

Union Plastic Public Company Limited



Challenge **the future**



INTEGRITY
QUALITY
SERVICE

ANNUAL REPORT 2019

VISION

“To be leading company to provide holistic plastic part production in ASEAN region”

MISSIONS

1. To enhance competitive potential and customer satisfaction so as to become leader in product quality and delivery on time.
2. Make a difference in the application of technologies, experiences and expertise for the customers.
3. To have good corporate governance and manage operation by considering interest of stakeholders, communities and environments.

QUALITY POLICY

We committed to create products and services to satisfy our customers, based on continuous improvement.



VALUES

1. Adhere to quality and tangible results, work with effectiveness, place emphasis on quality and cost management.
2. Commit to excellence, set challenging goals and exert our best effort.
3. Adhere to honesty basing on business itihics.
4. Seek knowledge from all aspects and make the best use of it.
5. Create unity among employees and promote teamwork.
6. Develop potential of employees in aspects of knowledge and abilities, encourage them to express their points of views and do the right things.
7. Seek opportunities from changes and implement into tangible action.

ENVIRONMENTAL POLICY

The company emphasizes responsibilities towards environmental conversation by adhering to the following guidelines:

1. Strictly comply with the Industrial Estate Authority of Thailand Act, the law, and related environmental regulations.
2. Advocate efficient environmental utilization for maximum benefits.
3. Focus on the pollution management and prevention as well as environmental impact by setting goals and objective to be carried out, revised and continually improved.
4. Instill environmental conscience to employees via training and encouragement to participate.

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Message from the Chairman of the Company



The year 2019 appears as a year with a sluggish economic condition and the automobile industry yet to escape. Based on the Federation of Thai Industries' information revealed that the overall domestic automobile production totaled 2,013,710 automobiles, a decrease by 7.59 per cent from the previous year, and the production of motorcycles totaled 1,948,480 motorcycles, a decrease by 5.5 per cent from the previous year. The Company tried to exploit this opportunity to increase its revenue but due to increased competition, the 2019 sale of the plastic parts reduced by 3.67 per cent in quantity while the sale of mould production increased by 515.54 percent, respectively.

The business performance for the year 2019 based on the company-specific financial statements shows that the Company's total revenue amounted to 714.42 million baht, an increase of 12.02 million baht or equivalent to an increase by 1.71 per cent from the previous year. The revenue from sales was 660.20 million baht, an increase of 9.25 million baht, or equivalent to an increase by 1.42 per cent from the previous year, while other income and dividend received totaled 54.22 million baht, an increase of

2.77 million baht, or equivalent to an increase of 5.37 per cent. The net loss for the year was 34.14 million baht while the basic loss per share was 1.37 baht pershare. The key factors that result in the increased loss come from an increase in the cost of sale due to the fact that the Company recognized the cost of services rendered in the past from the Labor Protection Act, Volume No. 7, which was effective on 5 May 2019.

For the operation plan for the year 2020, the Company focuses on 2 key strategies. The first strategy is to increase sales by increasing the market share for automobile parts and increasing sales from other industries. The second strategy involves a reduction of the production cost by emphasizing efficiency enhancement, output optimization, product quality development and customer confidence improvement as well as personnel capacity building.

On behalf of the Board of Directors and executives.

(Miss Dalad Saphavichaikul)
Chairman
Union Plastic Public Company Limited

Summary of Financial Information

Unit : 1,000 Baht

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|----------|----------|---------|---------|---------|
| Revenues | | | | | |
| Total revenue | 713,169 | 701,147 | 721,421 | 727,230 | 798,648 |
| Income from contracts with customers | 660,198 | 650,945 | 674,539 | 680,187 | 744,987 |
| Other income | 52,971 | 50,202 | 46,882 | 47,043 | 53,661 |
| Share of profits from associates | 419 | 1,812 | 1,361 | 932 | 1,361 |
| Profit (loss) before financial expenses | (30,970) | (22,289) | 27,629 | 34,685 | 54,064 |
| Expenses Income tax | (4,004) | (5,734) | 1,545 | (1,142) | 6,654 |
| Profit (loss) for the year | (34,974) | (28,023) | 29,174 | 33,543 | 47,410 |
| Profit (loss) for the year (financial statements showing investment Under the equity method) | (34,974) | (28,023) | 29,174 | 33,543 | 47,410 |
| Profit (loss) for the year (Separate financial statements) | (34,143) | (28,585) | 30,314 | 33,611 | 46,798 |
| Earnings (loss) per share (Baht) (Financial statements in which equity method is applied) | (1.40) | (1.12) | 1.17 | 1.34 | 1.90 |
| Earnings (loss) per share (Baht) (Separate financial statements) | (1.37) | (1.14) | 1.21 | 1.34 | 1.87 |
| Dividends | | | | | |
| Number of shares that pay dividends (shares) | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 |
| Dividend per share (Baht: shares) | - | - | 1.21 | 1.34 | 1.87 |
| Total dividend payment (Baht) | - | - | 30,250 | 33,500 | 46,750 |
| Dividend payout ratio (%) (Separate financial statements) | - | - | 99.79 | 99.66 | 99.90 |
| Total assets | 628,048 | 658,013 | 696,729 | 703,466 | 735,090 |
| Total liabilities | 163,300 | 157,907 | 141,838 | 144,251 | 158,007 |
| Shareholders' equity | 464,748 | 500,106 | 554,891 | 559,215 | 577,083 |
| Summary of important financial ratios | | | | | |
| Current ratio (time) | 3.36 | 3.22 | 4.08 | 3.90 | 3.24 |
| Cash flow ratio (times) | (0.25) | (0.26) | 0.52 | 0.40 | 1.02 |
| Gross profit margin (%) | (1.27) | 0.03 | 8.11 | 8.57 | 10.37 |
| Net profit margin (%) | (4.78) | (4.07) | 4.19 | 4.62 | 5.94 |
| Return on equity (%) | (7.34) | (5.71) | 5.53 | 6.15 | 8.05 |
| Return on assets (%) | (5.38) | (4.28) | 4.39 | 4.86 | 6.33 |
| Debt to equity ratio (times) | 0.36 | 0.32 | 0.26 | 0.26 | 0.27 |

Board of directors



Miss Dalad Saphavichaikul

Chairman

Mrs. Supung Tangsujaritpunt

Chairman of the Audit Committee /
Independent Director /
Nomination and Remuneration
Committee

Mr. Buncherd Tanglertpaibul

Audit Committee /
Independent Director /
Chairman of the Nomination and
Remuneration Committee



Miss Jutatip Arunanondchai

Audit Committee/
Independent Director

Mr. Suthin Phadetpai

Managing Director

Mr. Pongsak Thiengviboonvong

Director



Mrs. Chantontree Darakananda

Director

Mr. Vacharaphong Darakananda

Director / Nomination and
Remuneration Committee

Mr. Nanthiya Darakananda

Director

Bio Data of Board of Directors and Company Secretary

Miss Dalad Sathavichaikul

Chairman

Age 63 years

Education

- Master's Degree in Computer Science,
University of Illinois at Urbana - Champaign, U.S.A.
- Bachelor's Degree (First Class Honor) in Economics,
Chulalongkorn University

IOD's Training

- Director Certification Program (DCP) Class 9/2001
- Finance for Non-Finance Director (FN) Class 1/2001
- Audit Committee Program (ACP) Class 10/2005
- Director Diploma Examination Class 4/2001
- Ethical Leadership Program (ELP) Class 13/2018

Experiences

- 1999 - 2007 Executive Director and Vice President
Saha-Union Public Company Limited
- 1999 - 2011 Director, Saha-Union Public Company Limited
- 1995 - May 2015 Director,
Union Textile Industries Public Company Limited
- 2011 - May 2014 Director, Union Plastic Public Company Limited
- 2012 - May 2012 Director, Union Pioneer Public Company Limited
- 2012 - 2016 President, Saha-Union Public Company Limited
- 2012 - July 2019 Chairman of the Risk Management Committee,
Saha-Union Public Company Limited
- 2017 Vice Chairman, Saha-Union Public Company Limited
- January 2017 - October 2018 Chairman, Saha-Union Holding Co., Ltd.

Current Positions

Listed Companies

- 2018 - Present Chairman, Saha-Union Public Company Limited
- May 2015 - Present Chairman, Union Textile Industries Public
Company Limited
- May 2014 - Present Chairman, Union Plastic Public Company Limited
- June 2012 - Present Chairman, Union Pioneer Public Company Limited

Saha-Union Group Companies

- 2012 - Present Chairman, Union Nifco Co., Ltd.
- 2012 - Present Chairman, Union Garment Co., Ltd.
- 2013 - Present Chairman, Union Zojirushi Co., Ltd.
- 2013 - Present Chairman, Union Micronclean Co., Ltd.
- 2013 - Present Chairman, Union Stainless Steel Products Co., Ltd.
- March 2014 - Present Chairman, Union Thai-Nichiban Co., Ltd.
- May 2014 - Present Director, The Royal Hotel Co., Ltd.
- 2017 - Present Chairman and President, Computer Union Co., Ltd.
- Present Chairman and Director, Other Companies in
Saha-Union Group

Other Companies

- 1989 - Present Director, Processing Center Co., Ltd.
- August 2015 - Present Director, Sukhumvit 62 Medical Limited
- December 2017 - Present Vice Chairman, Navavej International
Hospital Public Company Limited

Years of Directorship 9 years (since 19 January 2011)

Mrs. Supung Tangsujaritpant

Chairman of the Audit Committee / Independent Director /
Nomination and Remuneration Committee

Age 70 years

Education

- Vocational Education (Account)

IOD's Training

- Director Accreditation Program (DAP) Class 2/2003
- Advanced Audit Committee Program (AACP) Class 15/2014
- Ethical Leadership Program (ELP) Class 13/2018

Experiences

- 1994 - 2008 Vice President, Saha-Union Public Company Limited
- 2000 - May 2017 Director, Yunnan Energy Luliang-Union Cogeneration
Company Limited
- 2004 - 2010 Director, Union Textiles Industries Public
Company Limited
- January 2013 - 2016 Audit Committee / Independent Director,
Union Pioneer Public Co., Ltd.
- February 2014 - 2016 Nomination and Remuneration Committee,
Union Pioneer Public Company Limited

Current Positions

Listed Companies

- 2017 - 2020 Chairman of the Audit Committee / Independent Director /
Nomination and Remuneration Committee, Union Plastic Public Company
Limited

Saha-Union Group Companies

- None

Other Companies

- None

Years of Directorship 3 years (since 1 January 2017)

Years of Independent Directorship 3 years (since 1 January 2017)

Mr. Buncherd Tanglerpaibul

Audit Committee / Independent Director /
Chairman of the Nomination and Remuneration Committee

Age 61 years

Education

- B.A. in Faculty of Laws, Thammasat University

IOD's Training

- Director Accreditation Program (DAP) Class 79/2009
- Audit Committee Program (ACP) Class 36/2011
- Monitoring Fraud Risk Management (MFM) Class 6/2011
- Monitoring of the Quality of Financial Reporting (MFR) Class 15/2012
- Monitoring the Internal Audit Function (MIA) Class 12/2012
- Monitoring the System of Internal Control and Risk Management (MIR) Class 14/2013

Experiences

- 2000 - 2015 Managing Director, Top Ocean Consolidation Service (Bangkok) Co., Ltd.

Current Positions

Listed Companies

- March 2009 - Present Audit Committee / Independent Director, Union Plastic Public Company Limited
- February 2012 - Present Chairman of the Nomination and Remuneration Committee, Union Plastic Public Company Limited

Saha-Union Group Companies

- None

Other Companies

- 2016 - Present Managing Director, I.F.S. (Bangkok) Co., Ltd.

Years of Directorship 10 years 9 months (since 18 March 2009)

Years of Independent Directorship 10 years 9 months (since 18 March 2009)

Miss Jutatip Arunanondchai

Audit Committee / Independent Director

Age 48 years

Education

- BSc in Mathematics with Management, Imperial College, University of London, UK
- Master Degree, MBA in International Management, University of Exeter, UK
- Master Degree, MA in Architectural Interior Design, University of Wales, UK
- Master Degree, MA in Economics Law, Chulalongkorn University

IOD's Training

- Director Accreditation Program (DAP) Class 78/2009
- Audit Committee Program (ACP) Class 26/2009
- Monitoring of the Quality of Financial Reporting (MFR) Class 9/2009
- Monitoring the Internal Audit Function (MIA) Class 5/2009
- Monitoring the System of Internal Control and Risk Management (MIR) Class 6/2009
- Monitoring Fraud Risk Management (MFM) Class 6/2011

Experiences

- 1994 - 1999 Manager, Daiwa Europe Co., Ltd.
- 2002 - 2005 Corporate Finance Manager, TA Orange Co., Ltd.

Current Positions

Listed Companies

- March 2009 - Present Audit Committee / Independent Director, Union Plastic Public Company Limited
- January 2020 - Present Nomination and Remuneration Committee, Union Plastic Public Company Limited

Other Listed Companies

- 2009 - Present Independent Director / Nomination and Remuneration Committee, Thai Sugar Terminal Public Company Limited

Saha-Union Group Companies

- None

Other Companies

- 2005 - Present Executive Director, Rajburi Sugar Co., Ltd. And Group Companies
- Present Executive Director, Rajburi Ethanol Co., Ltd.
- Present Executive Director, Tipamas Co., Ltd.
- Present Director, T S G Asset Co., Ltd.
- Present Director, T S Oil Industry Co., Ltd.
- Present Director, T S Transport and Logistics Co., Ltd.
- Present Director, T S Warehouse Co., Ltd.

Years of Directorship 10 years 9 months (since 18 March 2009)

Years of Independent Directorship 10 years 9 months (since 18 March 2009)

Mr. Suthin Phadetpai

Managing Director

Age 61 years

Education

- Master's Degree of Business Administration (Executive MBA), Kasetsart University
- Bachelor's Degree of Industrial Engineering, Chulalongkorn University

IOD's Training

- Director Accreditation Program (DAP) Class 59/2006

Experiences

Siam Cement Group

- 1981 - 1991 Sales Engineer, Siam Nawaloha Foundry Co., Ltd.
Head of Production Section, Thai Industrial Forging Co., Ltd.
Head of Automobile Sales Section, Thai Engineering Products Co., Ltd.

Summit Autoparts Group

- 2001 - 2006 General Manager Manufacturing, Thai Summit Autoparts Industry Co., Ltd.
Deputy Managing Director, Gold Press Industry Co., Ltd.
Managing Director, Thai Chanathorn Industry Co., Ltd.

Other Company

- 1991 - 1994 Production and Marketing Manager, Mahajak Autoparts Co., Ltd.
General Manager, Mahajak Autoparts Co., Ltd.
- 1994 - 1998 Assistant Vice President Marketing, Jasmine International Public Company Limited
General Manager, Jasmine Smartshop Co., Ltd.
- 1999 - 2000 Director of Business Development Division, Thailand Automotive Institute (TAI).
Ministry of Industry
- 2006 - 2008 Director, Executive Director, Vice CEO, Singha Paratech Public Co., Ltd.
- 2008 - 2012 Director, Executive Director, Deputy Managing Director, Rayong Wire Industries Public Co., Ltd.
Director, Executive Director, Capital Engineering Network Public Co., Ltd.
- 2012 - 2016 Senior General Manager, Aapico Forging Public Co., Ltd.
- 2016 - 2018 Director, Executive Director, Managing Director, Rayong Wire Industries Public Co., Ltd.

Current Positions

Listed Companies

- September 2019 - Present Managing Director, Union Plastic Public Company Limited

Saha-Union Group Companies

- None

Other Companies

- None

Years of Directorship **4 months (since 1 September 2019)**

Mr. Pongsak Thiengviboonvong

Director

Age 63 years

Education

- Diploma of Vocational Education

IOD's Training

- Director Accreditation Program (DAP) Class 5/2003
- Ethical Leadership Program (ELP) Class 13/2018

Experiences

- 1999 - 2012 Director, Venus Shoes Company Limited
- 2008 - 2011 Deputy Managing Director, Union Plastic Public Company Limited
- 2012 Deputy Managing Director, Union Pioneer Public Company Limited

Current Positions

Listed Companies

- January 2013 - 2019 Managing Director, Union Pioneer Public Company Limited
- August 2018 - Present Director, Union Plastic Public Company Limited

Saha-Union Group Companies

- 1997 - Present Director, Union Shoes Company Limited
- 2011 - Present Director, Union Stainless Steel Products Company Limited
- 2013 - Present Managing Director, Venus Shoes Company Limited
- 2013 - Present Director, Union Rubber Products Corporation Limited

Other Companies

- None

Years of Directorship **1 year 5 months (since 1 August 2018)**

Mrs. Chantorntree Darakananda

Director

Age 56 years

Education

- Doctor of Medicine, Chulalongkorn University
- Executive MBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University

IOD's Training

- Director Accreditation Program (DAP) Class 5/2003

Experiences

- 1990 - February 2017 Director, Ladphrao Hospital Public Company Limited.
- 1994 - 2008 Deputy Managing Director, Union Industries Corp., Ltd.
- 2002 - 2008 Deputy Managing Director, Union Thread Industries Co., Ltd.
- 2002 - 2008 Director, Saha-Union Public Company Limited
- 2002 - 2009 Director, Union Textile Industries Public Company Limited
- 2002 - 2014 Director, Pro-Lab Co., Ltd.
- 2009 - March 2017 Deputy Managing Director, Venus Thread Co., Ltd.
- 2009 - March 2017 Deputy Managing Director, Union Zip Co., Ltd.
- 2013 - September 2014 Director, Saha-Union Public Company Limited
- September 2014 - 2016 Executive Vice President, Saha-Union Public Company Limited
- May 2014 - March 2017 Director, The Royal Hotel Co., Ltd.

Current Positions

Listed Companies

- June 2014 - Present Director, Union Plastic Public Company Limited
- January 2015 - Present Director, Union Textile Industries Public Company Limited
- May 2015 - Present Nomination and Remuneration Director, Union Textile Industries Public Company Limited
- April 2015 - Present Director, Union Pioneer Public Company Limited
- 2017 - Present President, Saha-Union Public Company Limited

Saha-Union Group Companies

- April 2015 - Present Director, Computer Union Co., Ltd.
- April 2015 - Present Director, Union Zojirushi Co., Ltd.
- April 2015 - Present Director, Union Nifco Co., Ltd.
- April 2015 - Present Director, Union Rubber Products Corp., Ltd.
- April 2015 - Present Director, Thai Rubber Enterprise Co., Ltd.
- April 2015 - Present Director, Union Stainless Steel Products Co., Ltd.
- March 2016 - Present Director, Union Thai-Nichiban Co., Ltd.
- March 2017 - Present Director, Union Zip Co., Ltd.
- Present Director, Other Companies in Saha-Union Group

Other Companies

- August 2015 - Present Director, Sukhumvit 62 Medical Limited
- December 2017 - Present Director, Navavej International Hospital Public Company Limited

Years of Directorship **5 years 6 months (since 19 June 2014)**

Mr. Vacharaphong Darakananda

Director / Nomination and Remuneration Committee

Age 54 years

Education

- Bachelor's Degree in Physics, Harvey Mudd College, California, U.S.A.

IOD's Training

- Director Accreditation Program (DAP) Class 2/2003
- Director Certification Program (DCP) Class 69/2006
- Director Diploma Examination Class 19/2006
- Role of the Compensation Committee (RCC) Class 15/2012
- Chartered Director Class (CDC) 7/2013

Experiences

- Assistant Manager, Venus Thread Company Limited
- 1990 - May 2013 Director, Computer Union Co., Ltd.
- 1999 - 2000 General Manager, Saha-Union Public Company Limited (Sriracha Operation)
- 2001 - December 2006 Director, Union Textile Industries Public Company Limited
- 2007 - 2008 Director, Union Thai-Nichiban Co., Ltd.
- 2007 - 2011 Director, Union Zojirushi Co., Ltd.
- 2007 - March 2014 Managing Director, Union Technology (2008) Public Company Limited
- May 2014 - March 2017 Director, The Royal Hotel Co., Ltd.

Current Positions

Listed Companies

- February 1992 - Present Director, Saha-Union Public Company Limited
- April 1999 - Present Director, Union Pioneer Public Company Limited
- April 2000 - Present Director, Union Plastic Public Company Limited

Saha-Union Group Companies

- May 2007 - Present Director, Union Stainless Steel Products Co., Ltd.
- 2007 - Present Director, Thai Rubber Enterprise Co., Ltd.
- 2007 - Present Director, Union Rubber Products Corp., Ltd.
- 2008 - Present Director, Union Nifco Co., Ltd.
- 2009 - Present Managing Director, Union Thai-Nichiban Co., Ltd.
- 2012 - Present Managing Director, Union Zojirushi Co., Ltd.
- September 2015 - Present Acting Managing Director, Union Stainless Steel Products Co., Ltd.
- Present Director, Other Companies in Saha-Union Group

Other Companies

- None

Years of Directorship **19 years 8 months (since 26 April 2000)**

Mr. Nanthiya Darakananda

Director

Age 51 years

Education

- Master's Degree in Business Administration, SASIN Graduate Institute of Business Administration of Chulalongkorn University
- Bachelor's Degree in Applied Physics, University of California, Davis, U.S.A.

IOD's Training

- Director Accreditation Program (DAP) Class 2/2003
- Director Certification Program (DCP) Class 212/2015

Experiences

- 1996 - September 2013 Director, Union Button Corp., Ltd.

Current Positions

Listed Companies

- April 1993 - Present Director, Union Pioneer Public Company Limited
- April 1996 - Present Director, Saha-Union Public Company Limited
- April 1998 - Present Director, Union Plastic Public Company Limited

Saha-Union Group Companies

- None

Other Companies

- None

Years of Directorship **21 years 8 months (since 23 April 1998)**

Mrs. Chadaporn Jiemsakultip

Company Secretary

Age 57 years

Education

- Bachelor's Degree in Business Administration (Management), Sukhothai Thammathirat Open University
- Certificate in Business Administration (Accounting), Vocational College, Bangkok Technical Campus, (Current Named Rajamangala University of Technology Krungthep (RMUTK)), Bangkok

Training

- CGR Workshop 2019 "Enhancing Good Corporate Governance based on CGR Scorecard", Thai Institute of Directors (IOD)
- CGR Workshop 1/2018 "Enhancing Good Corporate Governance based on CGR Scorecard", Thai Institute of Directors (IOD)
- Company Secretary Program (CSP) Class 27/2008, Thai Institute of Directors (IOD)
- Effective Minute Taking (EMT) Class 11/2008, Thai Institute of Directors (IOD)
- Fundamental Practice for Corporate Secretary (FPCS 28), Thai Listed Companies Association
- Smart Disclosure Program (SDP), The Stock Exchange of Thailand
- CSR for Corporate Sustainability (Preliminary Course) (P01) CSR Reporting Sustainability Risk and Materiality Analysis (S04) CSR Evaluation and Data Management (S05) Sustainability Reporting (S06) SR Center and Sustainable Business Development Institute, The Stock Exchange of Thailand
- Customs Professional Program, The Customs Department

Experiences

- July 2008 - 2013 Assistant to the Company Secretary, Saha-Union Public Company Limited

Other Companies

- January 2009 - Present Company Secretary, Union Textiles Industries Public Company Limited
- January 2014 - Present Company Secretary, Saha-Union Public Company Limited
- January 2016 - Present Company Secretary, Union Plastic Public Company Limited
- January 2016 - Present Company Secretary, Union Pioneer Public Company Limited

Years of secretary position **4 years**

Detail about executive management

Mr. Boonlert Noorak

Bang Chan Production Manager

Age 67 years old

Education

- Secondary school

Share holding in the company

- None

Family relationship with committee and executive management

- None

Current position

- 2019 Bang Chan Production Manager at Union Plastic Public Company Limited

Registered company

- None

Company in Saha Union group

- None

Other company

- None

Mr. Wisit Saitaidu

Bang Pa Kong Plant Production Manager

Age 66 years old

Education

- High vocational certificate in Metal Technology, Tak Technical College

Share holding in the company

- None

Family relationship with committee and executive management

- None

Experience

- 2002 Painting manager at Union Plastic Public Company Limited
- 2004 Industrial Paint Chemical Advisor at Leena Paint Company Limited
- 2009 Bang Pa Kong Production Plant Manager and Painting Manager
- 2018 Advisor

Current position

- 2019 Production Manager at Union Plastic Public Company Limited

Registered company

- None

Company in Saha Union group

- None

Other company

- None

Mr. Anupong Rengputhipong

Business Development Manager

Age 58 years old

Education

- Master's degree in MBA, Ramkhamhaeng University

Share holding in the company

- None

Family relationship with committee and executive management

- None

Experience

- 1987 Head of Marketing at National Thai Company Limited
- 1995 - present Marketing Manager at Union Plastic Public Company Limited

Current position

- Business Development Manager

Registered company

- None

Company in Saha Union group

- None

Other company

- None

Mr. Wichit Ampaiwan

Production Support Manager

Age 61 years old

Education

- Primary school

Share holding in the company

- None

Family relationship with committee and executive management

- None

Experience

- 1983 - present Bang Pa Kong Production Manager at Union Plastic Public Limited Company

Registered company

- None

Company in Saha Union group

- None

Other company

- None

Mr. Kosit Thepchalerm

Accounting and Finance Manager
Head of Accounting and Finance operation (CFO)

Age 52 years old

Education

- Bachelor's degree (Accounting)

Training history

- Problem in Transfer Pricing and Transfer Pricing Documentation Management
- Insight Financial Management. Enhance business potential by professional financial management.

Share holding in the company

- None

Family relationship with committee and executive management

- None

Experience

- 2014 - present Accounting and Finance Manager at Union Plastic Public Company Limited

Current position

- Accounting and Finance Manager
- In 2019, appointed to be the head of accounting and finance operation

Registered company

- 2010 - 2012 Information and Technology Section Manager at Hitachi Global Storage (Sriracha branch)
- 1991 - 1992 Head of Accounting Department at Saha Union Public Company Limited (Sriracha branch)
- 1993 - 2008 Head of Accounting Department/Accounting and Finance Manager at Union Technology Company Limited
- 2008 - 2009 Internal Audit Manager at Union Technology (2008) Public Company Limited
- 2009 - 2011 Information and Technology Manager at Union Technology (2008) Public Company Limited

Other Company (specify)

- 2012 - 2014 Accounting and Finance Manager at Life and Living Bike Net Company Limited

Audit committee's opinion on training courses and work experience of Head of accounting and finance (CFO)

Audit committee's opinion on training attendance evidence of Head of accounting and finance (CFO) is that the course is beneficial and align with company's business. Training hours of the course are in line with direction of Federal of Accounting Professions Under The Royal Patronage of His Majesty The King.

Audit committee's opinion of work experience of Head of accounting and finance (CFO) is that the experience is beneficial to the operation. Working during is as directed in the announcement.

Ms. Angkhana Soree

Head of accounting department
Accounting controller

Age 48 years old

Education

- Bachelor's degree in Business Administration (Accounting), Krirk University

Training history

- Operation guideline and correction according to new Transfer Pricing Act for Legal persons that are related
- Detail on TFRS16. Accounting principle for rental contract. Detail on revenue stamp, 5 electronic documents, and 28 contracts that accountant needs to know and caution points.

Share holding in the company

- None

Family relationship with committee and executive management

- None

Experience

- Jan 2009 - present :Head of accounting department at Union Plastic Public Company Limited

Current position

- Jan 2009 - present: Head of accounting department at Union Plastic Public Company Limited
- In 2019, appointed to be directly responsible for accounting control

Registered company

- None

Company in Saha Union group

- None

Other company

- None

Audit committee's opinion on training courses and work experience of Accounting Controller

Audit committee's opinion on training attendance evidence of Accounting Controller is that the course is beneficial and align with company's business. Training hours of the course are in line with direction of Federal of Accounting Professions Under The Royal Patronage of His Majesty The King. Qualification and condition of accountant is in line with regulation of Department of Business Development.

Audit committee's opinion of work experience of Accounting Controller is that the experience is beneficial to the operation. Working during is as directed in the announcement.

Mrs. Achara Maneesawad

Internal Audit Manager

Age 58 years old

Education

- Bachelor's degree in Economics, Chulalongkorn University
- Master's degree in Public and Private Management, National Institute of Development Administration
- Diploma in Certified Professional Internal of Thailand (CPIAT), The Institute of Internal Auditors of Thailand
- Diploma in Endorsed Internal Auditing Program (EIAP), Chulalongkorn University in conjunction with The Institute of Internal Auditors of United States of America: IIA

Share holding in the company

- None

Family relationship with committee and executive management

- None

Experience

- 2010 - present : Internal Audit Manager and Secretary of Audit Committee at Union Plastic Public Company Limited
- Jan 2000 - Mar 2010 : Internal Audit Manager and Secretary of Audit Committee at Union Plastic Public Company Limited and Union Pioneer Public Company Limited
: Saha Union's Control and Internal Audit Evaluation Subcommittee
: Secretary of Saha Union group's Business Control Task Force.
- May 1999 - Dec 1999 : Assistant Manager at Internal Audit Office of Financial Institution Asset Management Corporation
- Oct 1992 - Mar 1999 : Head of audit section 1, Audit Office at Dynamic Eastern Finance Thailand (1991) Public Company Limited

Current position

- Internal Audit Manager and Secretary of Audit Committee at Union Plastic Public Company Limited

Registered company

- None

Company in Saha Union group

- None

Other company

- None

Over the past 5 years, the committee, executive management, and person with authority have operated in line with Securities and Stock Exchange Act (1992) or Advance Trading Act (2003)

- (1) No dishonest operation or seriously reckless operation
- (2) No information disclosure or announcement or falsify statement that could lead to misunderstanding or concealing important truth that should be notified, which affects decision of shareholders, investors, or related persons.
- (3) No unfair operation or taking advantage of the investors in stock exchange or advance trade contract or participating or supporting the mentioned operation.

Business Policy and Overview

Business Policy and Overview

The Company started its business in 1969 by producing plastic products, household appliances and developed its production capacity until it could turn its business policy into one that focused on the production of plastic parts for industrial use or ENGINEERING PARTS. Thereafter, in order to extend its services to wider customers, the Company opened up a plastic color-paint and assembly unit while also proceeded to register its company transformation into a public limited company under the name - Union Plastic Public Company Limited - on 30 March 1994 with the Registration No. PLC. 346 and the registered capital of 250 million baht fully paid, of which the major shareholder is Saha-Union Public Company Limited. A brief description of the Company is as follows:

The Company's registered business involves plastic injection moulding and mould production coupled with a complete production process. In order to respond to customers' demand for ONE STOP SERVICE, the Company provides.

- Services including plastic injection moulding, thermo plastic injection manufacturing as well as related production processes, color spraying and assembly works.
- Plastic injection moulding manufacturing services employ CAD/CAM/CAE technologies in the design and mould production as well as the high-speed mould forming technology (HIGH SPEED MATCHINING).

Currently, the Company has no subsidiaries but does invest in a joint company, namely PSV Mould Co., Ltd. and a related company, namely Union Nifco Co., Ltd. Significant changes and developments.

Significant Changes and Development

During the past year, the Company had no significant changes in shareholder's structure or business operation with the exception of the change of Managing Director since 1st September 2019.

Company Group Shareholding Structure

The Company group shareholding structure consists of associated company and related company which are as follows:

- "Associated company" referred to PSV Mold Co., Ltd. which Union Plastic Plc. holds 25 per cent (249,999 shares) operates business on production and sales of molds which are used for tools and appliances manufacture.
- "Related company" referred to Union Nifco Co., Ltd. which Union Plastic Plc. holds 19.99 per cent (199,976 shares) operates business on plastic part production.

Relationship of the Business Group of Major Shareholder

The Company's major shareholder is Saha Union Plc. which holds 49.52 per cent (12,380,130 shares). There are no significant or minor related business operation with this major shareholder. Only temporary relation such as business advisory was provided.

The investors can get additional company's information from Annual Registration Statement (Form 56-1) www.sec.or.th or The Company website: www.unionplastic.co.th

Characteristics of Products and Services

The Company's classifications of products, which are divided according to the requirements of customers, are as follows:

1. **Plastic parts** including automotive parts, parts of electrical appliances, household products and vacuum bottle.
2. **Plastic injection mold** for assembling the production of plastic parts consists of molds of automotive parts, molds of electrical appliance parts and other types of molds according to customers' requirements.
3. **Painting on plastic parts** as specified in Item 1 requiring high quality and delicacy for both Air DRY and 2K paint

Revenue Structure

Major sources of revenue of the Company come from plastic injection moulding, mould manufacturing and sales of resulting processed products together with other incomes as follows:

(Unit: Thousand Baht)

| Product/Service | 2019 | | 2018 | | 2017 | |
|------------------------|-----------------|---------------|-----------------|---------------|---------------|-------------|
| | Revenue | % | Revenue | % | Revenue | % |
| 1. Plastic parts | 620,475 | 86.85 | 644,500 | 91.76 | 646,776 | 89.34 |
| 2. Mould manufacturing | 39,666 | 5.55 | 6,444 | 0.91 | 27,763 | 3.84 |
| 3. Other Incomes | 54,278 | 7.60 | 51,453 | 7.33 | 49,381 | 6.82 |
| Total Revenue | 714,419 | 100.00 | 702,397 | 100.00 | 723,920 | 100.00 |
| Net Profit (loss) | (34,143) | (4.78) | (28,585) | (4.07) | 30,314 | 4.19 |

Corporate Social Responsibility



Activities for Religion

Friday, May 17, 2019 :

Merit Making and Robes Offering on Visakha Bucha Day

Representatives of executives and employees of Union Plastic (Public) Company Limited together with companies in the Saha-Union Group, Bang Chan District, offered alms and robes at Bang Pheng Tai Temple.



Activities for Community

Wednesday, January 9, 2019 :

Offering Gifts on Children's Day to Government Agencies

Representatives of executives and employees of the Union Company Plastic (Public) Company Limited together with companies in the Saha-Union Group, Bang Chan District, presents Children's Day gifts to government agencies in Minburi area.



Activities for Environment

Friday, July 5, 2019 :

"Minburi Ruamjai Phak Rak Sing Wad Lom" Project

The Welfare Committee and employees of Union Plastic (Public) Company Limited collaborated with Minburi District Office organized the "Big Cleaning Day" to clean areas around Serithai Road.



Activities for Society

Wednesday, November 27, 2019 :

Donations for Purchase of Respirator to Nopparatrajathane Hospital

Representatives of executives of Union Plastic (Public) Company Limited together with companies in the Saha-Union Group, Bang Chan District, donated 400,000 Baht to buy respirators to Nopparatrajathane Hospital.

Respect for Human Rights and Fair Treatment of Labor



Sending Condolences to Employees' Family :

The Welfare Committee and employees of Union Plastic (Public) Company Limited attended funeral ceremony to offer sympathy and condolences to the family of employees who lost their loved ones.



Sick Staff Visit :

Union Plastic (Public) Company Limited is aware of and concerned about the health problems of all employees who have fully dedicated their efforts and spirits in working for the Company.



Offering Gift Baskets to Retired Employees :

Union Plastic (Public) Company Limited is aware of the importance of employees who work for the Company until their retirement. All executives jointly give gift baskets to motivate and encourage employees.



Staff Visit after Childbirth :

The Welfare Committee and employees of Union Plastic (Public) Company Limited congratulated and gave gifts to employees after childbirth.

Board of Directors and Management Structure

Company's securities information

- The company has registered capital at 250 million baht with fully paid-up, divided by 25 million shares at 10 baht par value.
- The company has no other types of share which has different right or conditions from ordinary share.
- The company has no plan to issue or offer additional shares or convertible securities for mutual fund to foreign investors or warrants for the returns from the referred securities that have company securities as the reference.
- The company has no other securities other than ordinary share.
- The major shareholder group has no agreement about the effect of the issue and offer of securities or the company's administration.

Shareholders

- Major shareholder as at book closing date 3rd April 2019:

| | | | | |
|------------------------------|----|------------|--------|----------------|
| Thai nationality shareholder | at | 24,919,040 | shares | totally 99.68% |
| Foreign shareholders | at | 80,960 | shares | totally 0.32% |

1. Top ten shareholders of Union Plastic Public Company Limited are as follows

| No. | Name of shareholders | Number or Shares Held | | Percentage (%) | |
|-----|--|------------------------------|------------------------------|------------------------------|------------------------------|
| | | April 4 th , 2018 | April 3 rd , 2019 | April 4 th , 2018 | April 3 rd , 2019 |
| 1 | Saha-Union Public Company Limited | 12,380,130 | 12,380,130 | 49.52 | 49.52 |
| 2 | Sri Thai Super Ware Public Company Limited | 2,400,000 | 2,400,000 | 9.60 | 9.60 |
| 3 | Bangkok Insurance Public Company Limited | 2,093,160 | 2,093,160 | 8.37 | 8.37 |
| 4 | Mr. Tinnakorn Thongthai | 707,200 | 707,200 | 2.83 | 2.83 |
| 5 | Mrs. Kanjana Suwantavit | 512,240 | 512,240 | 2.05 | 2.05 |
| 6 | Mr. Krit Thongthai | 494,120 | 494,120 | 1.98 | 1.98 |
| 7 | Mr. Sumeth Darakananda | 449,720 | 449,720 | 1.80 | 1.80 |
| 8 | Mr. Kasama Sirirangsankul | 344,300 | 384,600 | 1.38 | 1.54 |
| 9 | Wattana Soponpanich Company Limited | 253,660 | 253,660 | 1.01 | 1.01 |
| 10 | Ms. Sasipha Thongthai | 249,600 | 249,600 | 1.00 | 1.00 |

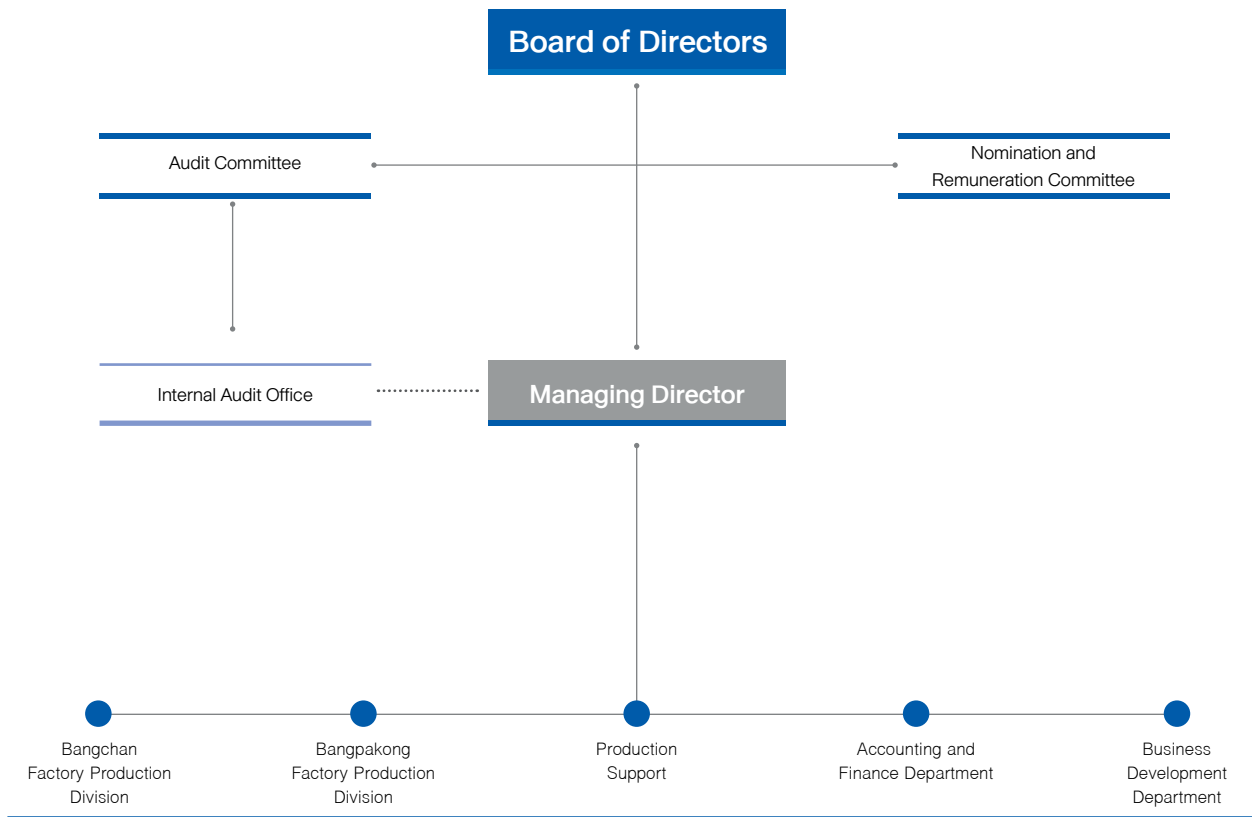
2. The directors' shareholdings are as follows

| No. | Name of shareholders | Number or Shares Held | | Percentage | |
|-----|------------------------------|-----------------------|-------|------------|------|
| | | 2019 | 2018 | 2018 | 2019 |
| 1 | Ms. Dalad Saphavichaikul | - | - | - | - |
| 2 | Mrs. Supung Tangsujaritpant | - | - | - | - |
| 3 | Mr. Buncherd Tanglertpaibul | 9,660 | 9,660 | 0.04 | 0.04 |
| 4 | Ms. Jutatip Arunanondchai | - | - | - | - |
| 5 | Mr. Suthin Phadetpai | - | - | - | - |
| 6 | Mrs. Chantornree Darakananda | - | - | - | - |
| 7 | Mr. Vacharaphong Darakananda | - | - | - | - |
| 8 | Mr. Nanthiya Darakananda | - | - | - | - |
| 9 | Mr. Pongsak Thiengviboonvong | 1,000 | 1,000 | - | - |

The company's dividend payment policy

"It depends on the result of the company business operation which is not less than 1/3 of the net fiscal year profit after (in case of) the deduction of accumulated loss according to the separated financial statement."

Management Organization chart



Structure of the committee and management

The company's committee consists of appointed persons from various professions who have the qualification, competency, knowledge, capability and experience. The committee acts as a representative to control and preserve shareholders' benefits. The committee has authority to control and direct the company to be in line with the law, objective, regulation and policy of the company, resolution from committee meeting, and resolution from shareholder meeting. The committee will be honest, trustworthy, and independent from management section. The best interests for the company, shareholders, and stakeholder in every groups are considered.

The company has specified number of committee and element of committee with approval from the company's committee meeting and shareholder meeting. The company's committee consists of 9 persons. At the moment, there are 3 persons from independent committee, 1 person from executive management, and 5 persons who are not from executive management.

- (1) Each shareholder has one vote per one share.
- (2) Election of the committee could be voting individually or by group and form as the full number of whole committee that need to be elected for that time. This depends on resolution of shareholder meeting. For each vote, a shareholder must vote for all eligible vote as per (1) and the vote can not be divided for someone or some group.
- (3) The election will be decided by majority voting score. If the scores are equal, chairman of the meeting will make a final decision.

Regulation and method for committee recruitment

Candidate for the committee must have the qualification and must not have these prohibited characteristics.

- (1) Have the qualification and does not have prohibited characteristics defined in Public Company Limited Act, Securities and Stock exchange Act, and good governance for registered company.
- (2) Possess knowledge, capability, and independence to perform committee's duties with duty of care and duty of loyalty. Dedicate and put the best effort for the company. Possess appropriate qualification, competency, good physical health, and mental health. Be honest, have courage to share opinion in the meeting, have good career records and morality.
- (3) Have knowledge in at least one important aspect such as company's business, accounting and finance, strategic management, good governance, legal and regulation.
- (4) Recruitment and remuneration committee consider qualified candidates who does not have prohibited characteristics mentioned earlier and propose to the company's committee for approval. Then they will be proposed to shareholders for further approval.

Name and scope of duty for each committee are as follows:

1. The company's committee

According to company's regulation, the company's committee must consist of at least 5 persons. More than half of the whole committee must resides in the kingdom. At least third quarter of the whole committee must hold Thai nationality. At the present, the committee of 9 persons consists of

- 3 persons from independent committee
- 1 person from executive management
- 5 persons who are not from executive management

Meeting Attendance of Board of Directors and Sub-Committee

| No. | Name | Position | Number of meetings attended / Number of meetings | | |
|-----|-------------------------------|--|---|--------------------|--|
| | | | Board of Directors | Audit Committee | Nomination and Remuneration Committee |
| 1 | Ms. Dalad Saphavichaikul | Chairman | 13/13 | - | - |
| 2 | Mrs. Supung Tangsujaritpant | Chairman of the Audit Committee/ Independent Director/Nomination and Remuneration Committee | 11/13 | 5/5 | 3/3 |
| 3 | Mr. Buncherd Tanglerpaibul | Audit Committee/ Independent Director/ Chairman of the Nomination and Remuneration Committee | 13/13 | 5/5 | 3/3 |
| 4 | Ms. Jutatip Arunanondchai | Audit Committee/Independent Director | 11/13 | 5/5 | - |
| *5 | Mr. Thitivat Suebsaeng | Director/Acting Managing Director | 9/9 | - | - |
| *5 | Mr. Suthin Phadetpai | Managing Director | 4/4 | - | - |
| 6 | Mr. Pongsak Thiengviboonvong | Director | 13/13 | - | - |
| 7 | Mrs. Chantormtree Darakananda | Director | 13/13 | - | - |
| 8 | Mr. Vacharaphong Darakananda | Director/Nomination and Remuneration Committee | 12/13 | - | 3/3 |
| 9 | Mr. Nanthiya Darakananda | Director | 4/13 | - | - |

Mrs. Chadaporn Jiamsakultrip acts as the company secretary.

**Mr. Suthin Phadetpa was appointed as director to replace Mr. Thitivat Suebsaeng effective as of 1st September 2019 (Board of Directors' Meeting No. 9/2019 on 29th August 2019)*

Attendance of sub-committee meetings

| No. | Nema | Position | Number of meetings attended / Number of meetings | |
|-----|-----------------------------|---|---|---|
| | | | Audit Committee | Nomination and Remuneration Committee |
| 1 | Mrs. Supang Tangsucharitpan | President of audit committee/Independent director /Recruitment and remuneration committee | 5/5 | 3/3 |
| 2 | Mr. Bunjerd Tangjitpaiboon | Audit committee/Independent director /President of recruitment and remuneration committee | 5/5 | 3/3 |
| 3 | Ms. Jutathip Arunanonchai | Audit committee/Independent director | 5/5 | - |
| 4 | Mr. Wacharapong Darakanon | Board/Recruitment and remuneration committee | - | 3/3 |

Scope and responsibility of the company's committee

- Perform the duties by adhering to company's regulation. This includes monitoring and managing the company to be in line with the law, company's objective and regulation, committee meeting resolution, and shareholder meeting resolution.
- Responsible for setting company's objective and primary goal as well as supervising operation of committee and management section to be appropriate for accomplishment of objective and primary goal in effective business conduct.
- Recruit, develop, set remuneration, and evaluate performance of managing director.
- Participate in defining company's policy, work plan, and strategy as well as consideration and approval for important matter regarding company's operation such as financial target, policy, work plan, strategy, budget. This includes directing, controlling, supervising the management section to perform in line with determined policy, work plan, and strategy.
- Define policy and ensure that the practices are in line with good governance principle and business ethics as well as participate in setting good behavior in working regulation and penalty for violator. This will be communicated to employee and enforced. Emphasize on honesty, trustworthiness, morality, and refraining from taking advantage of people related to company's business. As per the motto "Morality, Quality, Benefits". The company regularly conducts evaluation and review on good governance compliance once a year.
- Define measure and policy related to conflict of interest in case (if any) the company has a transaction with major shareholder, committee, executive management or related person, the company's committee will implement measures and policy to make the transaction conform with general commercial condition and treat it in the same way as normal person. The greatest benefits of the company will be the main consideration. This includes approval for transaction to be performed by person who is non-stakeholder for that transaction.
- Define policy in case the company has approved transaction with related person in a way that has long term commitment by the company (if any) such as goods trading. This will be monitored in order to fulfill the agreed condition over the committee period with the company.
- Set up risk management committee who analyze and manage the risk in order to define risk management measure to be in controllable and acceptable level. There will regularly be performance monitoring and evaluation for risk management. The progress results will be reported to the company's committee every quarter.
- Set up internal control system and internal audit in the aspects of operation, financial report, compliance on company's regulation and policy. The regular review on the company's internal control system will be conducted once a year.
- Set up internal audit office that is an independent section performing as responsible person for monitoring process, risk management and control. Audit results will be directly reported to audit committee and managing director.

