014 and 2013 were as follows :-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Beginning balance of the year	179,526,664.40	242,188,895.12	155,465,839.48	217,941,026.34
Additional during the year	31,581,944.11	28,318,150.09	28,285,069.45	28,041,825.75
Deduction during the year	(1,044,798.38)	(90,980,380.81)	-	(90,517,012.61)
Ending balance at end of year	<u>210,063,810.13</u>	<u>179,526,664.40</u>	<u>183,750,908.93</u>	<u>155,465,839.48</u>

	Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Decline in value of inventory recognized as cost of goods sold for the year	31,581,944.11	28,318,150.09	28,285,069.45	28,041,825.75
Decline in value of inventory recognized as cost of goods sold for the year from flooding	(1,044,798.38)	(90,980,380.81)	-	(90,517,012.61)

In 2013, the Company received indemnity from the insurance company from the major floods events. The Company has reverse allowance for damage from flooding in consolidated and separate financial statements in the amount of Baht 90.98 million and Baht 90.52 million respectively.

**9. OTHER RECEIVABLE AND OTHER CURRENT ASSETS**

Other receivable consisted of :-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Revenue Department receivable	1,170,689.16	2,219,506.39	46,764.68	506,673.27
Advance payment	1,485,152.09	1,945,989.64	1,485,152.09	1,855,319.64
Prepaid expenses	2,045,875.26	3,407,247.21	2,011,321.07	2,884,828.96
Accrued Interest	-	-	95,268,448.43	86,944,757.49
Less Allowance for doubtful accounts	-	-	(95,268,448.43)	(70,751,729.06)
Total	<u>4,701,716.51</u>	<u>7,572,743.24</u>	<u>3,543,237.84</u>	<u>21,439,850.30</u>



**THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2014**

Movement of the change in the allowance for doubtful accounts - accrued Interest for the years ended December 31, 2014 and 2013 were summarized as follows :-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Beginning balance of the year	-	-	70,751,729.06	58,276,182.39
Additional during the year	-	-	24,516,719.37	12,475,546.67
Deduction during the year	-	-	-	-
Ending balance at end of year	-	-	95,268,448.43	70,751,729.06

#### 10. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries consisted of :-

Subsidiary Companies name	Type of Business	Paid up shares	Percentage of ownership (%)		At equity method (Baht)		Separated financial statements		
			2557	2556	2557	2556	At cost method (Baht)		
							2557	2556	
Taweewattana Logistics Co., Ltd.	Selling of PVC	Baht 3 million	99.99	99.99	(204,255,631.10)	(250,615,457.69)	2,999,700.00	2,999,700.00	
Thai Nam-Kyowa Co., Ltd.	Production of PVC, from sheet and TPO	Baht 40 million	50.00	50.00	26,941,720.61	33,048,640.27	20,000,010.00	20,000,010.00	
TNV Plastics (Proprietary) Limited	Production and sale of polyvinyl chloride products	Rand 1million	100.00	100.00	(95,213,247.00)	(72,493,309.00)	4,280,861.58	4,280,861.58	
<u>Less</u> Allowance for impairment of investments								(2,999,700.00)	(2,999,700.00)
Net								24,280,871.58	24,280,871.58

Dividend income from subsidiaries for the year ended December 31, 2014 and 2013 are presented as follow:-

Subsidiary Companies name	Baht	
	Separated financial statements	
	2014	2013
Thai Nam-Kyowa Co., Ltd.	4,000,002.00	7,500,003.75

## THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2014

## 11. OTHER LONG-TERM INVESTMENTS

Other long-term investment consisted of :-

	Baht	
	Consolidated/separate financial statement	
	Cost method	
	2014	2013
Investments in debt securities held to maturity :		
Subordinated debentures of Bangkok Bank Public Company Limited No.1/2012 (Interest rate of 4.375% per annum, maturity date, December 7, 2022)	1,000,000.00	1,000,000.00
Total	1,000,000.00	1,000,000.00

## 12. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consisted of :-

	Baht				
	Consolidated financial statements				
	Balance per book	Movement during the year			Balance per book
	as at Dec. 31, 2013	Additions	Deduction	Transferred	as at Dec. 31, 2014
(Restated)			in (out)		
<b>At cost</b>					
Land	19,682,012.70	-	-	-	19,682,012.70
Land improvement	7,559,699.51	453,224.00	-	-	8,012,923.51
Building and building improvement	362,812,928.96	149,546.30	-	852,495.70	363,814,970.96
Machines and equipment	1,296,242,837.74	1,964,485.91	-	7,114,804.50	1,305,322,128.15
Utility system	24,313,526.96	1,413,561.00	-	589,168.00	26,316,255.96
Vehicles	9,888,830.61	277,144.00	-	-	10,165,974.61
Office equipment	46,361,608.83	1,816,179.75	-	-	48,177,788.58
Equipment and tools	193,142,637.12	4,391,900.37	-	454,723.73	197,989,261.22
Assets in progress and assets in transit	43,621,388.58	11,320,722.56	(841,883.91)	(9,011,191.93)	45,089,035.30
Total	2,003,625,471.01	21,786,763.89	(841,883.91)	-	2,024,570,350.99
<b>Accumulated depreciation</b>					
Land improvement	(6,962,047.85)	(107,612.48)	-	-	(7,069,660.33)
Building and building improvement	(184,729,967.87)	(11,710,909.13)	-	-	(196,440,877.00)
Machines and equipment	(1,146,385,357.64)	(25,863,980.48)	-	-	(1,172,249,338.12)
Utility system	(20,891,460.55)	(792,244.76)	-	-	(21,683,705.31)
Vehicles	(8,966,365.38)	(326,875.96)	-	-	(9,293,241.34)
Office equipment	(41,065,183.34)	(1,188,909.17)	-	-	(42,254,092.51)
Equipment and tools	(152,115,140.06)	(15,497,469.72)	-	-	(167,612,609.78)
Total	(1,561,115,522.69)	(55,488,001.70)	-	-	(1,616,603,524.39)
Property, plant and equipment, net	442,509,948.32				407,966,826.60

**THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2014**

	Baht					
	Consolidated financial statements					
	Balance per book	Movement during the year				Balance per book
	as at Dec. 31, 2012	Additions	Deduction	Transferred		as at Dec. 31, 2013
(Restated)			in (out)	(Restated)		
<u>At cost</u>						
Land	19,682,012.70	-	-	-	19,682,012.70	
Land improvement	6,936,798.51	-	-	622,901.00	7,559,699.51	
Building and building improvement	350,556,676.43	675,702.38	-	11,580,550.15	362,812,928.96	
Machines and equipment	1,283,948,459.04	1,200,440.00	(286,184.00)	11,380,122.70	1,296,242,837.74	
Utility system	23,631,482.56	246,700.00	-	435,344.40	24,313,526.96	
Vehicles	12,168,064.45	141,869.16	(2,421,103.00)	-	9,888,830.61	
Office equipment	43,831,737.82	2,707,592.51	(460,000.00)	282,278.50	46,361,608.83	
Equipment and tools	185,274,559.79	4,790,457.90	(1,584,000.00)	4,661,619.43	193,142,637.12	
Assets in progress and assets in transit	57,331,397.17	15,252,807.59	-	(28,962,816.18)	43,621,388.58	
Total	<u>1,983,361,188.47</u>	<u>25,015,569.54</u>	<u>(4,751,287.00)</u>	<u>-</u>	<u>2,003,625,471.01</u>	
<u>Accumulated depreciation</u>						
Land improvement	(6,900,631.91)	(61,415.94)	-	-	(6,962,047.85)	
Building and building improvement	(173,619,286.49)	(11,110,681.38)	-	-	(184,729,967.87)	
Machines and equipment	(1,121,046,227.29)	(25,419,674.10)	80,543.75	-	(1,146,385,357.64)	
Utility system	(20,012,811.60)	(878,648.95)	-	-	(20,891,460.55)	
Vehicles	(10,262,936.06)	(838,247.29)	2,134,817.97	-	(8,966,365.38)	
Office equipment	(39,797,364.63)	(1,727,817.71)	459,999.00	-	(41,065,183.34)	
Equipment and tools	(137,159,132.33)	(16,609,456.11)	1,653,448.38	-	(152,115,140.06)	
Total	<u>(1,508,798,390.31)</u>	<u>(56,645,941.48)</u>	<u>4,328,809.10</u>	<u>-</u>	<u>(1,561,115,522.69)</u>	
Property, plant and equipment, net	<u>474,562,798.16</u>				<u>442,509,948.32</u>	

**THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2014**

	Baht					
	Separate financial statements					
	Balance per book	Movement during the year				Balance per book
	as at Dec. 31, 2013	Additions	Deduction	Transferred		as at Dec. 31, 2014
(Restated)			in (out)			
<u>At cost</u>						
Land	97,070,677.70	63,530,400.00	-	-	160,601,077.70	
Land improvement	7,559,699.51	453,224.00	-	-	8,012,923.51	
Building and building improvement	333,680,332.55	15,249,146.30	-	726,748.20	349,656,227.05	
Machines and equipment	850,190,132.44	390,111.50	(777,960.41)	7,114,804.50	856,917,088.03	
Utility system	17,875,952.24	1,413,561.00	-	589,168.00	19,878,681.24	
Vehicles	7,623,079.66	-	-	-	7,623,079.66	
Office equipment	36,320,030.30	1,497,587.75	-	-	37,817,618.05	
Equipment and tools	170,865,746.51	3,873,855.07	(431,370.06)	454,723.73	174,762,955.25	
Assets in progress and assets in transit	47,938,198.95	11,320,722.56	(703,994.39)	(8,885,444.43)	49,669,482.69	
Total	<u>1,569,123,849.86</u>	<u>97,728,608.18</u>	<u>(1,913,324.86)</u>	<u>-</u>	<u>1,664,939,133.18</u>	
<u>Accumulated depreciation</u>						
Land improvement	(6,962,047.85)	(107,612.48)	-	-	(7,069,660.33)	
Building and building improvement	(150,809,075.85)	(11,980,096.87)	-	-	(162,789,172.72)	
Machines and equipment	(711,084,305.02)	(23,522,064.84)	661,803.65	-	(733,944,566.21)	
Utility system	(14,685,339.92)	(744,244.76)	-	-	(15,429,584.68)	
Vehicles	(6,700,621.43)	(308,399.96)	-	-	(7,009,021.39)	
Office equipment	(31,628,135.55)	(1,336,889.49)	-	-	(32,965,025.04)	
Equipment and tools	(128,896,970.03)	(15,177,916.70)	41,279.12	-	(144,033,607.61)	
Total	<u>(1,050,766,495.65)</u>	<u>(53,177,225.10)</u>	<u>703,082.77</u>	<u>-</u>	<u>(1,103,240,637.98)</u>	
Property, plant and equipment, net	<u>518,357,354.21</u>				<u>561,698,495.20</u>	

## THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2014

	Baht					
	Separate financial statements					
	Balance per book	Movement during the year				Balance per book
	as at Dec. 31, 2012	Additions	Deduction	Transferred		as at Dec. 31, 2013
(Restated)			in (out)	(Restated)		
<u>At cost</u>						
Land	97,070,677.70	-	-	-	97,070,677.70	
Land improvement	6,936,798.51	-	-	622,901.00	7,559,699.51	
Building and building improvement	321,686,618.40	413,164.00	-	11,580,550.15	333,680,332.55	
Machines and equipment	837,672,009.74	1,138,000.00	-	11,380,122.70	850,190,132.44	
Utility system	17,193,907.84	246,700.00	-	435,344.40	17,875,952.24	
Vehicles	8,431,210.50	141,869.16	(950,000.00)	-	7,623,079.66	
Office equipment	34,130,880.95	2,431,849.35	(460,000.00)	217,300.00	36,320,030.30	
Equipment and tools	163,327,069.18	4,461,057.90	(1,584,000.00)	4,661,619.43	170,865,746.51	
Assets in progress and assets in transit	61,715,949.04	15,120,087.59	-	(28,897,837.68)	47,938,198.95	
Total	1,548,165,121.86	23,952,728.00	(2,994,000.00)	-	1,569,123,849.86	
<u>Accumulated depreciation</u>						
Land improvement	(6,900,631.91)	(61,415.94)	-	-	(6,962,047.85)	
Building and building improvement	(139,442,869.22)	(11,366,206.63)	-	-	(150,809,075.85)	
Machines and equipment	(688,403,438.70)	(22,680,866.32)	-	-	(711,084,305.02)	
Utility system	(13,858,963.92)	(826,376.00)	-	-	(14,685,339.92)	
Vehicles	(7,294,492.31)	(356,126.12)	949,997.00	-	(6,700,621.43)	
Office equipment	(30,588,514.40)	(1,499,620.15)	459,999.00	-	(31,628,135.55)	
Equipment and tools	(113,855,758.84)	(16,625,182.19)	1,583,971.00	-	(128,896,970.03)	
Total	(1,000,344,669.30)	(53,415,793.35)	2,993,967.00	-	(1,050,766,495.65)	
Property, plant and equipment, net	547,820,452.56				518,357,354.21	

**THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**

**DECEMBER 31, 2014**

	Baht			
	Consolidated financial statement		Separate financial statement	
	2014	2013 (Restated)	2014	2013 (Restated)
Depreciation for the year				
Cost of sales	52,314,129.76	53,227,347.41	51,472,907.02	51,430,961.49
Selling and administrative expenses	3,173,871.94	3,418,594.07	1,704,318.08	1,984,831.86
	<u>55,488,001.70</u>	<u>56,645,941.48</u>	<u>53,177,225.10</u>	<u>53,415,793.35</u>
Gain (loss) from sale of assets	<u>(841,883.91)</u>	<u>415,420.21</u>	<u>(658,413.65)</u>	<u>432,116.53</u>

The whole amount of land and building, some machinery and equipment of the Company and subsidiaries were pledged as collaterals against short-term and long-term loans from financial institutions. (see note 14 and 16)

As at December 31, 2014 and 2013, the Company and the subsidiary had building and equipment, which were the fully depreciated but they are still in use with value of Baht 1,354.43 million and Baht 1,334.93 million, respectively (for the Company's only amounting to Baht 889.61 million and Baht 838.23 million, respectively).

