



# SAHA-UNION

## ANNUAL REPORT 2015



## VISION

A leading and reliable investment Company engaging in diverse business activities, managing the investments for the Company's growth and long-term stability with sound return on investments.



## MISSION

- To develop the growth and stability of existing businesses.
- To enlarge/extend the businesses that members of the Group are adept and well versed.
- To administer existing investments while exploring new opportunities offering long-term potential and sound return on investments.
- To groom new generation of knowledgeable and efficient executives with leadership quality, those who could blend well with the Company's cultures, uphold integrity, quality and service.
- To promote and avail the employees the opportunities to continuously develop their knowledges and skills.
- To persistently instil the Company's good will.
- To regulate the administration of the Company for efficiency, transparency and conformity with international auditing standards, in order to increase the value and obtain optimum results for the Company, all participants and stakeholders, i.e., employees, shareholders, investors, customers, trade partners, creditors, competitors, communities, societies and the Country.



# INTEGRITY QUALITY SERVICE

## GOAL

The Company's goal is to conduct business by investments in various businesses with a system of good governance and growth in order to strive to maximize the benefits to all stakeholders under the moral of integrity, quality and service.

## STRATEGY

To invest in the businesses with appropriate returns by taking into account the risks potential accordance with the strategies to meet the situation may change in the future.





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# MAJOR FINANCIAL INFORMATION AND RATIO

(Unit : Million Baht)

Saha-Union Public Company Limited (Consolidated)	2015	2014	2013
Total revenues	11,276.2	(Restated) 10,825.9	10,835.4
Revenues from sales and services	10,117.6	9,685.8	9,418.1
Gross profit	1,402.2	1,219.4	1,137.5
Profit for equity holders of the Company	917.3	1,003.3	938.5
Total assets	23,627.0	22,136.9	21,474.5
Total liabilities	3,339.3	2,823.9	2,627.4
Total shareholders' equity	20,287.7	19,313.0	18,847.1
Earning ratio (%)	8.13%	9.27%	8.66%
Earnings per share (Baht)	3.16	3.46	3.24
Book value per share (Baht)	63.76	61.32	59.95
Net asset value per share (Baht)	63.76	61.32	59.95
Return on assets (%)	4.01%	4.60%	4.18%
Return on equity (%)	5.06%	5.71%	5.59%
Debt to equity ratio (Times)	0.18	0.16	0.15

(Unit : Million Baht)

Saha-Union Public Company Limited	2015	2014	2013
Revenues	2,137.4	(Restated) 2,760.9	3,065.0
Sales and service income	1,273.7	1,283.7	1,137.1
Export sales	520.9	536.4	488.1
Local sales	752.8	747.3	649.0
Gross profit	23.1	18.2	19.8
Profit for equity holders of the Company	574.2	1,205.8	1,449.8
Earnings per share (Baht)	1.91	4.02	4.83
Dividend per share (Baht)	1.50	1.75	2.00
Book value per share (Baht)	45.61	45.81	43.70

# BOARD OF DIRECTOR'S REPORT

“ THE COMPANY HAS CONDUCTED FOR YEARS ITS BUSINESS WITH DETERMINATION AND ALL STRENGTH BY IMPROVING STRATEGIES ON INVESTMENT AND MODIFYING BUSINESS PLANS, SEEKING OPPORTUNITIES TO EXPAND INVESTMENTS FOR NEW BUSINESSES TO GROW A GOOD **STRONG AND LASTING SUSTAINABLE BUSINESS** ”



**Miss Sriwarin Jirapakkana**

Chairman

In Thailand, economic growth rate in 2015 could be considered slightly better than in 2014 despite signs of economic slowdown. Due to many unpredictable factors emerged such as the ongoing sharp decline in oil prices, a decrease in consumer supply and demand consistent with slowly recovering world economy, slowing economic growth in China and Asia and the devaluation of Chinese Yuan currency's announcement. These factors had an impact on business operations. Consumers lost confidence, leading to a decrease in their purchasing power as well as consumption. The export trade of Thailand was in recession whereas the tourism sector achieved significant growth and was likely to continue. However, the government had contributed to an economic drive by investing in several projects and implementing continuously economic and investment stimulus measures, resulting in growing trend of the private sector's consumption. Anyhow, the overall economic recovery has not still reached all sectors, especially agricultural and export sectors. As agricultural products were at low price, in addition to their low household income, the agricultural workers had a heavy debt which hindered consequently their consumption. Meanwhile, the private sector's investments have been adversely affected by the slowly recovering export trade and the highly remaining production capability, underlying a slowdown in investment by certain business traders.

In 2016, it is forecast that economic growth would be sluggish because of some factors. These factors concern the government's economic and investment stimulus measure impulses with the aim of promoting the private sector's investments leading to an increase in consumers' purchasing power. Furthermore, the linkage from the AEC economic liberalization, economic recovery in major countries such as the USA, an easing monetary policy in some countries would bring about an improvement in terms of demand and prices of merchandise in the global market. Nevertheless, the slowing economic climate in China would be a major risk factor of overall world economy.