Secretary of the company

The company's committee has agreed to appoint Mrs. Chadaporn Jiemsakultip to be the secretary of the company effective from 1 January 2016. Qualification of person who holds the position of secretary of the company is showed in attachment 1.

Responsibility of secretary of the company

Secretary of the company must perform the duties as defined in article 89/15, article 89/16, article 89/17, and article 89/23 from the Securities and Stock Exchange Act. (4 edition) 2008, which has been effective since 31 August 2008. The duties shall be performed in line with the law, company's objective and regulation, committee resolution as well as shareholder meeting resolution. According to the law, the duties of secretary of the company are as follows:

1. Making and filing the following documents
 - A. Director's Registration
 - B. Invitation Letter for Meeting of Board, Minute of Meeting for Board, and Annual Report of the company
 - C. Invitation Letter for Meeting of Shareholder and Minute of Meeting for Shareholder.
2. Keeping report of stakeholding reported by board or the executives and making copy to the chairman and president of audit.
3. Other process as announced by board of capital market.
4. Other duties of company's secretary.
 - The company assigns to be a supervisor of Compliance Unit; responsible for giving suggestion about law and other regulations including Compliance Unit procedure of board to act by law accordingly.
 - Be responsible for doing the Minutes of Meeting for Board of company, subcommittee and shareholders.
 - Coordinate with internal department of the company to follow the resolution of board and resolution of shareholders.
 - Coordinate with Compliance Unit such as The Securities and Exchange Commission, Thailand, as well as to take care of publish the information and report the information to the Compliance Unit and public completely by law.
 - To do orientation, prepare information, coordinate with the board to do curriculum for training which is necessary for board's responsibilities, also giving suggestion to new boards.
 - Other process as announced by board of capital market.
 - To giving suggestion about law and other regulations including Compliance Unit procedure of board to act by law accordingly.
 - Be responsible for doing the Minutes of Meeting for Board of company, subcommittee and shareholders.
 - Coordinate with internal department of the company to follow the resolution of board and resolution of shareholders.
 - Coordinate with Compliance Unit such as The Securities and Exchange Commission, Thailand, as well as to take care of publish the information and report the information to the Compliance Unit and public completely by law.
 - To do orientation, prepare information, coordinate with the board to do curriculum for training which is necessary for board's responsibilities, also giving suggestion to new boards.

Board of company is inclusive of 3 independent directors, namely;

| Number | Name | Position |
|--------|-----------------------------|----------------------|
| 1 | Mrs. Supang Tangsucharitpan | Independent Director |
| 2 | Mr. Bunjerd Tangjitpaiboon | Independent Director |
| 3 | Ms. Jutathip Arunanonchai | Independent Director |

Criteria for choosing independent director

The company has criteria to choose independent director by recruiting from knowledgeable and competent persons who has experiences and understand company's business and all other related business. Also, the director should have vision and enough time to work perform the duty and invite them to be independent director of the company which the company agrees that the independent director above can apply their knowledge and experience to conduct the business for the company. The company defines numbers of independent director according to the minimum criteria of the Securities and Exchange Commission (SEC) which requires one third of the total number of directors and independent directors must meet the minimum requirements of the SEC in order for the independent directors to be truly independent and suitable for the company's business as follows

1. Hold no more than 1% of the total voting shares of the company * including the shareholding of relevant persons of that independent director
2. Not being or never been a director who participates in the management, employees, staff, consultants who earn regular salary or a person who has authority over the company * except that he or she has been out of the position for at least 2 years
3. Not being a person who has relationship by blood or by legal registration with other directors, company executive, major shareholders, person who has authority or will be proposed to have authority over the company or subsidiary.
4. Does not have or never had business relationship with the company * in a way that may interfere with their independent judgment. Also, he or she must not be or never been a significant shareholder or person who has authority of the person who has a business relationship with the company * except that he or she has been out of the position for at least 2 years
5. Not being or never been an auditor of the company * and not a significant shareholder, person who has authority or partnership of the firm whose the auditor works *except that he or she has been out of the position for at least 2 years.
6. Not being or never been a professional service provider of any kind including legal financial service who earn the service fee of more than 2 million baht per year from the company * and is not a significant shareholder, person who has authority or shareholder of the professional service provider *except that he or she has been out of the position for at least 2 years.
7. Not being a director designated to be a representative of the company's director, major shareholder or shareholders who are related to a major shareholder
8. Not operating in a business of the same nature and in significant competition with the business of the company or subsidiary or not a significant partner in a partnership or being a director who participates in the management of employees, staff, consultants who earn regular salary or holding shares of more than 1% of the total shares with voting rights of other companies which operates in the same business and in significant competition with the business of the company or subsidiary
9. Not having any characteristics which make he or she not capable to comment independently with regard to the company's business affairs.

* Including the head office, subsidiary company, associated company, major shareholder or person who has authority over the company.

Company's committee meeting

The company arranges committee meeting at least once a month in order to follow up work results and ensure that they align with specified objective or work plan. There are 13 committee meetings in 2019. The committee members who do not have other matters to attend will join the meeting every time.

2. Audit committee

Audit committee consists of the 3 committee qualified as in the announcement from Capital market supervisory board, Securities and exchange commission, and Stock exchange of Thailand. There must also be at least 1 person from audit committee who has sufficient knowledge and experience to verify reliability of financial statements. The person is Mrs. Supang Tangsucharitpan. All of them are independent committee but not the company's chairman or board of directors. The audit committee can appoint 1 advisor and an appropriate company's staff as a secretary of audit committee.

The audit committee has 3 year term of office. The decommissioned audit committee due to end of term could be reappointed again. In case the decommission is due to other cause apart from end of term, the company's committee can appoint qualified person to be part of audit committee in order to fulfill headcount of the committee as specified by the company's committee. The appointed person can be in the position for as long as the remaining term of the replaced committee. For the audit committee's execution to reach the goal, the company's committee has given authority to audit committee in the operation related to management section, internal auditors, auditors, and the power in other aspect as well as having each party to perform in line with role and duty related to audit committee as specified in the regulation of audit committee.

Audit committee consists of 3 persons which are

| Number | Name | Position |
|--------|-----------------------------|------------------------------|
| 1 | Mrs. Supang Tangsucharitpan | President of audit committee |
| 2 | Mr. Bunjerd Tangjitpaiboon | Audit committee |
| 3 | Ms. Jutathip Arunanonchai | Audit committee |

*Mrs. Achara Maneesawad, internal audit manager, is the secretary of audit committee.

Scope and responsibility of audit committee

- Verify financial reports to be correct, adequate, and conform with regularly accepted accounting standard.
- Verify internal control system and internal audit system to be appropriate and effective. Evaluate independence of the internal audit section and approve promotion, rotation, termination of internal audit office manager
- Verify compliance to Securities and stock exchange as per the regulation of Stock exchange of Thailand and the law relevant to company's business.
- Consider, select, propose to appoint independent person to be auditors for the company and propose remuneration for the person. Attend meeting with auditors at least once a year. The meeting will be without the presence of management section.
- Consider related transactions or conflicting transactions to be in line with the law and regulation of the stock exchange. This is to ensure that the transactions are sensible and for the best interest for the company.
- Verify correctness of reference document and self evaluation related to the company's anti-corruption measure according to Thailand's Private Sector Collective Action Coalition Against Corruption.
- Compile audit committee report and public in company's yearly report. The report must be signed by president of audit committee and must consists of minimum information as follows:
 - (1) Opinion on correctness, completeness, and reliability of company's financial report.
 - (2) Opinion on sufficiency of internal control system and risk management system.
 - (3) Opinion on operation that conforms to Securities and Stock exchange act, regulation of the stock exchange, or the law related to company's business.
 - (4) Opinion on appropriateness of auditors.
 - (5) Opinion on transaction that could have conflict of interest.
 - (6) Number of audit committee meeting and attendance of each audit committee member.
 - (7) Opinion or general observation that audit committee received during the duty of charter or regulation of audit committee.

- (8) Other transactions that shareholders and general investors should know and are within scope of duties and responsibility appointed by the committee.
- Have the management section amend the mistake found and speed up the amendment.
 - Follow up and evaluate work results that the committee view as important matter.
 - Other tasks appointed by the company's committee

3. Recruitment and remuneration committee

Recruitment and remuneration committee are appointed by company's committee meeting. Majority member (two third) of recruitment and remuneration committee are independent committee. The company's chairman is not a member of recruitment and remuneration committee.

Recruitment and remuneration committee consists of 3 persons which are

| Number | Name | Position |
|--------|-----------------------------|---|
| 1 | Mr. Bunjerd Tangjitpaiboon | President of recruitment and remuneration committee |
| 2 | Mrs. Supang Tangsucharitpan | Recruitment and remuneration committee |
| 3 | Mr. Wacharapong Darakanon | Recruitment and remuneration committee |

Scope and responsibility of recruitment and remuneration committee

1. Select candidates to be new members of committee and propose to the company's committee for approval.
2. Set direction for recruitment of company's committee according to regulation and method of committee's recruitment.
3. Determine direction for committee's remuneration setting
4. Set remuneration for committee. Propose to company committee meeting for approval

4. Executive management of the company consist of

Organization structure in 2019 consists of managing director, department managers for 6 departments. Chains of command are as follows:

1. Section reporting to managing director are purchasing, human resource, quality management, environment and safety
2. Bang Chan plant production department consists of production section 1, production section 2, mold repair section, and production planning section.
3. Bang Pa Kong plant production department consists of Bang Pa Kong production section and painting section.
4. Production support department consists of maintenance section, quality assurance section, warehouse section, engineering section, and molding section.
5. Accounting and finance department consists of accounting section, finance section, information technology section.
6. Business development department consists of marketing section, and sales section.
7. Internal audit department consists of internal audit office.

Company's executive management consists of 7 persons which are

| Name | Position | Education |
|------------------------|--|--|
| 1. Mr. Suthin Padetpai | Managing director | Master's degree in business administration Kasetsart University |
| 2. Mr. Boonlert Noorak | Bang Chan plant production department manager | Lower than Bachelor's degree |
| 3. Mr. Wisit Saitaidoo | Bang Pa Kong plant production department manager | Lower than Bachelor's degree |

| Name | Position | Education |
|------------------------------|---|--|
| 4. Mr. Wichit Ampaiwan | Production support department manager | Lower than Bachelor's degree |
| 5. Mr. Kosit Thepchalerm | Accounting and finance department manager | Bachelor's degree in accounting Dhurakij Pundit University |
| 6. Mr. Anupong Rengputhipong | Business development department manager | Master's degree in business administration Ramkhamhaeng University |
| 7. Mrs. Achara Maneesawad | Internal audit department manager | Master's degree in public and private management National Institute of Development Administration |

Scope and responsibility of company's executive management

- (1) Define work plan to perform the tasks appointed by company's committee to achieve target and objective.
- (2) Monitor and follow up policy and work plan as appointed by company's committee.
- (3) Evaluate approval on urgent matter within responsibility and budget specified by company's committee as well as propose for consideration and present to company's committee for further approval.
- (4) Study and seek opportunity for new business and propose to company's committee for further approval.
- (5) Perform specific mission or other duties appointed by company's committee.

Remuneration for committee and executive management

Remuneration for committee

- The company has transparent remuneration setting process for committee. The process will be considered by recruitment and remuneration committee, then propose to the company's committee to propose to shareholders for approval.
- Remuneration of committee is comparable to the level performed in the same industry with company's performance. Experience, duty, role, and responsibility of the committee will also be taken into consideration.
- Remuneration of managing director and executive management (CEO) are in line with principle and policy directed by the committee which are determined by company's performance and work results of each executive management.

Table showing remuneration for managing director, subcommittee, and other monetary compensation

Remarks Resolution from the 26th shareholder meeting on 24 April 2019 is to approve remuneration for managing director within the budget of 1,500,000 Baht per year, which is the same as 2018. The company's committee have been appointed to allocate as they deem fit.

| No. | Committee's name | Position | Compensation (baht) | | | |
|-----|-----------------------------|--|-----------------------------|------------------------------|--|---------|
| | | | Committee meeting allowance | Audit committee compensation | Recruitment and remuneration committee meeting allowance | Total |
| 1 | Ms. Dalad Saphavichaikul | Chairman | 96,000 | - | - | 96,000 |
| 2 | Mrs. Supung Tangsujaritpant | Chairman of the Audit Committee/Independent Director/ Nomination and Remuneration Committee | 96,000 | 132,000 | 18,000 | 246,000 |

| No. | Committee's name | Position | Compensation (baht) | | | Total |
|--------------|-------------------------------|--|-----------------------------|------------------------------|--|------------------|
| | | | Committee meeting allowance | Audit committee compensation | Recruitment and remuneration committee meeting allowance | |
| 3 | Mr. Buncherd Tanglertpaibul | Audit Committee/ Independent Director/ Chairman of the Nomination and Remuneration Committee | 96,000 | 120,000 | 18,000 | 234,000 |
| 4 | Ms. Jutatip Arunanondchai | Audit Committee/Independent Director | 96,000 | 120,000 | - | 216,000 |
| *5 | Mr. Thitivat Suebsaeng | Director/Acting Managing Director | 64,000 | - | - | 64,000 |
| *5 | Mr. Suthin Phadetpai | Director/Managing Director | 32,000 | - | - | 32,000 |
| 6 | Mr. Pongsak Thiengviboonvong | Director | 96,000 | - | - | 96,000 |
| 7 | Mrs. Chantorntree Darakananda | Director | 96,000 | - | - | 96,000 |
| 8 | Mr. Wacharapong Darakanon | Director / Nomination and Remuneration Committee | 96,000 | - | 18,000 | 114,000 |
| 9 | Mr. Nanthiya Darakananda | Director | 96,000 | - | - | 96,000 |
| Total | | | 864,000 | 372,000 | 54,000 | 1,290,000 |

* Mr. Suthin Phadetpai has been appointed to be the committee in the place of Mr. Thitivat Suebsaeng. Effective from 1 September 2019. (The 9th Board Meeting on 29 August 2019)

Other compensation of managing director and subcommittee : None

Remuneration of executive management

Remuneration of executive management is aligned with regulation and policy specified by the company's committee. It depends on performance of each executive management and company's operation results. The executive management consists of 7 persons which are managing director and 6 department managers. The remunerations are as follow:

Unit : million Baht

| Transaction | 2019 | 2018 | 2017 |
|------------------|-------|-------|-------|
| Salary and bonus | 12.59 | 11.29 | 10.25 |

Other compensation of executive management

The company allocates money to provident fund for 4 department managers at 3 percent of base salary.

The Company's total employees at the end date of year 2019 were 757 people which were divided to the production line section at 513 people and production support line at 159 people and the office section at 85 people.

- The Company had no significant change of the amounts of employees and had no labor conflict for the pass 3 years. The total benefit including salary, wage, subsidy, resignation subsidy, social security fund, provident fund, pension and compensation fund were at 199.76 million baht.

The Company had no adjustment on employees' wage and salary by consideration on employee individual evaluation and the Company's operation result. In year 2020 the Company will apply the balance scorecard to evaluate the Company's operation result.

Practice 1 Role and responsibility of the committee

Practice 2 Setting objective and goal for the company

Practice 3 Promoting effectiveness of the committee

Practice 4 Recruitment and development of executive management and human resource management

Practice 5 Promoting innovation and responsible business conduct

Practice 6 Risk management and internal control

Practice 7 Financial information and disclosure of information

Practice 8 Promoting participation and communication of shareholders regarding the company's good governance policy

Good corporate governance policy

The Company follows the Stock Exchange of Thailand's good governance principles by considering responsibility to employees, shareholders, customers, competitors, communities, society, the environment and all stakeholders in order to create balance between every group. Furthermore, the Company adheres to management principles under the motto of "Morals, Quality and Benefits" in following the Stock Exchange of Thailand's good governance principles. The Company adheres to the aforementioned principles in each of the following sections:

Practice 1 Role and responsibility of the committee

The company has defined scope of work and responsibility, which were mutually agreed clearly between the committee, sub-committee, managing director and management section. This includes closely monitoring management director and management section and making sure that they perform assigned tasks.

Role and responsibility of the committee

1. Operate in line with company's regulation, including control and manage the company to align with law, company's regulation as well as decision of committee meeting and decision of shareholder meeting.
2. Making sure that the company's objective and goal are set. Supervise operation of the committee and management section to be appropriate and contribute to achieving the objective and primary goal for efficient business conduct.
3. Recruit, develop, set remuneration, and evaluate performance of managing director.
4. Participate in setting policy, work plan and strategy of the company, as well as consider and approve important matters in company such as financial target, policy, work plan, strategy and budget setting. This includes control and supervise management section to operate in line with specified policy, work plan, and strategy.
5. Set the policy and make sure that the company operates in line with good governance principle and business ethics. Participate in setting standard for good workplace behavior and punishment for violator, so all employees will be acknowledged and adhere to. Emphasize on honesty, trustworthy, morality, and fairness when dealing with person concerned with company's business. With the motto "Moral Quality Benefits". The company has yearly evaluation and regular review of good governance principle.
6. Set measure and policy on business conflict in case of transaction (if any) between company and major shareholders, committee, executive management or related person.

Company's committee will have measure and policy to make the transaction conforms with regular commercial

condition and treat as same as normal person. Company's benefits will be considered as important matter. This includes approval to execute the transaction by disinterested person.

7. Set policy for transaction between company and related person that has long term commitment (if any). For example, goods trading. This will be monitored to ensure the agreed condition are met over the whole commitment period.
8. Set up risk management committee who analyzes and manage the risk in order to set measure to manage the risk to be in controllable and acceptable level. Regularly monitor performance and evaluate risk management results. The progress will be reported to company's committee quarterly.
9. Set internal control system and internal audit for operation, financial report, regulation and policy conformance. Yearly review internal control system of the company.
10. Set up internal audit office which is independent team acting as a responsible person for risk management evaluation, control and direct result reporting to audit committee and managing director.
11. Scope of work and responsibility of managing director are defined as follows:
 - Authority to control company's operation to be in line with policy directed by company's committee and report operating results to company's committee.
 - Consider and allocate yearly budget proposed by management section. Present the budget to company's committee for approval. Control spending of yearly budget for each section.
 - Regularly review company's performance to reduce the risk from external and internal factors.
 - Authority to give order, set the rules, announcement, memorandum to ensure that operation is in line with committee's policy and for company's benefits.
 - Authority to approve purchase and spending regarding normal operation of the company as well as approve purchase on construction material and sales expense. Manage the expense and investment to be conform with budget approved by company's committee or within specified limit.
 - Consider any binding of company's right and asset with any person, legal person or financial institute and propose to committee for approval.
 - Examine company's performance and make sure the company is profitable and able to pay dividend to shareholders. This will be proposed to company's committee for approval.
 - Perform any task to support company's operation according to authority from company's committee, which is in line with policy of company's committee.
 - Any other task assigned by company's committee.
 - Authority for managing director mentioned above does not include the authority to approve transaction executed by him or person who might have conflict, interest, or other form of business conflict (according regulation of the company and the securities and exchange commission)

Scope of work and responsibility of management section are defined as follows:

- Specify work plan in order to perform assigned tasks from company's committee and achieve the target and objective.
- Supervise and follow up policy or work plan assigned by company's committee.
- Investigate and approve urgent important matter within authority and budget specified by company's committee. This include proposal and presentation to company's committee meeting for further approval.
- Study and seek for new business opportunities, which will be proposed the company's committee meeting for approval.
- Special task or other duties assigned by company's committee.

Practice 2 Setting objective and goal for the company

2.1 Setting objective and goal for the company

The committee is responsible to make sure that the business has clear and appropriate purpose or main objective, which can be used as a main concept to define business model. The committee takes part in consideration and approval on setting vision, mission, and values for the organization. This will be regularly reviewed every year.

In order to achieve the purpose or main objective, the committee will define a business model that can create value for the business, stakeholders, and society. Environmental factors and changes will be taken into consideration as well as utilizing innovation and technology appropriately. Customer's needs, stakeholder's needs, readiness, expertise, and business competitive advantage will also be taken into consideration.

2.2 Set strategy and yearly work plan

The committee must ensure that the setting of strategy and yearly work plan are aligned with company's purpose and main objective by considering environment, opportunity, acceptable risk at that moment. Yearly plan will be reviewed when there is any change in environment.

In the setting of strategy and yearly plan, the committee must ensure that the analysis in terms of environment, factors, risks which could affect overall stakeholders along the value chain is performed. Any influencing factor for business objective achievement will be analyzed as well.

The committee will promote sufficient resource allocation and follow up performance on yearly work plan in the meeting of company's committee.

Practice 3 Promoting effectiveness of the committee

3.1 Structure of company's committee

Company's committee must consist of minimum 5 persons. More than half of them must reside in the kingdom. More than three quarters of the committee must hold Thai nationality. The committee consists of company's committee which has been recruited by recruitment and remuneration committee. The person needs to be qualified and possess expertise as well as appropriate experience and could be from various professions.

Setting qualification of independent committee will conform with minimum criteria of the securities and exchange commission in order to allow the independent committee to truly act independently and appropriately for company's business.

Role and authority of chairman and managing director are clearly defined. The chairman does not hold position of managing director. The chairman does not have any relationship with management section in order to separate the role in setting policy, control, and daily task management. The company defines scope of work and authority for each level of management section. Role, authority, and responsibility are clearly separated during approval process, accounting transaction records, and company's asset control in order to limit someone from having infinite authority.

Company's secretary issues meeting invitation, records meeting minutes, coordinates matter regarding the meeting on committee's term of office. Every year, one third of the committee will be decommissioned according to company's regulation.

Subcommittee of the company.

The company has 2 teams of subcommittee, which are:

1. Audit committee
2. Recruitment and remuneration committee

Audit committee

- Audit committee consists of 3 persons. All of them are independent committee which are appointed by company's committee. Every audit committee are qualified as per announcement of capital market supervisory board, the securities and exchange commission, the stock market.
- During 3-year term of office, audit committee which is decommissioned due to term's end might be reappointed.
- In the audit committee, there must be at least 1 person having knowledge and experience in financial statement review

Role and responsibility of audit committee are defined in Practice 6, number 6.2

Recruitment and remuneration committee

- Recruitment and remuneration committee consists of 3 persons who are appointed by company's committee in order to perform transparently and independently. Most members are independent committee. Chairman of the board is independent committee.
- The committee has considered the qualification of "independent committee". Minimum requirement must be conforming to criteria set by the securities and exchange commission and the stock market. Furthermore, company's independent committee can freely share the opinion regarding operation of management section.
- Company's independent committee must consist of at least one third of all committee and must have minimum number of 3 persons.

Role and responsibility of recruitment and remuneration committee

1. Select appropriate candidate and propose to company's committee, who will then consider appoint a shareholder to be committee.
2. Set direction for recruitment of management director
3. Consider remuneration determination for the committee
4. Set remuneration for the committee by proposing to company's committee meeting to be approved by shareholders.

3.2 Role and responsibility of the company's chairman are as follows:

1. Direct, follow up and control to ensure that the committee perform effectively and achieve the objective and main goal of the company.
2. Ensure that all committee participate in promoting ethical organization culture and good governance.
3. Set meeting agenda for committee by discussing with managing director and come up with measure to ensure that important matter is included in meeting agenda
4. Allocate sufficient time for management section to propose issues and sufficient time for the committee to discuss on important matter cautiously and all around.
5. Promote the committee to perform with cautious discretion and give opinion freely.
6. Develop good relationship between committee who are executive and who are not executive. Also the relationship between the committee and management section.

The company's chairman is not a chairman or member of audit committee and recruitment and remuneration committee.

This will allow the subcommittee to operate truly independently.

3.3 Recruitment for committee

Recruitment for committee

The proposed candidate is considered by the recruitment and remuneration committee, who are responsible for recruitment for qualified person or competent person with experience in business management and qualify as per the law. The person must also have enough time to operate for the company with transparency and report to company's committee in order to propose to the shareholders annual general meeting with the agenda of committee election. These must adhere to company's regulation as follows:

- (1) Each shareholder has one vote per one share.
- (2) Committee election method could be voting for individual committee one person at a time or many person at the time to form the whole committee with same number of committee needed to be elected in that time. This is up to judgment of shareholder meeting. For each vote, the vote must be counted wholly for each shareholder as per (1).
- (3) Majority vote count will define the result of committee election. If the vote counts are the same, chairman of the meeting will make a final decision.

Qualification of the committee

The person who will be committee candidate needs to possess these qualifications and does not have any prohibited characteristics as follows:

- (1) Qualified and does not have prohibited characteristics as per public limited company law and securities and securities market law as well as good governance for registered company.
- (2) Possess knowledge, capability and independence require for acting as the committee with caution and honesty (Duty of care and duty of loyalty). Able to fully commit the effort and time for the company. Have appropriate maturity and age. Have good physical health and mental health. Have creativity in the meeting. Honest and have courage to provide opinion in the meeting. Possess good career track records and ethics.
- (3) Knowledgeable in at least one aspect such as company's business, accounting and finance, strategic management, good governance, law and regulation.

Recruitment and remuneration committee will consider the qualified candidate with no prohibited characteristics as mentioned earlier and then propose to company's committee for approval before proposing to shareholder for further approval.

Selection criteria for independent committee

The company's selection criteria for independent committee is recruiting the person with knowledge, capability, experience, understanding of company's business. The person also has to be visionary and have enough time to perform the duty and invited those people to be company's independent committee if the mentioned independent committee think that those people could contribute beneficial opinion that is suitable for business operation of the company. The company has set the number of independent committee in line with minimum requirement of the securities and exchange commission. The criteria requires one third of all committee and independent committee to qualify with minimum requirement of the securities and exchange commission in order to allow the independent committee to truly operate independently and suit with company's business as follows:

1. Does not hold more than 1% of shares that has voting rights from the whole company. This includes the shares hold by related person of that independent committee.

2. Is not or never been in a committee related to management, workers, employees, consultant under payroll or person with authority for the company. Unless the person has left the position for more than 2 years.
3. Is not a person who has genetical relationship or legally registered with other committee, company executive, major shareholder, person with authority, or candidate for committee, executive, or person having authority for company or subcompany.
4. Does not or never had business relationship with the company* in the way that could obstruct own independent judgement. Is not or never been significant shareholder or person with authority over the person that has business relationship with the company*. Unless the person has lost that characteristics for more than 2 years.
5. Is not or never been an auditor for the company* and is not a significant shareholder, person with authority or partner of audit firms which employ auditor for the company. Unless the person has lost that characteristics for more than 2 years.
6. Is not or never been any professional service provider. This includes legal consultant or financial consultant which are remunerated by the company* for more than 2 million Baht per year. Is not a significant shareholder, person with authority or partner of that professional service provider. Unless the person has lost that characteristics for more than 2 years.
7. Is not part of committee appointed to represent company's committee, major shareholders, or shareholders related to major shareholders.
8. Does not conduct business which operate in the same environment and compete significantly with company's business and subcompany's business. Is not a significant partner in any partnership or be in committee that manage business, workers, employees, consultant under payroll or hold more than 1% of shares that has the rights to vote wholly of other company, which operate in the same environment and is competitor to the company's business or subcompany's business.
9. Does not have any other characteristics that obstruct independent opinion regarding company's operation.

** Includes large company, subcompany, joint-venture, major shareholder, or person with authority over the company.*

3.4 Remuneration of the committee

1. The company has transparent remuneration setting process for the committee. The process needs to get approval from recruitment and remuneration committee which will propose to company's committee. Then the committee will propose to shareholder for approval.
2. Remuneration of the committee is comparable to the same level conducted in the same industry and to turnover of the company. Experience, role and responsibility of the committee will be taken into consideration.
3. Remuneration of the managing director and executive management (CEO) will be in line with principle and policy determined by the committee. Company's performance and individual performance of each executive management will be taken into consideration.

3.5 Monitoring on policy and operation of subcompany and joint venture

In case the subcompany / joint venture has sent a representative to be part of the committee and attend subcompany / joint venture committee meeting as per the information disclosure for operation in good governance number 9.4

Govern the operation of subcompany and joint venture

3.6 Self evaluation of the committee

The committee sets up yearly performance evaluation of company's committee and subcommittee. The evaluation will be done individually and by group at least once per year. The results will be jointly considered in terms of performance and problem in order to make further improvement.

In 2019, the company has conduct individual and group evaluation for company's committee as well as self evaluation of audit committee for recruitment committee, and evaluation of recruitment and remuneration committee as follows:

1. Self evaluation result of the company's committee (by group)

| Evaluation criteria | Score (%) for 2019 | Score (%) for 2018 |
|--|--------------------|--------------------|
| 1. Structure and qualification of the committee | 92.82 | 97.22 |
| 2. Role, duty, and responsibility of the committee | 93.30 | 88.89 |
| 3. Committee meeting | 93.83 | 93.21 |
| 4. Acting of the committee | 94.05 | 93.25 |
| 5. Relationship with management section | 94.44 | 97.78 |
| 6. Self development of the committee and executive development | 92.13 | 88.43 |
| Average score | 93.35 | 92.21 |

Total 6 criteria. Average score of 9 committee is at 93.35% which is considered as good or very good.

1. Self evaluation result of the company's committee (individually)

| Evaluation criteria | Score (%) for 2019 | Score (%) for 2018 |
|--|--------------------|--------------------|
| 1. Structure and qualification of the committee | 91.67 | 93.06 |
| 2. Committee meeting | 93.75 | 93.75 |
| 3. Role, duty, and responsibility of the committee | 92.22 | 93.33 |
| Average score | 92.68 | 93.43 |

2. Self evaluation result of audit committee

| Evaluation criteria | Score (%) for 2019 | Score (%) for 2018 |
|--|--------------------|--------------------|
| 1. Composition and qualification | 100 | 100 |
| 2. Committee meeting | 100 | 100 |
| 3. Role, duty, and responsibility of audit committee | 87.18 | 89.74 |
| 4. Reporting | 100 | 100 |
| Average score | 93.33 | 94.67 |

3. Self evaluation result of recruitment and remuneration committee

| Evaluation criteria | Score (%) for 2019 | Score (%) for 2018 |
|---|--------------------|--------------------|
| 1. Structure and qualification of recruitment and remuneration committee | 100 | 91.67 |
| 2. Recruitment and remuneration committee | 100 | 91.67 |
| 3. Role, duty, and responsibility of recruitment and remuneration committee | 86.11 | 91.67 |
| Average score | 95.10 | 91.67 |

3.7 Knowledge development for the committee

The company promote and support the company's committee to regularly attend training every year. The courses related to operation of the committee such as DCP, DAP of IOD courses is arranged to continuously enhance potential of human resource as well as providing the committee with knowledge and understanding the company as many aspects. Implementation of new technology and innovation is being utilized for efficient operation of the committee.

In 2019, the company has arranged knowledge development courses for committee and executive management as follows:

Knowledge development for committee and executive management

Executive management has attended the training of total 312 hour. Courses as follows:

| Number | Course | Hours |
|--------------------|---|------------|
| 1 | Training for accumulated CPE hours | 3 |
| 2 | Top Risks for 2019 | 3 |
| 3 | Creating and developing labour protection network in the system | 6 |
| 4 | Safety and hygiene committee | 12 |
| 5 | Enhancing working behavior in work place | 6 |
| 6 | Problem in price setting for transfer pricing and transfer pricing documentation management | 6 |
| 7 | Persuasion psychology. Tasks get done. People succeed. | 12 |
| 8 | Labour law for human resource management | 6 |
| 9 | Update on new labour protection act. Which will be effective in 2019. The employer and HR department must know about it and implement as operation guideline. | 3 |
| 10 | Mindset of team leader that lead to success | 6 |
| 11 | Document creation for anti-corruption counter measure in organization | 12 |
| 12 | Risk management | 12 |
| 13 | Contamination control | 4 |
| 14 | Basic Course for IS & EC Machine | 36 |
| 15 | Molding Course | 36 |
| 16 | Sales system and debtor audit | 6 |
| 17 | Customer regulation | 20 |
| 18 | Core Tools | 30 |
| 19 | Cost Reduction (Cost saving techniques) | 12 |
| 20 | Insight Financial Management | 12 |
| 21 | IA clinic. Anti-corruption audit method. Let's push forward the fight against corruption. | 3 |
| 22 | Orientation Course CFO Focus on Financial Reporting | 12 |
| 23 | Communication strategy for different style of people. Win the heart, win the work. | 6 |
| 24 | Engineering & Bio Plastic Seminar | 5 |
| 25 | Winning 5G and the 4th industrial Revolution | 3 |
| 26 | Fire fighting practice and evacuation (between 08:00 - 16:00) | 14 |
| 27 | Business time bomb prevention from IT system risks | 6 |
| 28 | Hazard identification Hiyari Hatto | 2 |
| 29 | Improving health, prevent disease, and social security knowledge sharing for 2019. | 3 |
| 30 | 2020 Emerging Risks for IA | 3 |
| 31 | Safety and hygiene committee and working environment | 12 |
| Total hours | | 312 |

Knowledge development training for the company's committee

| Number | Committee's name | Course |
|--------|-----------------------------|---|
| 1 | Mrs. Supang Tangsucharitpan | Business sustainability in digital age "Know quickly, use wisely" |
| 2 | Mr. Bunjerd Tanglertpai | Business sustainability in digital age "Know quickly, use wisely" |
| 3 | Ms. Jutathip Arunanonchai | Business sustainability in digital age "Know quickly, use wisely" |

3.8 Committee meeting

1. Set date and time of committee meeting yearly in advance and inform all committee about the schedule in order to allow each committee to make time and attend the meeting.
2. The company has committee meeting at least once a month in order to acknowledge the report and follow up on the company's operation as well as financial budget consideration, quarterly financial report, and other important matter. This includes consideration for yearly published list of information (document number 56-1) which is performed before reporting to the stock market and the securities and exchange commission.
3. The company's secretary will send meeting invitation which consists of meeting agenda directed by the chairman along with meeting minutes. The secretary will also responsible for document preparation for the meeting and deliver to the committee 5 days before meeting day as specified by law. This will give the committee ample time to study the information before attending the meeting.
4. The chairman and managing director will work together to set meeting agenda for the committee meeting for the proposal of meeting agenda.
5. The chairman will allocate sufficient and ample time for the committee to discuss important problems cautiously as well as promote every committee to freely share opinion toward each topic.
6. The chairman, managing director and every committee will attend every meeting unless they are on oversea trip and must attend urgent matter.
7. Executive management will attend committee meeting to provide additional information in terms of accounting and finance or other related aspects.
8. Promoting the committee to have access to necessary information technology from managing director or company's secretary or other executive management who has been assigned within the specified scope of policy.
9. Each year, the company disclose information on frequency of committee meeting, audit committee meeting, and recruitment and remuneration committee meeting as well as disclose information on meeting attendance for each committee.

Practice 4 Recruitment and development of executive management and human resource management

4.1 Recruitment and development of managing director and executive management.

Recruitment of managing director

For recruitment of managing director, the company's committee assign this task to recruitment and remuneration committee along with the chairman. They will consider qualified candidates who are appropriate and possess knowledge, capability, skills and experience beneficial for company's operation. The candidate will also need to thoroughly understand company's business and able to achieve the objective and goal set by the company's committee. These will be presented to the company's committee for further appointment.

Recruitment for executive management

The company's committee will assign the recruitment to managing director and appoint executive management. This will be presented to the committee meeting for acknowledgement.

Succession Plan

- The Board of Directors supervises a succession plan in order to prepare for the succession of the position of managing director and senior executive and allow the managing director to report the operating results based on the succession plan of the position of senior executive to the Board of Directors at least once a year.

Trainings and Development of Managing Director and Senior Executives

- The Board of Directors promotes and encourages the managing director and senior executive to be trained and developed to enhance knowledge and experiences that are beneficial to the operations. Annual training and personnel development plans for employees at all levels in the organization are provided. Such training and development will be in any forms, such as training and skill testing according to the line of work, internal and external training, participation in activities with customers, etc., to ensure that the personnel development is in line with the direction of the Company. The managing director is responsible for reporting the progress of trainings and personnel development to the Board of Directors.

4.2 Determination of Remuneration Structure

- The Board of directors supervises and establishes the appropriate remuneration structure and evaluation.
- The Board of directors determines the remuneration structure that is the motivation for the managing director and senior executives and other personnel at all operational levels, which is in line with the objectives and the main goals of the organization, including long-term business interests, which covers;
 1. Considering the appropriateness of remuneration proportion which is salaries and bonuses
 2. Determining the policy regarding remuneration payment by taking into account labor laws
 3. Remuneration of companies operating similar businesses and having similar sizes of business
- Establishing policies regarding evaluation criteria and communicating to all parties for acknowledgement
- The Board of directors establishes the criteria for performance evaluation of the managing director and communicates such criteria for evaluation to the managing director in advance. The performance evaluation of the managing director shall be performed at least once a year. In addition, the Board of directors must approve the annual remuneration of the managing director.
- Considering and approving rules and factors for performance evaluation, including approving the remuneration structure of senior executives and monitoring the managing director to evaluate the senior executives accordance to such evaluation principles
- Supervising and establishing rules and factors for performance evaluation for the entire organization

4.3 Structure and Relationship of Shareholders

The Board of directors determines the establishment of the structure and relationship of shareholders that may affect the management and the operations of the Company. The Company annually discloses the shareholding proportion of the Company in the Form 56-1 and the Company's annual report according to the disclosed information of its operations under Item 7, Securities and Shareholder Information.

4.4 Personnel Management and Development

- The Board of directors monitors the personnel management and development to ensure that they have appropriate and sufficient knowledge, skills, experience, and motivation.

- The Board of directors supervises the human resource management to be in line with the direction and strategies of the organization. Employees at all levels have appropriate knowledge, capability, and motivation and are treated fairly. To retain talented personnel of the organization, the Board of directors monitors and establishes the provident fund and savings cooperatives to ensure that employees have sufficient savings to support their retirement, including encourages employees to have knowledge and understanding in financial management.

Principles 5: Promotion of Innovations and Responsible Business Operations

5.1 Creation of Innovations

The Board of Directors pays attention and encourages the organization to create changes by applying the creativity and design thinking process to create new products or services to meet the needs of different customers in order to lead to the creation of new innovations, including research, production process development, and improvement of cooperation with business partners. However, the impact on the environment, society and community is always taken into consideration, including procedures of production process and work process.

5.2 Corporate Social and Environmental Responsibility

The Board of directors assigns the Management to prepare a manual for business ethics which is used as a guideline for conducting business ethically, having corporate social and environmental responsibility, and avoiding the violation of stakeholders' rights, so that all parties can achieve the objectives and main goals with sustainability as specified in Section 3, Ethics. In addition, it is monitored and evaluated at the monthly performance meeting.

5.3 Resource Allocation and Management

The Board of directors realizes that the use of each resource type have an impact on each other. Different business models cause impacts on different resources as well. As a result, to select a business model, impacts and worthiness that will occur to resources must be considered based on ethics, responsibility, and creation of sustainable value for the business.

In addition, the Board of Directors still monitors this matter to ensure that, in achieving objectives and the main goals of the business, the Management has reviewed, developed and supervised the use of resources efficiently and effectively by regularly taking into account changes in internal and external factors.

5.4 Management of Information Technology System

The Board of directors assigns the Management to prepare an annual budget plan for information technology investment annually to ensure that sufficient resources can be allocated for business operations and to set guidelines in the event that they fail to allocate sufficient resources as stipulated. In addition, the Management is assigned to consider the corporate risk management in terms of management and manage information technology risks, including establish policies and measures on security of the organization's information systems.

Principles 6: Risk Management and Internal Control

6.1 Risk Management and Internal Control Systems

The Board of Directors establishes the risk management and internal control systems that will make objectives achieve effectively, including the compliance with laws and related standards. The Board of directors provides the monitoring of effectiveness of risk management and internal control regularly every quarter by assigning the Audit Committee to screen it before proposing to the Board of Directors for consideration.

The Company establishes the risk management policy and internal control and internal audit policies to build confidence for shareholders and all relevant parties for the ongoing operations so that they are able to achieve objectives and create added value for the organization as follows;

Risk Management Policy

1. Establishing the risk management system at the corporate level, department level, and division level to support and connect with the visions, objectives, and main goals of the Company's major mission operation
2. Determining the risk management process to be the same direction throughout the organization
3. Ensuring that the risk management is the responsibility of employees at all levels who must be aware of the operational risks in their departments and organization by focusing on risk management under the internal control systematically at an appropriate level
4. Promoting and supporting the risk management to be an important tool in the corporate management that personnel at all levels must understand, provide cooperation and participation in creating a good image, and promote good corporate governance for excellent management
5. Establishing, monitoring, inspecting, and evaluating results of risk management continuously for reviewing and improving the Company's operations to be effective and suitable in accordance with the circumstances
6. Promoting and developing the use of state-of-the-art information technology systems in the Company's risk management process and supporting personnel at all levels to access information and news on risk management of the company thoroughly

Policy on Internal Control and Internal Audit

1. The Company provides good and effective internal control systems to ensure the Company's efficient operations. Accurate and reliable performance reports and financial reports are prepared, including the compliance with requirements of relevant laws.
2. The Board of Directors reviews the effectiveness of the internal control system by considering the main elements of the internal control system, which is divided into 5 elements as follows; control environment, risk assessment, control activities, information and communication in the organization, as well as follow-up and evaluation.
3. The Company assigns the department that is directly responsible for internal audit, risk assessment, and internal control evaluation, which is under the supervision of the Audit Committee.
4. The Audit Committee is responsible for reviewing to ensure that the Company provides the appropriate and effective internal control system, risk management system, and internal audit system.
5. All employees of the Company must have good attitudes towards internal control and internal audit, provide cooperation in the audit, and apply the results to improve and correct it appropriately and rapidly.

In addition, in the case that the Company has other businesses in which the Company invests in the proportion of 20% or higher, the Company will follow up and monitor the operating results every quarter, including appoint a Company's representative to be a director for attending the meeting and considering the operating results of such invested business.

6.2 Audit Committee

The Board of Directors sets up the Audit Committee consisting of 3 independent directors with qualifications and duties in accordance with the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.

The Board of Directors determines written roles and responsibilities of the Audit Committee as shown on the website of the Company. The substance of regulations of the Audit Committee can be summarized as follows;

1. Elements and Qualifications

2. Term of Office
3. Duties and Responsibilities of Audit Committee
4. Authority of Audit Committee
5. Roles and Responsibilities of Departments relating to Audit Committee

The Audit Committee reviews and expresses opinions on the adequacy of the risk management system and internal control every quarter before proposing it to the Board of Directors for consideration, including the disclosure of the review report in the annual report.

Roles and responsibilities of the Audit Committee are as follows;

1. Reviewing the Company's financial reports to be accurate, sufficient and in accordance with generally accepted accounting standards
2. Reviewing the Company to ensure an appropriate and effective internal control and internal audit systems and considering the independence of the internal audit department, as well as granting approval for appointment, transfer, and termination of the manager of the Internal Audit Office
3. Reviewing the Company to ensure the compliance with the law on securities and exchange, regulations of the Stock Exchange of Thailand, and laws relating to the Company's businesses
4. Considering the selection and nomination of an independent individual to act as the Company's auditor and proposing the remuneration of such person, including attending the meeting with the auditor without the Management at least once a year
5. Considering the connected transactions or transactions that may have conflicts of interest to be in accordance with the laws and the regulations of the Stock Exchange of Thailand to ensure that such transactions are reasonable and for the best benefits of the Company
6. Reviewing the accuracy of the references and a self-assessment form on anti-corruption measures of the businesses in accordance with the Private Sector Collective Action Coalition Against Corruption Program
7. Preparing the report of the Audit Committee by disclosing it in the Company's annual report which must be signed by the Chairman of the Audit Committee and contain at least the following contents;
 - (A) Opinions on accuracy, completeness, and reliability of the Company's financial reports
 - (B) Opinions on sufficiency of the Company's internal control system and risk management system
 - (C) Opinions on compliance with the laws on securities and exchange, requirements of SET or laws relating to the Company's businesses
 - (D) Opinions on appropriateness of auditors
 - (E) Opinions on transactions that may have conflicts of interest
 - (F) Number of the Audit Committee meetings and attendance of each member of the Audit Committee
 - (G) Overall opinions or observations obtained by the Audit Committee from duty performances under the charter or regulations of the Audit Committee
 - (H) Other transactions which the shareholders and investors should generally be informed under the scope of duties and responsibilities assigned by the Board of Directors
8. The Management is assigned to correct any detected defects as well as accelerate to fix such defects.
9. Following up and evaluating performances as deemed important by the Audit Committee
10. Performing other acts as assigned by the Board of Directors

6.3 Conflict of Interests Management

The Company establishes the policy to protect its legitimate interests in order to prevent any possible conflicts of interest between the Company and the Management, the Board or shareholders, including protect inappropriate use of the Company's properties and information. Therefore, the Company determines it as a guideline according to the details specified in Section 3, Item 3.1, Security of the Company's Properties and Confidential Information, and Section 4, Item 4.3, Conflict of Interests.

6.4 Anti-Corruption

The Company establishes the anti-corruption policy and ethical guidelines on such matter in order to prevent the Company's business operations from being involved in corruption, whether by demanding, receiving or paying bribes. As a result, the policy and practices are established as specified in Section 4, Anti-Corruption, and the policy and practices on anti-corruption are disclosed on the Company's website.