**13. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES**

Changes in deferred tax assets and deferred tax liabilities for the year ended December 31, 2014 and 2013, were summarized as follows:

	Baht			
	Consolidated financial statements			
	As at December 31, 2013 (Restated)	Income (expense) during the year		As at December 31, 2014
		In profit or loss	In other comprehensive income	
Deferred tax assets :				
Allowance for doubtful accounts	32,367,406.10	(6,981,840.12)	-	25,385,565.98
Allowance for decline in value of obsolete stocks	35,905,332.89	2,145,038.81	-	38,050,371.70
Allowance for impairment of investment	1,195,490.62	(1,195,490.62)	-	-
Employee benefit obligation	14,152,731.28	(420,702.92)	(367,390.40)	13,364,637.96
Loss carried forward on tax bases	32,208,202.00	9,021,460.00	-	41,229,662.00
Total	<u>115,829,162.89</u>	<u>2,568,465.15</u>	<u>(367,390.40)</u>	<u>118,030,237.64</u>
Deferred tax liabilities :				
Accelerated capital allowances for tax purposes	(1,182,622.00)	(200,694.00)	-	(1,383,316.00)
Total	<u>(1,182,622.00)</u>	<u>(200,694.00)</u>	<u>-</u>	<u>(1,383,316.00)</u>
Deferred tax assets (liabilities) , net	<u>114,646,540.89</u>			<u>116,646,921.64</u>

## THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2014

	Baht				
	Consolidated financial statements				
	As at December	Income (expense) during the year			As at December
	31, 2012 (Restated)	In profit or loss	In other comprehensive income		31, 2013 (Restated)
Deferred tax assets :					
Allowance for doubtful accounts	34,712,829.28	(2,345,423.18)	-	32,367,406.10	
Allowance for decline in value of obsolete stocks	48,505,203.96	(12,599,871.07)	-	35,905,332.89	
Allowance for impairment of investment	1,195,490.62	-	-	1,195,490.62	
Employee benefit obligation	12,175,290.84	413,270.21	1,564,170.23	14,152,731.28	
Loss carried forward on tax bases	22,212,301.00	9,995,901.00	-	32,208,202.00	
Total	<u>118,801,115.70</u>	<u>(4,536,123.04)</u>	<u>1,564,170.23</u>	<u>115,829,162.89</u>	
Deferred tax liabilities :					
Accelerated capital allowances for tax purposes	(1,025,177.00)	(157,445.00)	-	(1,182,622.00)	
Total	<u>(1,025,177.00)</u>	<u>(157,445.00)</u>	<u>-</u>	<u>(1,182,622.00)</u>	
Deferred tax assets (liabilities) , net	<u>117,775,938.70</u>			<u>114,646,540.89</u>	

	Baht				
	Separate financial statements				
	As at December	Income (expense) during the year			As at December
	31, 2013 (Restated)	In profit or loss	In other comprehensive income		31, 2014
Deferred tax assets :					
Allowance for doubtful accounts	32,367,406.10	(6,994,459.26)	-	25,372,946.84	
Allowance for decline in value of obsolete stocks	31,093,167.90	5,657,013.89	-	36,750,181.79	
Allowance for impairment of investment	599,940.00	(599,940.00)	-	-	
Employee benefit obligation	12,985,484.70	210,376.80	(294,031.40)	12,901,830.10	
Total	<u>77,045,998.70</u>	<u>(1,727,008.57)</u>	<u>(294,031.40)</u>	<u>75,024,958.73</u>	

	Baht				
	Separate financial statements				
	As at December	Income (expense) during the year			As at December
	31, 2012 (Restated)	In profit or loss	In other comprehensive income		31, 2013 (Restated)
Deferred tax assets :					
Allowance for doubtful accounts	34,401,097.39	(2,033,691.29)	-	32,367,406.10	
Allowance for decline in value of obsolete stocks	43,655,630.20	(12,562,462.30)	-	31,093,167.90	
Allowance for impairment of investment	599,940.00	-	-	599,940.00	
Employee benefit obligation	11,200,065.24	221,249.23	1,564,170.23	12,985,484.70	
Total	<u>89,856,732.83</u>	<u>(14,374,904.36)</u>	<u>1,564,170.23</u>	<u>77,045,998.70</u>	

**THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2014**

14. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

Bank overdrafts and short-term loans from financial institutions consisted of:-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Bank overdrafts	22,879,150.14	20,999,878.36	22,879,150.14	20,931,087.59
Trust receipts	21,161,177.67	22,526,781.76	21,161,177.67	22,526,781.76
Short-term loans	106,000,000.00	83,000,000.00	106,000,000.00	83,000,000.00
Total	150,040,327.81	126,526,660.12	150,040,327.81	126,457,869.35

As at December 31, 2014 and 2013, short-term loans borrowed in the form of a promissory note less than 6 months and at MLR per annum respectively.

The Company entered into bank overdraft agreement with a commercial bank at the amount of Baht 30 million, at MOR per annum and limit of letter of credit and/or trust receipt of Baht 95 million, at MLR per annum and credit selling-promissory note of Baht 115 million, at MLR per annum.

Credit lines received from financial institutions have been secured by mortgage land, building and some part of machineries of the Company and its subsidiaries, and jointly gauranteed by director of the company and its subsidiaries.

15. TRADE ACCOUNT PAYABLE

Trade account payable classified by currency consisted of :

	Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Accounts payable	156,077,146.43	176,756,020.00	152,295,773.60	175,576,308.52
Assets payable	129,381.36	1,030,163.24	129,381.36	1,030,163.24
Accrued expenses	8,430,817.74	8,123,217.26	6,122,478.40	7,021,986.00
Total	164,637,345.53	185,909,400.50	158,547,633.36	183,628,457.76



**THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2014**

Trade account payable classified by currency consisted of :-

	Consolidated financial statements			
	Foreign currencies		Baht	
	2014	2013	2014	2013
Trade accounts payable, domestic;				
Baht	-	-	145,133,121.66	177,306,793.79
Trade accounts payable, oversea;				
U.S. Dollars	420,264.70	224,701.60	13,916,309.06	7,403,782.91
Euro	111,072.00	-	4,482,332.78	-
Rand	388,865.00	382,693.00	1,105,582.03	1,198,823.80
Total			<u>164,637,345.53</u>	<u>185,909,400.50</u>
	Separate financial statements			
	Foreign currencies		Baht	
	2014	2013	2014	2013
Trade accounts payable, domestic;				
Baht	-	-	140,148,991.52	176,224,674.85
Trade accounts payable, oversea;				
U.S. Dollars	420,264.70	224,701.60	13,916,309.06	7,403,782.91
Euro	111,072.00	-	4,482,332.78	-
Total			<u>158,574,633.36</u>	<u>183,628,457.76</u>