The Company has striven over years to do a study and diversify businesses for investment expansion in a bid to establish long-term yields for the Company and their shareholders. Despite its good returns at present,

it is uncertain whether the industry business would continue to do well in the long term. In 2015, there were significant changes. That is, in July, a new joint venture business was set up under the name of Sukhumvit 62 Medical Ltd. to be operated as a private hospital and nursing home, providing medical services and nursing care. This new project which is an opportunity of hospital business expansion required a construction undertaking and a provision of equipment and material including related supplies. The investment amounted to Baht 1,800 million or 47.21% of the total investment. Apart from this, in November 2015, the Jiashan-Union Development Co., Ltd. (JD), Real Estate business operator in Jiashan, Zhejiang Province, the People's Republic of China, approved to close the Project Phase 3 and modified shareholders structure by reducing the Company's capital. The Company and its subsidiary (Thai party) who disposed the investment amounting to RMB 137.2 million. The total amount they expected to receive amounted to RMB 220 million on condition that this plan would be approved by the authorities. After returning correctly this amount to the Thai party, the Chinese party would continue to conduct the JD's business. The procedure is expected to be ended by mid-year 2016.

In the past year, the Saha-Union Public Company Limited's performance was affected by the slowing world economy. Nonetheless, the Company tried to adjust itself by managing production costs, improving manufacturing process to enhance efficiency, expanding investment plans, increasing products distribution for the purpose of expanding into new customers, providing training courses and skills practices in relation to personnel matter, carrying out research and developing products with the aim of adding their value and increasing competitive capability continuingly. Here below are the Company's results of business operations as well as key changes;

**Textile business** was affected by the world economy showing no sign of recovery from the recession, especially among the EU countries which are the main foreign markets, leading to a decrease in purchasing power. Moreover, the Company could not raise its selling prices because of intense price competition in the rival countries having advantages. However, compared

to these rival countries, the Company still has its advantages of being reliable to customers in terms of quality and on-time delivery. In 2015, the Company managed to reduce its expenses and production cost, giving rise to better performance, compared to the previous year.

### **Plastic, Rubber and Metal Business**

- In regard to the manufacturing of industrial plastic parts, the Company showed no growth in terms of sales amount and a decline of performance due to the slowing automobile industries, reduced purchasing power of consumers and fairly intense competition on cost. The Company needs to launch a long-term drive to increase sales and to improve production technique as well as efficiency to manage costs and control expenses.

- Concerning production of rubber blocks, white crepe rubber and smoked sheets, the natural rubber that is used for was sourced from the Company's subsidiary rubber factory and other suppliers. Because of fluctuation of latex price, the price of rubber products was not in consistent with their production cost. As a result, the operation business was at a loss. The Company has consequently had a policy of reducing production volume, controlling production cost and delivering high-quality products to the Group Companies only.

- The total sales of rubber products deriving from natural rubber, which are mostly used as raw materials for productions, were in decrease whereas the amount sales of medical equipment products have increased continuingly. In 2015, the Company was granted a Certification Quality Management in Medical Industry ISO 13485:2003. This is an important step towards expansion into the medical industry market. In addition, the Green Industry Class 3 and the OEKO-tex Standard 100 Class I (For baby articles) which is the most strict, were also granted to the Company.

- Manufacturing of adhesive tape from natural rubber was affected by the shrinking export trade of Thailand, causing a decrease in sales amount. Nonetheless, the overall performance was better than the previous year, owing to favorable factors; the foreign currency exchange and the reduced production cost.

- Regarding the manufacturing of vacuum bottle by the Union Zojirushi Co., Ltd., the Company underwent an improvement of production and its efficiency and

has extended continuously its production capacity. As the market's demand for this product has increased, the Company has expanded its production capacity at Bangpakong in May 2015. The investment of expansion amounted to Baht 600,000,000, rising by Baht 300,000,000 from Baht 300,000,000. The production is expected to be implemented in 2016. The year of 2015 is regarded as the year of growth in terms of production and performance.

- As for stainless steel production for household use as well as its derivatives, the Company attaches an importance to products design and suitability for use, including differentiating products and adding their value in order to get more total sales.

**Trading business**, Computer and Information Technology business covers a wide variety of products and services. In the first three quarters of the year 2015, the business growth slowed down significantly, in accordance with the economic climate. Meanwhile, in the last quarter, due to the government budget's expenditure according to the economic and investment stimulus measures, making certain private sector's trade partners more confident, the situation was improved ahead of the Company's expectations, leading to better performance than targeted.

**Hotel Business**. The Hilton Hua Hin Resort and Spa Hotel, Prachuap Khiri Khan Province recorded, in 2015, an average number of stay by 80%. On the basis of location, the hotel has a high growth potential. However, the competition is fairly severe because of opening of new projects around the hotel.

**Energy Business in China**. At present, the Company has three joint ventures companies in energy business, destined for generating and distributing electricity as well as steam which is the main product. Despite the decreasing demand for these products as a result of slowing economy in China, the result of operation in the previous year was fairly good owing to the lowered coal price, leading to a capability of controlling production cost. For the year 2016, the Company's performance will be affected by adverse factors. These involve a governmental policy of limitation on the industrial



sector's production overcapacity for the purpose of increasing efficiency and diminishing energy use in quantity and a vigorous policy of pollution control and its reduction, leading to an action of pollution emission limit by the year of 2017. Therefore, the Company would have to invest in an improvement and installation of equipment to monitor and reduce pollution, causing more expenses for the operation.

### Other businesses in China

- Textile business has been still shrinking according to the slowing economic situation. The Company has strived to manage so that the business could go on and its base would be retained.
- For the Chemical Industry, there has been a change in marketing. This concerns the supply which was much more than the market's demand; therefore, the production capacity remained high, coupled with the high price of raw materials used for production. To increase its competitive capability, the Company adjusted the manufacturing technique in order to add variations to the use of raw materials, resulting in reducing production cost. Consequently, the performance is better than the previous year.
- Regarding the two projects in Real Estate business, the Project Phase 3 in Jiashan, Zhejiang Province was affected by the slowing economic situation in China. The property sale was delayed. The Joint Venture Companies approved to close the Project Phase 3 and modified the shareholder structure by reducing the Company's capital. The Company and its subsidiary (Thai party) would be the shareholder to decreasing its capital. The operation is estimated to be completed by the mid-year of 2016 whereas the construction of the real estate at Shaoxing, Zhejiang Province, was completed. The government sector's procedure for inspecting the property to be transferred to customers is on the way.

According to the separate financial statements of the year 2015, the Saha-Union Public Company Limited recorded total assets of Baht 14,705.3 million, Baht 62.0 million lower than the previous year, total liabilities of Baht 1,020.9 million, an decrease of Baht 2.8 million, compared to last year and a net profit amounting to Baht 574.2 million or Baht 1.91 per share. Regarding the consolidated financial statements, the Company recorded total assets of Baht 23,627.0 million, an

increase of Baht 1,490.1 from the previous year, total liabilities of Baht 3,339.3 million, an increase of Baht 515.4 million, compared to last year and a net profit of equity shareholders of the Company accounted for Baht 914.3 million.

The Company has conducted for years its business with determination and all strength by improving strategies on investment and modifying business plans, seeking opportunities to expand investments for new businesses to grow a good strong and lasting sustainable business based on its potential, its financial stability, including abilities and sacrifice of individuals at all levels ranging from the Board of Directors, executives to employee level. In this regard, the Board of Directors wishes to thank to all shareholders and stakeholders for their continuing trust and support for the Company and its subsidiaries for the Company's success in the face of challenges. The Saha-Union Group confirms its readiness to conduct business and perform duties with engagement, on the basis of the Company's core values, that-is integrity, quality and service, which are regarded as ethical corporate culture, in accordance with the Corporate Governance. This involves overseeing business management in a way that it is efficient, transparent and verifiable, performing tasks with a sense of responsibility to all stakeholders, including making an emphasis on caring deeply about the community and its environment.

The Company has realized that sustaining business growth depends, in part, on sustainability of community without corruption which is perceived as problem and obstacle to development in many areas. Not only it could erode competitive capability in business trade, but also cause damage to the social and the country. Moreover, the Company has implemented an anti-corruption policy with a will and determination to counter all forms of corruption arising from the Company's business activities. The Company wishes to look after, acknowledge and raise awareness its personnel and also have its personnel adhere and comply with the Company's policy to ensure a sustainable growth of the organization.

# BOARD OF DIRECTORS



**Miss Sriwarin Jirapakkana**

Chairman



**Mr. Chutindhon Darakananda**

Vice Chairman /  
Nomination and Remuneration Director



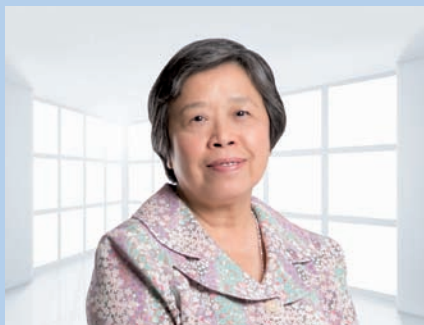
**Emeritus Professor  
Dr. Achara Chandrachai**

Chairman of the Audit Committee /  
Independent Director



**Mr. Chivin Chaipanich**

Audit /  
Independent Director



**Miss Pakinee Prerttitumrong**

Audit / Independent Director /  
Nomination and Remuneration Director



**Mr. Yanyong Tangchitkul**

Independent Director / Chairman of the  
Nomination and Remuneration Committee



**Mrs. Busarakham Nilavajara**

Independent Director



**Miss Dalad Sapthavichaikul**  
President



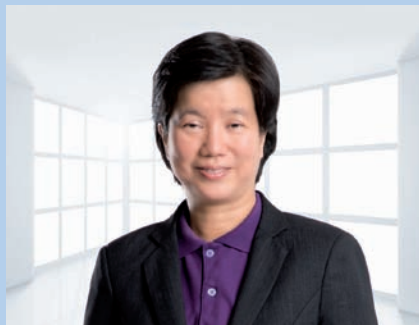
**Mrs. Chantorntree Darakananda**  
Executive Vice President



**Mr. Preecha Shunhavanich**  
Vice President



**Mr. Thitivat Suebsaeng**  
Director



**Mrs. Pinijporn Darakananda Kasemsap**  
Director



**Mr. Bovornrat Darakananda**  
Director



**Mr. Vacharaphong Darakananda**  
Director



**Mr. Nanthiya Darakananda**  
Director



**Mrs. Chadaporn Jiemsakultip**  
Company Secretary

# BOARD OF DIRECTORS

## **Miss Sriwarin Jirapakkana** **Chairman**

**Age** 68 years

### **Education**

- Master's Degree in Management, SASIN Graduate Institute of Business Administration of Chulalongkorn University
- Bachelor's Degree in Accounting, Chulalongkorn University
- Management Information System organized by International Labour Organization
- Dynamic Management for International Executives Program, International Management Development Department of Syracuse University, U.S.A.

### **IOD's Training**

- Director Accreditation Program (DAP) Class 18/2004

### **Experiences**

- 1999 – 2004 Chairman, Union Thai-Nichiban Co., Ltd.
- 1999 – 2004 Chairman, Union Zojirushi Co., Ltd.
- 1999 – 2006 Chairman, Union Plastic Public Company Limited
- 1999 – 2007 President, Saha-Union Public Company Limited
- 1999 – April 2012 Chairman, Union Nifco Co., Ltd.
- 1999 – May 2012 Chairman, Union Pioneer Public Company Limited
- 2002 – 2006 Managing Director, Union Textile Industries Public Company Limited
- 2005 – April 2012 Director, Union Thai-Nichiban Co., Ltd.
- 2007 – 2010 Director, Union Plastic Public Company Limited
- 2007 – May 2015 Chairman, Union Textile Industries Public Company Limited
- 2008 – 2012 Vice Chairman, Saha-Union Public Company Limited
- 2011 Chairman, Union Plastic Public Company Limited
- June – December 2012 Director, Union Pioneer Public Company Limited
- 2012 – June 2014 Director, Union Plastic Public Company Limited

### **Current Positions**

#### **Listed Company**

- 2013 – Present Chairman, Saha-Union Public Company Limited

#### **Other Positions**

#### **Saha-Union Group Companies**

- 1999 – Present Vice Chairman, Union Industries Corp. Ltd.
- 1999 – Present Vice Chairman, Union Thread Industries Co., Ltd.
- 2005 – Present Director, Union Zojirushi Co., Ltd.
- April 2012 – Present Director, Union Nifco Co., Ltd.
- May 2014 – Present Chairman, The Royal Hotel Co., Ltd.
- Chairman and Director, Other Companies in Saha-Union Group

**Years of Directorship** 22 years (since March 1993)

## **Mr. Chutindhon Darakananda** **Vice Chairman** **Nomination and Remuneration Director**

**Age** 56 years

### **Education**

- Master's Degree in Business Administration, SASIN Graduate Institute of Business Administration of Chulalongkorn University
- Bachelor's Degree in Industrial Engineering, Stanford University, U.S.A

### **IOD's Training**

- Director Accreditation Program (DAP) Class 17/2004

### **Experiences**

- 1993 – 2007 Director, Union Textile Industries Public Company Limited
- 1993 – 2007 Director, Union Pioneer Public Company Limited
- 2001 – March 2009 Director, Union Energy (China) Co., Ltd.
- 2007 – 2012 Vice Chairman (Investments in China), Saha-Union Public Company Limited

### **Current Positions**

#### **Listed Companies**

- 2013 – Present Vice Chairman, Saha-Union Public Company Limited
- 2013 – Present Director, Union Textile Industries Public Company Limited

#### **Other Positions**

#### **Saha-Union Group Companies**

- 1992 – Present Vice Chairman, Union Spinning Mills Co., Ltd.
- 1992 – Present Vice Chairman, Venus Thread Co., Ltd.
- 1997 – Present Vice Chairman, Saha-Union Holding Co., Ltd.
- 1997 – Present Vice Chairman/Managing Director, Union Business Management Co., Ltd.
- 2002 – Present Vice Chairman/Managing Director, Union Thread Industries Co., Ltd.
- 2002 – Present Vice Chairman/Managing Director, Union Industries Corp., Ltd.
- 2013 – Present Director, Union Garment Co., Ltd.
- 2013 – Present Director, Union Micronclean Co., Ltd.
- May 2014 – Present Director, The Royal Hotel Co., Ltd.
- November 2015 – Present Director, Union Zojirushi Co., Ltd.
- Chairman, Vice Chairman and Director, Other Companies in Saha-Union Group

**Years of Directorship** 25 years (since December 1990)

**Emeritus Professor Dr. Achara Chandrachai**  
**Chairman of the Audit Committee /**  
**Independent Director**

**Age** 67 years

**Education**

- Ph.D. (Quantitative Business Analysis), Arizona State University, U.S.A. Master of Business Administration (Finance), Second Class Honor, National Institute of Development Administration
- Higher Graduate Diploma Program in Auditing, Chulalongkorn University
- Bachelor Degree in Accountancy, Chulalongkorn University

**IOD's Training**

- Director Certification Program (DCP) Class 45/2004
- Audit Committee Program (ACP) Class 27/2009

**Experiences**

- 2009 – 2012 Chairman of the Audit Committee/Independent Director, Union Textile Industries Public Company Limited

**Current Positions**

Listed Companies in Saha-Union Group

- 2013 – Present Chairman of the Audit Committee/Independent Director, Saha-Union Public Company Limited

Other Listed Companies

- 2007 – Present Chairman of the Audit Committee/Independent Director, Internet Thailand Public Company Limited
- 2007 – Present Chairman of the Audit Committee/Independent Director, Dimet (Siam) Public Company Limited

Other Positions

- 2005 – Present Emeritus Professor, Faculty of Commerce and Accountancy, Chulalongkorn University
- 2007 – Present Member of the Audit Committee/Independent Director, Pan Rajatawee Group Public Company Limited
- 2008 – Present Project Manager, Institute for Management Education for Thailand (IMET) Foundation
- 2012 – Present Lecturer, Technopreneurship & Innovation Management Program, Chulalongkorn University

**Years of Directorship** 3 years (since January 2013)

**Years of Independent Directorship** 3 years  
(since January 2013)

**Mr. Chivin Chaipanich**  
**Audit and Independent Director**

**Age** 69 years

**Education**

- Bachelor's Degree in Chemical Engineering, Chulalongkorn University

**IOD's Training**

- Director Accreditation Program (DAP) Class 5/2003
- Audit Committee Program (ACP) Class 38/2012

**Experiences**

- 1995 – 2009 Managing Director, Union Thai-Nichiban Co., Ltd.
- 1996 – 2001 Director, Union Plastic Public Company Limited
- 1996 – 2001 Director, Union Nifco Co., Ltd.
- 1996 – 2002 Director, Union Zojirushi Co., Ltd.
- 1996 – 2009 Director, Bangkok Union Manufacturing Co., Ltd.
- 2012 – 2013 Audit and Independent Director, Union Pioneer Public Company Limited
- 2013 – November 2013 Chairman of the Audit Committee/Independent Director, Union Pioneer Public Company Limited

**Current Positions**

Listed Company

- 2014 – Present Audit and Independent Director, Saha-Union Public Company Limited

Other Position

- None -

**Years of Directorship** 2 years (since January 2014)

**Years of Independent Directorship** 2 years  
(since January 2014)



**Miss Pakinee Prerttiumrong**  
**Audit and Independent Director /**  
**Nomination and Remuneration Director**

**Age** 66 years

**Education**

- Bachelor's Degree in Economics, Thammasat University

**IOD's Training**

- Director Accreditation Program (DAP) Class 2/2003

**Experiences**

- 1983 – April 2008 Director, Union Industries Corp. Ltd.
- 1994 – April 2008 Director, Union Thread Industries Co., Ltd.
- 1999 – March 2011 Audit and Independent Director, Union Technology (2008) Public Company Limited

**Current Positions**

**Listed Companies**

- 1998 – Present Audit and Independent Director, Saha-Union Public Company Limited
- 2014 – Present Nomination and Remuneration Director, Saha-Union Public Company Limited

**Other Positions**

- 1994 – Present Director, Venus Button Co., Ltd.
- 1996 – Present Director, Union Button Corp. Ltd.

**Years of Directorship** 17 years (since April 1998)

**Years of Independent Directorship** 11 years  
(since January 2005)

**Mr. Yanyong Tangchitkul**  
**Independent Director / Chairman of the Nomination**  
**and Remuneration Committee**

**Age** 63 years

**Education**

- Bachelor's Degree in Economics, Thammasat University
- Master's Degree in Business Administration (Second Class Honor), National Institute of Development Administration (NIDA)
- Management Development Program, Indiana University, U.S.A.

**IOD's Training**

- Director Accreditation Program (DAP) Class 79/2009

**Experiences**

- March 2009 – January 2011 Audit and Independent Director, Union Pioneer Public Company Limited

**Current Positions**

**Listed Companies**

- September 2009 – Present Independent Director, Saha-Union Public Company Limited
- 2013 – Present Chairman of the Nomination and Remuneration Committee, Saha-Union Public Company Limited

**Other Position**

- 1980 – Present Managing Director, Niyom Service Co., Ltd.

**Years of Directorship** 6 years (since September 2009)

**Years of Independent Directorship** 6 years  
(since September 2009)



## **Mrs. Busarakham Nilavajara** **Independent Director**

**Age** 64 years

### **Education**

- Bachelor's Degree in Education (Second Class Honor), Chulalongkorn University

### **IOD's Training**

- Director Accreditation Program (DAP) Class 100/2013

### **Experiences**

- 2003 – 2007 Assistant to the Treasurer, Children's International Summer Villages (Thailand) Foundation, Ministry of Social Development and Human Security
- 2004 – 2007 Secretary to the Executive Committee, Saha-Union Public Company Limited
- 2007 – 2011 Director, Children's International Summer Villages (Thailand) Foundation, Ministry of Social Development and Human Security

### **Current Positions**

#### **Listed Company**

- 2013 – Present Independent Director, Saha-Union Public Company Limited

#### **Other Position**

- None -

**Years of Directorship** 3 years (since January 2013)

**Years of Independent Directorship** 3 years  
(since January 2013)



## **Miss Dalad Saphavichaikul** **President**

**Age** 59 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**

- Awarded Diploma by passing the Examination of Australian IOD Year 2001
- Director Certification Program (DCP) Class 9/2001
- Finance for Non-Finance Director (FND) Class 1/2003
- Audit Committee Program (ACP) Class 10/2005

### **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

### **Current Positions**

#### **Listed Companies**

- 2012 – Present President, Saha-Union Public Company Limited
- 2012 – Present Chairman of the Risk Management Committee, Saha-Union Public Company Limited.
- 2012 – Present Chairman, Union Pioneer Public Company Limited
- May 2014 – Present Chairman, Union Plastic Public Company Limited
- May 2015 – Present Chairman, Union Textile Industries Public Company Limited

#### **Other Positions**

##### **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.
- 2014 – Present President, Computer Union Co., Ltd.
- May 2014 – Present Director, The Royal Hotel Co., Ltd.
- August 2015 – Present Director, The Sukhumvit 62 Medical Limited
- Present Chairman and Director, Other Companies in Saha-Union Group

#### **Other Company**

- 1989 – Present Director, Processing Center Co., Ltd.

**Years of Directorship** 16 years (since December 1999)

## **Mrs. Chantorntree Darakananda** **Executive Vice President**

**Age** 52 years

### **Education**

- Doctor of Medicine, Chulalongkorn University

### **IOD's Training**

- Director Accreditation Program (DAP) Class 5/2003

### **Experiences**

- 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 – 2011 Director, Pro-Lab Co., Ltd.
- 2013 – September 2014 Director, Saha-Union Public Company Limited

### **Current Positions**

#### **Listed Companies in Saha-Union Group**

- September 2014 – Present Executive Vice President, Saha-Union Public Company Limited
- June 2014 – Present Director, Union Plastic Public Company Limited
- January 2015 – Present Director, Union Textile Industries Public Company Limited
- April 2015 – Present Director, Union Pioneer Public Company Limited

#### **Other Listed Company**

- 1990 – Present Director, Ladphrao Hospital Public Company Limited

#### **Other Positions**

##### **Saha - Union Group Companies**

- 2009 – Present Deputy Managing Director, Venus Thread Co., Ltd.
- 2009 – Present Deputy Managing Director, Union Zip Co., Ltd.
- May 2014 – Present Director, The Royal Hotel Co., Ltd.
- 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.
- Director, Other Companies in Saha-Union Group

#### **Other Companies**

- 2012 – Present Director, Union Sime Darby (Thailand) Ltd.

**Years of directorship** 3 years (since January 2013)

## **Mr. Preecha Shunhavanich** **Vice President**

**Age** 58 years

### **Education**

- Master's Degree in Business Administration (MBA), National Institute of Development Administration (NIDA)

### **IOD's Training**

- Director Accreditation Program (DAP) Class 62/2007

### **Experiences**

- 1977- 1989 Assistant Group Products Marketing Manager, Sahapathanapibul Public Co., Ltd.
- 1989 – 1995 Deputy Managing Director, PG Intertrade Co., Ltd.
- 1995 – 2003 Sales Manager, Osotsapha Co., Ltd.
- 2003 – 2004 General Manager, Unilever Bestfoods (Thailand) Ltd.
- 2004 – 2007 Director, Union Pioneer Public Co., Ltd.
- 2004 – 2007 Director, Union Plastic Public Co., Ltd.
- 2004 – 2007 Director, Union Zojirushi Co., Ltd.
- 2004 – 2007 Director, Union Thai-Nichiban Co., Ltd.
- 2007 – 2008 General Manager, Union Energy (Hong Kong) Co., Ltd.

### **Current Positions**

#### **Listed Company in Saha-Union Group**

- January 2015 – Present Director and Vice President, Saha-Union Public Company Limited

#### **Saha - Union Group Companies**

- 2008 – Present Director, Computer Union Systems Co., Ltd.
- 2013 – Present Director, Soldev Co., Ltd.
- February 2014 – Present Managing Director of Sales and Services Business, Computer Union Co., Ltd.
- April 2014 – Present Director, Union Stainless Steel Products Co., Ltd.

**Years of Directorship** 1 years (since January 2015)

## **Mr. Thitivat Suebsaeng** **Director**

**Age** 62 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
- January 2010 – December 2011 Managing Director, Union Plastic Public Company Limited
- January 2012 – May 2014 Chairman, Union Plastic Public Company Limited
- 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.
- 2008 – December 2011 President, Saha-Union Public Company Limited
- March 2008 – April 2012 Chairman, Union Garment Co., Ltd.
- April 2012 – 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 – December 2011 Director, Union Pioneer Public Company Limited
- April 2008 – April 2012 Chairman, 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
- April 2012 – April 2014 Director, Union Universe Co., Ltd.

### **Current Positions**

#### **Listed Companies**

- January 2012 – Present Director, Saha-Union Public Company Limited
- September 1993 – Present Director, Union Plastic Public Company Limited
- September 2015 – Present Acting Managing Director, Union Plastic Public Company Limited

#### **Other Positions**

##### **Saha-Union Group Companies**

- April 2008 – Present Director, Union Rubber Products Co., Ltd.
- March 2009 – Present Director, Yunnan Energy Luliang-Union Cogeneration Co., Ltd.
- February 2013 – Present Director, Union Stainless Steel Products Co., Ltd.
- Director, Other Companies in Saha-Union Group

**Years of Directorship** 13 years (since January 2003)

## **Mrs. Pinijporn Darakananda Kasemsap** **Director**

**Age** 53 years

### **Education**

- 1985 – 1991 University of California, San Francisco (Doctor of Pharmacy)
- 1981 – 1985 University of California, Davis (B.S. Chemistry)
- 1978 – 1981 The Katharine Branson School (High School)
- 1969 – 1978 Mater Dei Institute

### **IOD's Training**

- Director Accreditation Program (DAP) Class 92/2011

### **Experiences**

- 1984 – 1991 Deputy Manager, Geary Pharmacy (U.S.A.)
- 1991 – 1996 Deputy Manager of the Export Sales Department, Union Thread Industries Co., Ltd.
- 1996 – 2005 Managing Director, Venus Kids Co., Ltd.

### **Current Positions**

#### **Listed Company in Saha-Union Group**

- December 2010 – Present Director, Saha-Union Public Company Limited

#### **Saha-Union Group Companies**

- 1995 – Present Director, Union Thread Industries Co., Ltd.
- 1995 – Present Director, Union Industries Corp. Ltd.
- 1995 – Present Director, Union Spinning Mills Co., Ltd.
- 1996 – Present Manager, Uni-Agro Co., Ltd.
- 2008 – Present Deputy Managing Director, International Investment Projects, Saha-Union Investment (China) Co., Ltd.
- 2009 – Present Director, Union Zip Co., Ltd.
- 2009 – Present Director, Venus Thread Co., Ltd.
- March 2011 – Present Director, Thai Rubber Enterprise Co., Ltd.
- April 2011 – Present Director, Saha Union Holding Co., Ltd.
- April 2011 – Present Director, Union Equity Co., Ltd.
- April 2011 – Present Director, Union Multi-Capital Co., Ltd.
- 2012 – Present Managing Director, Union Property Co., Ltd.
- May 2014 – Present Managing Director, The Royal Hotel Co., Ltd.
- Director, Other Companies in Saha-Union Group

#### **Other Company**

- None -

**Years of Directorship** 5 years (since December 2010)

## **Mr. Bovornrat Darakananda** Director

**Age** 52 years

### **Education**

- Master's Degree in Management, and Electrical Engineering, Massachusetts Institute of Technology, U.S.A.
- Bachelor's Degree in Management, and Electrical Engineering, Massachusetts Institute of Technology, U.S.A.

### **IOD's Training**

- Director Accreditation Program (DAP) Class 18/2004

### **Experiences**

- 1993 – December 2006 Director, Union Textile Industries Public Company Limited
- 1993 – December 2006 Director, Union Pioneer Public Company Limited
- 1994 – December 2006 Director and Executive Director, Union Energy Co., Ltd.
- 1996 – 2009 Director and Manager, Union Energy (China) Co., Ltd.
- 2011 – December 2012 Director, Union Textile Industries Public Company Limited
- Vice President, Saha-Union International (Georgia) Inc.
- General Manager, Saha-Union Investment (China) Co., Ltd.

### **Current Positions**

#### **Listed Company in Saha-Union Group**

- 1994 – Present Director, Saha-Union Public Company Limited

#### **Saha-Union Group Companies**

- 1997 – Present Director, Union Thread Industries Co., Ltd.
- 1997 – Present Director, Union Industries Corp. Ltd.
- 2001 – Present Managing Director, Union Spinning Mills Co., Ltd.
- 2001 – Present Director, Venus Thread Co., Ltd.
- 2001 – Present Director, Union Zip Co., Ltd.
- April 2011 – Present Director, Saha Union Holding Co., Ltd.
- Director, Other Companies in Saha-Union Group

**Years of Directorship** 24 years (since April 1991)

## **Mr. Vacharaphong Darakananda** Director

**Age** 50 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
- Awarded Diploma by passing the Examination of Australian IOD Year 2006
- Role of the Compensation Committee (RCC) Class 15/2012

### **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)
- 2000 – April 2015 Director, Computer Union System Co., Ltd.
- 2001 – December 2006 Director, Union Textile Industries Public Company Limited
- 2007 – 2008 Director, Union Thai-Nichiban Co., Ltd.
- 2007 – January 2012 Director, Union Zojirushi Co., Ltd.
- 2007 – March 2014 Managing Director, Union Technology (2008) Public Company Limited
- April 2011 – November 2014 Director, Union Micronclean Co., Ltd.

### **Current Positions**

#### **Listed Companies**

- 1994 – Present Director, Saha-Union Public Company Limited
- 2007 – Present Director, Union Plastic Public Company Limited
- 2007 – Present Director, Union Pioneer Public Company Limited

### **Other Positions**

#### **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.
- January 2012 – Present Managing Director, Union Zojirushi Co., Ltd.
- May 2014 – Present Director, The Royal Hotel Co., Ltd.
- Director, Other Companies in Saha-Union Group

**Years of Directorship** 23 years (since February 1992)



## Mr. Nanthiya Darakananda Director

**Age** 47 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 212-213/2015

### Current Positions

#### Listed Companies

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

#### Other Position

- None -

**Years of Directorship** 19 years (since April 1996)

## Mrs. Chadaporn Jiemsakultip Company Secretary

**Age** 53 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

### IOD's Training

- 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) and CSR Reporting, SR Center and Sustainable Business Development Institute
- Customs Professional Program, The Customs Department

### Experiences

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

### Current Positions

- January 2009 - Current Company Secretary, Union Textiles Industries Public Company Limited
- January 2014 - Current Company Secretary, Saha-Union Public Company Limited

Related Person	Relationship
Miss Sriwarin Jirapakkana Mr. Chutindhon Darakananda	<ul style="list-style-type: none"> <li>• Elder sister of the wife of Mr. Preecha shunhavanich</li> <li>• Elder brother of Mrs. Pinijporn Darakananda Kasemsap, Mr. Bovornrat Darakananda and Mr. Vacharaphong Darakananda</li> <li>• Elder brother of the husband of Mrs. Chantorntree Darakananda</li> </ul>
Mrs. Pinijporn Darakananda Kasemsap	<ul style="list-style-type: none"> <li>• Younger sister of Mr. Chutindhon Darakananda</li> <li>• Elder sister of Mr. Bovornrat Darakananda and Mr. Vacharaphong Darakananda</li> <li>• Younger sister of the husband of Mrs. Chantorntree Darakananda</li> </ul>
Mr. Bovornrat Darakananda	<ul style="list-style-type: none"> <li>• Younger brother of Mr. Chutindhon Darakananda and Mrs. Pinijporn Darakananda Kasemsap</li> <li>• Elder brother of Mr. Vacharaphong Darakananda</li> <li>• Younger brother of the husband of Mrs. Chantorntree Darakananda</li> </ul>
Mrs. Chantorntree Darakananda	<ul style="list-style-type: none"> <li>• Younger sister in law of Mr. Chutindhon Darakananda</li> <li>• Elder sister in law of Mrs. Pinijporn Darakananda Kasemsap, Mr. Bovornrat Darakananda and Mr. Vacharaphong Darakananda</li> </ul>
Mr. Vacharaphong Darakananda	<ul style="list-style-type: none"> <li>• Younger brother of Mr. Chutindhon Darakananda, Mrs. Pinijporn Darakananda Kasemsap and Mr. Bovornrat Darakananda</li> <li>• Younger brother of the husband of Mrs. Chantorntree Darakananda</li> </ul>
Mr. Nanthiya Darakananda	<ul style="list-style-type: none"> <li>• Cousin of Mr. Chutindhon Darakananda, Mrs. Pinijporn Darakananda Kasemsap, Mr. Bovornrat Darakananda and Mr. Vacharaphong Darakananda</li> </ul>
Mr. Preecha Shunhavanich	<ul style="list-style-type: none"> <li>• Brother in law of Miss Sriwarin Jirapakkana</li> </ul>

# IOD'S ACCREDITATION AND CERTIFICATION TRAINING PROGRAM OF THE BOARD OF DIRECTORS ABOUT THE RESPONSIBILITY AND SKILLS OF BEING THE DIRECTOR

Name	Thai Institute of Directors Certification Programs (Thailand Institute of Directors : IOD)					Extension Program
	Director Accreditation Program (DAP)	Director Certification Program (DCP)	Finance for Non-Finance Director (FND)	Audit Committee Program (ACP)	Role of the Compensation Committee (RCC)	Awarded Diploma by passing the Examination of Australian IOD
	No./Year	No./Year	No./Year	No./Year	No./Year	Year
Miss Sriwarin Jirapakkana	18/2004	-	-	-	-	-
Mr. Chutindhon Darakananda	17/2004	-	-	-	-	-
Emeritus Professor Dr. Achara Chandrachai	-	45/2004	-	27/2009	-	-
Mr. Chivin Chaipanich	5/2003	-	-	38/2012	-	-
Miss Pakinee Prertitumrong	2/2003	-	-	-	-	-
Mr. Yanyong Tangchitkul	79/2009	-	-	-	-	-
Mrs. Busarakham Nilavajara	100/2013	-	-	-	-	-
Miss Dalad Saphavichaikul	-	9/2001	1/2003	10/2005	-	2001
Mrs. Chantornree Darakananda	5/2003	-	-	-	-	-
Mr. Preecha Shunhavanich	62/2007	-	-	-	-	-
Mr. Thitivat Suebsaeng	21/2004	-	-	-	-	-
Mrs. Pinijporn Darakananda Kasemsap	92/2011	-	-	-	-	-
Mr. Bovornrat Darakananda	18/2004	-	-	-	-	-
Mr. Vacharaphong Darakananda	2/2003	69/2006	-	-	15/2012	2006
Mr. Nanthiya Darakananda	2/2003	212-213/2015	-	-	-	-

# BOARD STRUCTURE AND COMPANY EXECUTIVES

## Board of Directors

• Miss Sriwarin	Jirapakkana	Chairman
• