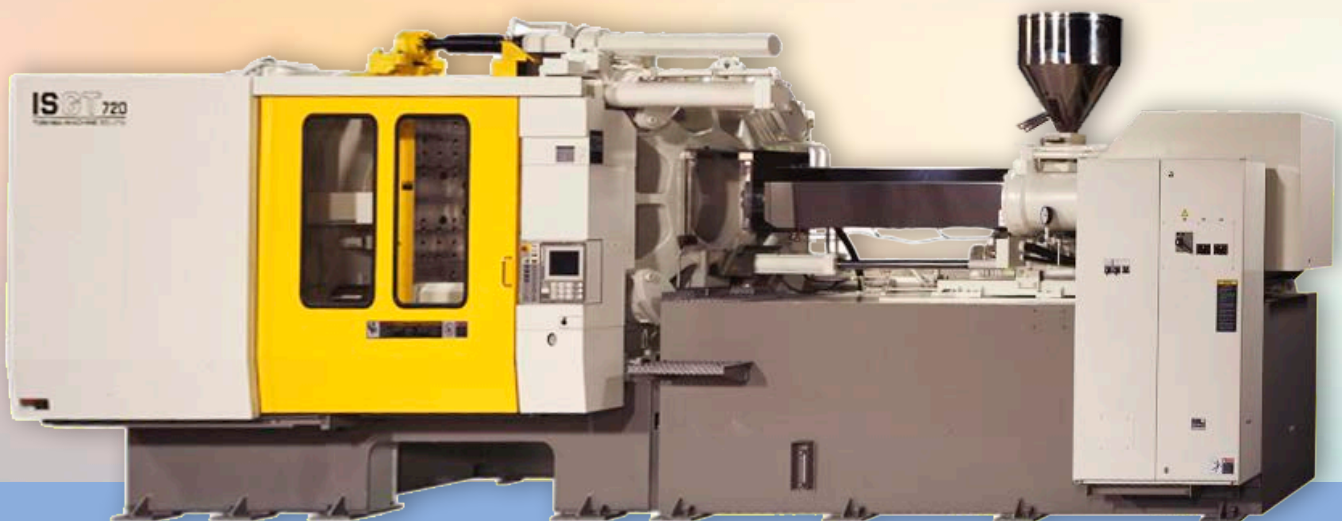




Union Plastic Public Company Limited

Eco-Friendly Concern

A graphic consisting of three green leaves arranged in a circular pattern, with the text 'Eco-Friendly Concern' overlaid in the center.

INTEGRITY
QUALITY
SERVICE

Annual Report 2018

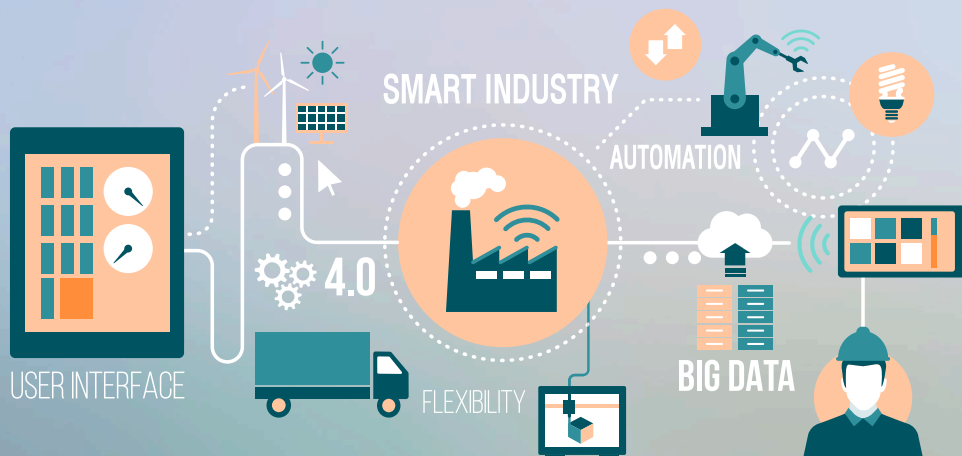
VISION “To be leading company to provide holistic plastic part production in ASEAN region”

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.

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 ethics.
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.



QUALITY POLICY

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

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.

CONTENTS

02	BOARD OF DIRECTORS' REPORT
03	SUMMARY OF FINANCIAL INFORMATION
04	BOARD OF DIRECTORS
05	BIO-DATA OF BOARD OF DIRECTORS AND COMPANY SECRETARY
10	POLICY AND BUSINESS OPERATION OVERVIEW
11	CORPORATE SOCIAL RESPONSIBILITY
12	RESPECT FOR HUMAN RIGHTS AND FAIR OPERATING PRACTICES
13	SHAREHOLDING STRUCTURE AND MANAGEMENT
22	GOOD CORPORATE GOVERNANCE
30	INTERNAL CONTROL AND RISK MANAGEMENT
31	RISK FACTORS
33	MANAGEMENT DISCUSSION AND ANALYSIS
42	AUDIT COMMITTEE'S REPORT
44	BOARD OF DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL REPORT
45	INDEPENDENT AUDITOR'S REPORT
50	FINANCIAL STATEMENTS
57	NOTES TO FINANCIAL STATEMENTS
85	AUDIT FEE
86	RELATED PARTY TRANSACTIONS
89	GENERAL INFORMATION
90	INDEX OF GOOD CORPORATE GOVERNANCE
90	INDEX OF FORM 56-2



BOARD OF DIRECTORS' REPORT



In 2018 the industry circumstance for the automotive and motorcycle industries, which represent the Company's major customer group, showed slight growth in production volume when compared to 2017 due to the expansion of the domestic market, while export market continued to be slow down. However, as the increased competition, growth of plastic parts sale revenue of the automotive group grew by only 0.89 percent in 2018, while sale revenue of the motorcycle group and mold production dropped by 9.01 percent and 77.78 percent, respectively.

In 2018 the company performance, according to the separated financial statement, showed the total income of 702.3 million baht, a reduction of 21.6 million baht or 2.98 percent from the previous year. The sale revenue was 650.9 million baht, a reduction of 23.7 million baht or 3.50 percent. Other revenue and dividends received were at 51.3 million baht, an increase of 2.1 million baht or 4.27 percent. This represented the Company's net loss of 28.5 million baht, a primary loss of 1.14 baht per share. The main factor causing the Company's losses in performance were due to the sales reduction while the raw material and labor costs rose higher, including minimum wage adjustments in the second quarter. Moreover, other production costs including the new machines investment and the current machines maintenance costs increased when compared to the previous year.

Regarding the operation plans for 2019, the Company set the goal for sales growth by expanding markets to other industries, controlling production costs and increasing personnel knowledge and capabilities to enhance competitive ability.

On behalf of the Board of Directors and Executives, I would like to thank the Company's employees, shareholders, customers, trading partners and all stakeholders for supporting the Company's business. I confirm that the Company will operate the business ethically and honestly by focusing on risk management, corporate governance, environment and social activities for the leading to sustainable development.

A handwritten signature in black ink, appearing to read 'Dalad Saphavichaikul'.

(Miss Dalad Saphavichaikul)
Chairman

Union Plastic Public Company Limited

SUMMARY OF FINANCIAL INFORMATION

Unit : 1,000 (Baht)

	2018	2017	2016	2015	2014
Revenues					
Total Revenues	701,147	721,421	727,230	798,648	966,657
Sales and Service income	650,945	674,539	680,187	744,987	911,552
Other income	50,202	46,882	47,043	53,661	55,106
Share of profit from investment in associate	1,812	1,361	932	1,361	1,736
Profit (Loss) before finance cost and income tax expenses	(22,289)	27,629	34,685	54,064	84,154
Finance cost	-	-	-	-	3
Income tax expenses	(5,734)	1,545	(1,142)	6,654	10,749
Profit for the year	(28,023)	29,174	33,543	47,410	73,402
Non-Controlling interests of subsidiary	-	-	-	-	-
Net Profit (Loss) Consolidated financial statements	(28,023)	29,174	33,543	47,410	73,402
Net Profit (Loss) (Separate financial statements)	(28,585)	30,314	33,611	46,798	72,166
Earning per share (Baht) (Consolidate financial statements)	(1.12)	1.17	1.34	1.90	2.94
Earning per share (Baht) (Separate financial statements)	(1.14)	1.21	1.34	1.87	2.89
Dividend					
Issued and fully paid-up shares (shares)	25,000	25,000	25,000	25,000	25,000
Dividend per share (Baht/share)	-	1.21	1.34	1.87	2.85
Total Dividend Payment (Baht)	-	30,250	33,500	46,750	71,250
Dividend Payment Ratio (%) (Separate financial statements)	0	99.79	99.66	99.90	98.73
Total Assets	658,013	696,729	703,466	735,090	763,512
Total Liabilities	157,907	141,838	144,251	158,007	162,592
Total Shareholders' equity	500,106	554,891	559,215	577,083	600,920
Major Financial Ratio Summary					
Liquidity Ratio (times)	3.22	4.08	3.90	3.24	3.22
Current Ratio (times)	(0.26)	0.52	0.40	1.02	0.91
Gross Profit (%)	0.03	8.11	8.57	10.37	13.04
Net Profit (%)	(4.07)	4.19	4.62	5.94	7.59
Return on Equity (%)	(5.51)	5.53	6.15	8.05	12.04
Return on Assets (%)	(4.28)	4.39	4.86	6.33	9.33
Debt to Equity Ratio (times)	0.32	0.26	0.26	0.27	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. Thitivat Suebsaeng

Acting Managing Director



Mr. Pongsak Thiengviboonvong

Director



Mrs. Chantorntree Darakananda

Director



Mr. Vacharaphong Darakananda

Director / Nomination and
Remuneration Committee



Mr. Nanthiya Darakananda

Director

DIRECTOR'S PROFILE AND COMPANY SECRETARY

Miss Dalad Saphavichaikul

Chairman

Age 62 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.
- 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.
- 2012 - Present Chairman, Union Pioneer Public Company Limited.
- 2012 - Present Chairman of the Risk Management Committee, Saha-Union 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, The Sukhumvit 62 Medical Limited.
- December 2017 - Present Vice Chairman, KPN Healthcare Public Co., Ltd.

Years of Directorship 8 years (since 19 January 2011)

Mrs. Supung Tangsujaritpant

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

Age 69 years

Education

- Vocational Education (Account)

IOD's Training

- Director Accreditation Program (DAP) Class 2/2003
- Advanced Audit Committee Program (AAP) 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.
- 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 - Present 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 2 years (since 1 January 2017)
Years of Independent Directorship 2 years (since 1 January 2017)

Mr. Buncherd Tanglertpaibul

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

Age 60 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 9 years 9 months (since 18 March 2009)

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

Miss Jutatip Arunanondchai

Audit Committee / Independent Director

Age 47 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.

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, Net Gadget 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.

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

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

Mr. Thitivat Suebsaeng

Acting Managing Director

Age 65 years

Education

- Ph.D. in Chemistry, Marquette University, U.S.A.
- M.Sc. in Inorganic Chemistry, Chiangmai University
- B.Sc. in Chemistry, Chiangmai University

IOD's Training

- Director Accreditation Program (DAP) Class 21/2004

Experiences

- September 1993 - October 2001 Managing Director, Union Plastic Public Company Limited.
- March 2007 - March 2013 Chairman, Union Zojirushi Co., Ltd.
- March 2007 - April 2015 Director, Union Zojirushi Co., Ltd.
- 2007 - February 2013 Chairman, Union Stainless Steel Products Co., Ltd.
- 2007 - March 2014 Chairman, Union Thai-Nichiban Co., Ltd.
- 2007 - April 2015 Director, Union Nifco Co., Ltd.
- January 2008 - December 2011 President, Saha-Union Public Company Limited.
- March 2008 - April 2012 Chairman, Union Garment Co., Ltd.
- March 2008 - 2013 Director, Union Garment Co., Ltd.
- March 2008 - April 2013 Chairman, Union Micronclean Co., Ltd.
- March 2008 - December 2013 Director, Union Textile Industries Public Company Limited.
- April 2008 - April 2012 Chairman, Union Universe Co., Ltd.
- April 2008 - April 2014 Director, Union Universe Co., Ltd.
- June 2008 - March 2013 Director, TenCate-Union Protective Fabrics Asia Limited.
- August 2008 - March 2014 Director, Union Technology (2008) Public Company Limited.
- March 2009 - June 2016 Director, Yunnan Energy Luliang-Union Cogeneration Co., Ltd.
- January 2010 - December 2011 Managing Director, Union Plastic Public Company Limited.
- January 2012 - May 2014 Chairman, Union Plastic Public Company Limited.
- September 2015 - December 2015 Acting Managing Director, Union Plastic Public Company Limited.

Current Positions

Listed Companies

- September 1992 - Present Director, Union Plastic Public Company Limited.
- January 2003 - Present Director, Saha-Union Public Company Limited.
- August 2018 - Present Acting Managing Director, Union Plastic Public Company Limited.

Saha-Union Group Companies

- February 1999 - Present Director, Union Stainless Steel Products Co., Ltd.
- April 2008 - Present Director, Union Rubber Products Corp., Ltd.
- Present Director, Other Companies in Saha-Union Group

Other Companies

- None -

Years of Directorship

26 years (since September 1992)

Mr. Pongsak Thiengviboonvong

Director

Age 62 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 Company Limited.
- 2012 Deputy Managing Director, Union Pioneer Public Company Limited.

Current Positions

Listed Companies

- 2013 - Present Managing Director, Union Pioneer Public Company Limited.
- 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

5 months (since 1 August 2018)

Mrs. Chantorntree Darakananda

Director

Age 55 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

- 2012 - Present Director, Union Sime Darby (Thailand) Co., Ltd.
- August 2015 - Present Director, The Sukhumvit 62 Medical Limited.
- December 2017 - Present Director, KPN Healthcare Public Co., Ltd.

Years of Directorship

4 years 6 months (since 19 June 2014)

Mr. Vacharaphong Darakananda

Director / Nomination and Remuneration Committee

Age 53 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

18 years 8 months (since 26 April 2000)

Mr. Nanthiya Darakananda

Director

Age 50 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 **20 years 8 months (since 23 April 1998)**

Mrs. Chadaporn Jiemsakultip

Company Secretary/
Supervise Compliance Department

Age 56 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 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.

Current Positions

- 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

3 years

POLICY AND BUSINESS OPERATION OVERVIEW

Policy and Business Operation Overview

The Company was established in 1969 by manufacturing household plastic products and has developed production ability of the Company and change business policies to manufacturing of engineering parts. Later, in order to widen services to customers, the Company has established spray painting and plastic component assembly unit and registered the name of the Company as the Union Plastic Public Company Limited on March 30th, 1994, Business Registration Number: BorMorJor.346. In order to show guideline for the business, details are as follows:

The Company registered its business under manufacturing services of plastic parts and injection molds and integrated manufacturing process in order to meet the needs of customers as ONE STOP SERVICE, consisting of

- Provide the service of manufacturing the industrial plastic parts through THERMO PLASTIC INJECTION MANUFACTURING, including fully integrated production process, spray painting and SILK SCREEN
- Provide the service of manufacturing plastic injection molds by using CAD/CAM/CAE technology to design and manufacture the molds and applying HIGH SPEED MACHINING to speed up the molding process.

Significant change and development

Over the past year, the Company used new plastic injection machines with high speed and accuracy as replacements and additions to boost production efficiency in manufacturing plastic parts with a need for high quality in addition to cutting costs from waste in production. Furthermore, the Company modified coating factories to be ready to support more new injection and coating work. In the area of information technology, the Company studied the use of information technology systems to control packaging circulations systems in order to manage and control costs more effectively.