16. LONG-TERM LOANS FROM FINANCIAL INSTITUTION

Long-term loans from financial institution consisted of:-

	Baht	
	Consolidated /Separate financial statements	
	2014	2013
Long-term loans from financial institution	177,517,718.27	269,517,718.27
<u>Less</u> Current portion due within one year	<u>(96,000,000.00)</u>	<u>(166,708,000.00)</u>
Long-term loans, net	<u>81,517,718.27</u>	<u>102,809,718.27</u>

**THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2014**

The Company entered into 4 loan agreements with a local commercial bank at the amount of Baht 518.80 million and the Company had withdrawn the full amount of the loan. Such loans were scheduled to pay interest on a monthly basis at MLR per annum. As at December 31, 2013, the Company had repaid the principal until the 12th period in December 2013. Later on March 21, 2014, the Company entered into the amendment on credit agreement No. 6 and the details of the principal repayment of each credit facility were as follows:

Installment period	Date of repayment (the last business day of the month)	Repayment amount per period (Baht)			
		Credit limit	Credit limit	Credit limit	Credit limit
		Baht 36.5 million	Baht 17.8 million	Baht 329.8 million	Baht 134.7 million
13	March 2014	1,625,000	785,000	14,627,000	5,963,000
14 and 15	June and September 2014	1,625,000	785,000	14,627,000	5,963,000
16	December 2014	1,625,000	785,000	14,627,000	5,963,000
17	March 2015	1,696,000	820,000	15,262,000	6,222,000
18	June 2015	1,696,000	820,000	15,262,000	6,222,000
19 and 20	September and December 2015	1,696,000	820,000	15,262,000	6,222,000
21, 22 and 23	March, June and September 2016	1,766,000	854,000	15,899,000	6,481,000
24	December 2016	Pay the rest	Pay the rest	Pay the rest	Pay the rest

Under the terms of the loan agreement, the Company is required to maintain certain financial ratios of total liabilities ratio to shareholders' equity not exceeding 2 times.

Such loans were secured by the mortgage of land, buildings and structures and some part of the Company and its subsidiaries' machineries, including to provide joint guarantee by the directors of the Company and its subsidiaries.

#### 17. LIABILITIES UNDER FINANCE LEASE AGREEMENTS

Liabilities under finance lease agreements consisted of:-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Liabilities under finance lease agreements	267,380.00	599,300.00	267,380.00	599,300.00
<u>Less</u> Deferred interest	<u>(29,200.55)</u>	<u>(65,288.03)</u>	<u>(29,200.55)</u>	<u>(65,288.03)</u>
	238,179.45	534,011.97	238,179.45	534,011.97
<u>Less</u> Current portion due within one year	<u>(238,179.45)</u>	<u>(295,832.52)</u>	<u>(238,179.45)</u>	<u>(295,832.52)</u>
Net	<u>-</u>	<u>238,179.45</u>	<u>-</u>	<u>238,179.45</u>

**THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2014**

	Baht					
	Consolidated financial statements / Separate financial statements					
	2014			2013		
	Principal	Deferred interest	Net	Principal	Deferred interest	Net
Due						
Over 1 year but not over 5 years	-	-	-	267,380.00	(29,200.55)	238,179.45
Over 5 years	-	-	-	-	-	-
Total	-	-	-	267,380.00	(29,200.55)	238,179.45

As at December 31, 2014 and 2013, the Company has 3 finance lease agreements of rental vehicles with local leasing company in the total lease amount of Baht 1.33 million. Installments are due on a monthly basis over 36-48 months in monthly of Baht 0.03 million.

Under the term of the lease agreements, the Company shall have to comply with certain conditions and restrictions as specified in the lease agreements.

#### 18. EMPLOYEE BENEFIT OBLIGATIONS

The statements of financial position

	Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Beginning balance	70,763,656.44	60,876,454.21	64,927,423.57	56,000,326.21
Benefits paid by the plan during the year	(4,144,656.00)	(4,427,447.75)	(4,144,656.00)	(4,346,977.68)
Current service costs and interest during the year	5,852,949.01	6,493,798.82	5,196,540.01	5,453,223.88
Actuarial (gains) losses	(1,836,952.00)	7,820,851.16	(1,470,157.00)	7,820,851.16
Ending balance	70,634,997.45	70,763,656.44	64,509,150.58	64,927,423.57

Expense recognized in the statements of comprehensive income:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Current service costs				
Cost of sales	1,703,171.00	2,234,522.33	1,455,944.01	1,662,478.00
Selling expense	82,356.00	91,170.00	82,356.00	91,170.00
Administrative expenses	1,230,207.00	1,343,161.88	1,057,693.00	1,096,307.00
Interest on obligation	2,837,215.01	2,824,944.61	2,600,547.00	2,603,268.88
Total	5,852,949.01	6,493,798.82	5,196,540.01	5,453,223.88

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Principal actuarial assumptions at the reporting date

	2014		2013	
	Percentage		Percentage	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Discount rate	4.00	4.00	4.00	4.00
Salary increase rate	5.11 - 5.65	5.11	5.75 - 6.00	5.75
Employee turnover rate	0.50 - 5.00	5.00	1.00 - 5.00	5.00
Disability rate	15.00 of mortality rate	15.00 of mortality rate	15.00 of mortality rate	15.00 of mortality rate
Mortality rate	100.00 of Thai mortality table 2008	100.00 of Thai mortality table 2008	100.00 of Thai mortality table 2008	100.00 of Thai mortality table 2008

## 19. SHARE CAPITAL

### 19.1 Decrease of registered capital of the Company

According to the General Meeting of Shareholders for the year 2014 date April 25, 2014, the shareholders approved the decrease of registered capital of the Company from the existing amount of Baht 272,317,035 to Baht 272,316,410, by cutting-off 125 outstanding ordinary shares from dividend payment of the company, at par value of Baht 5 per share in the total amount of Baht 625. The Company registered decrease of capital with Department of Business Development, Ministry of commerce on May 23, 2014.

### 19.2 Increase of registered capital of the Company

According to the General Meeting of Shareholders for the year 2014 date April 25, 2014, the shareholders approved the Company registered increase of capital of the Company in order of support the dividends payment from the existing amount of Baht 272,316,410 to Baht 299,548,060 by issuing 5,446,330 ordinary shares at Baht 5 per share in the total amount of Baht 27,231,650. The Company registered increase of capital with Department of Business Development, Ministry of Commerce on May 23, 2014.