6.5 Receipt of Complaint

The Company provides channels for reporting clues or complaints of illegal and unethical acts or dishonest acts regarding the organization to employees who discover any corruption or dishonest acts towards the organization, directly or indirectly, or misconduct of personnel of the Company, including the channels for receiving complaints on the website and the annual report of the Company. This is to allow stakeholders to participate in efficiently monitoring benefits of the Company. In addition, the Company also establishes measures on whistleblower protection in order to prevent complainants or whistleblower from any trouble or unrighteousness as a result of the whistleblowing and complaint. whistleblowing and complaint. The details are as follows;

Whistleblowing matters or complaints

- Illegal acts, dishonest or corruption acts against the Company's regulations, or violation of the Code of Conduct of the Board of Directors, Managing Director, Executives and Employees
- Anomalies of financial reports, defective internal control system
- Matters affecting benefits or reputation of the Company

Channels for reporting clues or complaints

- By mail, mail to the Chairman of the Audit Committee and/or the Managing Director of Union Plastic Public Company Limited, No. 11/1 Soi Serithai 62, Minburi, Min Buri, Bangkok, 10510
- Complaint box within the Company
- On the Company's website (www.unionplastic.co.th), Complaint Reporting Section

Process upon Complaint Receipt

- The Internal Audit Office collects facts about acts that are considered dishonest and corruption and initially inspects data.
- If the complaint is found to be fault of corruption, the Internal Audit Office will collect evidence and send it to the managing director for appointing an investigation committee to investigate the facts.
- Once the investigation committee investigates the facts and discovers that information or evidence that there is reasonable ground to believe that the accused has committed dishonest or corruption acts, the Company will give the rights to the accused to be informed of the allegations and prove himself/herself by searching information or additional evidence showing that they are not involved in such alleged dishonest or corruption activities.
- The investigation committee reports the investigation results and provides guidelines on suppressing violations or non-compliance with the anti-corruption policy or related laws to the managing director and the Audit Committee.
- If the accused commits the dishonest or corruption acts, it is considered as the violation of the anti-corruption

policy and disciplinary action shall be applied according to the regulations set by the Company. If dishonest or corruption acts are illegal, offenders may also be subject to legal penalties.

Measures on Whistleblower Protection

- The system is established to keep confidential information of whistleblowers and impose penalties for the officers responsible for such information when it is disclosed.
- Whistleblowers or complainants are able to conceal their name, address or contact telephone number, unless whistleblowers or complainants deem that the disclosure of information will cause the Company to report the progress or inquire additional useful information or clarify facts or alleviate damages more conveniently and rapidly.
- In the case that whistleblowers or complainants can be contacted, the Company will inform the results of operations in writing.

Penalties

All directors, managers, executives and employees of the Company are responsible for strictly complying with this policy. Any violation or non-compliance with this anti-corruption policy shall be considered as the disciplinary violations and penalties in accordance with regulations, policies, regulations, orders, announcements, rules and laws or other related requirements shall be imposed.

In 2019, the Company did not receive any clues or complaints about illegal, unethical or dishonest acts relating to the Company.

Principle 7: Financial Information and Information Disclosure

7.1 Preparation of financial reports and information disclosure

The Board of directors is responsible for supervising the nomination of personnel relating to the information preparation and disclosure and the adequate number of personnel. Such personnel shall have knowledge, skills and experience that are appropriate to the duty and responsibility. Such personnel include the accounting and financial manager, accountant, internal auditor, Company secretary, and investor relations.

Regarding the approval of information disclosure, the Board of Directors considers the relevant factors. In the case of financial transactions, at least the following factors shall be considered;

1. Assessment results of the adequacy of the internal control system
2. Auditor's opinion on financial reports and observations of the auditor regarding the internal control system, including the auditor's observations through communication in other channels
3. Opinions of the Audit Committee
4. Consistency with objectives, key goals, strategies, and policies of the Company

The Board of Directors supervises the disclosure of financial statements, annual report, and Form 56-1 to sufficiently reflect its financial position and operating results, and also encourage the Company to provide Management Discussion and Analysis or MD&A, for supporting the disclosure of financial statements every quarter. In the event that the disclosure of any particular item relates to a particular director, it will also ensure that the disclosure on its behalf is complete and accurate as well.

7.2 Monitoring of Financial Liquidity and Solvency

The Board of Directors establishes the meeting and the agenda for the consideration of operating results on a monthly basis with the Management. The accounting manager will also attend the meeting to provide additional information regarding

the operating results based on the income statement and financial position as shown in the statement of financial position of the Company which has been prepared in order to follow up the results on a monthly basis. If there are any signs indicating financial liquidity problems and solvency, the Board and the Management will cooperate to seek for a solution immediately.

7.3 Solution for Financial Issues

In the event that the business tends to be unable to pay the debts or have financial problems, the Board of Directors will closely monitor such matter and supervise the business to be conducted carefully and strictly comply with the requirements on information disclosure. If a financial solution plan is established, the Board of Directors will consider fairness to the stakeholders and creditors and also follow up and solve problems. The Management regularly reports financial status. In addition, regarding any decision-making in solving the financial issues of the Company, the directors will consider reasonably by taking into account the rights of stakeholders.

7.4 Preparation of Sustainability Report

The Board of directors considers the appropriateness of disclosure of legal compliance, ethics compliance, anti-corruption policy, treatment to employees and stakeholders, fair treatment and respect for human rights, including corporate social and environmental responsibility, which is disclosed in the annual report.

7.5 Department or Responsible Person for Investor Relations

The Board of Directors requires communication and disclosure of information to be strictly in accordance with the regulations of the Stock Exchange of Thailand to ensure that communication and information disclosure to third parties is appropriate, confidential information and information affecting the price of securities is protected, and they are communicated for understanding throughout the organization.

Regarding INVESTOR RELATIONS, Mr. Kosit Thepchalerm, the Accounting and Financial Manager, Telephone number 02-5170109-14 ext. 130, E-mail: khosit@unionplastic.co.th, is assigned to be the investor relations and provide information to third parties.

7.6 Application of Information Technology to Data Dissemination

Currently, the Company has published information on its website in both Thai and English versions according to the following address, www.unionplastic.co.th.

Principle 8: Promotion of Participation and Communication with Shareholders

The Board of Directors is aware of the importance of shareholders having legal rights and basic rights to receive sufficient, timely and complete information. Therefore, the Board of Directors encourages shareholders to exercise their rights and realize their duty to supervise and protect all shareholders to receive basic rights equally and fairly as follows; Basic rights include the right to buy, sell or transfer shares, the right to equally receive return on investment in the form of dividends, the right to receive sufficient and timely information about the business, the right to attend shareholders' meetings and cast a vote to approve important matters, the right to elect directors and determine the directors' remuneration, the right to appoint an auditor and determine the auditor's remuneration, the right to appoint a proxy to attend the meeting and cast a vote on their behalf.

Other than the basic rights, the Board of Directors promotes and facilitates the exercise of rights of shareholders as follows;

1. Shareholders have the right to receive information equally. The Company disseminates information both in Thai

and in English versions through the channels of the Stock Exchange of Thailand and the Company's website (www.unionplastic.co.th) to provide shareholders with more channels to receive the Company's news.

2. The Company holds the annual general meeting of shareholders every 4 months from the end date of the Company's fiscal year by specifying the date, time and venue of the meeting for shareholders to attend the meeting conveniently.

3. The Company facilitates and allows shareholders to propose agenda items in advance prior to the date of shareholders' meeting, from October 1 to December 31 each year on the Company's website. (www.unionplastic.co.th) both in Thai and English version, or send a letter to the Company Secretary in accordance with the rules on proposal for considering and including it in the agenda which will specify the following information;

1. Qualifications of shareholders
2. Proposal to be included in the agenda
3. Submission of documents
4. Procedures for consideration

However, the Company has informed such information through the news system of the Stock Exchange of Thailand, both in Thai and English version.

Regarding the Annual General Meeting of Shareholders, the Company has announced and posted the Notice of the Annual General Meeting of Shareholders in the newspaper for 3 consecutive days with details of each agenda and opinions of the Board of Directors on each agenda. In addition, the letter of the shareholders' meeting invitation and all supporting documents in Thai and English version are disclosed on the Company's website (www.unionplastic.co.th) to ensure that shareholders will receive news and information not less than 30 days prior to the date of the shareholders' meeting.

The Company facilitates shareholders by;

- Holding the meeting in Bangkok Metropolitan area which has convenient transportation for the shareholders to attend the meeting.
- Arranging staff to assist the registration of meeting attendance which is available for at least 2 hours before the meeting.
- Facilitating shareholders who are unable to attend the meeting in person by attaching a proxy form to shareholders; they are able to appoint an independent director or authorize any person to be a representative to attend the meeting and cast a vote. The details of the proxy method are shown in notes of the proxy form.

The Board of Directors, including sub-committees, executives, and company secretary are aware of the importance of the shareholders' meeting which is considered as a duty to attend every meeting to answer questions relating to the meeting and listen to opinions of shareholders.

At the shareholders' meeting, the Chairman informs the shareholders of the voting rights and voting methods. One-Person One-Vote rule is applied to the voting by using the ballot. The voting result will be announced at the end of the meeting with the voting results of agreement, disagreement, abstention, and void ballot. Additional details can be found in the minutes of the shareholders' meeting disclosed on the Company's website.

The Board of Directors encourages independent persons to be the witness in counting the votes of the shareholders casting their votes. Shareholders are volunteered as a witness in the vote counting.

The Company offers the opportunity to shareholders to propose matters that are beneficial to the Company for

considering and including them in the agenda of the annual general meeting of shareholders in advance in accordance with rules and methods specified by the Company on the Company's website. At the meeting, the Chairman conducts the meeting in order based on the agenda specified in the notice of the meeting without adding any agenda or changing important information that has not been informed to shareholders in advance, and also offers the opportunity to shareholders to exercise the equal rights to inquire questions and express opinions or suggestions fully in every agenda.

The Board of Directors discloses the voting results of each agenda by dividing votes for agreement, disagreement, abstention and void ballots at the annual general meeting of shareholders on the next business day through the news system of the Stock Exchange of Thailand and the Company's website (www.unionplastic.co.th).

Internal Control and Risk Management

The company's committee will arrange a system for risk management and internal control that help the company to achieve its objective effectively as well as conforming to the law and relevant standard. The committee will arrange performance monitoring of risk management and internal control every quarter. This will be handed over to the audit committee to examine before proposing to the company's committee for approval.

The company has risk management policy, internal control policy, and internal audit policy that could continuously improve investors' and relevant parties' confidence in the operation. The policies can help the company to achieve its objective and create added value for the organization as follows:

Risk management policy

1. Implement a system for risk management in company level, department level, and section level. This will be related to vision, objective and primary goal of company's business operation.
2. Set risk management process which is aligned for the whole organization.
3. Make every level of employee responsible for risk management and aware of the risk in the operation within their section and organization. Emphasize on risk management under systematic internal control in appropriate level.
4. Promote and support risk management to be an important tool for organizational management that every level of employee need to understand, cooperate, and work together to create positive image, enhance good governance for excellent management.
5. Monitor, investigate, and evaluate risk management result regularly. The result will be used for review and improvement on company's operation to be effective and suit to business environment.
6. Promote and develop up-to-date information technology to be implemented in company's risk management process. Provide all level of employee with access to company's risk management news.

The company has appointed risk management committee to evaluate and define preventive measure as well as appointing responsible person to follow up and analyze risk management in operational level of the whole organization in order to reduce the effect or mitigate the risk that the organization could face. Structure of risk management consists of managing director and executive management as follows:

- | | | |
|----|---------------------------|-------------------------|
| 1. | Mr. Suthin Padetphai | President |
| 2. | Mr. Boonlert Nhoorak | Vice president |
| 3. | Mr. Wisit Saitaidoo | Committee |
| 4. | Mrs. Phalada Mekwaranon | Committee |
| 5. | Mrs. Achara Maneesawad | Committee |
| 6. | Mr. Anupong Rengputhipong | Committee |
| 7. | Mr. Teerayuth Kruehong | Committee |
| 8. | Mr. Thatthep Som-O-Cha | Committee |
| 9. | Mr. Mongkol Pim-On | Committee and secretary |

Internal control and internal audit policy

1. The company arranges a good internal control system which is effective in order to make the company operate efficiently. There are operation report and financial report which are correct and reliable. The operation is conformed to relevant legal requirement.
2. The company's committee has verified effectiveness of internal control system by considering main elements of internal control system. The system is divided into 5 elements which are control environment, risk management, controlling activity, information technology data, and organizational communication. These will also be monitored and evaluated.

3. The company has set a team directly responsible for internal audit, risk management, and internal control evaluation. These tasks is monitored by audit committee.
4. Audit committee is responsible for verification to ensure that the company has internal control system, risk management system, and appropriate and effective internal audit system.
5. All employees must have good attitude toward internal control and internal audit. The employees must cooperate with the investigation and perform appropriate and timely amendment due to the result.

Besides, in case the company has invested in other business for more than 20 percent, the company will monitor the performance quarterly. This includes appointing company's representative as a committee to attend the meeting and evaluate performance of the business that the company has invested.

Summary of the Board of Directors' opinion regarding internal control and risk management

In the Board of Directors Meeting no. 13/2019 on December 18, 2019, the audit committee attended the meeting. The Board of Directors evaluated the internal control system and risk management of the Company by using the assessment form for the adequacy of the internal control system which was prepared in accordance with the framework of the COSO (The Committee of Sponsoring Organizations of the Treadway Commission) and the executives inquired additional information. In conclusion, from the assessment of the internal control system of the Company for 5 sections, namely, internal control of the organization, risk assessment, operational control, information, and communication system, and tracking system, the Board of Directors is of an opinion that the Company's internal control system and risk management are appropriate and sufficient. The Company has sufficient personnel to comply with the specified internal control system and safeguard the Company's property from loss or misuse by an authorized person including transactions with persons who may have conflicts or connected persons. This supports the personnel to comply with laws and regulations and create accuracy and reliability of the financial report as well as safeguard the investment of shareholders.

The opinion of the audit committee regarding the internal control system

The Audit Committee had reviewed the appropriateness and the effectiveness of the internal control system by jointly considering the internal auditor. The committee then reported to the Board of Directors to be informed and for consideration in every quarter. In the past year, the Audit Committee expressed opinions and provided recommendations to the executives in material issues. However, the Audit Committee concluded the opinion regarding the internal control system as indicated in the report of the Audit Committee in Attachment 5. In addition, from the meeting with the external auditors, EY Office Limited, the auditor of the financial statements for the year 2019, is in an opinion that for the overall picture of the company's internal control system, there is no deficiency which may cause a significant impact on the auditor's opinion in the financial statements.

Head of Internal Audit And the supervisor of the company's operations

The Audit Committee considered and approved the management's proposal to appoint Mrs. Atchara Manesawat as a Company Internal Audit Manager due to having qualifications, knowledge, and experience in performing internal audit work, and having an understanding of the Company's business and activities. Therefore, Mrs. Atchara Manesawat is suitable to perform the duties as the head of the internal audit. However, the consideration of the appointment, removal, and transfer of the head of the internal audit shall be approved by the Audit Committee as specified in the regulations of the Audit Committee.

The Company assigned Mrs. Chadaporn Jiemsakunthip, the Company's secretary to be a supervisor of the compliance department to supervise the Company's compliance with the rules and regulations of the governing bodies. The qualifications of a supervisor of the compliance department.

Risk factors

The Company has realized the importance of risk management under changing external and internal factors that affect the business. Risk management is a crucial component of every process in business operations and must be connected at all levels. The Company then establishes a risk management policy that requires all employees to follow. A risk management committee is set up to manage the overall risks for the maximum benefits of the Company. Regarding the risk management at the organizational level, a systematic management will be organized under the supervision of the Managing Director while operation risks will be under the supervision of responsible executives in the respective agency. It is a responsibility of every agency to ensure risk management and control arrangements to be at an acceptable level. Key risk factors include:

Business risk

1) Risk from major business dependence

The Company's main revenue, of which approximately 80 per cent comes from the automobile industry. If there are any circumstances that affect the industry, consequently the Company's sales are inevitably affected. Therefore, in order to reduce the risk arising from such events, the Company formulates a plan to develop the production process, modify and modernize machinery and equipment so that they are able to support more diversified works such as electric appliances and other consumer products.

Current and future financial status, performance and business opportunity of the Company may be adversely affected in a significant way. In case of damage claims regarding quality or delivery for automobile industry customers, if it can be verified that the problem comes from parts manufactured by the Company, then the Company shall be liable for higher cost burden due to such damage claims. This also includes a loss of income from those defect parts or all parts being hired to currently produce and those to be produced in the future.

2) Risk from changing prices of raw materials

In case of rising prices of raw materials, this will affect the cost of sale which consequently reduces profits. However, the Company has proceeded and made an agreement with each customer in restructuring the selling price based on the changing prices of raw materials. In this regard, the Company assigns the marketing section to follow such changes closely and revise the selling price with customers on a regular basis.

Operational risk

Risk from shortages of key raw materials

The Company orders thermoplastics 100% from a domestic representative in Thai Baht. The oil price in the world market significantly affects the price of raw materials used in plastic products since thermoplastics are by-products of crude oil refinery. If the crude oil price in the world market rises, the price of thermoplastics also rises affecting the cost of production accordingly. Thus, various fluctuations depend on the market conditions together with other factors such as demand and supply, exchange rates and so on. Nonetheless, the Company has prepared for such risks as follows:

1. Inspect and compare the price of thermoplastics from more than 1 supplier before placing order.
2. Closely follow the trend of thermoplastic prices from domestic and overseas suppliers.
3. If there is an increase in the price of thermoplastics, the Company does not have to bear the risk from price fluctuations since major customers have agreed to bear such a risk by taking in the burden from changing the product price as a result of the price of raw materials changes.

The Company has to adequately obtain information on new manufacturers in the proximity of the crude oil production sources or initial substances in plastic production.

Financial risk

1) Credit risk

The Company has a risk of providing related credits to trade and other accounts receivable. The management controls this risk by determining a policy and method to control credits at an appropriate level. Thus, the Company does not expect material damages to occur from granting credits. In addition, the Company's credits do not concentrate because of the Company's diversified and numerous customer base. The maximum monetary amount that the Company may lose from giving credit facility is the book value of trade and other accounts receivable presented in the statement of financial position as most trade accounts receivable are automobile companies and their subsidiaries whose financial positions are credible and relatively highly stable.

2) Foreign exchange risk

The Company considers the foreign exchange risk at a low level since the number of items in foreign currencies occurred during the year are relatively few with relatively low monetary value for each item.

3) Interest rate risk

The Company has an important interest rate risk concerning bank deposits and government bonds. Most financial assets and liabilities bear interest rates that fluctuate with the market rates or a fixed interest rate that is close to the current market rate.

Risk of major customer dependence from 30 per cent of the total sales

In the past year, the Company has no risk of major customer dependence from 30 per cent of the total sales.

Risk from a major shareholder holding more than 25% of the total shares

Saha-Union Public Company Limited is a major shareholder of the Company by holding 12,380,130 shares or equivalent to 49.52 per cent of the total sold shares. However, the business operation does not significantly depend on the major company. For the case of related party transactions, the nature of these related party transactions are items of a normal business with general trading conditions. There is an Audit Committee which consists of 3 independent directors considering related items or items with possible conflicting interests to ensure compliance with the legal provisions of the Stock Exchange of Thailand and the rules stipulated by the Office of the Securities and Exchange Commission. This is to ensure that such items are reasonable and beneficial to the Company. Moreover, in the meeting of the Board of Directors to consider the Agenda on the preparation of such items, those directors with stakes in the Agenda or conflicting interests shall have no right to vote and be absent from the meeting.

Risk on related rules and regulations

The Company is being aware and places importance on the observance of the law on securities and exchange, the announcement and requirements of the Stock Exchange of Thailand as well as related laws concerning the Company's business. If violation is found, there will be penalty imposed according to the Articles of Association of the Company and other related laws and regulations.

In 2019, based on the results of monitoring, examination and evaluation of this type of risk, any wrongdoing or violation of the regulations of the Stock Exchange of Thailand has not been found.

Information system risk

The risk of database loss and computing system failure may affect the business operation resulting in damages to the Company.

The Company manages the risk by purchasing additional data storage to handle the increased amount of data and providing data backup system in another location to increase safety of the Company's data.

Disaster risk

In the past year, no any disasters occurred. However, the Company has insured itself against all risks (ALL RISK) in order to mitigate and compensate for damages arising from disasters.

Analysis

and explanation of the Management

Performance overview

The Company has slightly increased sales revenue while profits have decreased. The main reason is due to the rise in the cost of sales because the Company acknowledged the past service costs from the Labor Protection Act No. 7, which came into effect on May 5, 2019.

In 2019, the Company had sales revenue for 660.20 million Baht, increasing by 1.42% from 2018, while the profits this year had a loss of 34.14 million Baht, increasing by 19.44% from the previous year due to the increase of cost of sales.

The Company received dividends of 38.26 million Baht, increasing from the previous year for 2.38 million Baht or 6.68%.

The Company still has a stable financial structure. The cash and cash equivalents under management at the end of 2019 is equal to 136.18 million Baht. During the year, net cash flows used in investment activities is 77.03 million Baht (this is a temporary investment which is a fixed deposit of 100 million Baht in the bank).

Financial status

Asset

The Company still has a stable financial structure with cash and cash equivalents of 136.18 million Baht. The Company's total assets are 619.79 million Baht decreasing by 4.49%. Most of the Company's assets are current assets for 60% and non-current assets for 40%.

Current assets: at the end of 2019, it equals 376.72 million Baht decreasing by 0.83%. The Company's current assets mainly consist of cash and cash equivalents, temporary investment, account receivable, inventories, advance payment, goods price, and others.

The Company's cash and cash equivalents are 136.18 million Baht decreasing by 106.27 million Baht and the temporary investments during the year are 100 million Baht.

Investment: The Company has investment guarantees of 13.12 million Baht, investments in associates of 2.5 million Baht and other long-term investments of 20 million Baht.

Liabilities and shareholders' equity

Net liabilities 163.30 million Baht increasing by 5.39 million Baht, mainly due to reserve for long-term employee benefits.

Total shareholders' equity was 456.49 million Baht divided into share capital and fully paid equity for 250 million Baht. The share premium was 167.20 million Baht and the remaining is retained earnings.

Property Management Capabilities

Accounts receivable and other receivables: equal to 77.79 million Baht, a decrease of 13.67 million Baht. However, an analysis of the payment history indicates that there is undue debt and no bad debt was found up until the present.

Inventories: equal to 57.06 million Baht, an increase of 15.99 million Baht due to the additional work in the process of mold production which has not yet been delivered for customers.

Intangible assets: The Company has intangible assets in 2018 for 0.88 million Baht. In 2019, the Company has intangible assets of 0.58 million Baht, decreasing by 0.3 million Baht.

Liquidity and Capital Adequacy

In 2019, the Company had cash and cash equivalents at the end of the year equal to 136.18 million Baht decreasing by 106.27 million Baht from the previous year. The net cash flow used in operating activities was 29.24 million Baht and net cash flow used in investment activities was 77.03 million Baht (due to deposit 100 million Baht in fixed deposit)

The Company's liquidity is equivalent to 3.36 times, while the cash flow ratio is equal to (0.25) times due to the cash flow for operating activities is negative.

Significant Financial Ratios

The Return on Asset Use (ROA) in 2019 equals (5.38%) decreased from last year which was (4.28%).

The Return on Equity (ROE) in 2019 equals (7.29%), decreased from last year which was (4.84%).

The Return on Net Fixed Assets in 2019 was 3.90%, which decreased from last year which was 8.77%.

The turnover rate of total assets in 2019 was 1.13 times, increased from last year which was 1.05 times due to the increase in total revenue while the average total assets decreased.

The current ratio in 2019 was 3.36 times, increased from the previous year which was 3.22 times due to the decrease of current assets while the current liabilities are more declined than the current assets.

The inventory turnover ratio for 2019 was 67.71 around, which increased from last year which was 65.32 times due to the increase in the cost of sales.

The average collection period for the year 2019 is 48 days decreasing from the previous year which was 53 days.

The average period for selling products in 2019 was 5 days faster than the previous year which was 6 days.

From the said financial ratio, the Company's liquidity is at a manageable level. The accounts receivable is not due but the Company has no problem in debt collection since they are good debtors and they are a group of companies that manufacture cars and motorcycle as well as have no outstanding debt. Therefore, the Company decides not to set aside an allowance for doubtful accounts.