Characteristics of Products and Services

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

- **Plastic parts** including automotive parts, parts of electrical appliances, household products and vacuum bottle.
- **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.
- **Painting on plastic parts** as specified in Item 1 requiring high quality and delicacy for both AIR DRY paint and 2K paint

Revenues Structure

Main revenues of the Company came from injecting plastic parts, the production of molds, and the sales of the products obtained through the production process as follows:

Products/Services	(Unit : Thousand Baht)					
	2018 Revenues	%	2017 Revenues	%	2016 Revenues	%
1. Plastic Parts	644,500	91.76	646,776	89.34	663,266	91.20
2. Molds	6,444	0.91	27,763	3.84	16,921	2.33
3. Other Revenues	51,453	7.33	49,381	6.82	48,043	6.47
Total Revenues	702,397	100.00	723,920	100.00	728,230	100.00

CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES



Religious Activities

Tuesday, 29 May 2018:

Flower Offering & Merit Making Ceremony in Honor of Visakabucha Day - Representatives of Union Plastic Public Company Limited executives and employees as well as employees in the Saha-Union Group in Bangchan joined together in a merit making ceremony and offering of flowers in honor of Visakabucha Day at Wat Bamphen-Nua, Minburi, Minburi.

Community Activities:

Friday, 1 June 2018

Representatives of Union Plastic Public Company Limited executives and employees organized the project, "POLICE MIND BY UP", donating 100 chairs to the Minburi Metropolitan Police Station with the objective of meeting the needs of the large numbers of people coming to contact the police who have no budget to cover the costs of the chairs.



Environmental Activities:

Wednesday, 17 October 2018:

Union Plastic Public Company Limited employee representatives joined together at the Minburi District Office with representatives from the Minburi District Office and each organization in Minburi District for the project, "Saving the Environment Together", in which various areas surrounding the community and near the company were cleaned up to improve environmental conditions.

Social Activities:

Friday, 2 November 2018

Representatives of Union Plastic Public Company Limited executives and employees joined with employees in the Saha-Union Group, Bangchan, to donate patient beds to the board of directors at Nopparat Rajathanee Hospital.



Respect for Human Rights and Fair Operating Practices



January 2018:

Representatives from the Company's Benefits Committee expressed sympathy to employees who had suffered the loss of loved ones in their families.

Visiting Employees during Illness:

Union Plastic Public Company Limited is aware of and concerned about the health problems of every employee who dedicates both body and mind to wholeheartedly working for the company, even when employees are sick.



Postpartum Visits to Employees:

Executive representatives of Union Plastic Public Company Limited joined together to congratulate and offer gifts to new mothers.

Employee Educational Development Project:

Union Plastic Public Company Limited has policy to promote and develop employee knowledge on a continual basis for the purpose of practicing skills and capacity building by offering opportunities for employee learning for development and progress in work performance.



SHAREHOLDING STRUCTURE AND MANAGEMENT

- Shareholders**

(1) Top ten shareholders of Union Plastic Public Company Limited are as follows:

No.	Names of Shareholders	Number or Shares Held		Percentage (%)	
		March 29 th , 2017	April 29 th , 2018	March 29 th , 2017	April 29 th , 2018
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	233,500	344,300	0.93	1.38
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:

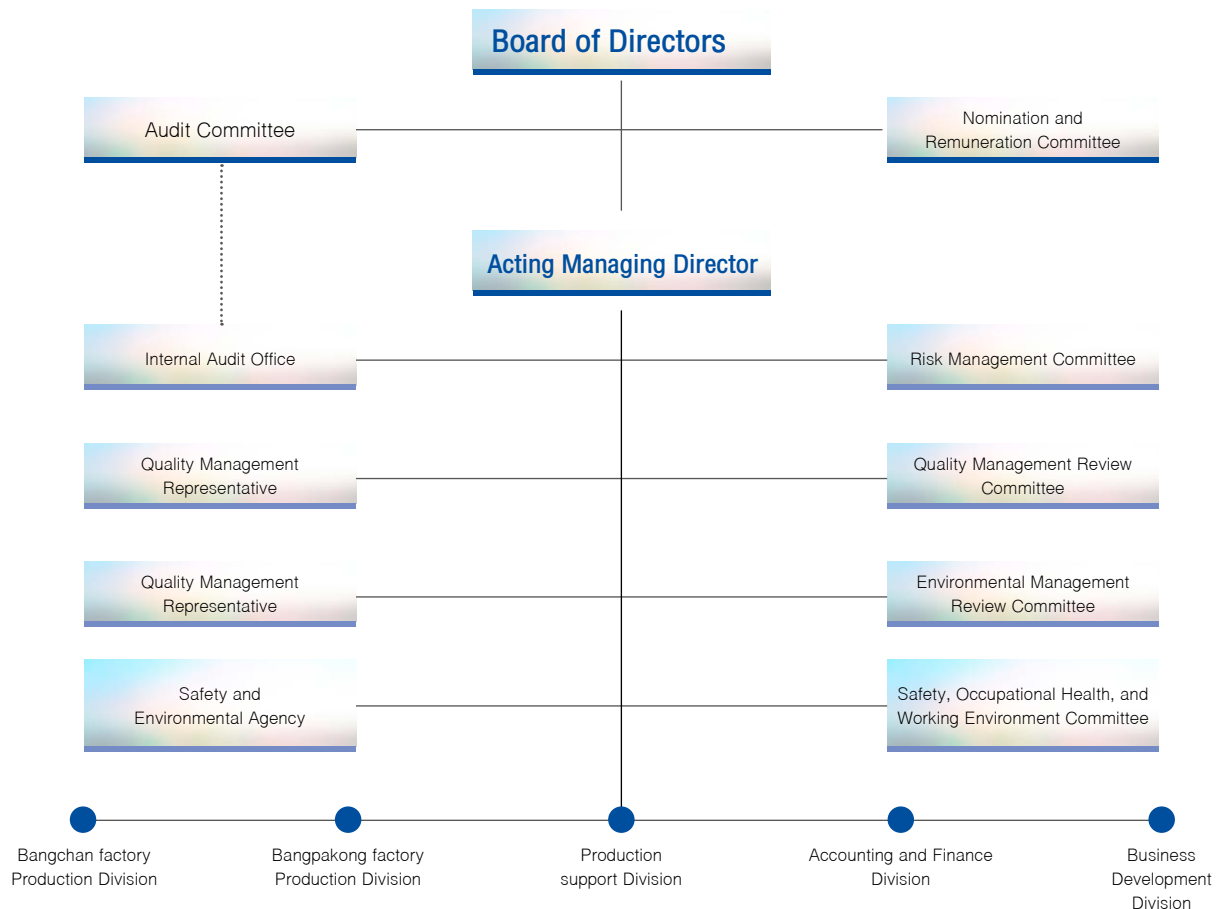
No.	Names of Shareholders	Number or Shares Held		Percentage (%)	
		2018	2017	2018	2017
1	Ms. Dalad Saphavichaikul	-	-	-	-
2	Mrs. Supung Tangujaritpant	-	-	-	-
3	Mr. Buncherd Tanglerpaibul	9,660	9,660	0.04	0.04
4	Ms. Jutatip Arunanondchai	-	-	-	-
5	Mr. Thitivat Suebsaeng	-	-	-	-
6	Mrs. Chantornree Darakananda	-	-	-	-
7	Mr. Vacharaphong Darakananda	-	-	-	-
8	Mr. Nanthiya Darakananda	-	-	-	-
9	Mr. Pongsak Thiengviboovong	1,000	-	-	-

- Dividend Payment**

The Company's dividend payment policy is in accordance with its operation results at the rate of not less than one-third of annual net profit after the deduction of accumulated loss (if any) according to the separate financial statement.

Management

Organization Chart



Board of Directors and Management Structure

The Board of Directors is composed of directors recruited from qualified persons with knowledge, capabilities and experience from many professions to represent shareholders and maintain shareholder benefits with authority and duties to control and manage the Company in compliance with the law, objectives, regulations and policies of the Company including resolutions of the Board of with consideration given to the interests of the Company, shareholders and all stakeholders.

The Company has specified the number of directors and components of the Board of Directors with approval from the meeting of the Board of Directors and the annual general shareholders' meeting. The Board of Directors currently consists of 9 directors with 3 independent directors, one executive director and 5 non-executive directors.

- (1) Each shareholder shall have one vote per share.
- (2) Directors may be voted for individually or in group of the required number of directors as deemed appropriate. In each voting, shareholders must exercise their voting rights according to (1) and must not divide the voting right and transfer to any persons or groups.
- (3) Election is based on majority vote. In case of a tie, the Chairman will exercise the deciding vote.

Rules and Procedures on Nomination of Directors

The candidates for the director positions must possess the following qualifications;

- (1) Must be qualified and must not possess forbidden characteristics as stipulated in the laws on public limited companies, securities and stock exchange laws, and good corporate governance of listed companies
- (2) Be knowledgeable, capable, and independent to perform their duties of care and duties of loyalty, fully dedicate their time to the Company, be competent, matured, healthy both physically and mentally, creative, straightforward, and be reluctant to express their ideas in meetings, and have good working backgrounds and ethics
- (3) Be an expert in at least one area, for example business, accounting and finance, strategic management, good corporate governance, law, or rules and regulations
- (4) The Nomination and Remuneration Committee is responsible for nominating individuals with the above-mentioned qualifications to the Board for approval prior to proposing to shareholders for approval

Names and scope of authorities of each committee are as follows:

1. The Board of Directors

- The Board of Directors consists of 9 directors as follows:

- 3 Independent Directors;
- 1 Executive Director; and
- 5 Non-executive Directors

Meeting Attendance of Board of Directors and Sub-Committee

No.	Name	Position	2018		
			No. of Meeting Attendances		
			Board of Directors	Audit Committee	Nomination and Remuneration Committee
1	Ms. Dalad Saphvichaikul	Chairman	12/12	-	-
2	Mrs. Supung Tangsujaritpunt	Chairman of the Audit Committee/Independent Director/Nomination and Remuneration Committee	10/12	4/4	2/2
3	Mr. Buncherd Tanglertpaibul	Audit Committee/Independent Director/Chairman of the Nomination and Remuneration Committee	12/12	4/4	2/2
4	Ms. Jutatip Arunanondchai	Audit Committee/Independent Director	11/12	4/4	-
5	Mr. Thitivat Suebsaeng	Director/Acting Managing Director	11/12	-	-
*6	Mr. Rames Khempet	Director/Managing Director	7/12	-	-
**	Mr. Pongsak Thiengviboonvong	Director	5/12	-	-
7	Mrs. Chantomtree Darakananda	Director	12/12	-	-
8	Mr. Vacharaphong Darakananda	Director/Nomination and Remuneration Committee	12/12	-	2/2
9	Mr. Nanthiya Darakananda	Director	8/12	-	-

Mrs. Chadaporn Jiamsakultip acts as the company secretary.

* Mr. Rames Khempet resigned as a director and the managing director effective as of 1 August 2018 and the Board of Directors appointed Mr. Thitivat Suebsaeng as Acting Managing Director effectively on 1 August 2018 (Board of Directors' Meeting No. 7/2018 on 18 July 2018).

** Mr. Pongsak Thiengviboonvong was appointed as a director to replace Mr. Rames Khempet effective as of 1 August 2018 (Board of Directors' Meeting No. 7/2018 on 18 July 2018).

- **Scope and Authorities of Board of Directors**

- (1) To stipulate policies and direction for corporate operation, to supervise and control the Management to work efficiently and effectively in accordance with the specified policies
- (2) Appoint and dismiss the Company's employees. The Board of Directors may assign any single or several directors of the Company to act on the Company's behalf.
- (3) To stipulate pension or reward payment to staffs or employees of the Company or any person who works temporarily or permanently for the Company
- (4) To stipulate interim dividend payment to shareholders
- (5) To comply with laws, objectives, Articles of Association, and resolution of the shareholders' meeting

The Board of Directors may entrust one or more Directors or other persons to conduct the Company's business on behalf of the Board of Directors. Persons authorized to bind the Company shall be two directors affixing their signatures together with the Company's seal.

- **Company Secretary**

The Company's Board of Directors passed a resolution to appoint Mrs. Chadaporn Jiamsakuntip as the Company Secretary from 1 January 2016 onwards. The qualifications of the Company Secretary are shown in the attached documents 1.

- **Responsibilities of Company Secretary**

The Company Secretary is under obligation to perform the duties specified in Article 89/15, Article 89/16, Article 89/17 and Article 89/23 of the Securities and Exchange Act (4th Edition) of B.E. 2008, which became effective on 31 August 2008, with responsibility, caution and honesty. In addition, the Company Secretary is required to comply with the law, objectives, company regulations, Board of Director resolutions and resolutions of the shareholders' meeting. In addition, the company secretary also officiate.

- Providing consultation on the law, regulations and related specifications in the area of the Board of Director's activities for compliance with the law.
- Performing the duty of organizing meetings of the Board of Directors, sub-committees and shareholders' meetings.
- Coordinating with agencies in the Company to follow the resolutions of the Board of Directors and resolutions of shareholders' meetings.
- Coordinating with governing agencies such as the Office of the Securities and Exchange Commission, the Stock Exchange of Thailand and overseeing the disclosure of information and reports to governing agencies and the public for accuracy and integrity in compliance with the law.
- Organizing orientation, preparing data and coordinating for directors to be trained in necessary courses for directors' duties and to offer recommendations for newly appointed directors.
- Perform other tasks as announced by the Capital Market Supervisory Board.

- **The Board of Directors consists of 3 independent directors are as follows:**

No.	Name	Position
1	Mrs. Supung Tangsujaritpant	Independent Director
2	Mr. Buncherd Tanglertpaibul	Independent Director
3	Ms. Jutatip Arunanondchai	Independent Director

- **Rules on Nomination of Independent Director**

The Board of Director selects independent directors by recruiting from persons with knowledge, capabilities, experience and understanding of the Company's business and the business of related companies who have vision and sufficient time to perform duties and invite those persons to become the Company's independent directors. The Company believes that the aforementioned independent directors can use knowledge and abilities to provide beneficial and suitable opinions for the Company's business operations. The Company specified the number of independent directors to meet minimum criteria of the Securities and Exchange Commission (SEC) requiring one-third of all directors to be independent directors. Furthermore, independent directors are required to have qualifications meeting the following minimum criteria of the SEC in order to be truly independent and suitable for the Company's business:

- (a) Independent directors must hold no more than one percent of all shares with the right to vote in the Company, the main company, subsidiaries, joint ventures or juristic persons who may have potential conflicts of interest.
- (b) Independent directors must not be workers, employees or consultants with monthly wages or persons with controlling authority over the Company, main company, subsidiaries, joint ventures or juristic persons with potential conflicts of interest.
- (c) Independent directors must not be directors with a blood relationship or legal registration as a father, mother, spouse, sibling and child including children's spouse of executives, major shareholders or persons who will be nominated as executives or a person with controlling authority in the Company or subsidiaries.
- (d) Independent directors must not have a business relationship with the Company, the mother company, subsidiaries, joint ventures or juristic persons who may have potential conflicts of interest which may prevent independent directors from exercising judgment freely. In addition, independent directors are required to have no other characteristics preventing free expressions of opinions regarding the Company's operations.

- **The Board of Directors' Meetings**

The Board of Directors' Meeting takes place at least once a month to follow up the operations to ensure whether the objectives or plans are fulfilled. In 2018, there were 12 Board of Directors' Meetings and were attended by the directors who were not engaged in other arrangement.