## 20. APPROPRIATION OF RETAINED EARNINGS

According to the General Meeting of Shareholders for the year 2014 date April 25, 2014, the shareholders approved the payment of dividends to the shareholders of the Company for the performance result of the fiscal year 2013, at the rate of Baht 0.60 per share, totaling Baht 32.68 million by the ordinary shares paid as dividends at the rate of 10 original share to 1 share dividend and the cash paid at Baht 0.10 per share. The shareholders whose names appear in the Share Register as at May 7, 2014 shall be entitled to receive the dividends. The Company will pay the dividends to the shareholders on May 23, 2014.

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21. OPERATING SEGMENT

The Company and its subsidiaries operate in 2 main report by products operating segments in main geographical area, Thailand as follows:

Type of operating segment	Nature of operating segment
- Manufacturing of plastic parts of automobile industry group	Artificial leather and automobile rubber flooring
- Others-plastic parts of other industry group such as packaging manufacture industry and pharmaceutical, etc.	Various types of plastics both soft and rigid, rolls and plate

The operating segment's performance is regularly reviewed by the chief operating decision maker who is the Executive Directors in order to make decisions about the allocation of resources to the segment and assess its performance. The Company and its subsidiaries assess the performance of the operating segment by using the operating profit or loss as the same basis to assess operating profit or loss in the financial statements.

Details of financial information by segment operations for the year ended December 31, 2014 and 2013 were as follows:

	Baht					
	Consolidated financial statements					
	Automobile industry group		Others		Total	
	2014	2013	2014	2013	2014	2013
Revenue from sales	1,010,406,573.74	1,241,128,978.62	118,760,199.82	95,417,225.34	1,129,166,773.56	1,336,546,203.96
Cost of sales	(798,777,909.05)	(943,833,480.15)	(119,558,150.58)	(94,741,401.19)	(918,336,059.63)	(1,038,574,881.34)
Gross profit (loss)	211,628,664.69	297,295,498.47	(797,950.76)	675,824.15	210,830,713.93	297,971,322.62
Selling expenses	(33,826,340.23)	(33,781,331.35)	(3,518,927.97)	(2,613,096.19)	(37,345,268.20)	(36,394,427.54)
Administrative expenses	(145,132,762.34)	(136,927,656.75)	(10,151,734.57)	(10,969,990.73)	(155,284,496.91)	(144,799,167.48)
Operating profit (loss)	32,669,562.12	126,586,510.37	(14,468,613.30)	(12,907,262.77)	18,200,948.82	116,777,727.60
Other income (other expenses)					14,670,284.59	98,875,423.01
Finance cost					(24,462,220.07)	(32,213,588.97)
Income tax expenses					(19,434,199.96)	(26,950,796.14)
Profit (loss) for the year					(11,025,186.62)	156,488,765.50

**THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
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Information about geographical areas

The Company and its subsidiaries' revenue from sales separated by geographical area for the year ended December 31, 2014 and 2013, were summarized as follows:

	Baht	
	Consolidated financial statements	
	2014	2013
Domestic	990,415,711.37	1,230,414,094.01
Export	138,751,062.19	106,132,109.95
Total	<u>1,129,166,773.56</u>	<u>1,363,546,203.96</u>

Non-current assets of the Company and its subsidiaries separated by geographical area as at December 31, 2014 and 2013 were as follows:

	Baht			
	Consolidated financial statements			
	Automobile industry group		Others	
	2014	2013	2014	2013
Property, plant and equipment				
- Thailand	397,727,562.99	427,554,349.18	912,746.61	6,096,035.14
- South Africa	9,326,517.00	8,859,564.00	-	-
	<u>407,054,079.99</u>	<u>436,413,913.18</u>	<u>912,746.61</u>	<u>6,096,035.14</u>

Information about major customers

The Company and its subsidiaries' revenue from sales and services from their major customers for the year ended December 31, 2014 and 2013, were summarized as follows:

Type of customers	Baht	
	Consolidated financial statements	
	2014	2013
Domestic automobile parts manufacturing	743,309,335.25	968,092,954.29
Export automobile parts manufacturing	81,314,745.53	51,211,998.58

**THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
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22. RELATED PARTIES TRANSACTION

The Company and its subsidiaries have certain transactions with its related parties. A portion of the Company's assets, liabilities, revenues and expenses are represented by transactions with its related parties.

The nature of relationship with related parties were summarized as follows:

Related parties	Relationship
<u>Subsidiary companies</u>	
Taweewattana Logistics Co., Ltd.	Shareholder and have common shareholder and director
Thai Nam-Kyowa Co., Ltd.	Shareholder and have common shareholder and director
TNV Plastics (Proprietary) Limited	Shareholder and have common shareholder and director
<u>Indirect subsidiary company</u>	
T.N.P. Industry Co., Ltd.	Indirect shareholding by Taweewattana Logistics Co., Ltd and have common shareholder and director
<u>Related person</u>	
Key management personnel	Persons having authority and responsibility for management

The Company and its subsidiaries have pricing policy for transaction with related parties as follows:

Transactions	Pricing policies
Revenue from sales	- Thainam-Kyowa Co.,Ltd. and Taweewattana Logistics Co.,Ltd. : Market price - TNV Plastics (Proprietary) Limited : Cost plus 5 - 30 % profit - TNP Industry Co.,Ltd. : Cost
Rental income and service	- Agreed price according to agreement
Others income	- Agreed price
Purchase products	- Market price
Loan	- TNV Plastics (Proprietary) Limited : Prime rate plus 2% per annum - TNP Industry Co.,Ltd. : MLR per annum
Transfer of asset	- The appraisal value by an independent appraiser
Compensation to management	- According to be approved by director and/or shareholders

**THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
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Balances as at December 31, 2014 and 2013 with the related parties consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<u>Assets</u>				
Trade account receivable				
Subsidiaries				
Taweewattana Logistics Co., Ltd.	-	-	53,750.65	298,877.99
Thai Nam-Kyowa Co., Ltd.	-	-	38,310,590.14	46,321,292.05
TNV Plastics (Proprietary) Limited	-	-	53,061,782.55	27,979,909.36
T.N.P. Industry Co., Ltd.	-	-	49,092,238.72	54,804,834.17
Total	-	-	140,518,362.06	129,404,913.57
<u>Less</u> Allowance for doubtful debts	-	-	(27,931,100.18)	(21,129,234.39)
Net	-	-	112,587,261.88	108,275,679.18
Other account receivable				
Subsidiary				
Thai Nam-Kyowa Co., Ltd.	-	-	380,189.24	515,835.94
Short-tem loans to				
Subsidiaries				
T.N.P. Industry Co., Ltd.	-	-	99,854,058.58	178,484,058.58
TNV Plastics (Proprietary) Limited	-	-	96,279,148.12	82,485,110.68
Total	-	-	196,133,206.70	260,969,169.26
<u>Less</u> Allowance for doubtful accounts	-	-	(142,129,005.37)	(100,878,829.69)
Net	-	-	54,004,201.33	160,090,339.57
Accrued Interest				
Subsidiaries				
T.N.P. Industry Co., Ltd.	-	-	76,769,453.57	70,751,729.06
TNV Plastics (Proprietary) Limited	-	-	18,498,994.86	16,193,028.43
Total	-	-	95,268,448.43	86,944,757.49
<u>Less</u> Allowance for doubtful accounts	-	-	(95,268,448.43)	(70,751,729.06)
Net	-	-	-	16,193,028.43
<u>Liabilities</u>				
Trade account payable				
Subsidiaries				
Thai Nam-Kyowa Co., Ltd.	-	-	318,353.36	385,761.22
T.N.P. Industry Co., Ltd.	-	-	418,801.81	998,367.35
Total	-	-	737,155.17	1,384,128.57



**THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
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Significant business transactions for the year ended December 31, 2014 and 2013 were, as follows:

	Baht			
	Consolidated financial statements		Separate financial statements,	
	2014	2013	2014	2013
Sale of goods				
Subsidiaries				
Taweewattana Logistics Co., Ltd.	-	-	1,318,001.58	2,672,883.70
Thai Nam-Kyowa Co., Ltd.	-	-	256,210,082.40	353,991,678.86
TNV Plastics (Proprietary) Limited	-	-	24,483,997.46	5,858,179.33
T.N.P. Industry Co., Ltd.	-	-	81,048,970.04	73,449,715.33
Total	-	-	363,061,051.48	435,972,457.22
Rental income				
Subsidiary				
Thai Nam-Kyowa Co., Ltd.	-	-	2,160,000.00	2,048,004.00
Dividend income				
Subsidiary				
Thai Nam-Kyowa Co., Ltd.	-	-	4,000,002.00	7,500,003.75
Interest Income				
Subsidiaries				
TNV Plastics (Proprietary) Limited	-	-	3,160,010.30	5,462,717.47
T.N.P. Industry Co., Ltd.	-	-	9,054,398.49	12,475,546.67
Total	-	-	12,214,408.79	17,938,264.14
Other incomes				
Subsidiaries				
Thai Nam-Kyowa Co., Ltd.	-	-	2,951,148.88	6,582,506.46
T.N.P. Industry Co., Ltd.	-	-	663,059.58	16,928.40
Total	-	-	3,614,208.46	6,599,434.86
Sale of assets				
Subsidiaries				
T.N.P. Industry Co., Ltd.	-	-	384,000.00	-
TNV Plastics (Proprietary) Limited	-	-	167,828.44	-
Total	-	-	551,828.44	-
Gain on disposal of asset				
Subsidiaries				
T.N.P. Industry Co., Ltd.	-	-	-	-
TNV Plastics (Proprietary) Limited	-	-	45,580.74	-
Total	-	-	45,580.74	-

**THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
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	Baht			
	Consolidated financial statements		Separate financial statement	
	2014	2013	2014	2013
Cost of sale (purchase of goods)				
Subsidiaries				
Thai Nam-Kyowa Co., Ltd.	-	-	119,801.04	4,618,251.25
T.N.P. Industry Co., Ltd.	-	-	258,099.73	689,811.73
Total	-	-	377,900.77	5,308,062.98
Cost of sale (Manufacturing expenses)				
Subsidiaries				
Thai Nam-Kyowa Co., Ltd.	-	-	3,012,351.22	3,201,496.25
T.N.P. Industry Co., Ltd.	-	-	4,286,380.62	5,332,227.23
Total	-	-	7,298,731.84	8,533,723.48
Land lease				
Subsidiary				
T.N.P. Industry Co., Ltd.	-	-	815,265.00	815,265.00
Transfer of asset - land and building				
Subsidiary				
T.N.P. Industry Co., Ltd.	-	-	78,630,000.00	-

**Expenses for director and management personal**

Expenses for director and management personal for the year ended December 31, 2014 and 2013 were as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Director remuneration	1,560,000.00	1,400,000.00	1,560,000.00	1,400,000.00
Management's benefits				
Short-term employee benefit	19,054,971.00	21,824,661.00	18,281,731.00	21,139,201.00
Post-retirement benefits	887,821.00	803,562.84	843,358.00	734,700.84
Total	21,502,792.00	24,028,223.84	20,685,089.00	23,273,901.84

Management benefit expenses represents the benefits paid to the Company's management and directors such as salaries, related benefit and directors' remuneration, including the benefit paid by other means. The Company's management is the persons who are defined under the Securities and Exchange Act. The management is comprised managing director or the managements who have the top position at the management level from the four lists following by the manager level.

**THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
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23. COMPENSATION INCOME FROM INSURANCE

In 2013, the Company has agreed to receive compensation from the insurance company from flood in 2011, in the amount of Baht 84.29 million. The Company had received compensation all amount.

The company brings some damage goods from flood to manufacture for sales, which has cost in the amount of Baht 2.35 million, therefore the company has gain on reverse allowance for damage goods, and present including in compensation income from insurance, in the statements of income.

24. EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31, 2014 and 2013 were as follows:-

	Baht			
	Consolidated financial statement		Separate financial statement	
	2014	2013	2014	2013
Changed in inventories of finished goods and work in process	(4,051,592.34)	75,852,642.78	3,945,250.18	72,963,333.21
Raw materials and consumables used	565,635,278.25	703,361,544.23	552,693,140.34	681,285,947.92
Staff expenses	227,270,099.80	243,600,997.43	202,282,594.67	216,109,114.40
Depreciation and amortization charges	55,488,001.70	56,645,941.48	53,177,225.10	53,415,793.35
Electricity - Water supply	42,764,411.79	43,112,761.67	31,449,989.29	34,329,199.57
Directors and managements' remuneration	21,502,792.00	24,028,223.84	20,685,089.00	23,273,901.84
Bad debts and doubtful debts	(1,998,018.34)	2,250,199.02	70,570,742.50	54,043,963.37

25. TAX EXPENSE (INCOME)

25.1 Major component of tax expense (income)

Major components of tax expense (income) for the years ended December 31, 2014 and 2013 included :

	Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013 (Restated)	2014	2013
Income tax expense (income) shown in profit or loss :				
Current tax expense:				
Income tax expense for the year	21,801,971.11	22,257,228.10	21,801,971.11	19,802,805.77
Deferred tax expense (income):				
Changes in temporary differences relating to the original recognition and reversal	(2,367,771.15)	4,693,568.04	1,727,008.57	14,374,904.36
Total	<u>19,434,199.96</u>	<u>26,950,796.14</u>	<u>23,528,979.68</u>	<u>34,177,710.13</u>
Income tax relating to components of other comprehensive income:				
Actuarial gain (loss)	367,390.40	(1,564,170.23)	294,031.40	(1,564,170.23)
Total	<u>367,390.40</u>	<u>(1,564,170.23)</u>	<u>294,031.40</u>	<u>(1,564,170.23)</u>

**THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
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25.2 A numerical reconciliation between tax expense (income) and the product of accounting profit multiplied by the applicable tax rate

A numerical reconciliation between tax expense (income) and the product of accounting profit multiplied by the applicable tax rate for the years ended December 31, 2014 and 2013 which were summarized as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013 (Restated)	2014	2013
Accounting profit (loss) for the year	8,409,013.34	183,439,561.64	4,128,774.84	192,341,562.61
The applicable tax rate (%)	20%	20%	20%	20%
Tax expense (income) at the applicable tax rate	1,681,802.67	36,687,912.33	825,754.96	38,468,312.53
Reconciliation items:				
Tax effect of expenses that are not deductible in determining tax profit:				
- Expenses not allowed as expenses in determining taxable profit	8,452,027.16	32,578,283.02	8,238,924.90	32,239,202.67
Tax effect of income that are required in determining taxable profit:				
- Interest income	1,667,987.42	-	1,667,987.42	-
Tax effect of income that are not required in determining taxable profit:				
- Exemption of non - taxable dividend income	(800,000.40)	(1,500,000.75)	(800,000.40)	(1,500,000.75)
- Exemption of income from insurance compensation	-	(35,029,804.32)	-	(35,029,804.32)
Write-off deferred tax assets	18,721,889.52	-	13,596,312.80	-
The amount of previously unrecognized tax losses for a prior period that is used to reduce current tax expense	(10,419,930.46)	-	-	-
Unrecognized tax losses on deferred tax assets	349,967.89	4,404,621.90	-	-
Effect on deferred tax from progressive tax rate	(53,414.31)	(70,814.95)	-	-
Effect on deferred tax from elimination	5,145,691.47	(4,964,126.09)	-	-
Revaluation of the deferred tax resulting from difference in tax rates	(2,799,255.00)	(3,203,564.00)	-	-
Others	(2,512,566.00)	(1,951,711.00)	-	-
Total reconciliation items	17,752,397.29	(9,737,116.19)	22,703,224.72	(4,290,602.40)
Total tax expense (income)	19,434,199.96	26,950,796.14	23,528,979.68	34,177,710.13

As at December 31, 2014, a subsidiary had an accumulated loss (in tax) from 2012-2014 that was still unused of approximately Baht 27.19 million. The subsidiary above did not record deferred tax assets from such loss because there was an uncertainty whether the subsidiary would have enough profit to utilize the benefits from deferred tax assets or not.

**THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
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25.3 A numerical reconciliation between tax average effective tax rate and the application tax rate

A numerical reconciliation between the average effective tax rate and the applicable tax rate for the years ended December 31, 2014 and 2013 were summarized as follows:

	Consolidated financial statements			
	2014		2013	
			(Restated)	
	Tax amount	Tax rate	Tax amount	Tax rate
	(Baht)	(%)	(Baht)	(%)
Accounting profit (loss) before tax expense for the year	8,409,013.34		183,439,561.64	
Tax expense (income) at the applicable tax rate	1,681,802.67	20.00	36,687,912.33	20.00
Reconciliation items	17,752,397.29	211.11	(9,737,116.19)	(5.31)
Tax expense (income) at the average effective tax rate	<u>19,434,199.96</u>	<u>231.11</u>	<u>26,950,796.14</u>	<u>14.69</u>
	Separate financial statement			
	2014		2013	
	Tax amount	Tax rate	Tax amount	Tax rate
	(Baht)	(%)	(Baht)	(%)
Accounting profit (loss) before tax expense for the year	4,128,774.84		192,341,562.61	
Tax expense (income) at the applicable tax rate	825,754.96	20.00	38,468,312.53	20.00
Reconciliation items	22,703,224.72	549.88	(4,290,602.40)	(2.23)
Tax expense (income) at the average effective tax rate	<u>23,528,979.68</u>	<u>569.88</u>	<u>34,177,710.13</u>	<u>17.77</u>

26. BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the years ended December 31, 2014 and 2013 by the weighted average number of ordinary shares in issued and paid-up during the period.

	Consolidated financial statement		Separate financial statement	
	2014	2013	2014	2013
	(Restated)			
Profit (loss) for the year of parent company (Baht)	(9,336,744.17)	152,123,900.37	(19,400,240.84)	158,163,852.48
Weighted average number of ordinary shares (Shares)	57,790,644.23	52,374,326.85	57,790,644.23	52,374,326.85
Basic earnings per share (Baht per share)				
Profit (loss) attributable to owners of the parent	(0.16)	2.90	(0.34)	3.02

**THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
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27. FINANCIAL INSTRUMENTS

27.1 Risk management

The Company and its subsidiaries manage their financial risk exposure on financial assets and financial liabilities in the normal business by its internal management and control system, and the Company and its subsidiaries do not hold or issue derivative financial instruments for speculative or trading purposes.

27.2 Interest rate risk

The Company and its subsidiaries are exposed to interest rate risk relates primarily to its cash at banks, bank overdrafts, short-term loans and long-term and machine payable. However, most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market. However, the management believed that the future fluctuation on market interest rate would not provided significant effect to their operations and cash flows, therefore; no financial derivative was adopted to manage such risks.

As at December 2014, the significant financial assets and financial liabilities classified by types of interest rates were as follows:

	Baht			
	Consolidated financial statements			
	As at December 31, 2014			
	Floating interest rate	Fixed interest rate	Interest - free	Total
<u>Financial assets</u>				
Cash and cash equivalents	37,412,838.99	-	1,668,246.44	39,081,085.43
Trade and other accounts receivable	-	-	218,927,914.50	218,927,914.50
Other long-term investment	-	1,000,000.00	-	1,000,000.00
<u>Financial liabilities</u>				
Bank overdraft and short-term loans from financial institutions	150,040,327.81	-	-	150,040,327.81
Trade and other accounts payable	-	-	164,637,345.33	164,637,345.33
Long-term loan from financial institutions	177,517,718.27	-	-	177,517,718.27
Liabilities under finance lease agreements	-	238,179.45	-	238,179.45

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	Baht			
	Separate financial statements			
	As at December 31, 2014			
	Floating interest rate	Fixed interest rate	Interest - free	Total
<u>Financial assets</u>				
Cash and cash equivalents	1,126.71	-	1,194,851.39	1,195,978.10
Trade and other accounts receivable	-	-	265,279,493.03	265,279,493.03
Short-term loans to related parties	-	-	54,004,201.33	54,004,201.33
Other long-term investment	-	1,000,000.00	-	1,000,000.00
<u>Financial liabilities</u>				
Bank overdraft and short-term loans from financial institutions	150,040,327.81	-	-	150,040,327.81
Trade and other accounts payable	-	-	158,547,633.36	158,547,633.36
Long-term loan from financial institutions	177,517,718.27	-	-	177,517,718.27
Liabilities under finance lease agreements	-	238,179.45	-	238,179.45

### 27.3 Credit risk

The Company and its subsidiaries are exposed to credit risk primarily relating to trade accounts receivable. The management of the Company and its subsidiaries manage this risk by establishing appropriate credit control policies and procedures. Therefore, it does not expect to incur material losses from debt collection more than the amount already provided in the allowance for doubtful accounts.

### 27.4 Foreign currency risk

The Company and its subsidiary companies incurred risk foreign currencies exchange due to the Company and its subsidiary companies constitutes cash at banks, trade accounts receivable, trust receipts and trade accounts payable in foreign currencies which the Company had hedged as they believed appropriate the foreign currencies risk using forward contract against risk on exchange rates. As of December 31, 2014 and 2013, the Company and its subsidiary has no outstanding foreign exchange contracts and constitutes foreign currencies assets and liabilities which mainly due within one year as follows:

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	Baht			
	Consolidated financial statements			
	As at December 31, 2014		As at December 31, 2013	
	Asset	Liabilities	Asset	Liabilities
<u>Foreign currency</u>				
US Dollar	1,108,848.57	530,237.95	1,017,763.55	315,919.76
Euro	-	211,355.20	-	255,046.40
Singapore dollar	-	590,908.60	-	264,761.40
Rand	1,719,988.00	388,865.00	1,566,547.00	382,693.00
	Baht			
	Separate financial statements			
	As at December 31, 2014		As at December 31, 2013	
	Asset	Liabilities	Asset	Liabilities
<u>Foreign currency</u>				
US Dollar	6,261,772.07	530,237.95	4,902,872.88	315,919.76
Euro	-	211,355.20	-	255,046.40
Singapore dollar	-	590,908.60	-	264,761.40

#### 27.5 Liquidity risk

The Company manages its liquidity risk by maintaining adequate level of cash and cash equivalents to support the Company's operations as well as securing short-term credit facilities from financial institutions for reserve as necessary and to reduce the impact of fluctuations in cash flow.

#### 27.6 Fair value

The carrying amount of financial assets and financial liabilities as presented in the statement of financial position are mostly bear floating interest rates or fixed interest rates which are close to market rate. The management believes that the fair value of those financial assets and financial liabilities does not materially differ from their carrying amount.

### 28. COMMITMENTS AND CONTINGENT LIABILITIES

#### 28.1 Significant operating lease agreements

On July 1, 2012, the Company entered into a land lease agreement with a related company. The Company has to pay the monthly rental fee at Baht 67,938.75 This agreement has a term of 3 years from July 1, 2012 to June 30, 2015, and later the agreement will be renewed for 3 years from July 1, 2015 to June 30, 2018.

Later on December 23, 2014, the Company purchases such land and building into the Company's ownership which was resulted in the termination of the lease.



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As at December 31, 2014 and 2013, the Company has commitments for the rental payment under the lease agreement as follows:

	Baht	
	2014	2013
Payable within:		
Within 1 year	-	815,265.00
Later than 1 year but not over 5 years	-	2,853,427.50

28.2 Outstanding letters of credit

As at December 31, 2014 and 2013, the Company and its subsidiaries had commitments for the outstanding letters of credit amounting equivalent to Baht 18.23 million and equivalent to Baht 4.81 million (Separate financial statement amounting equivalent to Baht 18.23 million and equivalent to Baht 4.81 million), respectively.

28.3 Letter of guarantee

As at December 31, 2014 and 2013, the Company and its subsidiaries had contingent liabilities for the letter of guarantees issued by the bank in the total amount of Baht 5.24 million and Baht 5.24 million (Separate financial statement amount of Baht 4.04 million and Baht 4.04 million), respectively.

29. CAPITAL MANAGEMENT

The primary objective of capital management of the Company and its subsidiaries is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern. According to the statement of financial position as at December 31, 2014, the Group's debt-to-equity ratio was 0.98 : 1 (as at December 31, 2013 was 1.13 : 1) and the Company's was 0.75 : 1 (as at December 31, 2013 was 0.85 : 1).

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30. THE NEW AND REVISED ACCOUNTING STANDARDS ARE NOT YET EFFECTIVE IN THE CURRENT YEAR

The Federation of Accounting Professions (FAP) has issued Notifications to mandate the new and revised accounting standards, financial reporting standards, and interpretations of accounting and financial reporting standards.

These new and revised accounting standards which are effective for the fiscal year beginning on or after January 1, 2015 are as follows:

TAS 1 (revised 2014)	Presentation of Financial Statements
TAS 2 (revised 2014)	Inventories
TAS 7 (revised 2014)	Statement of Cash Flows
TAS 8 (revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2014)	Events After the Reporting Period
TAS 11 (revised 2014)	Construction Contracts
TAS 12 (revised 2014)	Income Taxes
TAS 16 (revised 2014)	Property, Plant and Equipment
TAS 17 (revised 2014)	Leases
TAS 18 (revised 2014)	Revenue
TAS 19 (revised 2014)	Employee Benefits
TAS 20 (revised 2014)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2014)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2014)	Borrowing Costs
TAS 24 (revised 2014)	Related Party Disclosures
TAS 26 (revised 2014)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2014)	Separate Financial Statements
TAS 28 (revised 2014)	Investments in Associates And Joint Ventures
TAS 29 (revised 2014)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2014)	Earnings Per Share
TAS 34 (revised 2014)	Interim Financial Reporting
TAS 36 (revised 2014)	Impairment of Assets
TAS 37 (revised 2014)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2014)	Intangible assets

**THAI NAM PLASTIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS (CONT.)****DECEMBER 31, 2014**

TAS 40 (revised 2014)	Investment Property
TFRS 2 (revised 2014)	Share-based Payment
TFRS 3 (revised 2014)	Business Combinations
TFRS 5 (revised 2014)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2014)	Exploration for and Evaluation of Mineral Assets
TFRS 8 (revised 2014)	Operating Segments
TFRS 10	Consolidated Financial Statements
TFRS 11	Joint Arrangements
TFRS 12	Disclosure of Interests in Other Entities
TFRS 13	Fair Value Measurement
TSIC 10 (revised 2014)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2014)	Operating Leases - Incentives
TSIC 25 (revised 2014)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2014)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29 (revised 2014)	Service Concession Arrangements: Disclosure
TSIC 31 (revised 2014)	Revenue-Barter Transactions Involving Advertising Services
TSIC 32 (revised 2014)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2014)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2014)	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2014)	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economics
TFRIC 10 (revised 2014)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2014)	Service Concession Arrangements
TFRIC 13 (revised 2014)	Customer Loyalty Programmes
TFRIC 14 (revised 2014)	IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2014)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2014)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2014)	Transfers of Assets from Customers
TFRIC 20 (revised 2014)	Stripping Costs in the Production Phase of a Surface Mine

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The new accounting standard which is effective for the fiscal year beginning on or after January 1, 2016 is as follows:

TFRS 4	Insurance Contracts
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The management of the Company is evaluating the impact of these new and revised accounting standards when they are initially applied.

31. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Company's board of directors on February 26, 2015.