Risk analysis: For short-term risk analysis or the liquidity analysis of the Company in short-term debt settlement, it appears that in 2019, the Company's liquidity was increased from the year 2018. Whilst the quick ratio was similar to the previous year, from 2.86 times to 2.83 times. The ratio of total assets to total liabilities decreased from 4.11 times to 3.80 times due to the increase of the advance long-term benefits for employees according to the Labor Act. However, the Company still has liquidity and stability to operate its business.

Solvency: Based on the overall picture, the Company has the potential to pay off debt without any risk impact. In 2019, the Company has net cash flow used in operating activities for 29 million Baht and has net cash flows from investing activities which is decreased from 161 million Baht in 2018 to 77 million Baht in 2019. This is because there are changes in the net working capital of the business and from the investments in fixed deposits over 3 months, amounting to 100 million Baht. The company's cash and cash equivalents at the end of the year equal to 136 million Baht, together with the company's liquidity ratio which is equal to 3.36 times. Therefore, the Company is confident that it has sufficient liquidity to be able to settle the debt.

Capital expenditure

In 2019, the Company has capital expenditures on equipment related to improving the efficiency of the production equal to 18.39 million Baht.

Factors that may affect future operations

The overall economy in 2019 has not improved. According to the Federation of Thai Industries, the car and motorcycles production in Thailand are 2,013,710 and 1,948,480 vehicles decreasing by 7.59% and 5.5% respectively from the previous year. It is expected that in 2020, the production of cars and motorcycles will tend to decline due to the trade war between the United States and China and the Covid-19 outbreak that spread globally.

From the above conditions, the Company has prepared to keep up with the said situation by focusing on 2 main strategies.

The first strategy is increasing the market share for automotive parts and increasing sales from other industries.

The second strategy is reducing production costs by focusing on increasing efficiency and productivity, improving product quality and focusing on building trust with customers as well as developing the capacity of the personnel.

In addition, the Company has implemented risk management throughout the organization to support future risk factors.

Report of the Audit Committee

Dear Shareholders,

In 2019, the Audit Committee consisted of three independent directors with Mrs. Supang Tansujaritpan as the Chairman of the Audit Committee and Mr. Banjerd Tanglertpaiboon and Miss Jutatip Arunanonchai as audit directors. Significant contents of the Audit Committee's performance duties are as follows:

1. Financial Reports

The Audit Committee reviewed the Certified Public Accountant's report, quarterly financial statements and the annual financial statement with the Certified Public Accountant and executives involved in order to ensure that the Company's financial reports are prepared accurately in significant contents to meet accounting standard, interim financial statements and financial reporting standards with sufficient, complete and reliable disclosure of information. Furthermore, the Audit Committee listened to explanations from the Certified Public Accountant, the Manager of the Accounting & Finance Division and executives involved with information on financial reports certified unconditionally by the Certified Public Accountant. Furthermore, the Committee met with the Certified Public Accountant without involvement from the management in order to listen to independent opinions in auditing financial reports. The Certified Public Accountant reported no significant issues discovered and received good cooperation in audits from the management.

2. Corporate governance

The Audit Committee together with the Board of Directors have verified the observance of the annual principles of corporate governance of the Company based on the guidelines and rules specified by the Thai Institute of Directors (IOD). The evaluation results by IOD show that the score on the observance of the Company's corporate governance is at a similar level as the over average score of the listed companies. In addition, in 2019, the Company has revised its corporate governance manual so as to reflect the context in which the Board of Directors conducts its duty in each process based on the practices of the Office of the Securities and Exchange Commission.

3. Internal Control and Risk Management Systems

The Audit Committee and the Board of Directors performed the annual review of sufficiency of the Company's internal control and risk management systems in the assessment forms designated by the Securities and Exchange Commission (SEC) with five parts based on the conceptual framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO). From assessment results, the Company was found to have mostly complied with specified guidelines. Furthermore, the Audit Committee held quarterly reviews of the internal control system from audit results presented by internal auditors in addition to monitoring reviews and corrections for significant issues to ensure that the Company's internal control systems are appropriate and effective. In addition, the Audit Committee considered independence of internal audit agencies along with approving annual internal audit plans.

The Audit Committee reviewed risk management reports and acknowledged progress on risk management as the management presents in each quarter. The Audit Committee had the opinion that the management should organize systematic risk management and review risks with the current situations. Moreover, the management should assess and measure risk management results continually.

4. Compliance with Official and Legal Specifications Related to the Business

The Audit Committee reviewed business ethics governance by reviewing compliance with laws on securities and stock exchanges, tax laws, environmental laws and other laws related to the Company's business in every quarter. In addition, the Audit Committee provided additional recommendations regarding work supervision to ensure business operations follow specifications. Over the past year, the Committee received no reports of the Company's violations of ethics and official regulations.

5. Connected Transactions

The Audit Committee considered and provided opinions on connected transactions or transactions with potential conflicts of interest by considering transparency of the Company's interests and equitable treatment of all shareholders without creating transfer of interest. This was to ensure that the Company follows normal trade conditions with complete and sufficient disclosure of information according to criteria and specifications of the Stock Exchange of Thailand.

6. Audit Director Meetings and Reports

Over the past year, the Audit Committee held a total of four meetings. Every audit director attended every meeting and held discussions with the management, internal auditors and the Company's Certified Public Accountant on related topics. In addition, the Audit Committee presented the Audit Committee's report to the Board of Directors for acknowledgement and consideration on a quarterly basis.

7. Audit Committee's Self-Assessment

The Audit Committee assesses and consider self-assessment reports together with regard to compliance with duties according to the Audit Committee's regulations and good practice guidelines for the Audit Committee. Assessment results have shown the Audit Committee's performance of duties to be complete according to the Audit Committee's regulations and good practice guidelines of the Audit Committee specified by the Stock Exchange of Thailand in addition to presenting assessment reports to the Board of Directors on an annual basis.

8. Consideration of Certified Public Accountant Appointment

The Audit Committee jointly considered qualifications and wages presented by the Certified Public Accountant and approved for the Board of Directors to present the aforementioned information to shareholders' meetings by considering performance regarding services, provision of recommendations and consultation related to accounting standards, other related issues, auditing and financial statement certification in a timely manner.

In conclusion, the Audit Committee places importance on corporate governance, sufficient, appropriate and effective internal control and risk management systems including compliance with laws, rules and regulations related to the Company's business operations.

On behalf of the Audit Committee,



(Mrs. Supung Tangsujaritpant)

Chairman of the Audit Committee

Union Plastic Public Co., Ltd.

Report of the Recruitment and Remuneration Determination Committee

To Shareholders

The Recruitment and Remuneration Determination Committee is responsible for duties and responsibilities of the Committee as determined by the Company. The Committee recruits, select, and propose a person equipped with knowledge, capability and proper qualifications for the director position and senior executive. In addition, the Committee proposes the return policy, return payment guidelines and other benefits for the Board of Directors, sub-committees and senior executives in a fair and transparent manner by recognizing benefits of all parties involved, to the Board of Directors and shareholders for approval.

The Recruitment and Remuneration Determination Committee consists of 3 persons including Mr. Banjerd Tanglertpaiboon as the Chairman of the Committee, Mrs. Suphang Tangsutjaritphan and Mr. Watcharapong Darakanont as committee, 2 of which are independent committees. The Chairman is an independent committee, thus is able to perform his duty and express opinions independently.

In 2019, the Recruitment and Remuneration Determination Committee met 3 times with full attendance except when a committee with stakes in any agenda, he/she would be out of the meeting venue and had no right to vote for that agenda. A summary of the Committee's performance for 2019 is as follows:

1. Recruited and selected a qualified person to nominate to the Board of Directors in the 2019 Ordinary Meeting of Shareholders to consider for a committee position to replace the committee who was completing term.
2. Recruited and selected a qualified person to nominate to the Board of Directors to consider to appoint as a committee to replace the committee who resigned.
3. Considered the determination of remuneration and remuneration form for the Board of Directors and subcommittees for the year 2019 in order to propose to the Board of Directors to put forward for approval at the 2019 Ordinary Meeting of Shareholders.
4. Supervised the orientation arrangements for new committees to ensure mutual understanding of their duties and responsibilities as well as to inform the Company's policy, business nature and other useful information for efficient and effective operations.
5. Evaluated the performance of the Recruitment and Remuneration Determination Committee and reported the results of the evaluation to the Board of Directors for acknowledgement. Concluded the self-evaluation results of the Recruitment and Remuneration Determination Committee for the year 2019 which averaged at 95.10 per cent.

In recruiting and selecting a qualified person in order to nominate to the Board of Directors and the 2019 Ordinary Meeting of Shareholders to consider the appointment of a committee. The Recruitment and Remuneration Determination Committee will consider the qualification of the person based on the pre-specified recruitment criteria and methods, that is a person must be qualified without legally prohibited quality and have qualifications according to the requirements of the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). In addition, a person must be qualified according to the principles of corporate governance of listed companies with respect to the structure of committees that is the person must be knowledgeable, capable and independent while also possess skills, expertise and experiences specifically required in the areas and professions necessary and useful to the Company's business nature.

In determining the remuneration and remuneration form, the consideration must be fair and reasonable while such remuneration should be revised on an annual basis by comparing with listed companies with similar sizes and business nature. Moreover, other relevant factors must be considered including missions, duties, responsibilities, business performance and financial status of the Company and the general economic conditions.

In 2019, the Recruitment and Remuneration Determination Committee completely performed its assignments with prudence, transparency, neutrality and independence for the maximum benefits of the Company, shareholders and all stakeholders.

On behalf of the Recruitment and Remuneration
Determination Committee



(Mr. Banjerd Tanglerpaiboon)

Chairman of the Recruitment and Remuneration
Determination Committee
Union Plastic Public Company Limited

Report on responsibility of the company's committee toward financial report

The company's committee are responsible for company's financial budget and financial information technology as shown in annual report. The financial budget has been compiled in line with regularly certified accounting standard. The compilation was performed by adhering to appropriate accounting policy and regularly conducted. The information has been examined cautiously and estimated in the best possible way. There has also been sufficient disclosure of important information in the remarks of financial budget.

The company's committee are responsible for internal control system and risk management. The committee supervise and control the system to be adhered by informing 2019 internal control system evaluation results to auditors and audit committee of the company. This includes any deficiency and crucial changes regarding internal control system as well as wrongful action that could affect report compilation of the company, joint-stock company, and related company. The information has been reported to conform to the law and retain completeness.

The committee has appointed audit committee, which consist of persons from independent committee and persons who are not executive management responsible for quality of financial report, internal control system, and risk management. Opinion of audit committee on this matter is presented in audit committee report that has been compiled in the annual report already.

Therefore, the company's committee agree that, in overall, the company's internal control system is in satisfied level and can sensibly contribute to reliability and ensure that the company has disclosed some part of the information that is crucial content of the company's financial budget on 31 December 2019.

On behalf of company's committee



(Ms. Dalad Sarbtaweechaikul)

Chairman

18 March 2020



(Mr. Suthin Padetpai)

Managing director

18 March 2020

Report and financial statements

Union Plastic Public Company Limited

31 December 2019

Independent Auditor's report

To the Shareholders of Union Plastic Public Company Limited

Opinion

I have audited the accompanying financial statements in which the equity method is applied of Union Plastic Public Company Limited (the Company), which comprise the statement of financial position as at 31 December 2019, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Union Plastic Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Union Plastic Public Company Limited as at 31 December 2019, its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matter

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

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

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

Revenue recognition

The Company's main business is the production of plastic parts for industry and the majority of revenue comes from the automotive industry. Revenue is a key measure of the Company's operating performance because any increase or decrease in revenue affects the profitability of the Company. As a result of the high competition in the industry, there are risks with respect to the amount and timing of revenue recognition from production of plastic parts.

I have examined the revenue recognition of the Company by:

- Assessing and testing the Company's internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls, and with special consideration given to expanding the scope of the testing of the internal controls which respond to the above risks.
- Applying a sampling method to select sales transactions to assess whether revenue recognition was consistent with the conditions and incoterms, and whether it was in compliance with the Company's policy.
- On a sampling basis, examining supporting documents for actual sales transactions occurring during the year and near the end of the accounting period.
- Reviewing credit notes that the Company issued after the period-end.
- Performing analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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



Vilailak Laohasrisakul
Certified Public Accountant (Thailand) No. 6140

EY Office Limited
Bangkok: 26 February 2020

Statement of financial position

Union Plastic Public Company Limited
As at 31 December 2019

(Unit: Baht)

| | Note | Financial statements in which the equity method is applied | | Separate financial statements | |
|---------------------------------|------|---|--------------------|-------------------------------|--------------------|
| | | 2019 | 2018 | 2019 | 2018 |
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 7 | 136,184,616 | 242,452,537 | 136,184,616 | 242,452,537 |
| Current investments | 8 | 100,000,000 | - | 100,000,000 | - |
| Trade and other receivables | 6, 9 | 77,787,104 | 91,457,254 | 77,787,104 | 91,457,254 |
| Inventories | 10 | 57,054,905 | 41,068,435 | 57,054,905 | 41,068,435 |
| Advance payment for goods | | 4,094,248 | 3,632,915 | 4,094,248 | 3,632,915 |
| Other current assets | | 1,598,383 | 1,261,499 | 1,598,383 | 1,261,499 |
| Total current assets | | 376,719,256 | 379,872,640 | 376,719,256 | 379,872,640 |
| Non-current assets | | | | | |
| Restricted investments | 11 | 13,116,092 | 13,067,890 | 13,116,092 | 13,067,890 |
| Investment in associate | 12 | 10,754,625 | 11,585,216 | 2,499,990 | 2,499,990 |
| Other long-term investment | 13 | 20,002,200 | 20,002,200 | 20,002,200 | 20,002,200 |
| Investment property | 14 | 3,738,143 | 3,738,143 | 3,738,143 | 3,738,143 |
| Property, plant and equipment | 15 | 163,422,587 | 184,478,624 | 163,422,587 | 184,478,624 |
| Intangible assets | 16 | 578,723 | 880,506 | 578,723 | 880,506 |
| Deferred tax assets | 23 | - | 4,445,030 | - | 4,445,030 |
| Withholding income tax | 17 | 39,716,688 | 39,943,185 | 39,716,688 | 39,943,185 |
| Total non-current assets | | 251,329,058 | 278,140,794 | 243,074,423 | 269,055,568 |
| Total assets | | 628,048,314 | 658,013,434 | 619,793,679 | 648,928,208 |

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

Statement of financial position (continued)

Union Plastic Public Company Limited

As at 31 December 2019

(Unit: Baht)

| | Note | Financial statements in which | | | |
|---|-------|-------------------------------|--------------------|-------------------------------|--------------------|
| | | the equity method is applied | | Separate financial statements | |
| | | 2019 | 2018 | 2019 | 2018 |
| Liabilities and shareholders' equity | | | | | |
| Current liabilities | | | | | |
| Trade and other payables | 6, 18 | 111,690,220 | 116,236,172 | 111,690,220 | 116,236,172 |
| Other current liabilities | | 587,000 | 1,599,000 | 587,000 | 1,599,000 |
| Total current liabilities | | 112,277,220 | 117,835,172 | 112,277,220 | 117,835,172 |
| Non-current liability | | | | | |
| Provision for long-term employee benefits | 19 | 51,023,313 | 40,072,461 | 51,023,313 | 40,072,461 |
| Total non-current liability | | 51,023,313 | 40,072,461 | 51,023,313 | 40,072,461 |
| Total liabilities | | 163,300,533 | 157,907,633 | 163,300,533 | 157,907,633 |
| Shareholders' equity | | | | | |
| Share capital | | | | | |
| Registered | | | | | |
| 25,000,000 ordinary shares of Baht 10 each | | 250,000,000 | 250,000,000 | 250,000,000 | 250,000,000 |
| Issued and fully paid-up | | | | | |
| 25,000,000 ordinary shares of Baht 10 each | | 250,000,000 | 250,000,000 | 250,000,000 | 250,000,000 |
| Share premium | | 167,200,000 | 167,200,000 | 167,200,000 | 167,200,000 |
| Retained earnings (deficit) | | | | | |
| Appropriated - statutory reserve | 20 | 62,500,000 | 62,500,000 | 62,500,000 | 62,500,000 |
| Unappropriated | | (14,952,219) | 20,405,801 | (23,206,854) | 11,320,575 |
| Total shareholders' equity | | 464,747,781 | 500,105,801 | 456,493,146 | 491,020,575 |
| Total liabilities and shareholders' equity | | 628,048,314 | 658,013,434 | 619,793,679 | 648,928,208 |

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

Statement of comprehensive income

Union Plastic Public Company Limited
For the year ended 31 December 2019

(Unit: Baht)

| | Note | Financial statements in which the equity method is applied | | Separate financial statements | |
|--|--------|---|---------------------|-------------------------------|---------------------|
| | | 2019 | 2018 | 2019 | 2018 |
| Profit or loss | | | | | |
| Revenues | | | | | |
| Revenue from contracts with customers | 21 | 660,198,491 | 650,944,547 | 660,198,491 | 650,944,547 |
| Dividend income | 12, 13 | 36,775,586 | 34,395,872 | 38,025,581 | 35,645,867 |
| Other income | | 16,195,333 | 15,806,973 | 16,195,333 | 15,806,973 |
| Total revenues | | 713,169,410 | 701,147,392 | 714,419,405 | 702,397,387 |
| Expenses | | | | | |
| Cost of sales | | 668,571,229 | 650,756,429 | 668,571,229 | 650,756,429 |
| Selling and distribution expenses | | 31,442,311 | 30,108,484 | 31,442,311 | 30,108,484 |
| Administrative expenses | | 44,544,943 | 44,383,362 | 44,544,943 | 44,383,362 |
| Total expenses | | 744,558,483 | 725,248,275 | 744,558,483 | 725,248,275 |
| Loss before share of profit of an associate and income tax expenses | | (31,389,073) | (24,100,883) | (30,139,078) | (22,850,888) |
| Share of profit of an associate | 12 | 419,404 | 1,811,843 | - | - |
| Loss before income tax expenses | | (30,969,669) | (22,289,040) | (30,139,078) | (22,850,888) |
| Income tax expenses | 23 | (4,004,001) | (5,734,280) | (4,004,001) | (5,734,280) |
| Loss for the year | | (34,973,670) | (28,023,320) | (34,143,079) | (28,585,168) |
| Other comprehensive income | | | | | |
| <i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i> | | | | | |
| Actuarial gain | | 56,679 | 3,486,473 | 56,679 | 3,486,473 |
| Reversal of deferred tax assets of actuarial losses from reassessment | | (441,029) | - | (441,029) | - |
| Other comprehensive income not to be reclassified to profit or loss in subsequent periods | | (384,350) | 3,486,473 | (384,350) | 3,486,473 |
| Other comprehensive income for the year | | (384,350) | 3,486,473 | (384,350) | 3,486,473 |
| Total comprehensive income for the year | | (35,358,020) | (24,536,847) | (34,527,429) | (25,098,695) |
| Basic earnings per share | | | | | |
| Loss for the year | 24 | (1.40) | (1.12) | (1.37) | (1.14) |

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

Statement of changes in shareholders' equity

Union Plastic Public Company Limited
For the year ended 31 December 2019

(Unit: Baht)

| | Financial statements in which the equity method is applied | | | | | Total shareholders' equity |
|---|--|--------------------|----------------------------------|---------------------|-----------------------------|----------------------------|
| | Issued and fully paid-up share capital | Share premium | Appropriated - statutory reserve | Unappropriated | Retained earnings (deficit) | |
| Balance as at 1 January 2018 | 250,000,000 | 167,200,000 | 62,500,000 | 75,191,075 | | 554,891,075 |
| Loss for the year | - | - | - | (28,023,320) | | (28,023,320) |
| Other comprehensive income for the year | - | - | - | 3,486,473 | | 3,486,473 |
| Total comprehensive income for the year | - | - | - | (24,536,847) | | (24,536,847) |
| Dividend paid (Note 27) | - | - | - | (30,248,427) | | (30,248,427) |
| Balance as at 31 December 2018 | 250,000,000 | 167,200,000 | 62,500,000 | 20,405,801 | | 500,105,801 |
| Balance as at 1 January 2019 | 250,000,000 | 167,200,000 | 62,500,000 | 20,405,801 | | 500,105,801 |
| Loss for the year | - | - | - | (34,973,670) | | (34,973,670) |
| Other comprehensive income for the year | - | - | - | (384,350) | | (384,350) |
| Total comprehensive income for the year | - | - | - | (35,358,020) | | (35,358,020) |
| Balance as at 31 December 2019 | 250,000,000 | 167,200,000 | 62,500,000 | (14,952,219) | | 464,747,781 |

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

Statement of changes in shareholders' equity (continued)

Union Plastic Public Company Limited
For the year ended 31 December 2019

(Unit: Baht)

| | Separate financial statements | | | | | Total shareholders' equity |
|---|--|--------------------|-----------------------------|---------------------|--------------------|----------------------------|
| | Issued and fully paid-up share capital | Share premium | Retained earnings (deficit) | Unappropriated | equity | |
| Balance as at 1 January 2018 | 250,000,000 | 167,200,000 | 62,500,000 | 66,667,697 | 546,367,697 | |
| Loss for the year | - | - | - | (28,585,168) | (28,585,168) | |
| Other comprehensive income for the year | - | - | - | 3,486,473 | 3,486,473 | |
| Total comprehensive income for the year | - | - | - | (25,098,695) | (25,098,695) | |
| Dividend paid (Note 27) | - | - | - | (30,248,427) | (30,248,427) | |
| Balance as at 31 December 2018 | 250,000,000 | 167,200,000 | 62,500,000 | 11,320,575 | 491,020,575 | |
| Balance as at 1 January 2019 | 250,000,000 | 167,200,000 | 62,500,000 | 11,320,575 | 491,020,575 | |
| Loss for the year | - | - | - | (34,143,079) | (34,143,079) | |
| Other comprehensive income for the year | - | - | - | (384,350) | (384,350) | |
| Total comprehensive income for the year | - | - | - | (34,527,429) | (34,527,429) | |
| Balance as at 31 December 2019 | 250,000,000 | 167,200,000 | 62,500,000 | (23,206,854) | 456,493,146 | |

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

Cash flow statement

Union Plastic Public Company Limited
For the year ended 31 December 2019

(Unit: Baht)

| | Financial statements in which the equity method is applied | | Separate financial statements | |
|---|---|--------------|-------------------------------|--------------|
| | 2019 | 2018 | 2019 | 2018 |
| Cash flows from operating activities | | | | |
| Loss before tax | (30,969,669) | (22,289,040) | (30,139,078) | (22,850,888) |
| Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities: | | | | |
| Depreciation and amortisation | 41,465,235 | 41,575,985 | 41,465,235 | 41,575,985 |
| Reduction of cost of inventories to net realisable value | 58,600 | 1,503,068 | 58,600 | 1,503,068 |
| Gain on sales/write-off of equipment | (272,661) | (1,118,841) | (272,661) | (1,118,841) |
| Share of profit of an associate | (419,404) | (1,811,843) | - | - |
| Dividend income | (36,775,586) | (34,395,872) | (38,025,581) | (35,645,867) |
| Long-term employee benefits expenses | 19,843,104 | 7,526,980 | 19,843,104 | 7,526,980 |
| Unrealised losses on exchange | 63,995 | 9,512 | 63,995 | 9,512 |
| Interest income | (2,754,525) | (2,766,006) | (2,754,525) | (2,766,006) |
| Loss from operating activities before change in operating assets and liabilities | (9,760,911) | (11,766,057) | (9,760,911) | (11,766,057) |
| Operating assets (increase) decrease | | | | |
| Trade and other receivables | 13,044,443 | (14,987,048) | 13,044,443 | (14,987,048) |
| Inventories | (16,045,070) | (12,650,526) | (16,045,070) | (12,650,526) |
| Other current assets | (798,217) | (121,232) | (798,217) | (121,232) |
| Operating liabilities increase (decrease) | | | | |
| Trade and other payables | (6,056,305) | 19,222,373 | (6,056,305) | 19,222,373 |
| Other current liabilities | (1,012,000) | 525,000 | (1,012,000) | 525,000 |
| Other non-current liability | (8,835,573) | (6,742,268) | (8,835,573) | (6,742,268) |
| Cash flows use in operating activities | (29,463,633) | (26,519,758) | (29,463,633) | (26,519,758) |
| Cash paid for income tax | (20,364,705) | (19,351,983) | (20,364,705) | (19,351,983) |
| Cash receipt from withholding income tax | 20,591,202 | 18,071,995 | 20,591,202 | 18,071,995 |
| Net cash flows used in operating activities | (29,237,136) | (27,799,746) | (29,237,136) | (27,799,746) |

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

Cash flow statement (continued)

Union Plastic Public Company Limited
For the year ended 31 December 2019

(Unit: Baht)

| | Financial statements in which | | | |
|---|-------------------------------|---------------------|-------------------------------|---------------------|
| | the equity method is applied | | Separate financial statements | |
| | 2019 | 2018 | 2019 | 2018 |
| Cash flows from investing activities | | | | |
| Interest income | 3,316,237 | 3,098,716 | 3,316,237 | 3,098,716 |
| Acquisition of plant and equipment | (17,301,028) | (26,106,307) | (17,301,028) | (26,106,307) |
| Repayment of equipment payable | (1,097,172) | (1,197,575) | (1,097,172) | (1,197,575) |
| Proceeds from sales of equipment | 286,300 | 1,142,238 | 286,300 | 1,142,238 |
| Acquisition of intangible assets | (212,501) | (662,300) | (212,501) | (662,300) |
| Dividend received | 38,025,581 | 35,645,867 | 38,025,581 | 35,645,867 |
| Decrease (increase) in current investments | (100,000,000) | 150,000,000 | (100,000,000) | 150,000,000 |
| Increase in restricted investments | (48,202) | (858,393) | (48,202) | (858,393) |
| Net cash flows from (used in) investing activities | (77,030,785) | 161,062,246 | (77,030,785) | 161,062,246 |
| Cash flows from financing activities | | | | |
| Dividend paid | - | (30,248,427) | - | (30,248,427) |
| Net cash flows used in financing activities | - | (30,248,427) | - | (30,248,427) |
| Net increase (decrease) in cash and cash equivalents | (106,267,921) | 103,014,073 | (106,267,921) | 103,014,073 |
| Cash and cash equivalents at beginning of year | 242,452,537 | 139,438,464 | 242,452,537 | 139,438,464 |
| Cash and cash equivalents at end of year | 136,184,616 | 242,452,537 | 136,184,616 | 242,452,537 |
| | - | - | - | - |
| Supplemental cash flows information | | | | |
| Non-cash transaction | | | | |
| Purchase of equipment for which no cash has been paid | 2,607,525 | 1,093,492 | 2,607,525 | 1,093,492 |
| Transfer advance payment to fixed assets | - | 14,587,300 | - | 14,587,300 |

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

Notes to financial statements

Union Plastic Public Company Limited
For the year ended 31 December 2019

1. General information

Corporate information

Union Plastic Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its parent company is Saha-Union Public Company Limited, which was incorporated in Thailand. The Company is principally engaged in the manufacture and distribution of thermoplastics. The Company is also engaged in the contract manufacture and repair of molds. The registered office of the Company is at 11/1 Soi Serithai 62, Minburi Sub-district, Minburi District, Bangkok.

2. Basis of preparation

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

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

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

- 2.2 The separate financial statements present investment in associate under the cost method.

3. New financial reporting standards

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

During the period, the Company has adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company’s financial statements.

However, the new standard involves changes to key principles, which are summarised below:

TFRS 15 Revenue from Contracts with Customers

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

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

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

The Company adopted TFRS 15 using the modified retrospective method of adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2019, and the comparative information was not restated. However, this standard does not have any significant impact on the Company's financial statements.

(b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2020

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards except the following new standards which involve changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

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

Financial reporting standards:

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

Accounting standard:

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

Financial Reporting Standard Interpretations:

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

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

The management of the Company expects the adoption of these accounting standards to result in the following adjustment.

- Classification and measurement of investment in equity instrument of non-listed company - The Company shall measure the investment in equity instrument of non-listed company at fair value and elect to classify the investment as financial asset at fair value through profit or loss or through other comprehensive income. The election of presenting subsequent changes in fair value of the investment in other comprehensive income is irrevocable.

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

TFRS 16 Leases

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

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

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

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

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

Rendering of services

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

Interest income

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

Dividends

Dividends are recognised when the right to receive the dividends is established.

4.2 Cash and cash equivalents

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

4.3 Trade accounts receivable

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

4.4 Inventories

Finished goods and work in process are valued at the lower of cost under the average method and net realisable value. The cost of inventories is measured using the standard cost method, which approximates actual cost and includes all production costs and attributable factory overheads.

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

4.5 Investments

- a) Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method with the amortised/accreted amount presented as an adjustment to the interest income.
- b) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for impairment loss (if any).
- c) Investment in associate is accounted for in the financial statements in which the equity method is applied using the equity method.
- d) Investment in associate is accounted for in the separate financial statements using the cost method.

4.6 Investment properties

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

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

4.7 Property, plant and equipment/Depreciation

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

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

| | | |
|--|---|--------------------|
| Buildings and building improvement | - | 5, 10 and 20 years |
| Machinery and equipment | - | 5 and 10 years |
| Furniture, fixtures and office equipment | - | 3 and 5 years |
| Motor vehicles | - | 5 years |

Depreciation of molds acquired before 2015 is calculated by reference to their costs on the straight-line basis over the 5 years useful live while depreciation of molds acquired since 2015 is calculated by unit of production which has 2 years estimated useful lives.

Depreciation is included in determining income.

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

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

4.8 Intangible assets

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

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

The intangible asset is computer software with finite useful lives of 3 years.

4.9 Related party transactions

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

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

4.10 Long-term leases

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

4.11 Foreign currencies

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

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

Gains and losses on exchange are included in determining income.

4.12 Impairment of assets

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

An impairment loss is recognised in profit or loss.

4.13 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law and resignation fund plans. The Company treats these severance payment obligations as defined benefit plans.

The obligation under the defined benefit plans is determined based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

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

Defined benefit liability (asset) is the present value of the defined benefit obligation less the fair value of plan assets which are payable to pay employee benefits obligation directly.

Plan assets are assets held by a long-term employee benefit fund. They are not available to the Company's creditors and cannot be returned to the Company. The Company measures the fair value of plan assets by using market price.

4.14 Provisions

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

4.15 Income tax

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

Current tax

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

Deferred tax

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

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

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

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

4.16 Fair value measurement

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

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

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

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

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

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

5. Significant accounting judgements and estimates

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

Post-employment benefits under defined benefit plans

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

6. Related party transactions

During the years, the Company had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Million Baht)

| | Financial statements | | | | Transfer Pricing Policy |
|--|---------------------------------------|-------------|-------------------------------|-------------|---------------------------------------|
| | in which the equity method is applied | | Separate financial statements | | |
| | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> | |
| <u>Transactions with related companies</u> | | | | | |
| (related by common shareholders) | | | | | |
| Sales of merchandise and services | 98 | 73 | 98 | 73 | Cost plus margin |
| Other income | 6 | 6 | 6 | 6 | Cost plus margin |
| Dividend income | 37 | 34 | 38 | 36 | As declared |
| Purchases of merchandise | 15 | 15 | 15 | 15 | Cost plus margin of related companies |

As at 31 December 2019 and 2018, the balances of the accounts between the Company and those related parties are as follows:

(Unit: Thousand Baht)

| | Financial statements in which the equity method is applied/ Separate financial statements | |
|---|--|---------------|
| | <u>2019</u> | <u>2018</u> |
| Trade and other receivables - related parties (Note 9) | | |
| Related companies (related by common shareholders) | 16,585 | 11,084 |
| Total trade and others receivables - related parties | <u>16,585</u> | <u>11,084</u> |
| Trade and other payables - related parties (Note 18) | | |
| Related companies (related by common shareholders) | 2,501 | 2,158 |
| Total trade and other payables - related parties | <u>2,501</u> | <u>2,158</u> |

Directors and management's benefits

During the years ended 31 December 2019 and 2018, the Company had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

| | Financial statements in which the equity method is applied/ Separate financial statements | |
|------------------------------|--|---------------|
| | <u>2019</u> | <u>2018</u> |
| Short-term employee benefits | 10,983 | 10,175 |
| Post-employment benefits | 1,613 | 1,120 |
| Total | <u>12,596</u> | <u>11,295</u> |

7. Cash and cash equivalents

(Unit: Thousand Baht)

| | Financial statements in which the equity method is applied/ Separate financial statements | |
|---------------|--|----------------|
| | <u>2019</u> | <u>2018</u> |
| Cash | 50 | 50 |
| Bank deposits | 136,135 | 242,403 |
| Total | <u>136,185</u> | <u>242,453</u> |

As at 31 December 2019, bank deposits in saving accounts and fixed account carried interests at rates of 0.375 - 1.00 percent per annum (2018: 0.375 - 1.50 percent per annum).

8. Current investments

As at 31 December 2019, this represented fixed deposits with original maturities of 6 and 12 months amounting to Baht 50 million and Baht 50 million, respectively, and they carried interests between 1.60 and 1.65 percent per annum (2018: Nil).

9. Trade and other receivables

(Unit: Thousand Baht)

| | Financial statements in which the equity method is applied/ Separate financial statements | |
|--|--|-------------|
| | <u>2019</u> | <u>2018</u> |
| <u>Trade receivables - related parties</u> | | |
| Aged on the basis of due dates | | |
| Not yet due | 16,473 | 10,950 |
| Total trade receivables - related parties | 16,473 | 10,950 |
| <u>Trade receivables - unrelated parties</u> | | |
| Aged on the basis of due dates | | |
| Not yet due | 60,831 | 79,443 |
| Total trade receivables - unrelated parties | 60,831 | 79,443 |
| Total trade receivables | 77,304 | 90,393 |
| <u>Other receivables</u> | | |
| Amounts due from related parties | 112 | 134 |
| Others | 371 | 930 |
| Total other receivables | 483 | 1,064 |
| Total trade and other receivables | 77,787 | 91,457 |

10. Inventories

(Unit: Thousand Baht)

| | Financial statements in which the equity method is applied/ Separate financial statements | | | | | |
|-------------------------------------|--|---------------|--|----------------|-----------------|---------------|
| | Cost | | Reduce cost to net realisable value | | Inventories-net | |
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| | | | | | | |
| Finished goods | 10,624 | 9,125 | (1,398) | (1,481) | 9,226 | 7,644 |
| Work in process | 29,912 | 20,975 | (249) | (528) | 29,663 | 20,447 |
| Raw materials | 11,554 | 8,872 | (1,420) | (1,024) | 10,134 | 7,848 |
| Spare parts and factory supplies | 9,783 | 6,856 | (1,751) | (1,727) | 8,032 | 5,129 |
| Total | 61,873 | 45,828 | (4,818) | (4,760) | 57,055 | 41,068 |

During the current year, the Company reduced cost of inventories by Baht 1.6 million (2018: Baht 3.0 million) to reflect the net realisable value. This was included in cost of sales. In addition, the Company reversed the write-down of cost of inventories by Baht 1.5 million (2018: Baht 1.5 million) and reduced the amount of inventories recognised as expenses during the year.

11. Restricted investment

This represents investments in government bonds which are pledged as collateral to secure electricity use.

12. Investment in associate

12.1 Details of associate

(Unit: Thousand Baht)

| Company's name | Nature of business | Country of incorporation | Financial statements in which the equity method is applied | | | | | |
|---------------------------|--|-----------------------------|--|------|--------------|--------------|--|---------------|
| | | | Shareholding percentage | | Cost | | Carrying amounts based on equity method | |
| | | | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| | | | (%) | (%) | | | | |
| P.S.V. Mould Co., Ltd. | Contract manufacture and sales of molds | Thailand | 25 | 25 | 2,500 | 2,500 | 10,755 | 11,585 |
| Total | | | | | 2,500 | 2,500 | 10,755 | 11,585 |

(Unit: Thousand Baht)

| Company's name | Nature of business | Country of incorporation | Separate financial statements | | | | | |
|---------------------------|--|-----------------------------|-------------------------------|------|--------------|--------------|--|--------------|
| | | | Shareholding percentage | | Cost | | Carrying amounts based on cost method | |
| | | | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| | | | (%) | (%) | | | | |
| P.S.V. Mould Co., Ltd. | Contract manufacture and sales of molds | Thailand | 25 | 25 | 2,500 | 2,500 | 2,500 | 2,500 |
| Total | | | | | 2,500 | 2,500 | 2,500 | 2,500 |

12.2 Share of comprehensive income and dividend received

During the years, the Company has recognised its share of profit of the associate company in the financial statements in which the equity method is applied and dividend income in the separate financial statements as follows:

(Unit: Thousand Baht)

| Associate | Financial statements in which the equity method is applied | | Separate financial statements | |
|------------------------|--|-------|-----------------------------------|-------|
| | Share of profit of the associate during the year | | Dividend received during the year | |
| | 2019 | 2018 | 2019 | 2018 |
| P.S.V. Mould Co., Ltd. | 419 | 1,812 | 1,250 | 1,250 |
| Total | 419 | 1,812 | 1,250 | 1,250 |

12.3 Summarised financial information about material associate

Summarised information about financial position as at 31 December

(Unit: Million Baht)

| | P.S.V. Mould Co., Ltd. | |
|--|------------------------|-------|
| | 2019 | 2018 |
| Current assets | 24.7 | 26.5 |
| Non-current assets | 37.3 | 33.5 |
| Current liabilities | (9.0) | (6.2) |
| Non-current liabilities | (10.3) | (7.5) |
| Net assets | 42.7 | 46.3 |
| Shareholding percentage | 25% | 25% |
| Carrying amounts of associate based on equity method | 10.7 | 11.6 |

Summarised information about comprehensive income for the years ended 31 December

(Unit: Million Baht)

| | P.S.V. Mould Co., Ltd. | |
|----------------------------|------------------------|-------------|
| | <u>2019</u> | <u>2018</u> |
| Revenue | 42.6 | 50.6 |
| Profit | 1.7 | 7.2 |
| Other comprehensive income | - | - |
| Total comprehensive income | 1.7 | 7.2 |

13. Other long-term investment

(Unit: Thousand Baht)

| Company's name | Financial statements in which the equity method is applied/ Separate financial statements | | | | | |
|-----------------------|---|-------------|------------------|---------------|-----------------------------------|---------------|
| | Shareholding percentage | | Investment value | | Dividend received during the year | |
| | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> |
| | (%) | (%) | | | | |
| Union Nifco Co., Ltd. | 19.99 | 19.99 | 20,002 | 20,002 | 36,776 | 34,396 |
| Total | | | <u>20,002</u> | <u>20,002</u> | <u>36,776</u> | <u>34,396</u> |

14. Investment property

Investment property represents land for rental. There was no movement in net book value during the year.

The fair value of the investment property amounted to Baht 76.9 million, as determined by an accredited independent valuer based on market price with reference to trading information of nearby land, which coincided with the appraisal.

15. Property, plant and equipment

(Unit: Thousand Baht)

| | Financial statements in which the equity method is applied/ Separate financial statements | | | | | | Total |
|---|--|---|-------------------------------|---|-------------------|---|-----------|
| | Land | Buildings and building improvement | Machinery and equipment | Furniture, fixtures and office equipment | Motor vehicles | Assets under installation and under construction | |
| | | | | | | | |
| Cost | | | | | | | |
| As at 1 January 2018 | 76,474 | 234,467 | 869,743 | 13,880 | 6,505 | 4,946 | 1,206,015 |
| Additions | - | - | 26,801 | 910 | - | 14,076 | 41,787 |
| Disposals/write-off | - | - | (29,484) | (281) | (1,368) | - | (31,133) |
| Transfers | - | - | 19,022 | - | - | (19,022) | - |
| As at 31 December 2018 | 76,474 | 234,467 | 886,082 | 14,509 | 5,137 | - | 1,216,669 |
| Additions | - | - | 9,588 | 888 | - | 9,433 | 19,909 |
| Disposals/write-off | - | - | (18,701) | (765) | - | - | (19,466) |
| Transfers | - | 264 | 9,169 | - | - | (9,433) | - |
| As at 31 December 2019 | 76,474 | 234,731 | 886,138 | 14,632 | 5,137 | - | 1,217,112 |
| Accumulated depreciation | | | | | | | |
| As at 1 January 2018 | - | 182,695 | 821,408 | 12,593 | 5,498 | - | 1,022,194 |
| Depreciation for the year | - | 8,020 | 31,929 | 711 | 356 | - | 41,016 |
| Depreciation on disposals/write-off | - | - | (29,484) | (258) | (1,368) | - | (31,110) |
| As at 31 December 2018 | - | 190,715 | 823,853 | 13,046 | 4,486 | - | 1,032,100 |
| Depreciation for the year | - | 7,478 | 32,474 | 799 | 200 | - | 40,951 |
| Depreciation on disposals/write-off | - | - | (18,689) | (763) | - | - | (19,452) |
| As at 31 December 2019 | - | 198,193 | 837,638 | 13,082 | 4,686 | - | 1,053,599 |
| Allowance for impairment loss | | | | | | | |
| As at 1 January 2018 | - | - | 90 | - | - | - | 90 |
| As at 31 December 2018 | - | - | 90 | - | - | - | 90 |
| As at 31 December 2019 | - | - | 90 | - | - | - | 90 |
| Net book value | | | | | | | |
| 31 December 2018 | 76,474 | 43,752 | 62,139 | 1,463 | 651 | - | 184,479 |
| 31 December 2019 | 76,474 | 36,538 | 48,410 | 1,550 | 451 | - | 163,423 |
| Depreciation for the year | | | | | | | |
| 2018 (Baht 39 million included in manufacturing cost, and the balance in administrative expenses) | | | | | | | 41,016 |
| 2019 (Baht 39 million included in manufacturing cost, and the balance in administrative expenses) | | | | | | | 40,951 |

As at 31 December 2019, certain plant and equipment items have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation and allowance for impairment loss) of those assets amounted to approximately Baht 882 million (2018: Baht 839 million).

16. Intangible assets

The net book value of intangible assets which is computer software as at 31 December 2019 and 2018 is presented below:

| | (Unit: Thousand Baht) | |
|--------------------------------------|--|-----------------|
| | Financial statements in which the equity method is applied/ Separate financial statements | |
| | <u>2019</u> | <u>2018</u> |
| Cost | 14,354 | 15,768 |
| <u>Less</u> Accumulated amortisation | <u>(13,775)</u> | <u>(14,887)</u> |
| Net book value | <u>579</u> | <u>881</u> |

A reconciliation of the net book value of intangible assets for the years 2019 and 2018 is presented below.

| | (Unit: Thousand Baht) | |
|-------------------------------------|--|-------------|
| | Financial statements in which the equity method is applied/ Separate financial statements | |
| | <u>2019</u> | <u>2018</u> |
| Net book value at beginning of year | 881 | 778 |
| Acquisition | 213 | 663 |
| Disposals/write-off - cost | (1,626) | - |
| Amortisation for the year | (515) | (560) |
| Amortisation on disposals/write-off | 1,626 | - |
| Net book value at end of year | <u>579</u> | <u>881</u> |

17. Withholding income tax

| | (Unit: Thousand Baht) | |
|-----------|--|---------------|
| | Financial statements in which the equity method is applied/ Separate financial statements | |
| | <u>2019</u> | <u>2018</u> |
| Year 2017 | - | 20,591 |
| Year 2018 | 19,352 | 19,352 |
| Year 2019 | 20,365 | - |
| Total | <u>39,717</u> | <u>39,943</u> |

The Company has requested for a refund of this withholding income tax from the Revenue Department. However, its net realisable value is subject to the result of a tax audit by the Revenue officials. The management believes that the Company will receive the refund of the full amount in future.

18. Trade and other payables

(Unit: Thousand Baht)

| | Financial statements in which the equity method is applied/ Separate financial statements | |
|------------------------------------|---|----------------|
| | <u>2019</u> | <u>2018</u> |
| Trade payables - related parties | 1,507 | 1,243 |
| Trade payables - unrelated parties | 79,533 | 84,499 |
| Other payables - related parties | 994 | 915 |
| Other payables - unrelated parties | 2,608 | 1,097 |
| Accrued expenses | 24,592 | 25,911 |
| Others | 2,456 | 2,571 |
| Total trade and other payables | <u>111,690</u> | <u>116,236</u> |

19. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

(Unit: Thousand Baht)

| | Financial statements in which the equity method is applied/ Separate financial statements | |
|---|---|---------------|
| | <u>2019</u> | <u>2018</u> |
| Present value of defined benefit obligation | 85,992 | 72,987 |
| Fair value of plan assets | (34,969) | (32,915) |
| Net defined benefit liability | <u>51,023</u> | <u>40,072</u> |

Changes in present value of defined benefit obligation and fair value of plan assets are as follows:

(Unit: Thousand Baht)

| | Financial statements in which the equity method is applied/ Separate financial statements | |
|--|---|---------------|
| | <u>2019</u> | <u>2018</u> |
| | | |
| Defined benefit obligation at beginning of year | 72,987 | 75,427 |
| Included in profit or loss: | | |
| Current service cost | 4,319 | 3,773 |
| Interest cost | 1,948 | 1,527 |
| Past service cost | 12,525 | - |
| Included in other comprehensive income: | | |
| Actuarial (gain) loss arising from | | |
| Demographic assumptions changes | - | (522) |
| Financial assumptions changes | - | 2,485 |
| Experience adjustments | (57) | (6,321) |
| Transferred employees from related companies | - | 825 |
| Transferred employees to related companies | (1,061) | (795) |
| Benefits paid during the year | (4,669) | (3,412) |
| Defined benefit obligation at end of year | <u>85,992</u> | <u>72,987</u> |
| Fair value of plan assets at beginning of year | 32,915 | 31,781 |
| Included in profit or loss: | | |
| Change in fair value | (1,051) | (2,227) |
| Transferred employees from related companies | - | 95 |
| Transferred employees to related companies | (257) | (411) |
| Contribution by the Company | 3,853 | 4,081 |
| Paid during the year | (491) | (404) |
| Fair value of plan assets at end of year | <u>34,969</u> | <u>32,915</u> |

Plan assets comprise bank deposits, government bonds, and equity and debt instruments in local active market.

On 5 April 2019, The Labour Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Company has additional long-term employee benefit liabilities of Baht 12.5 million as a result. The Company reflected the effect of the change by recognised past service costs as expenses in the profit or loss in the current period.

As at 31 December 2019, the Company expects to pay Baht 10.2 million of long-term employee benefits during the next year (2018: Baht 6.9 million).

As at 31 December 2019, the weighted average duration of the liabilities for long-term employee benefit is 11 years (2018: 11 years).

Key actuarial assumptions used for the valuation are as follows:

| | Financial statements in which the equity method is applied/ Separate financial statements | |
|-----------------------------|---|---------------|
| | <u>2019</u> | <u>2018</u> |
| | (% per annum) | (% per annum) |
| Discount rate | 1.6 | 2.6 |
| Future salary increase rate | 2.5 - 4.5 | 3.5 - 5.5 |

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2019 and 2018 are summarised below:

(Unit: Million Baht)

| | Financial statements in which the equity method is applied/ Separate financial statements | | | |
|-----------------------------|---|--------------------|--------------------|--------------------|
| | 2019 | | 2018 | |
| | <u>Increase 1%</u> | <u>Decrease 1%</u> | <u>Increase 1%</u> | <u>Decrease 1%</u> |
| Discount rate | (5.5) | 6.2 | (4.9) | 5.6 |
| Future salary increase rate | 7.8 | (7.0) | 6.2 | (5.6) |

20. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net income after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

However, the Company's regulations require the Company to set aside to a statutory reserve at least 10 percent of its net income after deducting accumulated deficit brought forward (if any) until such reserve reaches 25 percent of its registered share capital.

As at 31 December 2019 and 2018, the statutory reserve was Baht 62.5 million (equivalent to 25 percent of its registered share capital) had reached the minimum amounts as stipulated in the Company's regulations.

21. Revenue from contracts with customers

(Unit: Thousand Baht)

| | Financial statements in which the equity method is applied/ Separate financial statements | |
|---|---|----------------|
| | <u>2019</u> | <u>2018</u> |
| Type of goods or service | | |
| Manufacture of thermoplastics | 620,533 | 644,501 |
| Manufacture and repair of molds | 39,665 | 6,444 |
| Total revenue from contracts with customers | <u>660,198</u> | <u>650,945</u> |

22. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

| | Financial statements in which the equity method is applied/ Separate financial statements | |
|---|---|-------------|
| | <u>2019</u> | <u>2018</u> |
| Salaries and wages and other employee benefits | 227,958 | 220,632 |
| Depreciation and amortisation expenses | 41,465 | 41,576 |
| Repair and maintenance expenses | 15,875 | 12,908 |
| Transportation expenses | 22,774 | 24,281 |
| Raw materials and consumables used | 381,570 | 372,595 |
| Changes in inventories of finished goods and work in process | (10,550) | (11,980) |

23. Income tax

Income tax expenses for the years ended 31 December 2019 and 2018 are made up as follows:

(Unit: Thousand Baht)

| | Financial statements in which the equity method is applied/ Separate financial statements | |
|---|--|---------------------|
| | <u>2019</u> | <u>2018</u> |
| Current income tax: | | |
| Current income tax charge | - | - |
| Deferred tax: | | |
| Relating to origination and reversal of temporary differences | <u>4,004</u> | <u>5,734</u> |
| Income tax expenses reported in profit or loss | <u><u>4,004</u></u> | <u><u>5,734</u></u> |

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2019 and 2018 are as follows:

(Unit: Thousand Baht)

| | Financial statements in which the equity method is applied/ Separate financial statements | |
|--------------------------------|--|-------------|
| | <u>2019</u> | <u>2018</u> |
| Deferred tax on actuarial gain | - | 872 |

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

(Unit: Thousand Baht)

| | Financial statements in which the equity method is applied | | Separate financial statements | |
|--|--|-----------------|-------------------------------|-----------------|
| | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> |
| Accounting loss before tax | <u>(30,970)</u> | <u>(22,289)</u> | <u>(30,139)</u> | <u>(22,851)</u> |
| Applicable tax rate | 20% | 20% | 20% | 20% |
| Accounting loss before tax multiplied by income tax rate | (6,194) | (4,458) | (6,028) | (4,570) |
| Adjustment in respect of deferred tax assets of previous year | 4,004 | 5,985 | 4,004 | 5,985 |
| Tax losses for the year that have not been recognised as deferred tax assets | 11,207 | 11,701 | 11,207 | 11,701 |

(Unit: Thousand Baht)

| | Financial statements in which the equity method is applied | | Separate financial statements | |
|--|---|---------|----------------------------------|---------|
| | 2019 | 2018 | 2019 | 2018 |
| Effects of: | | | | |
| Non-deductible expenses | 3,820 | 926 | 3,820 | 926 |
| Tax-exempt dividend income | (7,355) | (6,879) | (7,605) | (7,129) |
| Share of profit of an associate | (84) | (362) | - | - |
| Additional expense deductions allowed | (1,192) | (1,284) | (1,192) | (1,284) |
| Others | (202) | 105 | (202) | 105 |
| Total | (5,013) | (7,494) | (5,179) | (7,382) |
| Income tax expenses reported in profit or loss | 4,004 | 5,734 | 4,004 | 5,734 |

As at 31 December 2019 and 2018, the components of deferred tax assets are as follows:

(Unit: Thousand Baht)

| | Statements of financial position | |
|---|---|-------|
| | Financial statements in which the equity method is applied/ Separate financial statements | |
| | 2019 | 2018 |
| Deferred tax assets | | |
| Provision for long-term employee benefits | - | 4,445 |

As at 31 December 2019, the Company has deductible temporary differences and unused tax losses totaling Baht 120.2 million (2018: Baht 64.2 million), on which deferred tax assets have not been recognised as the Company believes future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

As at 31 December 2019, the unused tax losses will expire by 2024 (2018: expire by 2023).

24. Basic earnings per share

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

25. Segment information

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

The Company is principally engaged in the manufacture of thermoplastics. It also engages in the contract manufacture and repair of molds, but revenue from this business is not material. Its operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profit or loss and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area.

Geographic information

The Company is operated in Thailand only. As a result, all of the revenues and assets as reflected in these financial statements pertain to the aforementioned geographical reportable.

Major customers

For the year 2019, the Company has revenue from three major customers in amount of Baht 108 million, Baht 108 million and Baht 70 million (2018: revenue from three major customers in amount of Baht 111 million, Baht 101 million and Baht 78 million).

26. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both the employees and the Company contribute to the fund monthly at a rate of 3 percent of basic salary. The fund, which is managed by BBL Asset Management Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2019 amounting to approximately Baht 4 million (2018: Baht 4 million) were recognised as expenses.

27. Dividends

| <u>Dividends</u> | <u>Approved by</u> | <u>Total dividends</u> | <u>Dividend per share</u> |
|---|---|------------------------|---------------------------|
| | | (Thousand Baht) | (Baht per share) |
| Final dividends for 2017 | Annual General Meeting of the Shareholders on 25 April 2018 | 30,250 | 1.21 |
| <u>Less: Dividend that some shareholders are not entitles to received</u> | | (2) | |
| Net dividend paid | | <u>30,248</u> | |

28. Credit facilities

The Company's credit facilities (bank overdraft and short-term loan) are unsecured; however, the Company undertook not to dispose of or transfer or create any obligations to its assets as stipulated in loan agreements, unless prior written consent has been obtained from the banks.

29. Commitments

29.1 Capital commitments

As at 31 December 2019, the Company had capital commitments of Baht 3 million (2018: Nil) relating to the purchases of machinery and equipment.

29.2 Operating lease commitments

The Company has entered into several lease agreements in respect of the lease of office equipment. The terms of the agreements are generally between 1 and 4 years.

Future minimum lease payments required under these non-cancellable operating leases contracts were as follows:

| | (Unit: Million Baht) | |
|-----------------------------|----------------------|-------------|
| | As at 31 December | |
| | <u>2019</u> | <u>2018</u> |
| Payable: | | |
| In up to 1 year | 1.0 | 0.2 |
| In over 1 and up to 4 years | 0.2 | 0.1 |

29.3 Service commitments

The Company has entered into vehicle services, equipment maintenance services, and other service agreements. As at 31 December 2019, future minimum lease payments required under those service agreements were amounting to Baht 2.3 million (2018: Baht 1.3 million).

30. Fair value hierarchy

As at 31 December 2019 and 2018, the Company had the assets that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

| | As at 31 December 2019 | | | |
|--|---|---------|---------|-------|
| | Financial Statements in which the equity method is applied/ Separate financial statements | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Assets for which fair value are disclosed | | | | |
| Restricted investments - government bond | - | 13.1 | - | 13.1 |
| Investment property | - | - | 76.9 | 76.9 |

(Unit: Million Baht)

| | As at 31 December 2018 | | | |
|--|---|---------|---------|-------|
| | Financial Statements in which the equity method is applied/ Separate financial statements | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Assets for which fair value are disclosed | | | | |
| Restricted investments - government bond | - | 13.0 | - | 13.0 |
| Investment property | - | - | 76.9 | 76.9 |

31. Financial instruments

31.1 Financial risk management

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

Credit risk

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

Interest rate risk

The Company is exposed to interest rate risk relates primarily to its cash at banks and government bonds. Most of the Company's financial assets and liabilities bear non-interest, floating interest rate or fixed which are close to the market rate.

Significant financial assets and liabilities classified by type of interest rates are summarised in the table below, with those financial assets and liability that carries fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

| | As at 31 December 2019 | | | | | |
|-----------------------------|---|-----------|------------------------|-------------------------------|-------|-------------------------|
| | Financial statements in which the equity method is applied/ | | | Separate financial statements | | |
| | Fixed interest rates | | Floating interest rate | Non-interest bearing | Total | Effective interest rate |
| | Within 1 year | 1-5 years | | | | |
| | | | | | | (% per annum) |
| Financial assets | | | | | | |
| Cash and cash equivalents | - | - | 135 | 1 | 136 | 0.375 - 1.00 |
| Current investments | 100 | - | - | - | 100 | 1.60 - 1.65 |
| Trade and other receivables | - | - | - | 78 | 78 | - |
| Restricted investments | - | 13 | - | - | 13 | 1.88 - 2.55 |
| | 100 | 13 | 135 | 79 | 327 | |
| Financial liability | | | | | | |
| Trade and other payables | - | - | - | 112 | - | - |
| | - | - | - | 112 | - | |

(Unit: Million Baht)

| | As at 31 December 2018 | | | | | |
|-----------------------------|---|-----------|------------------------|-------------------------------|-------|-------------------------|
| | Financial statements in which the equity method is applied/ | | | Separate financial statements | | |
| | Fixed interest rates | | Floating interest rate | Non-interest bearing | Total | Effective interest rate |
| | Within 1 year | 1-5 years | | | | |
| | | | | | | (% per annum) |
| Financial assets | | | | | | |
| Cash and cash equivalents | - | - | 242 | - | 242 | 0.375 - 1.50 |
| Trade and other receivables | - | - | - | 91 | 91 | - |
| Restricted investments | - | 13 | - | - | 13 | 1.65 - 2.55 |
| | - | 13 | 242 | 91 | 346 | |
| Financial liability | | | | | | |
| Trade and other payables | - | - | - | 116 | 116 | - |
| | - | - | - | 116 | 116 | |

Foreign currency risk

The Company believes that its exposure to foreign currency risk is low since there were few foreign currency transactions during the year and the amount of each individual transaction was quite low.

31.2 Fair values of financial instruments

The estimated fair value of financial instruments, in comparison with the related amounts carried in the statement of financial position, is as follows

(Unit: Million Baht)

| | As at 31 December 2019 | | As at 31 December 2018 | |
|---|------------------------|------------|------------------------|------------|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| Financial asset | | | | |
| Restricted investments - government bonds | 13.1 | 13.0 | 13.1 | 13.0 |

The methods and assumptions used by the Company in estimating the fair value of financial instruments are as follows.

- a) For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, current investments, accounts receivable, interest receivable and accounts payable, their carrying amounts in the statement of financial position approximate their fair value.
- b) Fixed rate government bonds are presented at fair value, which is the latest bid price of the end of reporting period published by the Thai Bond Market Association.

During the years, there were no transfers within the fair value hierarchy.

32. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2019, the Company's debt-to-equity ratio from the separate financial statement was 0.36:1 (2018: 0.32:1).

32. Approval of financial statements

These financial statements were authorised for issue by the Company's board of directors on 26 February 2020.

AUDIT FEE

Form to confirm the accuracy and completeness of the remuneration paid to the auditor In the fiscal year ending 31 December 2019

Audit Fee

| Items | Name of payer company | 2019 | | 2018 | |
|-------|--------------------------------------|-------------------|------------------|-------------------|------------------|
| | | Auditor's name | Audit Fee (Baht) | Auditor's name | Audit Fee (Baht) |
| 1 | Union Plastic Public Company Limited | EY Office Limited | 1,120,000 | EY Office Limited | 1,120,000 |

Other Fee

| Items | Name of payer company | 2018 | | | | | | | |
|-------|--------------------------------------|-------------------|-------------------------------------|------------------------------------|----------------------------------|-------------------|-------------------------------------|------------------------------------|----------------------------------|
| | | Service Providers | Type of Other Service | Other Services Fee | | Service Providers | Type of Other Service | | |
| | | | | Amount Paid during the Year (Baht) | Amount Paid in the Future (Baht) | | | Amount Paid during the Year (Baht) | Amount Paid in the Future (Baht) |
| 1 | Union Plastic Public Company Limited | EY Office Limited | Observe the destruction of products | - | None | EY Office Limited | Observe the destruction of products | 20,000 | None |

Related

party transactions

The Board of Directors of the Company places importance to the consideration to approve related party transactions, or related items, or items with possible conflicting interests, by determining the following guidelines:

In the consideration to approve related party transactions, related items, or items with potential conflicting interests, interested directors and executives shall not involve in the approval consideration including:

1. Directors and executives sign a letter of certification on an annual basis in order to express the intention not to take any actions that create conflicts of interest to the Company, or misuse confidential information of the Company that causes damages to the Company.
2. Dissemination of such information to customers, goods suppliers, service providers, competitors or other outsiders, is not permitted, except for information that is being communicated in normal operations or information that is already open to public.
3. The nature of related party transactions is trading items from normal business operation with general trading conditions based on the reasonable market mechanism such as purchase of raw materials, etc. which are items occurring on a continuous basis.
4. In the past year, the Company has no information form for securities offering or draft prospectus, thus directors and outsiders have no opinions on the observance of this obligation.
5. Regarding necessity and reasonableness of related party transactions, companies in the Group have a policy to set up an agency responsible for raw material procurement for the companies within the Group. This will improve the negotiation power on prices and quantities which will create maximum benefits to the Company.
6. The procedure to approve the related party transactions will be proposed to the Audit Committee to consider based on the size of each item type — small, medium and large — according to the assigned authorization. For those normal business items which are considered as outsiders, there is a procedure to approve the items according to the general normal trading system that has already been approved in principle by the Board of Directors. The authorized person to approve must have no stakes in such activities.

The Company has no related party transactions in the form of financial assistance such as borrowing, credit guarantee, etc. Related party transactions occurred are trading items of normal business operation with general trading conditions.

7. The future trend of related party transactions of the Company are those items based on normal trading operation using the trading policy to negotiate according to the mechanism of the market price. There is no transfer of benefits between the Company and related parties or persons. There were no special items occurred in the past year, therefore outsider directors or independent experts have not any opinions on the items.
8. In the past year, the Company never violated / failed to observe the rules on the preparation of related items based on the regulations of the Stock Exchange of Thailand / SEC.

Related party transactions

The Company has important business transactions with related companies by having co-shareholders and / or directors. Most of such business transactions are sales and purchases of goods at the prices according to the market conditions at the time and there is a procedure to approve the related party transactions as normal business as those items with unrelated parties. No executives or shareholders with stakes involves in such approval.

In 2019, the Company has related party transactions as follows:

(Unit : Million Baht)

| Group Name and Relationship | Related party information | | |
|---|--|----------------------|--|
| | Nature of item | Value (Million Baht) | Pricing condition |
| 1. Saha-Union Public Company Limited is the top 10 major shareholders with the proportion of shareholding of 49.521% and co-directors | 1.Selling goods | 0 | Factor cost plus additional profit of a related company |
| | 2.Trade and other accounts receivable | 0 | Transaction outstanding at the ending date of 2019 |
| | 3.Other income | 0 | Factor cost plus additional profit of a related company |
| | 4. Service fee | 0.57 | Factor cost plus additional profit of a related company |
| | 5. Trade and other accounts payable | 0 | Transaction outstanding at the ending date of 2019 |
| 2. PSV Mould Co., Ltd. Is a joint company in which the Company holds shares by the proportion of 24.9999% and having 1 co-director | 1. Trade and other accounts receivable | 0 | Transaction outstanding at the ending date of 2019 |
| | 2.Dividend income | 1.25 | Resolution of the meeting of shareholders which is normal for investments with returns |
| | 3. Trade and other accounts payable | 0 | Transaction outstanding at the ending date of 2019 |
| | 4. Other income | 0 | Factor cost plus additional profit |
| 3. Union Nifco Co., Ltd. Is a related company in which the Company holds shares by the proportion of 19.9976% and having co-directors | 1. Selling goods | 55.20 | Factor cost plus additional profit of a related company |
| | 2. Dividend income | 36.78 | Resolution of the meeting of shareholders which is normal for investments with returns |
| | 3. Trade and other accounts receivable | 8.55 | Transaction outstanding at the ending date of 2019 |
| | 4.Buying goods | 6.64 | Factor cost plus additional profit of a related company |
| | 5. Trade and other accounts payable | 1.12 | Transaction outstanding at the ending date of 2019 |

| Group Name and Relationship | Related party information | | |
|---|--|-------------------------|---|
| | Nature of item | Value (Million Baht) | Pricing condition |
| 4. Union Zojirushi Co., Ltd. With co-directors and co-shareholders | 1. Selling goods | 35.01 | Factor cost plus additional profit of a related company |
| | 2. Trade and other accounts receivable | 6.29 | Transaction outstanding at the ending date of 2019 |
| | 3. Other income | 3.11 | Factor cost plus additional profit of a related company |
| | 4. Trade and other accounts payable | 0.33 | Transaction outstanding at the ending date of 2019 |
| | 5. Buying goods | 0.77 | Factor cost plus additional profit of a related company |
| 5. Union Stainless Steel Products Co., Ltd. With co-directors and co-shareholders | 1. Selling goods | 2.28 | Factor cost plus additional profit of a related company |
| | 2. Trade and other accounts receivable | 0.46 | Transaction outstanding at the ending date of 2019 |
| | 3. Other income | 1.64 | Factor cost plus additional profit of a related company |
| | 4. Trade and other accounts payable | 0.35 | Transaction outstanding at the ending date of 2019 |
| | 5. Service fee | 1.17 | Factor cost plus additional profit of a related company |
| 6. Union Pioneer Public Company Limited with co-directors and co-shareholders | 1. Selling goods | 0.63 | Factor cost plus additional profit of a related company |
| | 2. Trade and other accounts receivable | 0.94 | Transaction outstanding at the ending date of 2019 |
| | 3. Other income | 0.64 | Factor cost plus additional profit of a related company |
| | 4. Trade and other accounts payable | 0.05 | Transaction outstanding at the ending date of 2019 |
| | 5. Service fee | 0.92 | Factor cost plus additional profit of a related company |

(Unit : Million Baht)

| Group Name and Relationship | Related party information | | |
|--|---|----------------------------|--|
| | Nature of item | Value (Million Baht) | Pricing condition |
| 7. Union Thai-Nichiban Co., Ltd. With co-directors and co-shareholders | 1. Selling goods | 0.04 | Factor cost plus additional profit of a related company |
| | 2. Trade and other accounts receivable | 0.01 | Transaction outstanding at the ending date of 2019 |
| | 3. Other income | 0.44 | Factor cost plus additional profit of a related company |
| | 4. Trade and other accounts payable | 0.06 | Transaction outstanding at the ending date of 2019 |
| | 5. Buying goods | 0.44 | Factor cost plus additional profit of a related company |
| 8. Venus Choos Co., Ltd. With co-directors and co-shareholders | 1. Service fee | 4.12 | Factor cost plus additional profit of a related company |
| | 2. Trade and other accounts payable | 0.72 | Transaction outstanding at the ending date of 2019 |
| | 3. Buying goods | 0 | Factor cost plus additional profit of a related company |
| 9. Union Spinning Mill Co., Ltd. With co-directors and co-shareholders | 1. Selling goods | 5.15 | Factor cost plus additional profit of a related company |
| | 2. Trade and other accounts receivable | 1.18 | Transaction outstanding at the ending date of 2019 |
| | 3. Service fee | 0 | Factor cost plus additional profit of a related company |
| | 4. Trade and other accounts payable | 0 | Transaction outstanding at the ending date of 2019 |
| 10. Union Textile Industries Public Company Limited with co-directors and shareholders | 1. Buying goods | 0.13 | Factor cost plus additional profit of a related company |

Reconciliation of the remaining book value of trade and other accounts payable of related party transactions

As of 31 December 2019

(Unit : Million Baht)

| | Related party transactions | |
|---|----------------------------|------------------|
| | Accounts receivables | Accounts payable |
| Book value at the beginning of the year | 11.08 | 2.16 |
| Add Addition Sale / Purchase | 104.86 | 16.05 |
| <u>Deduct: Receipt / Payment</u> | 99.36 | 15.71 |
| Book value at the end of the year | 16.58 | 2.50 |

General Information

Union Plastic Public Company Limited

| | |
|-------------------------|--|
| Type of Business | Provide manufacturing services and manufacturing plastic parts and molds |
| Head Office | 11/1 Soi Serithai 62, Minburi, Minburi, Bangkok 10510 Tel. 0 2517 0109 -14 Fax 0 2517 0529 Website : http://www.unionplastic.co.th |
| Branch No. 1 | 99/8 Moo 5, Bangna - Trad Road (km.38), Bangsamak, Bangpakong, Chachoengsao 24180 Tel. (038) 571 741- 5 Fax (038) 842 418 |
| Registered Capital | Fully paid-up 25,000,000 ordinary shares at par value of Baht 10 per share |

Legal entities, which the Company holds 10% shares or more

| | |
|---------------------------------|--|
| Associated Company | PSV Mould Co., Ltd. |
| Type of Business | Manufacturing service, manufacture & sales of molds for equipment and tools manufacturing |
| Head Office | 46/36 Moo 9, Bangpla, Bangplee, Samutprakarn 10540 Tel. 0 2315 5161 - 3 |
| Registered Capital Shareholding | Fully paid-up 1,000,000 ordinary shares at par value of Baht 10 per share 249,999 shares, 25% of total shares |

| | |
|---------------------------------|--|
| Related Company | Union Nifco Co., Ltd. |
| Type of Business | Plastic parts manufacturing |
| Head Office | 99/11 Moo 5 Bangna - Trad Road (km.38), Bangsamak, Bangpakong, Chachoengsao 24180 Tel. (038) 842 130 - 5 Fax (038) 842 129 |
| Registered Capital Shareholding | Fully paid-up 1,000,000 ordinary shares at par value of Baht 100 per share 199,976 shares, 19.9976% of total shares |

Other References

| | |
|-----------------------------|---|
| Securities Register | Thailand Securities Depository Co., Ltd. |
| Head Office | 93 The Stock Exchange of Thailand Building, Ratchadaphisek Road, Dindaeng, Bangkok 10400 Tel: 0 2009 9000 |
| Securities Registrar Office | Capital Market Academy 2/7 Moo 4 (North Park), Vibhavadee Rangsit Road, Toongsonghong, Laksi, Bangkok 10210 Tel. 0 2596 9000 Fax 0 2832 4994 - 6 |
| Auditor | EY Office Limited. |
| Head Office | Lake Rachada Office Complex Building, 33 rd Floor, 193/136-137, Rachadapisek Road, Klong Toey, Bangkok 10110 Tel. 0 2264 0777 Fax 0 2264 0789, 0 2264 0790 |
| | 1. Ms. Vilailak Laohasrisakul Certified Public Accountant No. 6140 (Signed the financial statements of 2018-2019) |
| | 2. Mrs. Poonnard Paocharoen Certified Public Accountant No. 5238 (Signed the financial statements of 2015-2017) |
| | 3. Mr. Termphong Opanaphan Certified Public Accountant No. 4501 (Signed the financial statements of 2014) |
| | 4. Ms. Vissuta Jariyathanakorn Certified Public Accountant No. 3853 |
| Other information | The company has no other information that may affect the decision of investors. |



Union Plastic Public Company Limited

11/1 Soi Serithai 62 ,Minburi, Bangkok 10510

Tel. 0 2517 0109 -14 Fax. 0 2517 0529

Website : <http://www.unionplastic.co.th>