2. Audit Committee

The Audit Committee consists of directors whose qualifications are in compliance with the notifications of the Capital Market Commission, the Securities and Exchange Commission (SEC), and the stock Exchange of Thailand (SET) which stipulate that there must be at least 3 members, one of which must be knowledgeable and experience enough to review the credibility of financial statements is Mrs. Supung Tangsujaritpant. In addition, all directors must have independence and do not hold the position of chairman or managing director. The Audit Committee has the right to appoint 1 advisor and a suitable officer to act as the Committee's Secretary.

The term of each member of the Audit Committee shall be 2 years and the directors who resign by rotation can be re-appointed. In case of termination for other reasons other than resignation by rotation, the Board will appoint qualified personnel in replacement to attain the required number of directors as specified by the Board. The replacing directors' terms of office are equivalent to the remaining terms of the resigned directors. Besides, the Audit Committee is authorized by the Board to perform their tasks which are related to the Management, Internal Control officers, auditors, and other units in order to achieve their goals. Other divisions are required to follow their roles and duties concerning the Audit Committee as specified in the regulations of the Audit Committee.

- **The Audit Committee comprises 3 directors are as follows:**

No.	Name	Position
1	Mrs. Supung Tangsujaritpunt	Chairman of the Audit Committee
2	Mr. Buncherd Tanglerpaibul	Audit Committee
3	Ms. Jutatip Arunanondchai	Audit Committee

Mrs. Achara Maneesawath, Internal Audit Division Manager, acts as the secretary of the Audit Committee.

Scope and Authorities of Audit Committee

- To review financial reports in accordance with generally accepted accounting standards in an accurate and sufficient manner
- To review the appropriateness and effectiveness of the internal control and internal audit and to monitor the independence of the Internal Audit Office and approve the appointment, transfer, and termination of the Internal Audit Manager
- Grant approval for appointments, transfers and dismissal of the Manager of the Internal Audit Office.
- To conduct reviews to ensure that the Company complies with laws related to Securities and the stock Exchange, the stock Exchange of Thailand's regulations, and any other laws related to the Company's business
- To consider, screen and propose independent individuals to act as the Company's auditor as well as suggest their remunerations and attend meetings with auditor without participation of the Management at least once a year
- To review related transactions or transaction that may cause conflicts of interest so that they are in conformity with the laws and the Stock Exchange of Thailand's regulations to ensure that they are reasonable and contribute to the highest benefits of the Company
- To prepare a report of the Audit Committee for disclosure in the Company's annual report. The report, which is to be signed by the Chairman of the Audit Committee, shall include at least the following information;
 - (1) An opinion regarding accuracy, completeness and integrity of the Company's financial reports
 - (2) An opinion regarding adequacy of the internal control system of the Company
 - (3) An opinion regarding compliance with the laws relevant to securities and the stock exchange, the requirements of the stock Exchange of Thailand or the laws related to the business of the Company
 - (4) An opinion regarding the suitability of the auditors
 - (5) An opinion regarding transactions which may have conflict of interest
 - (6) The number of Audit Committee's meetings and the attendance of each member of the Audit Committee
 - (7) An opinion or an observation of the Audit Committee drawn from the performance of their duties according to the Charter or regulations of the Audit Committee
 - (8) Any other matters within the scope of duties and responsibilities specified by the Company's Board of Directors which the shareholders and general investors should know
- To make sure that problems are rectified by the Management in timely manner
- To monitor and evaluate performances which are regarded as crucial by the Audit Committee
- To perform any tasks as may be assigned by the Board of Directors

3. Nomination and Remuneration Committee

The Board of Directors shall consider and appoint experienced and qualified members of the Nomination and Remuneration Committee and also determine their remunerations. Most (Two-third) of the member are independent directors and the chairman of the Nomination and Remuneration Committee is also an independent director.

- **The Nomination and Remuneration Committee consists of 3 directors are as follows:**

No.	Name	Position
1	Mr. Buncherd Tanglertpaibul	Chairman of the Nomination and Remuneration Committee
2	Mrs. Supung Tangsujaritpant	Nomination and Remuneration Committee
3	Mr. Vachaphong Darakananda	Nomination and Remuneration Committee

Scope and Authorities of Nomination and Remuneration

1. To select persons who should be nominated as new directors for presentation to the meeting of the Company's Board of Directors.
2. To specify director recruitment guidelines according to director recruitment criteria and methods.
3. To consider guidelines in setting wages for directors.
4. To set wages for directors by proposing wages for the meeting of the Board of Directors to consider.

4. The Company's Executive Committee is composed of the following:

In 2018, the Company's corporate structure consists of the Managing Director, 6 division managers and one assistant manager of the Production Support Division. The agencies in the Company's chain of command are as follows:

1. Work groups under the Managing Director consist of the Risk Management Committee, the Quality Management System Review Committee, the Environment Management System Review Committee, the Occupational Safety, Health and Work Environment Committee, representatives from the Quality Management Division, representatives from the management for environment, environmental safety agencies, Purchasing Section, Personnel and Administration and Quality and Environment Management Section and Safety.
2. The Bangchan Factory Production Division consists of Production Factory 1 Section, Production Factory 2 Section, Mold Repair Section, Planning Section and Sales Section.
3. The Bangpakong Factory Division consists of Production Factory Section 5 and Painting Section.
4. The Production Support Division consists of Maintenance Section, Quality Assurance Section, Warehouse Section, Engineering Section and the Mold Section
5. The Accounting and Finance Division consists of Accounting Section, Finance Section and Information Technology Department.
6. The Business Development Division consists of Marketing Section.
7. The Internal Audit Division consists of Internal Audit Office.

- **The Company's Management consists of 8 member as follow:**

Name	Position	Educational Qualifications
1. Mr. Thitivat Suebsaeng	Acting Managing Director	Ph D.in Chemistry, Marquette University, U.S.A.
2. Mr. Boonlert Nurak	Bangchan Factory Production Division Manager	Less than Bachelor's Degree
3. Mr. Wisit Saitaidu	Bangpakong Factory Production Division Manager	Less than Bachelor's Degree
4. Mr. Wichit Ampaiwan	Production Support Division Manager	Less than Bachelor's Degree
5. Mr. Khosit Thepchalerm	Accounting and Finance Division Manager	B.A.in Accounting, Dhurakij Pundit University
6. Mr. Anupong Rengputipong	Business Development Division Manager	M.B.A, Ramkamhaeng University

Name	Position	Educational Qualifications
7. Mrs. Achara Maneesawath	Internal Audit Division Manager	M.P.P.M, National Institute of Development Administration
8. Mr. Pongsak Danpreedanana	Assistant Manager Production Support Division.	Master of General Management, National Institute of Development Administration

- **Scope and Authority of Board of Executives**

1. To initiate and fulfill operation plans as assigned by the Board to achieve goals and objectives.
2. To supervise and monitor the policies and operation plans as assigned by the Board.
3. To screen and approve important and urgent issues within the scope of authorities and budget set by the Board and propose to the Board's Meeting for further approval.
4. To study and seek opportunities of new business and propose to the Board's Meeting for approval.
5. To perform other tasks or duties as assigned by the Board.

- **Director and Executive Recruitment**

- **Recruit of Director**

Nominees are considered by the Recruitment Committee which considers the recruitment of qualified persons or persons with knowledge, capabilities, experience in business management, qualifications in compliance with the specifications of the law, sufficient time to perform duties of the Company with transparency for the Board of Directors in order to present nominated persons to shareholders at the annual general meeting on the agenda of director election in compliance with the Company's regulations.

- **Recruitment of senior executives**

In recruiting the Managing Director, the Board of Directors assigns the Nomination and Remuneration Committee and the Chairman of the Board of Directors to consider recruiting individuals with complete and appropriate qualifications, knowledge, capabilities, skills and experience with benefits for the Company's operations and persons with good understanding of the Company's business and ability to manage work to achieve objectives and goals specified by the Board of Directors along with presenting the aforementioned persons to the meeting of the Board of Directors for consideration of appointment. In recruiting executives lower than the Managing Director, the Board of Directors assigns the Managing Director to recruit and appoint executives before presenting the issue to the meeting of the Board of Directors for acknowledgement.

- **Remuneration of the Directors and Executives**

- **Remunerations of the Directors**

The Company has a transparent process for setting wages for the Board of Directors considered by and Nomination and Remuneration Committee and approved by shareholders.

Directors' wages are comparable to the level practiced in the same industry. In addition, directors' wages are set by considering experience, burdens, duties, roles and responsibilities including expected benefits from each director. Directors assigned more duties and responsibilities such as directors in the Audit Committee will also receive more meeting gratuities.

Wages for the Managing Director and executives will be considered from the Company's performance and the performance of each executive.

- **Remunerations and other monetary remunerations of the Directors and Sub-Committees**

Remarks According to the resolution of the General Meeting of Shareholders on April 25th, 2018, an allowable

amount was not exceeding 1,500,000. - Baht (equal to that of 2017).

No.	Name	Position	2018			Total
			Remunerations (Baht)			
			Board of Directors	Audit Committee	Nomination and Remuneration Committee	
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	12,000	240,000
3	Mr. Buncherd Tanglerpaibul	Audit Committee/ Independent Director/ Chairman of the Nomination and Remuneration Committee	96,000	120,000	12,000	228,000
4	Ms. Jutatip Arunanondchai	Audit Committee/ Independent Director	96,000	120,000	-	216,000
5	Mr. Thitivat Suebsaeng	Director/Acting Managing Director	96,000	-	-	96,000
*6	Mr. Rames Khempet	Managing Director	56,000	-	-	56,000
**6	Mr. Pongsak Thiengviboonvong	Director	40,000	-	-	40,000
7	Mrs. Chantorntree Darakananda	Director	96,000	-	-	96,000
8	Mr. Vacharaphong Darakananda	Director/Nomination and Remuneration Committee	96,000	-	12,000	108,000
9	Mr. Nanthiya Darakananda	Director	96,000	-	-	96,000
Total			864,000	372,000	36,000	1,272,000

- **Other remunerations of Directors and Sub-Committees** - None -

Remunerations of Executives

- **The remuneration of the executives for the year as follows.**

Position	Salary and allowance per year (Million Baht)
Managing Director and Executives	11.29

- **Other Remunerations of Executives**

The Company contributed to the provident funds of 4 Division Manager and 1 Assistant Division manager at the rate of 3% of base salary.

GOOD CORPORATE GOVERNANCE

Category 1: Shareholders' Rights

Category 2: Equitable Treatment of Shareholders

Category 3: Stakeholders' Roles

Category 4: Information Disclosure and Transparency

Category 5: The Board of Directors' Responsibilities

Good corporate governance policy

The Company follows the Stock Exchange of Thailand's good corporate governance principles by considering responsibility to employees, shareholders, customers, competitors, communities, society, environment and all stakeholders to create balance for every party. Also, the Company was managed principles under the motto **"Integrity Quality Service"** in following the Stock Exchange of Thailand's good governance principles. The Company adheres to the aforementioned principles in each of the following sections:

Category 1: Shareholders' Rights

The Board of Directors recognizes the importance of shareholders' legal and basic rights to receive sufficient information quickly and completely. Therefore, the Board of Directors supports shareholders in exercising rights. Furthermore, the Board of Directors is aware of its obligation to care for and ensure that every shareholder to receive basic rights equitably and fairly. Shareholders' basic rights consist of the right to purchase, sell or transfer shares, the right to receive equitable returns from investments in the form of dividends, the right to receive news and information of the business sufficiently in a timely and consistent manner, the right to attend shareholders' meetings and vote to approve significant issues, the right to elect the Company's directors and set directors' wages, the right to appoint the certified public accountant and set wages for the certified public accountant and the right to grant proxy rights to other persons to attend meetings and vote on shareholders' behalf.

In addition to basic rights, the Board of Directors supports and facilitates shareholders in exercising rights as follows:

1. Shareholders have equal rights to acknowledge information. The Company disseminates news and information in Thai and English via channels of the Stock Exchange of Thailand and the Company's website (www.unionplastic.co.th) to provide shareholders with more channels for receiving the Company's news.
2. The Company organizes the Annual General Meeting of shareholders within 4 months at the end of the Company's fiscal year by scheduling convenient meeting dates, times and venues for shareholders. In 2017, the Company held the 24th Annual General Meeting of Shareholders on 19 April 2017 at the Auditorium Head offices of Saha-Union Public Company Limited located at 1828, Sukhumvit Rd., Bangchak, Phrakhanong, Bangkok.
3. The Company facilitates and provides opportunities for shareholders to present meeting agenda items 4 months before the shareholders' meeting date at the Company's website (www.unionplastic.co.th) in Thai and English or send letters to the Company Secretary based on the criteria for presenting issues for consideration to be added as meeting agenda items by specifying information related to the following:
 - (a) Shareholder qualifications.
 - (b) Presentation of issues to be added as meeting agenda items.
 - (c) Documents sent.
 - (d) Consideration process.

The Company reports the aforementioned information via the news system of the Stock Exchange of Thailand in Thai and English. For the Annual General Meeting of shareholders, the Company advertises notifications to call the Annual General Meeting of shareholders in newspapers for 3 consecutive days with information on each agenda item, opinions of the Board of Directors on each agenda item. Furthermore, the Company discloses invitations to the meetings of shareholders with all accompanying documents in Thai and English on the Company's website (www.unionplastic.co.th). Shareholders receive news and information no less than 30 days before the meeting of shareholders.

The Company facilitates shareholders by:

- Holding meetings in the Bangkok area with convenient transportation for shareholders to travel to attend meetings.
- Providing staffers to assist with registration to attend meetings. Registrations open no less than 2 hours before meetings.
- Providing convenience for shareholders who are unable to attend meetings in person by attaching proxy letters to allow shareholders to grant proxy rights to independent directors or any person to represent shareholders in meetings and vote. Information on methods for granting proxy rights are on proxy letter statements.

The Board of Directors including sub-committees, executives and the Company Secretary give importance to shareholder meetings by considering it a duty to attend every meeting to answer questions on issues related to the meeting and listen to shareholders' opinions.

At shareholder meetings, the Chairman informed shareholders of the right to vote and voting methods. One share is counted as 1 vote. Shareholders vote by using voting cards and vote counting results will be reported at the end of the meeting. Shareholders may cast approving, dissenting and abstaining votes. In addition, shareholders may see additional information from minutes to shareholder meetings disclosed on the Company's website. The Board of Directors supports having independent persons as witnesses in counting shareholders' votes with shareholders volunteering to witness vote counting.

The Company provides opportunities for shareholders to present issues with benefits for the Company to consider adding agenda items to the Annual General Meeting of shareholders in advance according to criteria and methods specified by the Company on the Company's website. At the meeting, the Chairman will conduct the meeting according to the order of agenda items specified in meeting invitations without adding meeting agenda items or changing significant information not reported to shareholders beforehand. Moreover, the Company provides opportunities for shareholders to have equal rights to ask questions, express opinions or present recommendations fully on every agenda. The Board of Directors discloses information concerning voting results on each agenda by sorting votes in approval, dissent and abstention from the Annual General Meeting of shareholders on the next business day via the news system of the Stock Exchange of Thailand and the Company's website (www.unionplastic.co.th).

Category 2: Equitable Treatment of Shareholders

1. The Company provides opportunities for shareholders to present issues to be added as agenda items in the shareholders' meeting in advance via the Company's website (www.unionplastic.co.th) 4 months in advance of the shareholders' meeting date.
2. The Company does not add meeting agenda items other than meeting agenda items specified on the meeting invitation sent to shareholders.
3. All shareholders who cannot attend meetings in person conveniently may exercise the right to vote by granting proxy rights to other persons as shareholders consider appropriate or grant proxy rights for the Company's independent directors to attend meetings and vote on shareholders' behalf.

4. Shareholders have the right to receive news and information, meeting invitations and meeting agendas with opinions from directors in advance. The Company coordinates with Thailand Securities Depository to send shareholder meeting invitations, documents and information related to agenda items in Thai and English to shareholders no less than 14 days in advance of the meeting along with disclosing information on the Company's website (www.unionplastic.co.th) no less than 30 days in advance of the meeting in order to allow shareholders to study and consider information sufficiently in advance of the meeting.

Documents sent to shareholders to be considered before attending shareholder meetings consist of the following:

- Meeting invitations with specified information on each agenda item with the opinions of the Board of Directors on every agenda.
- CDs of the minutes to annual report and profit-loss accounts or the annual financial statement.
- Copies of the minutes to the previous Annual General Meeting of shareholders.
- Proxy letters (Form B) with names and information of independent directors presented by the Company to be granted proxy rights or shareholders may grant proxy rights to other persons as shareholders consider appropriate in order to attend meetings and vote on shareholders' behalf.
- Information on persons nominated for election as directors and names of the Company's directors.
- Independent director definitions of persons elected as independent directors.
- Director recruitment criteria and methods.
- Information, documents and evidence required as identification to attend meetings.
- Company regulations related to shareholder meetings.
- Map of the shareholder's meeting.

Category 3: Stakeholders' Roles

Stakeholders' Rights

The Company places importance on the rights of all stakeholder groups to support competitive capabilities and build growth for the Company by specifying the following roles and responsibilities toward stakeholders:

Shareholders	<ul style="list-style-type: none">• The Company treats all shareholders equitably and fairly in compliance with the criteria prescribed by the law.• The Company respects shareholders' rights under the main components of corporate governance.• The Company manages the Company's business to prosper with security and generates suitable returns for shareholders.• The Company reports the Company's status and performance to shareholders equitably, consistently and completely based on the facts.
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Customers	<ul style="list-style-type: none"> • The Company adheres to and works honorably. • The Company is transparent and treats all customers equitably. • The Company produces, delivers and provides services with quality goods meeting standards and customer needs at fair prices. • The Company disseminates accurate news and information in order to build awareness of information concerning goods and services. • The Company has marketing work units to hear recommendations, opinions or complaints related to other goods or services. The Company will use the aforementioned issues to consider improvements and make corrections quickly within an appropriate period of time. • The Company maintains customers' confidential information by not disseminating or using customers' confidential information wrongfully for the Company's benefit or for the benefit of other persons.
Trading Partners	<ul style="list-style-type: none"> • The Company treats trading partners equally and fairly based on fair returns for both parties. • The Company does not accept or pay any benefits other than the benefits in trade agreements. If the Company discovers information concerning acceptance or payment of any dishonest benefits, the Company will join trading partners to examine facts and solve problems quickly. • The Company follows the conditions, contracts and agreements made with trading partners strictly. In cases where the Company is unable uphold agreements in any case, the Company will join trading partners to consider correction guidelines immediately.
Employees	<ul style="list-style-type: none"> • The Company follows the law, rules and regulations related to employees strictly. • The Company oversees and places importance on improving, training and educating employees in addition to holding at least annual fire evacuation drills to help employees and the staff to have fire prevention knowledge. • The Company organizes benefits, assistance, training and development activities and seminars for employees. • The Company examines employees' health annually. The Company recognizes the importance of maintaining employees' health. Therefore, the Company organizes annual health examinations for employees. • The Company created the 5 Sor. Committee and allows employees to participate in improving quality of life when working in employees' work areas. Furthermore, the Company established the Occupational Safety, Health and Work Environment Committee to control activities which cause effects on employees. • The Company created the Provident Fund for employees in the Saha-Union Group and the Company pays contributions to the Fund at 3 percent of monthly wages.
Society and Communities	<ul style="list-style-type: none"> • The Company is aware that, although good performance is an important goal in business operations, good performance must be based on the principles of not taking advantage, not creating trouble and accepting responsibility to the community and society. • The Company supports all executives and employees to be responsible to communities, society and the environment. • The Company is firmly committed to working honorably without taking advantage or creating trouble for society by organizing channels for stakeholders and related persons to report clues via opinion boxes, websites, independent directors or audit directors.

Category 4: Information Disclosure and Transparency

The Board of Directors oversees disclosure of the Company's significant information including financial and non-financial information such as the annual report, the balance sheet and the profit-loss account or the annual financial statement and the annual information disclosure form (Form 56-1) with accuracy, completeness, transparency, punctuality and coverage in order to allow investors and related persons to have equal knowledge via the Company's website including information dissemination media of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.

The Board of Directors is aware of the importance of preparing accurate and reliable financial reports for investors to use in accompanying decisions. Therefore, the Company prepares reports on the Board of Directors' responsibilities toward financial reports.

The following information is disclosed by the Company:

- Shareholder and management structure.
- Disclosure of explanations and analysis of financial status and performance.
- Risk factors.
- Backgrounds of the Board of Directors and executives.
- Directors' and executives' wages.
- The number of times when each director attends meetings.
- Connected transactions.

The Company discloses information in Thai and English via the Internet on the Company's website (www.unionplastic.co.th) such as issues presented for addition as shareholder meeting agenda items, shareholder meeting invitations and all accompanying documents, annual reports, shareholder meeting resolutions and minutes to shareholders' meeting.

The Company places importance on information and communication systems because decision-making on various issues are based on sufficient and accurate information. The Company discloses significant information with accuracy, punctuality and transparency. In the area of investor relations, investors, analysts and related persons can contact the Company to request information and news on activities from Accounting and Finance Division Manager at Tel. 02-517-0109-14 and Fax. 02-517-0529. The Company is willing to listen to opinions, recommendations and provide information related to institute analysts, investors and minor investors. The Company's information can be searched from the Stock Exchange of Thailand website at www.set.or.th and the Company's website at www.unionplastic.co.th.

Category 5: The Board of Directors' Responsibilities

Policy on the Board of Director's Responsibilities

The Board of Directors consists of directors recruited from persons with qualifications, knowledge, capabilities and experience in many professions. The Board of Directors acts as a representative to maintain shareholders' benefits and has authority and duties in controlling and managing the Company in compliance with laws, objectives, company regulations and policies including resolutions of the Board of Directors and shareholders' meetings with honesty and independence from the management by considering the ultimate benefit of the Company, shareholders and all stakeholder groups.

Determine the role and authority of the Chairman, Managing Director clearly at present the person who holds the position of Chairman of the Board of Directors does not hold the position of Managing Director. The Chairman has no relationship with the management in order to segregate duties in formulating policy, supervision and routine management, the company has determined the scope of authority of the management at each level. And there is a separation of authority and responsibility from each other, During approval, Accounting records and taking care of the company's assets, so that no one has unlimited power.

Roles and Responsibilities of the Board of Directors

- To perform duties according to the Company's regulations, including controlling and managing the Company in compliance with the Company's rules, objectives and regulations including resolutions of the Board of Directors and the shareholders' meeting.
- To set policies, work plans and strategies of the Company. To consider and approve significant issues related to the Company's operations such as financial goals, budgets and govern to control and ensure that the management follows specified policies, work plans and strategies effectively.
- To govern compliance with good governance principles under the Company's motto of **"Integrity Quality Service"** in addition to participating in specifying standards of good behavior in work regulations along with providing punishments for violations in order for related parties to acknowledge and adhere to as principles of work.
- To specify measures and policies regarding conflicts of interest. In cases where the Company (if any) conducts transactions with major shareholders, directors, executives or persons related to the aforementioned individuals, the Board of Directors will have measures and policies to conduct transactions according to the same ordinary trading conditions as ordinary persons by giving primary consideration to the Company's maximum benefit along with considering approval for transactions to be conducted by persons who hold no stake in that transaction.
- To specify policies in cases where the Company approves transactions with related persons which have binding effects on the Company in the long-term (if any) such as the purchase-sale of goods, etc., in order to monitor compliance with the agreed upon conditions throughout the period of binding effects on the Company.
- To organize internal control and internal audit systems for the Company's operations, financial reports and compliance with the Company's regulations and policies.
- To organize the Internal Audit Office as an agency with independence in performing duties with responsibility to examine the aforementioned control system and report audit results directly to the Audit Committee and the Managing Director in addition to reviewing the Company's internal control systems regularly once per year in addition to reviewing the internal control systems of each of the Company's work systems.
- To appoint the Risk Management Committee with duties to analyze and manage risks in order to specify measures for managing risks to be at controllable and acceptable levels by monitoring efficiency and assessing results from risk management continually along with reporting progress to the Board of Directors on a quarterly basis.

Conflicts of Interest

In cases where the Company (if any) conducts transactions with major shareholders, directors, executives or persons related to the aforementioned individuals, the Board of Directors will have measures and policies to conduct transactions according to the same ordinary trading conditions as ordinary persons by giving primary consideration to the Company's maximum benefit along with considering approval for transactions to be conducted by persons who hold no stake in that transaction.

In cases where the Company (if any) approves transactions with related persons which will have binding effects on the Company in the long-term such as purchase-sale of goods, etc., the Company will monitor to ensure compliance with the agreed upon conditions throughout the period of bindings effects on the Company in addition to monitoring investments in related companies, joint ventures and subsidiaries continually.

The Company has internal control and internal audit systems in the area of operations, financial reports and compliance with rules, regulations and policies by performing the following actions:

The Internal Audit is an agency with independence in performing duties and responsibilities in auditing the aforementioned control systems by reporting audit results directly to the Managing Director, high-ranking executives, the Audit Committee and review the Company's internal control system on an annual basis in addition to reviewing internal control systems in each work system of the Company.

Risk Management The Company formed the Risk Management Committee and prepared risk management handbooks along with having each agency assess risks through meetings with the Risk Management Committee and each agency. The Company has a policy to monitor risks on a monthly basis by requiring quarterly progress reports by specifying the progress report 1 time per quarter and at the organization level twice a year.

The board of Directors' Meeting

- The Company schedules the Board of Directors' meetings in advance for the entire year and notifies each director of the aforementioned schedule in order to allow each director to organize time and attend meetings.
- The Company holds monthly meetings of the Board of Directors in order to report and monitor the Company's performance along with considering financial reports on a quarterly basis and considering the Annual Disclosure of Information Form (Form 56-1) before delivering reports to the Stock Exchange and the Office of the SEC.
- The Company Secretary prepares and sends meeting invitations along with meeting agendas and documents accompanying the meeting to the Board of Directors 7 days in advance of the meeting's date in order to allow the Board of Directors to have sufficient time for studying information before attending meetings.
- The Chairman of the Board and the Managing Director jointly consider selecting issues to add to the Board of Directors' meeting agenda in order to present issues into the meeting agenda.
- The Chairman of the Board allocates sufficient time for directors to discuss significant issues thoroughly in addition to promoting thorough judgment. Moreover, every director shows in every issue brought into the meeting including issues of corporate governance.
- The Board of Directors, the Managing Director and every director attend every meeting except when traveling abroad or when the Chairman, the Managing Director and all directors have other obligations
- The Managing Director invites executives to attend the Board of Directors' meetings in order to provide more information on related issues.
- The Company supports the Board of Directors' access to additional necessary information from the Managing Director, the Company Secretary or other assigned executives within the specified policy scope.

Self-Assessment of the Board of Directors and Executives

The Board of Directors undergoes annual performance self-assessments to jointly consider achievements and problems for further improvement and correction. In 2017, the Company had self-assessments of individual committees, self-assessments of individual directors and self-assessments of Nomination and Remuneration Committee.

Remunerations

The Company possesses a transparent remuneration process approved by the Nomination and Remuneration Committee as well as the shareholders.

The directors' remunerations can be compared with those in the same level of the same industry. In addition, experience, duties, roles, responsibilities, and expected benefits derived from each director are taken into consideration.

The Managing Director's and executives' remunerations are based on individual performance, the Company's operating results as well as economic situation.

Improvement of Directors' and Executives' Knowledge

- **Improvement of Directors' Knowledge**

- Audit directors have been trained in the following courses:

No.	Director Name	Course	No. of Hours
1	Mr. Banjerd Tanglertpaiboon	Cyber-Security and Overlooked Threats	3
2	Mrs. Supang Tangsujaritpan	Ethical Leadership Program (ELP)	8

- **Improvement of Executives' Knowledge**

- Executives have been trained in the following courses:

No.	Course	No. of Hours
1	Project for Building Work Discipline in the Industrial Sector	6
2	Top Risks for 2018	3
3	The Thailand Collective Action Coalition Against Corruption (CAC)	2
4	Strategies and Techniques for Adjusting Wages-Salaries Affected by the New Minimum Wage	3
5	Reshaping Future Labor to Improve Results and Levels of Achievement	6
6	Innovative Internal Auditor	6
7	Analytical Thinking for Effective Decision-Making and Problem-Solving	6
8	New Options for E-Tax Forms	6
9	English Writing Skill Improvement, Class 1	45
10	Planning for Quality Assurance	6
11	Inventory and Warehouse Management Efficiency Enhancement	6
12	Data Privacy & Governance for Auditor	3
13	Super IA New Gen Winning Digital Fraud	3
14	Cost Reduction Techniques	6
15	Innovation of Metrogy Industry 4.0	6
16	Ethical Leadership Program (ELP), Class 13	6
17	Personnel Development to Improve Capabilities and Build a Network of Persons Responsible for Energy	6
18	Digitalization: Empower IA New Gen	3
19	IDP Preparation to be Consistent with the Training Road Map	6
20	Summary of Accounting Standards and Financial Reporting Standards with Significant Changes Which Became Effective on 1 January 2019	7
Total No. of Hours		141

INTERNAL CONTROL AND RISK MANAGEMENT

Summary of opinions of the Company's directors on internal control and risk management systems

At Board of Directors Meeting No. 12/2018 on 19 December 2018, all 3 audit directors attended the meeting. The Board of Directors assessed the Company's internal control and risk management system along with inquiring for additional information from the management. In conclusion, from assessments of the Company's internal control systems in the five areas of internal control in the organization, risk assessment, operation controls, information and communication systems and monitoring systems, the Board of Directors had the opinion that the Company has appropriate and sufficient internal control and risk management systems overall. The Company provided sufficient personnel to follow the specified internal control system, protect the Company's properties from become lost, wrongfully used or used by unauthorized persons in addition to preventing transactions with persons with potential conflicts or connected persons. This will help the Company's personnel to comply with laws, related regulations and help financial reports have accuracy and reliability while protecting shareholders' investments.

The Audit Committee's Opinions Concerning the Internal Control System

The Company's primary income (79%) comes from the automotive industry. When situations affecting the automotive industry occur, those situations inevitably affect the Company's sales. Therefore, to minimize risks from the aforementioned events, the Company plans develop production processes and modify machinery and equipment to be modern and more capable of supporting other work such as work related to the electrical appliances industry, etc.

The Audit Committee reviewed internal control system suitability and efficiency by considering with internal auditors and reporting to the Board of Directors for acknowledgement or consideration on a quarterly basis. In the past year, the Audit Committee expressed opinions and provided recommendations to the management on significant matters. The Audit Committee summarized opinions related to the internal control system based on the information specified on Page 42-43 of the Audit Committee Report. In addition, at the meeting with the outside certified public accountant or EY Thailand Co., Ltd., which examined the financial statement of 2018, the Audit Committee expressed opinions that the Company's overall internal control system was not found to have errors with significant effects on expressions of the certified public accountant's opinions on the financial statement.

Heads of the Internal Audit Division and the Compliance Department

The Audit Committee considered and approved the management's proposal to appoint Mrs. Achara Maneesawat to be the Company's Internal Audit Division Manager. Because she has qualifications, knowledge and experience in internal audit operations along with understanding of the Company's business and activities, the Audit Committee considers her to be suitable for performing duties as the Head of Internal Audit. The Company's consideration to appoint, remove and transfer the Head of Internal Audit must be approved by the Audit Committee according to specifications in the Audit Committee's regulations.

The Company Assigned Mrs. Chadaporn Jiamsakuntip to be the Head of the Compliance Department in order to oversee compliance with regulations of official agencies governing the Company's business operations. The qualifications of the Head of the Company's Compliance Department are shown in Attached on Page 9.

RISK FACTORS

The company has recognized the importance of risk management under the changing business environment for both internally and externally. The risk management is an essential part for every procedure in business operations and must be synchronized at all levels. Therefore, the company-wide risk management policy has been implemented and required all employees to comply with. The risk management committee has been established to manage overall risk exposures for maximize benefit. The company-wide risk management policy has been systematically organized under the managing director's supervision and the operational risks are under particular management for each business unit. All departments must responsible in managing and controlling risk to be within an acceptable range. The risk factors are as below:

Business Risk

The Company's primary income (79%) comes from the automotive industry. When situations affecting the automotive industry occur, those situations inevitably affect the Company's sales. Therefore, to minimize risks from the aforementioned events, the Company plans develop production processes and modify machinery and equipment to be modern and more capable of supporting other work such as work related to the electrical appliances industry, etc.

The Company's current and future financial status, performance and business opportunities may be significantly and negatively affected by accidents involving automobiles and motorcycles if accidents can be proven to have been caused by parts manufactured by the Company under contract, which will cause the Company to have extremely high costs from compensation demands from customers, including potential loss of income from contracts to manufacture problematic parts or all current and future parts.

Credit Risk

The company has lending risk in relation to its account receivables and other receivables. The management team has mitigated this risk by defining policy and procedure to control lending, therefore the company expected no significant losses from lending. Moreover, the company's account receivables accounts were not concentrated thanks to various customer base and large number of customers. The maximum potential loss to the company from lending is the book value of account receivables and other receivables in the balance sheet.

Risk from raw materials that are essential to the production

The company has bought all plastic granules (100%) domestically and paid in Thai baht. The global crude oil prices would have significant impact on the prices of plastic granules as plastic granules are by-product of the crude oil refining. The rising crude oil price in the global market can be translated to higher plastic granules price and rising production costs. The volatility is attributed market condition and other factors such as demand and supply level, and foreign exchange rate for example. Therefore, the company has the following risk management policy:

1. Verify and compare the plastic granule price from more than 1 vendor before purchasing.
2. Monitor the plastic granule price from either domestic or international vendors.
3. If the plastic granule price is rising, the company has not exposed to the risk from price volatility of plastic granules as the customers have agreed to take such risk by responsible for products price adjustment according to the change in raw material price.

Foreign Exchange Rate Risk

The company's foreign exchange rate risk is low as the frequency of transaction in foreign currencies for each year is small and the amount of each transaction is quite low.

Interest Rate Risk

The company has exposed to the interest rate risk from bank deposits and government bond investment. Nonetheless, most of assets and liabilities are interest-free or are having a floating-rate interest or are having a fixed-rate interest closed to the prevailing market interest rate, so the interest rate risk of the company is low.

Risk from Flooding

In the previous year, there was no flood crisis. However, for the safety, in 2013 the Company has improved the surroundings in the factory and regularly inspected the strength of the flood-prevention wall.

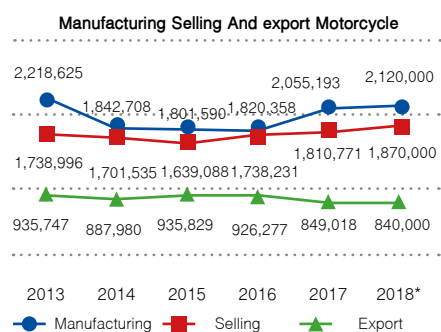
Risk from Dependency on Major Customers from 30% of the Total Sales

The Company does not have risk from dependency on major customers from 30% of the total sales. Nevertheless, the Company has 2 major customer groups which are automotive group and motorcycle group and has 10 key customers which the total purchase orders are equivalent to 84% of the total revenue. Previously, the Company has maintained good relationship with these customers. Yet, the Company has many competitors, in this regard, if the Company loses such customers and cannot find other substitute customers, it will affect the revenues of the Company.

Risk from the Company consisting more than 25% of major shareholders

Saha-Union Public Company Limited is the major shareholder of the Company and holds 12,380,130 shares, equivalent to 49.52% of the total issued shares. The Company does not rely on any major company. We have only conducted occasional transactions, such as business consulting services etc.

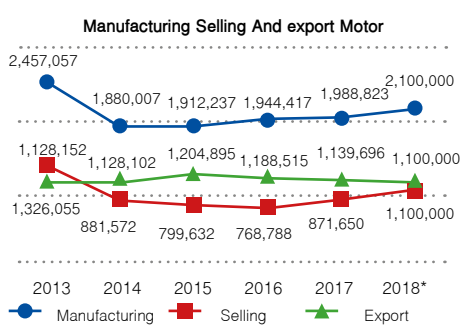
MANAGEMENT DISCUSSION AND ANALYSIS



Source : Office of Industrial Economics Collected from the automotive industry group The Federation of Thai Industries

Analysis of Previous Operating Results

In 2018, the overall economic conditions of the automotive and motorcycle manufacturing industry, which are the Company's main businesses, grew in comparison to 2017 due to market growth in Thailand from investments by the public and private sectors, including higher agricultural productivity while exports slowed. The plastic industry's overview in 2018 showed higher productivity indices when compared to 2017. Products causing productivity indices to rise consist of products and instruments for tables, food, kitchens, bathrooms and plastic bag products.



Source : Office of Industrial Economics Collected from the automotive industry group The Federation of Thai Industries

Revenue Proportion Based on Product Category (%)

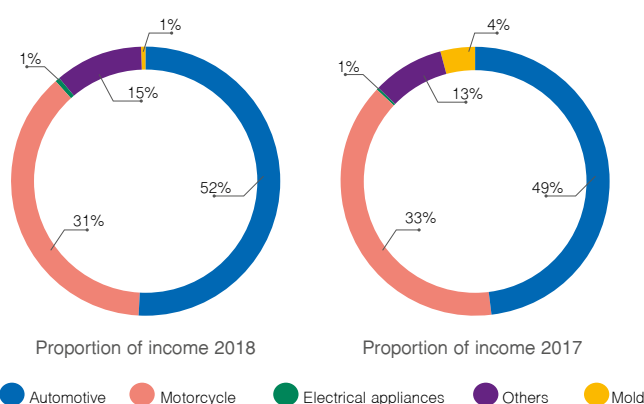


Table of Revenue Changes in 2017 - 2018

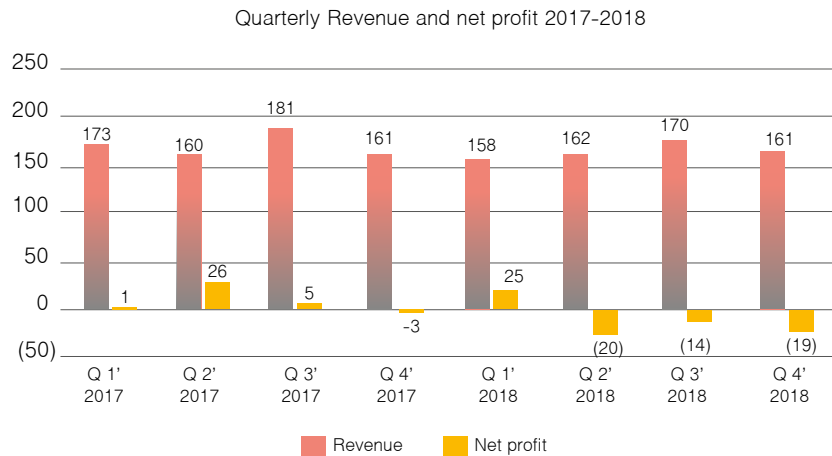
(Unit : Million Baht)

Groups	year		Change	
	2018	2017	Change	%
Automotive	340	337	3	0.89
Motorcycle	202	222	(20)	(9.01)
Electrical appliances	4	3	1	33.33
Others	99	86	13	15.12
Mold	6	27	(21)	(77.78)
Total	651	675	(24)	(3.56)

Although growth was indicated in the overview of the automotive industry, which is the Company's main business category with revenue proportions as high as 82% and 83% of total revenue in 2017 and 2018, respectively, the Company's revenue did not grow because the Company did not accept additional manufacturing work for new models. Most of the work was injected during the previous year. Revenue from the automotive industry was higher than 2017 by approximately 3 million baht, while revenue from the motorcycle industry dropped by approximately 20 million baht. Electrical appliances and other groups increased by 14 million baht, while revenue from mold preparation work dropped by 21 million baht, bringing the total reduction of revenue from sales and production contracts to 24 million baht, or a reduction of 3.56% when compared to 2017, mainly due to lower revenue from the motorcycle industry and mold contracting work.

When the financial statement showing investment by the equity method is considered and compared between 2017

Operating Results and Profitability



and 2018, the Company's profitability in 2018 was significantly lower than 2017. In 2018, the Company's net loss for the year was 28 million baht, a loss of 1.12 baht per basic share. In 2017, the Company's net profit for the year was 29 million baht, a profit per basic share of 1.17 baht per share. As for the financial statement for individual businesses in 2018, the Company's loss for the year was 29 million baht, a loss per basic share of 1.14 baht per share. In 2017, the Company's profit for the year was 30 million baht, a profit per basic share of 1.21 baht per share.

Significant reductions in performance and profitability in 2018 were caused by the following reasons:

1. The Company's sales of plastic work in 2018 dropped by approximately 4 million baht when compared to the previous year, mainly due to reductions in purchasing orders by approximately 9% when compared to 2017 (sales from motorcycle manufacturer customers make up 31% of all sales).
2. Mold sales dropped by approximately 21 million baht from the previous year due to heightened price competition in 2018 from many mold manufacturers from China, Indonesia and Vietnam who entered into the competition, causing the Company to lose revenue from mold manufacturing contracting work with further effects on plastic injection contracting work.
3. Gross profit was lower than the previous year because the Company needed to increase labor capital for decoration work and sorting work pieces in measures for increasing quality control to support customer needs with higher quality specifications. In addition, raw material costs from work pieces that fail to meet standards.
4. Sales and management costs remained significantly unchanged or lower when compared to 2017, causing the ratio to sales and service revenue to be higher and causing declining trends of net profit per work piece.

The Company has guidelines to maintain existing customer bases by focusing on improving work piece quality, punctual delivery and seeking to increase sales by accepting work with more assembly and/or coating steps in order to increase opportunities for competition in the current market in addition to seeking more customers in other businesses such as in the electrical appliances industry and the household products industry.

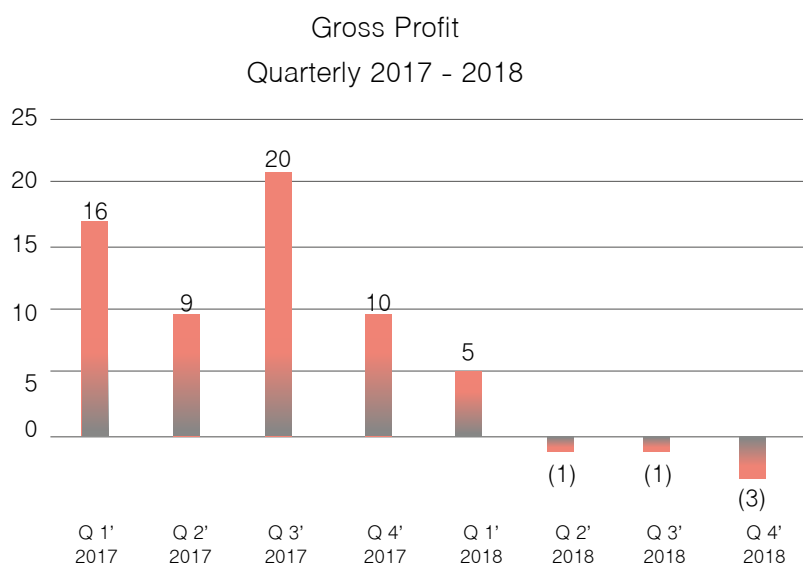
Returns on assets (ROA) dropped from 4.39% to (4.28%) and return on equity (ROE) dropped from 5.53% to (5.51%). In the meantime, total asset turnover was 1.05 times when compared to the previous year and net returns from fixed assets dropped from 35.46% to 6.92%, respectively.

When the reasons for the total asset turnover of 1.05 times in 2018, a ratio equal to the previous year, are considered, the properties in the part of temporary investments and revenue tax assets pending account clearing of the Company were reduced at an equal ratio, even though revenue was lower. Thus, total asset turnover in 2018 remained equal to the previous year. The quick ratio dropped from the previous year from 3.77 times to 2.86 times. Inventory turnover increased from 53.96 rounds to 65.32 rounds. Average collection period increased from 46 days to 49 days while average inventory period was 6 days. From the aforementioned financial ratios, the Company can conclude that the Company's liquidity is at manageable levels. Trade accounts receivable are accounts receivable not due for payment without collection problems because the major accounts are companies that manufacture automobiles and motorcycles or are well-known distributors of automotive and motorcycle parts in Thailand. Therefore, the Company decided to not set an allowance for doubtful accounts.

Costs in 2018 increased significantly when compared to 31 million baht in 2017. Costs mainly increased from the rise in raw material costs with ratio to sales increasing from 48% to 52%. Because the Company accepted work with more assembly, costs for assembled work pieces increased, labor costs for assembling work pieces increased and quality control measures increased in line with customer needs, while sales dropped by 24 million baht. Most of this reduction was from a decline in 24 million baht in sales caused mainly was mostly caused by a drop of 21 million baht in contracting work to manufacture molds. Sales and management expenses dropped slightly from the previous year.

Risk Analysis : Regarding short-term risk analysis or analysis of the Company's liquidity in repaying short-term liabilities, the Company's liability in 2018 was found to be lower than 2017. Quick ratio dropped from 3.77 times to 2.86 times. The ratio of total assets to total liabilities dropped from 4.91 times to 4.16 times. The Company remains liquid and has security to continue business operations.

Ability to Repay Debt : According to the overview, the Company continues to be capable of repaying debts without any risk impacts, even though consideration of net cash from operating activities showed the Company to have spent 28 million baht in net cash spent in operating activities. The Company has net cash from investment activities at 161 million baht (because 150 million baht in regular deposits due within no more than 3 months is categorized as cash equivalents. Dividends were received at 36 million baht added and deducted by equipment and machinery purchases and other). Net cash spent in financing amounted to 30 million baht. Total cash and cash equivalents increased at a net amount of 103 million baht, causing cash and cash equivalents at the end of the year to be equal to 242 million baht. When added with the Company's liquidity ratio at 3.22 times, the Company has confidence in sufficient liquidity to repay debts.



Asset Management Capability

Financial Position

As of 31 December 2018, the Company's financial position when analyzed from comparisons and changes in assets, liabilities and shareholders' equity is as follows:

Item	For Year Ended December 31 (Unit : Million Baht)			
	Year		Increase/(Decreased)	
	2018	2017	Amount	%
Total Assets	658.01	696.73	(38.72)	(5.56)
Total Liabilities	157.91	141.84	16.07	11.33
Total Shareholders' Equity	500.10	554.89	(54.79)	(9.87)
Total Assets / Total Liabilities	4.17	4.91	(0.75)	(15.17)
Total Shareholders' Equity / Total Liabilities	3.17	3.91	(0.75)	(19.05)

Cash and Cash Equivalents

Cash and cash equivalents are cash, bank deposits and short-term loans with high liquidity due to be repaid in no more than 3 months from the date of acquisition and no limits from withdrawal.

Cash Flow	For Year Ended December 31 (Unit : Million Baht)	
	2018	2017
Cash at beginning of the year	139	135
Cash flow from operating activities		
Income from operating activities before changes in operating assets and liabilities	(12)	40
Changes in operating assets and liabilities	(15)	10
Cash flows from operating activities	(27)	50
Cash paid for withholding income tax	(19)	(21)
Cash receipt from Withholding income tax	18	23
Net cash flows from operating activities	(28)	52
Net cash flows from (used in) investment activities	161	(14)
Net cash flows used in financing activities	(30)	(34)
Net increase (decrease) in cash and cash equivalents	103	4
Cash and Cash equivalents at end of year	242	139

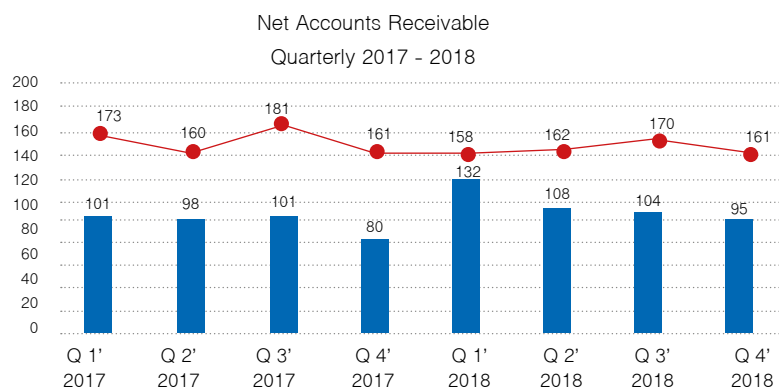
- The Company's net cash spent in operating and financing activities is 28 and 30 million baht, respectively, from losses in performances and changes in the business's net working capital and the Company's annual dividend payout.
- The Company has 161 million baht in net cash flow received from investment activities, regular deposits due within 3 months and dividend income.

Temporary Investments : None

The Company has 11 month and 7 month regular deposits at 100 million baht and 50 million baht, respectively with an interest rate of 1.35 - 1.50% per year, which will be due within 3 months from the end of the fiscal year on 31 December 2018. Therefore, cash deposits are categorized as cash equivalents (2017: 11 month and 12 month regular deposits at 100 million baht and 50 million baht, respectively, with an interest rate of 1.50 - 1.55% per year).

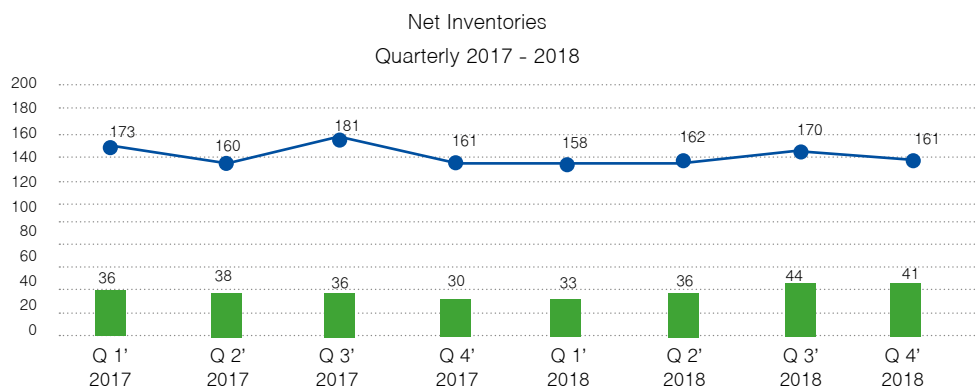
Trade Accounts Receivable and Other Receivables

As of 31 December 2018, trade accounts receivable and other receivables have value shown by net value received at 95 million baht, an increase from 2017 by 15 million baht. Average collection period was 49 days (2017: 46 days). No allowance was set for doubtful accounts because most accounts are not due for payment and there are no problems in accepting repayments.



Inventory

Regarding the number of days for holding goods, reports on slow-moving inventory and profitability of goods which will be sold in the future, the Company recorded sufficient allowance for depreciation in the value of inventory for the current situation. The Company has guidelines for managing deteriorated goods left for a long time. If goods move slowly, the Company will release goods in compliance agreements with customers who repurchase goods by considering the age of inventory and current economic conditions. During the current year, The Company recorded the reduction of the cost of inventories to net realizable value amounting to Baht 3.0 million (2017: 2.6 million baht), shown as part of sales cost. Adjustment to reduce inventory value was reconciled at 1.5 million baht (2017: 1.7 million baht) by deducting from the value of inventory perceived as expenses during the year.



Inventory value as of 31 December 2018 and 2017 can be summarized as follows:

(Unit : Thousand Baht)

	Cost		Reduce Cost to Net Realisable Value		Inventories-Net	
	2018	2017	2018	2017	2018	2017
Finished Goods	9,125	10,800	(1,481)	(1,448)	7,644	9,352
Work in process	20,975	7,319	(528)	(327)	20,447	6,992
Raw material	8,872	9,057	(1,024)	(756)	7,848	8,301
Spareparts and Plant materials	6,856	6,002	(1,727)	(726)	5,129	5,276
Total	45,828	33,178	(4,760)	(3,257)	41,068	29,921

Investment Property

As of 31 December 2018, the Company had 3.7 million baht in property located in Bangchan leased to an related company for use in operations. The aforementioned property has a fair value of 76.9 million baht. Fair value of the investment property was assessed by an independent valuator on 10 February 2016.

The Company recorded starting value of real-estate for investment at cost including the cost of transactions. Afterward, the Company recorded real estate for investment with cost price deducted by depreciation (if any).

The Company perceived the difference between net funds received from distribution and account value of assets in the part of profits or losses when real estate transactions for investments are removed from accounts.

Property, Plant, Equipment and Intangible Assets

Property, plant, equipment and intangible assets was at 185 million baht in 2018 and 184 million baht in 2017. This is an increase of one million baht or 0.46%, mostly from new machinery purchases as replacements. The Company deducted asset depreciation based on set criteria. In addition, the Company excluded property, plant and equipment when the Company did not expect to receive future economic benefit from use or sale of assets. Profits or losses from asset sales were perceived in the part of profits or losses when the Company removes the aforementioned assets from accounts. The Company's intangible assets are computer software used for more than one year. The Company assesses the depreciation of the aforementioned assets at least at the end of every year.

(Unit : Thousand Baht)

Item	For Year Ended December 31			
	Year		Increase/(Decrease)	
	2018	2017	Amount	%
Land	76,474	76,474	-	-
Buildings and building improvement	43,752	51,772	(8,020)	(15.49)
Machinery and equipment	62,139	48,245	13,894	28.80
Furniture, fixtures and office equipment	1,463	1,287	176	13.68
Intangible asstes	881	778	103	13.24
Motor vehicles	651	1,007	(356)	(35.35)
Assets under installation and under construction	-	4,946	(4,946)	(100.00)
Total	185,360	184,509	851	0.46

Machinery and equipment increased by 13 million baht and consisted of machinery purchases, other properties and property transfers during installation. Completed parts are machinery and equipment properties.

Liabilities

As of 31 December 2018, the Company had total liabilities at 157.91 million baht and 141.84 million baht in 2017, an increase by 16.07 million baht from the previous year or 11.32% according to the following information.

Trade accounts payable and other payables amounted to 116.23 million baht in 2017 and 98.11 million baht, an increase of 19.12 million baht or 19.69%. Most of the accounts payable were raw material procurement payables.

Provision for long-term employee benefits in 2018 was 40.07 million baht and 43.65 million baht in 2017, a reduction of 3.58 million baht or 8.20%. This was because the Company had burdens from compensation paid to employees when employees resign from work in compliance with labor laws and the post-employment contribution project. The Company considers the aforementioned compensation as a post-employment contribution project for employees.

Shareholders' Equity

As of 31 December 2018, the Company had shareholders' equity at 500.11 million baht and 554.89 million baht in 2017, a reduction of 54.78 million baht or 9.87% because the Company had lower net profit during the year.

Liquidity and Capital Adequacy of the Company

In summary, the Company's cash and cash equivalents increased at a net amount of 103 million baht with 28 million baht in net cash spent in operating activities, 161 million baht in net cash from investment activities and 30 million baht in net cash spent in financing activities as dividend payouts. Therefore, from operations in 2018, the Company expects low payment risk due to the Company's high liquidity and the fact that the Company's asset turnover is more than two times higher than obligations.

With regard to the Company's financial structure used in investments and modifications to the Company's business, most of the capital was obtained from operating activities during the year and part of the capital was from investment activities. The Company has good liquidity. Most of the Company's current liabilities were created by production factor purchases and investments to purchase equipment used to produce the Company's goods.

Concerning capital management, the Company's main capital management objective is to organize a suitable capital structure to support the Company's business operations and build shareholding value for shareholders. As of 31 December 2018, the Company's debt on equity ratio was 1 : 3.17 (2017: 1 : 3.91).

Liability Obligations

As of 31 December 2017, the Company's obligations related to capital expenditure at involving machinery, equipment and vehicle purchases at 10 million baht (2018: None).

The Company entered into lease agreements related to office equipment leases with a mean contract period of 1 - 4 years.

The Company's minimum payments in the future under lease agreements are as follows:

(Unit : Million Baht)

Term	As of December 31	
	2018	2017
In up to 1 Year	0.2	0.2
In over 1 and up to 3 years	0.1	0.2

During the year, the Company implemented several financial reporting standards and interpretations of revised financial reporting standards (revisions in 2017) effective for financial statements with fiscal cycles beginning on or after 1 January 2018 as practice. The aforementioned financial reporting standards were revised or created to have content equivalent to international financial reporting standards. Most of the standards were modifications and clarifications regarding disclosure of information in remarks accompanying financial statements. Implementation of the aforementioned financial reporting standards have no significant effects on the Company's financial statement.

Financial Reporting Standards Effective for Financial Statements with Fiscal Cycles Beginning On or After 1 January 2019

The National Accounting Council announced the use of several revised (revisions in 2018) and new financial reporting standards and interpretations of financial reporting standards effective for financial statements with fiscal cycles beginning on or after 1 January 2019. The aforementioned financial reporting standards were revised or created to have content equivalent to international financial reporting standards. Most of the standards were clarifications concerning accounting practices and accounting practice guidelines for standard users.

The Company's management believes most of the aforementioned revised financial reporting standards will have no significant effects on financial statements when adopted for practice. Nevertheless, new financial reporting standards with changes in significant principles can be summarized as follows:

Thai Financial Reporting Standards, 15th Edition, on Revenue from Contracts Made with Customers

The Thai Financial Reporting Standards, 15th Edition, are used in place of the following accounting standards and related interpretations of accounting standards:

Accounting Standards, 11th Edition (Revision of 2017)	Construction Contracts
Accounting Standards, 18th Edition (Revision of 2017)	Revenue
Interpretation of Accounting Standards, 31st Edition (Revision of 2017)	Revenue - Advertisement Service Exchange Transactions
Interpretation of Thai Financial Reporting Standards, 13 th Edition (Revision of 2017)	Incentive Programs for Customers
Interpretation of Thai Financial Reporting Standards, 15 th Edition (Revision of 2017)	Property Construction Contracts
Interpretation of Thai Financial Reporting Standards, 18 th Edition (Revision of 2017)	Asset Transfers from Customers

The business needs to use the Thai Financial Reporting Standards, 15th Edition, with every contract made with customers, except for contracts within the scope of other accounting standards. These standards stipulated 5 principal steps for perceiving revenue from contracts made with customers. The business will perceive revenue in monetary amounts reflecting returns which the business expects to be entitled to the business from exchanges in goods or services delivered to customers. In addition, the business is required to exercise judgment, consider facts and all related incidents according to principles in each step.

The Company's management is currently assessing potential effects on the financial statement in years when the aforementioned standards are adhered to as practice.

Factors Affecting Future Operations

Most of the major automotive and motorcycle manufacturers have turned to use the Global Model by using production bases for each model in a single place in the ASEAN region by having each country competing prices using economics of scale as criteria for selection and decision-making. This is both an opportunity and a barrier in the Company's business operations. The Company needs to adjust and improve capacity to be superior to domestic and ASEAN competitors.

On 13 December 2018, the National Legislative Assembly passed the draft of the new Labor Protection Act. The aforementioned law is pending announcement in the Royal Thai Government Gazette and was not enforced in 2018. This new Labour Protection Act specifies additional compensation in cases where the employer terminates employment of workers who performed work for 20 years and up in order for workers to be entitled to compensation at no less than wages in the last 400 days. The aforementioned change is a revision to the post-employment contributions project and causes the Company's liabilities from reserving long-term employee benefits to increase by 12.5 million baht. The Company will record the impact of the aforementioned changes by perceiving previous service costs as immediate expenses in the profit-loss statement of the cycle when the aforementioned law is effective.

AUDIT COMMITTEE'S REPORT

Dear Shareholders,

In 2018, the Audit Committee consisted of 3 independent directors with Mrs. Supang Tansujaritpan as the Chairman of the Audit Committee and Mr. Banjerd Tanglerpaiboon 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 and the Board of Directors performed the Company's annual review of compliance with corporate governance principles according to the guidelines and criteria specified by the Thai Institute of Directors (IOD) in 5 sections consisting of shareholders' rights, equitable treatment of shareholders, consideration of stakeholder roles, disclosure of information and transparency and the Board of Directors' responsibilities. According to assessments by the Thai Institute of Directors (IOD), the Company's scores for compliance with corporate governance principles were found to be higher than the mean score for listed companies in general.

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 5 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. Related Party 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 Committee Meetings and Reporting

Over the past year, the Audit Committee held a total of 4 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

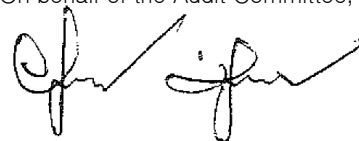
The Audit Committee assesses and consider self-assessment reports together with regard to compliance with duties according to the Audit Committee's regulations and good practice guidelines for the Audit Committee. Assessment results have shown the Audit Committee's performance of duties to be complete 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 Tangsujaritpunt)

Chairman of the Audit Committee

Union Plastic Public Co., Ltd.

February 20th, 2019

BOARD OF DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL REPORT

The Board of Directors is responsible to the Company's financial statement and financial information disclosed in the annual report. The aforementioned financial statement was prepared in compliance with generally accepted accounting standards. The Board of Directors uses appropriate accounting policies and adheres to policies regularly while using cautious judgment and the best estimates for preparations along with providing sufficient disclosure of key information in remarks accompanying the financial statement.

The Board of Directors is responsible for organizing good internal control and risk management systems in addition to supervising compliance with the aforementioned systems. The Board of Directors reported internal control system assessment information in 2018 to the Certified Public Accountant and the Company's audit directors with coverage of significant errors and changes in the internal control system, including wrongful actions with potential effects on preparations of reports by the Company, joint ventures and related companies in order to create consistency with legal specifications, completeness and accuracy.

The Board of Directors appointed the Audit Committee consisting of independent and non-executive directors to be responsible for financial report quality and the internal control and risk management system. Opinions of the Audit Committee on this topic are shown on the Audit Committee's report disclosed in the annual report.

Therefore, the Board of Directors has rendered the opinion that the Company's overall internal control system is satisfactory and capable of building reasonable confidence in reliability and certainty that the Company has disclosed accurate and complete significant parts of information on the Company's financial statement as of 31 December 2018.

On behalf of the Board of Directors,



(Miss Dalad Sapthavichaikul)

Chairman

20 March 2019



(Mr. Thitivat Suebsaeng)

Acting Managing Director

20 March 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 2018, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, 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 2018, 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: 20 February 2019

STATEMENT OF FINANCIAL POSITION

Union Plastic Public Company Limited

As at 31 December 2018

(Unit: Baht)

	Note	Financial statements in which the equity method is applied		Separate financial statements	
		2018	2017	2018	2017
Assets					
Current assets					
Cash and cash equivalents	7	242,452,537	139,438,464	242,452,537	139,438,464
Current investments	8	-	150,000,000	-	150,000,000
Trade and other receivables	6, 9	95,090,169	80,445,343	95,090,169	80,445,343
Inventories	10	41,068,435	29,920,977	41,068,435	29,920,977
Other current assets		1,261,499	1,140,267	1,261,499	1,140,267
Total current assets		379,872,640	400,945,051	379,872,640	400,945,051
Non-current assets					
Restricted investments	11	13,067,890	12,209,497	13,067,890	12,209,497
Investment in associate	12	11,585,216	11,023,368	2,499,990	2,499,990
Other long-term investment	13	20,002,200	20,002,200	20,002,200	20,002,200
Advance for purchase of assets		-	14,587,300	-	14,587,300
Investment property	14	3,738,143	3,738,143	3,738,143	3,738,143
Property, plant and equipment	15	184,478,624	183,731,052	184,478,624	183,731,052
Intangible assets	16	880,506	778,061	880,506	778,061
Deferred tax assets	22	4,445,030	11,050,928	4,445,030	11,050,928
Withholding income tax	17	39,943,185	38,663,197	39,943,185	38,663,197
Total non-current assets		278,140,794	295,783,746	269,055,568	287,260,368
Total assets		658,013,434	696,728,797	648,928,208	688,205,419

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 2018

(Unit: Baht)

	Note	Financial statements in which the equity method is applied		Separate financial statements	
		2018	2017	2018	2017
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	6, 18	116,236,172	97,117,882	116,236,172	97,117,882
Other current liabilities		1,599,000	1,074,000	1,599,000	1,074,000
Total current liabilities		117,835,172	98,191,882	117,835,172	98,191,882
Non-current liabilities					
Provision for long-term employee benefits	19	40,072,461	43,645,840	40,072,461	43,645,840
Total non-current liabilities		40,072,461	43,645,840	40,072,461	43,645,840
Total liabilities		157,907,633	141,837,722	157,907,633	141,837,722
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					
Appropriated - statutory reserve	20	62,500,000	62,500,000	62,500,000	62,500,000
Unappropriated		20,405,801	75,191,075	11,320,575	66,667,697
Total shareholders' equity		500,105,801	554,891,075	491,020,575	546,367,697
Total liabilities and shareholders' equity		658,013,434	696,728,797	648,928,208	688,205,419

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 2018

(Unit: Baht)

	Note	Financial statements in which the equity method is applied		Separate financial statements	
		2018	2017	2018	2017
Profit or loss					
Revenues					
Sales and service income		650,944,547	674,538,707	650,944,547	674,538,707
Other income					
Scrap sales		3,734,377	4,175,970	3,734,377	4,175,970
Dividend income	12, 13	34,395,872	30,796,304	35,645,867	33,296,294
Others		12,072,596	11,909,385	12,072,596	11,909,385
Total revenues		701,147,392	721,420,366	702,397,387	723,920,356
Expenses					
Cost of sales and services		650,756,429	619,801,850	650,756,429	619,801,850
Selling and distribution expenses		30,108,484	31,020,388	30,108,484	31,020,388
Administrative expenses		44,383,362	44,329,299	44,383,362	44,329,299
Total expenses		725,248,275	695,151,537	725,248,275	695,151,537
Profit (loss) before share of profit from investment in associate and income tax benefits (expenses)		(24,100,883)	26,268,829	(22,850,888)	28,768,819
Share of profit from investment in associate	12	1,811,843	1,360,480	-	-
Profit before income tax benefits (expenses)		(22,289,040)	27,629,309	(22,850,888)	28,768,819
Income tax benefits (expenses)	22	(5,734,280)	1,545,030	(5,734,280)	1,545,030
Profit (loss) for the year		(28,023,320)	29,174,339	(28,585,168)	30,313,849
Other comprehensive income					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain, net of income tax		3,486,473	-	3,486,473	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		3,486,473	-	3,486,473	-
Other comprehensive income for the year		3,486,473	-	3,486,473	-
Total comprehensive income for the year		(24,536,847)	29,174,339	(25,098,695)	30,313,849
Basic earnings per share	23				
Profit (loss) for the year		(1.12)	1.17	(1.14)	1.21

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 2018

(Unit: Baht)

Financial statements in which the equity method is applied

	Issued and fully paid-up share capital	Share premium	Retained earnings		Total shareholders' equity
			Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2017	250,000,000	167,200,000	62,500,000	79,514,994	559,214,994
Profit for the year	-	-	-	29,174,339	29,174,339
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	29,174,339	29,174,339
Dividend paid (Note 26)	-	-	-	(33,498,258)	(33,498,258)
Balance as at 31 December 2017	250,000,000	167,200,000	62,500,000	75,191,075	554,891,075
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 26)	-	-	-	(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

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 2018

(Unit: Baht)

	Separate financial statements				Total shareholders' equity
	Issued and fully paid-up share capital	Share premium	Retained earnings	Unappropriated	
	Appropriated - statutory reserve				
Balance as at 1 January 2017	250,000,000	167,200,000	62,500,000	69,852,106	549,552,106
Profit for the year	-	-	-	30,313,849	30,313,849
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	30,313,849	30,313,849
Dividend paid (Note 26)	-	-	-	(33,498,258)	(33,498,258)
Balance as at 31 December 2017	250,000,000	167,200,000	62,500,000	66,667,697	546,367,697
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 26)	-	-	-	(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

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 2018

(Unit: Baht)

	Financial statements in which			
	the equity method is applied		Separate financial statements	
	2018	2017	2018	2017
Cash flows from operating activities				
Profit (loss) before tax	(22,289,040)	27,629,309	(22,850,888)	28,768,819
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	41,575,985	40,132,172	41,575,985	40,132,172
Reduction of cost of inventories to net realisable value	1,503,068	881,673	1,503,068	881,673
Gain on sales/write-off of equipment	(1,118,841)	(162,869)	(1,118,841)	(162,869)
Gain on sales of intangible assets	-	(2,873)	-	(2,873)
Share of profit from investment in associate	(1,811,843)	(1,360,480)	-	-
Dividend income	(34,395,872)	(30,796,304)	(35,645,867)	(33,296,294)
Long-term employee benefits expenses	7,526,980	7,091,867	7,526,980	7,091,867
Unrealised losses on exchange	9,512	37,991	9,512	37,991
Interest income	(2,766,006)	(3,279,154)	(2,766,006)	(3,279,154)
Profit (loss) from operating activities before change in operating assets and liabilities	(9,954,214)	40,171,332	(11,766,057)	40,171,332
Operating assets (increase) decrease				
Trade and other receivables	(14,987,048)	11,370,618	(14,987,048)	11,370,618
Inventories	(12,650,526)	9,073,382	(12,650,526)	9,073,382
Other current assets	(121,232)	157,025	(121,232)	157,025
Operating liabilities increase (decrease)				
Trade and other payables	19,222,373	(4,008,470)	19,222,373	(4,008,470)
Other current liabilities	525,000	(936,000)	525,000	(936,000)
Non-current liabilities	(6,742,268)	(5,648,314)	(6,742,268)	(5,648,314)
Cash flows from (use in) operating activities	(24,707,915)	50,179,573	(26,519,758)	50,179,573
Cash paid for income tax	(19,351,983)	(20,584,332)	(19,351,983)	(20,584,332)
Cash receipt from withholding income tax	18,071,995	22,415,602	18,071,995	22,415,602
Net cash flows from (used in) operating activities	(25,987,903)	52,010,843	(27,799,746)	52,010,843

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 2018

(Unit: Baht)

	Financial statements in which the equity method is applied		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Cash flows from investing activities				
Interest income	3,098,716	3,055,958	3,098,716	3,055,958
Increase in advance for purchase of assets	-	(14,587,300)	-	(14,587,300)
Acquisition of plant and equipment	(26,106,307)	(16,012,380)	(26,106,307)	(16,012,380)
Repayment of equipment payable	(1,197,575)	(111,248)	(1,197,575)	(111,248)
Proceeds from sales of equipment	1,142,238	192,537	1,142,238	192,537
Acquisition of intangible assets	(662,300)	(249,251)	(662,300)	(249,251)
Proceeds from sales of intangible assets	-	4,672	-	4,672
Dividend received	35,645,867	33,296,294	35,645,867	33,296,294
Decrease (increase) in current investments	150,000,000	(20,000,000)	150,000,000	(20,000,000)
Decrease (increase) in restricted investments	(858,393)	17,598	(858,393)	17,598
Net cash flows from (used in) investing activities	161,062,246	(14,393,120)	161,062,246	(14,393,120)
Cash flows from financing activities				
Dividend paid	(30,248,427)	(33,498,258)	(30,248,427)	(33,498,258)
Net cash flows used in financing activities	(30,248,427)	(33,498,258)	(30,248,427)	(33,498,258)
Net increase in cash and cash equivalents	103,014,073	4,119,465	103,014,073	4,119,465
Cash and cash equivalents at beginning of year	139,438,464	135,318,999	139,438,464	135,318,999
Cash and cash equivalents at end of year	242,452,537	139,438,464	242,452,537	139,438,464
Supplemental cash flows information				
Non-cash transaction				
Purchase of equipment for which no cash has been paid	1,093,492	1,197,575	1,093,492	1,197,575
Transfer advance payment to property to plant and equipment	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 2018

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 of thermoplastics. The Company is also engaged in the contract manufacture and repair of molds, but revenue from these services are not material. 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 year, the Company has adopted the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company’s financial statements.

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

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

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

TFRS 15 Revenue from Contracts with Customers

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

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

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being 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 management of the Company is currently evaluating the impact of this standard to the financial statement in the year when it is adopted.

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

During the current year, the Federation of Accounting Professions issued a set of TFRSs related to financial instruments, which consisting of 5 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
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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 entity'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 guidances which are currently effective will be cancelled.

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

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

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

Rendering of services

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

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.

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

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.

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 in which the equity method is applied/		Transfer Pricing Policy
	Separate financial statements		
	<u>2018</u>	<u>2017</u>	
<u>Transactions with related companies</u> (related by common shareholders)			
Sales of merchandise and services	73	74	Cost plus margin
Other income	6	7	Cost plus margin
Purchases of merchandise	15	12	Cost plus margin of related companies

As at 31 December 2018 and 2017, 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>2018</u>	<u>2017</u>
Trade and other receivables - related parties (Note 9)		
Related companies (related by common shareholders)	11,084	12,022
Total trade and others receivables - related parties	<u>11,084</u>	<u>12,022</u>
Trade and other payables - related parties (Note 18)		
Related companies (related by common shareholders)	2,158	1,665
Total trade and other payables - related parties	<u>2,158</u>	<u>1,665</u>

Directors and management's benefits

During the years ended 31 December 2018 and 2017, 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>2018</u>	<u>2017</u>
Short-term employee benefits	10,175	9,840
Post-employment benefits	1,120	411
Total	<u>11,295</u>	<u>10,251</u>

7. Cash and cash equivalents

	(Unit: Thousand Baht)	
	Financial statements in which the equity method is applied/ Separate financial statements	
	<u>2018</u>	<u>2017</u>
Cash	50	50
Bank deposits	242,403	139,388
Total	<u>242,453</u>	<u>139,438</u>

As at 31 December 2018, bank deposits in saving accounts carried interests at rates of 0.375 - 1.50 percent per annum (2017: 0.375 - 1.45 percent per annum).

8. Current investments

As at 31 December 2017, this represented fixed deposits with original maturities of 11 and 12 months amounting to Baht 100 million and Baht 50 million, respectively, carried interests between 1.50 and 1.55 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>2018</u>	<u>2017</u>
<u>Trade receivables - related parties</u>		
Aged on the basis of due dates		
Not yet due	10,950	11,877
Total trade receivables - related parties	10,950	11,877
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	79,443	66,202
Total trade receivables - unrelated parties	79,443	66,202
Total trade receivables	90,393	78,079
<u>Other receivables</u>		
Amounts due from related parties	134	145
Advance for goods payment	3,633	956
Others	930	1,265
Total other receivables	4,697	2,366
Total trade and other receivables	95,090	80,445

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	
	2018	2017	2018	2017	2018	2017
	Finished goods	9,125	10,800	(1,481)	(1,448)	7,644
Work in process	20,975	7,319	(528)	(327)	20,447	6,992
Raw materials	8,872	9,057	(1,024)	(756)	7,848	8,301
Spare parts and factory supplies	6,856	6,002	(1,727)	(726)	5,129	5,276
Total	45,828	33,178	(4,760)	(3,257)	41,068	29,921

During the current year, the Company reduced cost of inventories by Baht 3.0 million (2017: Baht 2.6 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 (2017: Baht 1.7 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	
			2018 (%)	2017 (%)	2018	2017	2018	2017
P.S.V. Mould Co., Ltd.	Contract manufacture and sales of molds	Thailand	25	25	2,500	2,500	11,585	11,023
Total					2,500	2,500	11,585	11,023

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements					
			Shareholding percentage		Cost		Carrying amounts based on cost method	
			2018 (%)	2017 (%)	2018	2017	2018	2017
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 comprehensive income from investment in 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 from investment in associate during the year		Dividend received during the year	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
P.S.V. Mould Co., Ltd.	1,812	1,360	1,250	2,500
Total	1,812	1,360	1,250	2,500

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.	
	<u>2018</u>	<u>2017</u>
Current assets	26.5	27.3
Non-current assets	33.5	30.6
Current liabilities	(6.2)	(7.9)
Non-current liabilities	(7.5)	(6.0)
Net assets	46.3	44.0
Shareholding percentage	25%	25%
Carrying amounts of associate based on equity method	11.6	11.0

Summarised information about comprehensive income for the years ended 31 December

(Unit: Million Baht)

	P.S.V. Mould Co., Ltd.	
	<u>2018</u>	<u>2017</u>
Revenue	50.6	48.6
Profit	7.2	5.4
Other comprehensive income	-	-
Total comprehensive income	7.2	5.4

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>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	%	%				
Union Nifco Co., Ltd.	19.99	19.99	20,002	20,002	34,396	30,796
Total			20,002	20,002	34,396	30,796

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						
	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 2017	76,474	234,467	861,700	13,928	5,505	462	1,192,536
Additions	-	-	10,594	668	1,000	4,948	17,210
Disposals/write-off	-	-	(3,015)	(716)	-	-	(3,731)
Transfers	-	-	464	-	-	(464)	-
As at 31 December 2017	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
Accumulated depreciation							
As at 1 January 2017	-	174,021	794,713	12,568	5,024	-	986,326
Depreciation for the year	-	8,674	29,695	726	474	-	39,569
Depreciation on disposals/write-off	-	-	(3,000)	(701)	-	-	(3,701)
As at 31 December 2017	-	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

(Unit: Thousand Baht)

Financial statements in which the equity method is applied/

Separate financial statements

	Land	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	Total
Allowance for impairment loss							
As at 1 January 2017	-	-	90	-	-	-	90
As at 31 December 2017	-	-	90	-	-	-	90
As at 31 December 2018	-	-	90	-	-	-	90
Net book value							
31 December 2017	76,474	51,772	48,245	1,287	1,007	4,946	183,731
31 December 2018	76,474	43,752	62,139	1,463	651	-	184,479
Depreciation for the year							
2017 (Baht 38 million included in manufacturing cost, and the balance in administrative expenses)							39,569
2018 (Baht 39 million included in manufacturing cost, and the balance in administrative expenses)							41,016

As at 31 December 2018, 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 839 million (2017: Baht 852 million).

16. Intangible assets

The net book value of intangible assets which is computer software as at 31 December 2018 and 2017 is presented below:

(Unit: Thousand Baht)

Financial statements in which
the equity method is applied/
Separate financial statements

	<u>2018</u>	<u>2017</u>
Cost	15,768	15,105
<u>Less</u> Accumulated amortisation	(14,887)	(14,327)
Net book value	881	778

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

	(Unit: Thousand Baht)	
	Financial statements in which the equity method is applied/ Separate financial statements	
	<u>2018</u>	<u>2017</u>
Net book value at beginning of year	778	1,093
Acquisition	663	249
Disposals/write-off - cost	-	(7)
Amortisation for the year	(560)	(563)
Amortisation on disposals/write-off	-	6
Net book value at end of year	<u>881</u>	<u>778</u>

17. Withholding income tax

	(Unit: Thousand Baht)	
	Financial statements in which the equity method is applied/ Separate financial statements	
	<u>2018</u>	<u>2017</u>
Year 2016	-	18,072
Year 2017	20,591	20,591
Year 2018	19,352	-
Total	<u>39,943</u>	<u>38,663</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>2018</u>	<u>2017</u>
Trade payables - related parties	1,243	835
Trade payables - unrelated parties	84,499	66,947
Other payables - related parties	915	830
Other payables - unrelated parties	1,097	1,201
Accrued expenses	25,911	25,720
Others	2,571	1,585
Total trade and other payables	<u>116,236</u>	<u>97,118</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>2018</u>	<u>2017</u>
Present value of defined benefit obligation	72,987	75,427
Fair value of plan assets	(32,915)	(31,781)
Net defined benefit liability	<u>40,072</u>	<u>43,646</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>2018</u>	<u>2017</u>
Defined benefit obligation at beginning of year	75,427	70,236
Included in profit or loss:		
Current service cost	3,773	5,231
Interest cost	1,527	1,921
Included in other comprehensive income:		
Actuarial (gain) loss arising from		
Demographic assumptions changes	(522)	-
Financial assumptions changes	2,485	-
Experience adjustments	(6,321)	-
Transferred employees from related companies	825	-
Transferred employees to related companies	(795)	-
Benefits paid during the year	(3,412)	(1,961)
Defined benefit obligation at end of year	<u>72,987</u>	<u>75,427</u>

	(Unit: Thousand Baht)	
	Financial statements in which the equity method is applied/ Separate financial statements	
	<u>2018</u>	<u>2017</u>
Fair value of plan assets at beginning of year	31,781	28,034
Included in profit or loss:		
Change in fair value	(2,227)	60
Transferred employees from related companies	95	-
Transferred employees to related companies	(411)	-
Contribution by the Company	4,081	4,076
Paid during the year	(404)	(389)
Fair value of plan assets at end of year	<u>32,915</u>	<u>31,781</u>

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

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

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied/ Separate financial statements	
	<u>2018</u>	<u>2017</u>
	Cost of sales	5,234
Selling and administrative expenses	2,293	1,047
Total expenses recognised in profit or loss	<u>7,527</u>	<u>7,092</u>

As at 31 December 2018, the Company expects to pay Baht 6.9 million of long-term employee benefits during the next year (2017: Baht 4.8 million).

As at 31 December 2018, the weighted average duration of the liabilities for long-term employee benefit is 11 years (2017: 12 years).

Key actuarial assumptions used for the valuation are as follows:

	Financial statements in which the equity method is applied/ Separate financial statements	
	<u>2018</u>	<u>2017</u>
	(% per annum)	(% per annum)
Discount rate	2.6	2.8
Future salary increase rate	3.5 - 5.5	3.5 - 6.5

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

(Unit: Million Baht)

	Financial statements in which the equity method is applied/ Separate financial statements			
	<u>2018</u>		<u>2017</u>	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(4.9)	5.6	(5.3)	6.1
Future salary increase rate	6.2	(5.6)	7.5	(6.6)

On 13 December 2018, The National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which is in the process being published in the Royal Gazette and is not yet effective. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation at a rate of not less than that of the last 400 days. This change is considered a post-employment benefits plan amendment and the Company has additional liabilities for long-term employee benefits of Baht 12.5 million. The Company will reflect the effect of the change by recognising past services costs as expenses in the income statement of the period in which the law is effective.

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 2018 and 2017, 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. 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>2018</u>	<u>2017</u>
Salaries and wages and other employee benefits	220,632	210,563
Depreciation and amortisation expenses	41,576	40,132
Repair and maintenance expenses	12,908	9,283
Transportation expenses	24,281	23,887
Raw materials and consumables used	372,595	338,087
Changes in inventories of finished goods and work in process	(11,980)	8,113

22. Income tax

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

	(Unit: Thousand Baht)	
	Financial statements in which the equity method is applied/ Separate financial statements	
	<u>2018</u>	<u>2017</u>
Current income tax:		
Current income tax charge	-	-
Deferred tax:		
Relating to origination and reversal of temporary differences	<u>5,734</u>	<u>(1,545)</u>
Income tax expenses (benefits) reported in the statement of comprehensive income	<u>5,734</u>	<u>(1,545)</u>

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

	(Unit: Thousand Baht)	
	Financial statements in which the equity method is applied/ Separate financial statements	
	<u>2018</u>	<u>2017</u>
Deferred tax on actuarial gain	<u>872</u>	<u>-</u>

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>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Accounting profit (loss) before tax	(22,289)	27,629	(22,851)	28,769
Applicable tax rate	20%	20%	20%	20%
Accounting profit (loss) before tax multiplied by income tax rate	(4,458)	5,526	(4,570)	5,754
Adjustment in respect of deferred tax assets of previous year	5,985	-	5,985	-
Tax losses for the year that have not been recognised as deferred tax assets	11,701	-	11,701	-
Effects of:				
Non-deductible expenses	926	886	926	886
Tax-exempt dividend income	(6,879)	(6,159)	(7,129)	(6,659)
Share of profit from investment in associate	(362)	(272)	-	-
Additional expense deductions allowed	(1,284)	(1,326)	(1,284)	(1,326)
Others	105	(200)	105	(200)
Total	(7,494)	(7,071)	(7,382)	(7,299)
Income tax expenses (benefits) reported in the statement of comprehensive income	5,734	(1,545)	5,734	(1,545)

The components of deferred tax assets are as follows:

(Unit: Thousand Baht)

	Statements of financial position	
	<u>2018</u>	<u>2017</u>
	Financial statements in which the equity method is applied/ Separate financial statements	
Deferred tax assets		
Provision for long-term employee benefits	4,445	8,563
Accumulated depreciation - equipment	-	1,348
Unused tax loss	-	1,140
Total	4,445	11,051

23. 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.

24. 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 profits 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 2018, the Company has revenue from three major customers in amount of Baht 111 million, Baht 101 million and Baht 78 million (2017: revenue from three major customers in amount of Baht 145 million, Baht 72 million and Baht 70 million).

25. 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 2018 amounting to approximately Baht 4 million (2017: Baht 4 million) were recognised as expenses.

26. 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 2016	Annual General Meeting of the Shareholders on 19 April 2017	33,500	<u>1.34</u>
<u>Less:</u> Dividend that some shareholders are not entitles to received		<u>(2)</u>	
Net dividend paid		<u>33,498</u>	
Final dividends for 2017	Annual General Meeting of the Shareholders on 25 April 2018	30,250	<u>1.21</u>
<u>Less:</u> Dividend that some shareholders are not entitles to received		<u>(2)</u>	
Net dividend paid		<u>30,248</u>	

27. 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.

28. Commitments

28.1 Capital commitments

As at 31 December 2017, the Company had capital commitments of Baht 10 million (2018: Nil) relating to the purchases of machinery, equipment and motor vehicles.

28.2 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)	
	<u>As at 31 December</u>	
	<u>2018</u>	<u>2017</u>
Payable:		
In up to 1 year	0.2	0.2
In over 1 and up to 4 years	0.1	0.2

28.3 Service commitments

The Company has entered into vehicle services, equipment maintenance services, and other service agreements. As at 31 December 2018, future minimum lease payments required under those service agreements were amounting to Baht 1.3 million (2017: Baht 1.5 million).

29. Fair value hierarchy

As at 31 December 2018 and 2017, 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 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

(Unit: Million Baht)

As at 31 December 2017

	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	-	12.2	-	12.2
Investment property	-	-	76.9	76.9

30. Financial instruments

30.1 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 liabilities 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 2018					
	Financial statements in which the equity method is applied/ Separate financial statements					
	Fixed interest rates		Floating	Non-interest	Total	Effective
	Within 1 year	1-5 years	interest rate	bearing		interest rate
						(% per annum)
Financial assets						
Cash and cash equivalents	-	-	242	-	242	0.375 - 1.50
Trade and other receivables	-	-	-	95	95	-
Restricted investments	-	13	-	-	13	1.65 - 2.55
	-	13	242	95	350	
Financial liabilities						
Trade and other payables	-	-	-	116	116	-
	-	-	-	116	116	

(Unit: Million Baht)

As at 31 December 2017

	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 (% per annum)
	Within 1 year	1-5 years				
Financial assets						
Cash and cash equivalents	-	-	139	-	139	0.375 - 1.45
Current investments	150	-	-	-	150	1.50 - 1.55
Trade and other receivables	-	-	-	80	80	-
Restricted investments	-	12	-	-	12	1.65 - 4.75
	150	12	139	80	381	
Financial liabilities						
Trade and other payables	-	-	-	97	97	-
	-	-	-	97	97	

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.

30.2 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 2018		As at 31 December 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Restricted investments - government bonds	-	13.1	13.0	12.2
			12.2	12.2

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

- For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, current investments, interest receivable and interest 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.

31. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2018, the Company's debt-to-equity ratio from the separate financial statement was 0.32:1 (2017: 0.26:1).

32. Approval of financial statements

These financial statements were authorised for issue by the Company's board of directors on 20 February 2019.

AUDIT FEE

Form to confirm the accuracy and completeness of the remuneration paid to the auditor in the fiscal year ending 31 December 2018

Audit Fee

Items	Name of payer company	2018		2017	
		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	Type of Other Service	Service Providers	Other Services Fee		Other Services Fee	
				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	Observe the destruction of products	EY Office Limited	20,000	-	40,000	-

RELATED PARTY TRANSACTIONS

People with Common Interests and Related Party Transactions

Company Name	Saha-Union Public Company Limited
Address	1828 Sukhumvit Road, Phrakanong Tai, Phrakanong, Bangkok 10260
Type of Business	Plastic Industry Group, Electronics and Information Technology Group, Energy Group, Trading & Investment Group and Services
Registered Capital	Baht 3,000,000,000
Relationship	Major shareholder and common Directors
Shareholding (%)	Hold 49.521% shares in Union Plastic Public Company Limited (12,380,130 shares) (as of March 29 th , 2017)

Board of Directors of Saha-Union Public Company Limited

No.	Name/Surname
1	Ms. Dalad Saphavichaikul
2	Mr. Chutindhon Darakananda
3	Mrs. Chantornree Darakananda
4	Mr. Preecha Shunhavanich
5	Mr. Thitivat Suebsaeng
6	Mr. Supakit Paungbua
7	Mrs. Pinijporn Darakananda Kasemsup
8	Mr. Bovomrat Darakananda
9	Mr. Vachaphong Darakananda
10	Mr. Nanthiya Darakananda
11	Ms. Pakinee Prettitumrong
12	Ms. Pakpachong Vadhanasindhu
13	Mrs. Busarakham Nilavajara
14	Mrs. Sutthima Chmnanvej
15	Mr. Yanyong Tangchitkul

Related Transactions between the Subsidiary and Associated Companies

Related Transactions between the Subsidiary and Associated Companies were implemented according to normal trading practice and are as follows:

Company Name	PSV Mould Co., Ltd.
Address	46/36 Moo 9 Bangpla, Bangplee, Samutprakam 10540
Type of Business	Manufacturing Service, Manufacture & sales of Molds for equipment and tools manufacturing
Registered Capital	Baht 10,000,000 : 1,000,000 ordinary shares, par value of Baht 10 per share
Relationship	Shareholder
Shareholding (%)	25.00% (249,999 shares)
Major Shareholder	Mr. Varapong Jaisin

Board of Directors of PSV Mould Co., Ltd.

No	Name/Surname
1	Mr. Varapong Jaisin
2	Mr. Prasit Teetakeaw
3	Mr. Chaiying Sriprasert
4	Mr. Monrit Komen-eak
5	Mr. Thitivat Suebsaeng

Remarks: This Company was formerly Union Prospect Co., Ltd. The Company registered for a change of name to PSV Mold Co., Ltd. on 20 December 2005, and the shareholding ratio of shares offered was changed by a resolution passed by Special Meeting of Shareholders No. 3/2548. On 19 December 2005, the Board of Directors signed with Mr. Monrit Komen-ek or Mr. Warapong Jaisin signing with Mr. Chaiying Sriprasert or Mr. Praset Titakaew.

Company Name	Union Nifco Co., Ltd.
Address	99/11 Moo 5 Bangna - Trad Road. (km.38), Bangsamak, Bangpakong, Chachoengsao 24180
Type of Business	Plastic part manufacturing
Registered Capital	Baht 100,000,000 : 1,000,000 ordinary shares, par value of Baht 100 per share
Relationship	Shareholder and common Directors
Shareholding (%)	19.9976% (199,976 shares)
Major Shareholder	Nifco Inc. Co., Ltd. (Japan)

Board of Directors of Union Nifco Co., Ltd.

No.	Name/Surname
1	Ms. Dalad Saphavichaikul
2	Mr. Chutindhon Darakananda
3	Mr. Supakit Puangbua
4	Mrs. Chantorntree Darakananda
5	Mr. Vacharaphong Darakananda
6	Mr. Toshiyuki Yamamoto
7	Mr. Tsutomu Mannari
8	Mr. Nagoka Masaya
9	Mr. Minoru Uno
10	Mr. Hiroshi Osada

Nature of related Party Transactions and Policy on Related Party Transactions:

1. The Company has important business transactions with related companies (related by having common shareholders and/or common Directors). Such business transactions are, in most cases, sales and purchases of goods at the market price.

2. Measures and steps of approval of the related party transactions are implemented the same as the sales and purchases of other unrelated business. No executive or shareholders that have conflicts of interest are involved in the approval.

3. Pricing policy for the purchases and sales of related party transactions is implemented the same as the sales and purchases of other unrelated businesses, which is in accordance with the market price.

Related party transactions

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

(Unit: Million Baht)

Period of time	Financial statements in which the equity method is applied/ Separate financial statements		Transfer Pricing Policy
	2018	2017	
Transactions with related companies (related by common shareholders)			
Sales of merchandise and services	73	74	Cost plus margin
Other income	6	7	Cost plus margin
Purchases of merchandise	15	12	Cost plus margin of related companies

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, 0 2009 9999 Fax 0 2009 9991
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, 33rdFloor,
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)
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

INDEX OF GOOD CORPORATE GOVERNANCE

1. Shareholders' Rights	22
2. Equitable Treatment to Shareholders	23
3. Stakeholders' Roles	24
4. Information Disclosure and Transparency	26
5. The Board of Directors' Responsibilities	26

INDEX OF FORM 56-2

1. Policy and Business Operation Overview	10
2. Business Overview	10
3. Risk Factors	31
4. General Information	89
5. Shareholders	13
6. Dividend Payment	13
7. Management Structure	14
8. Good Corporate Governance	22
9. Corporate Social Responsibility	11
10. Internal Control and Risk Management	30
11. Related Party Transactions	86
12. Summary of Financial Information	03
13. Management Discussion and Analysis	33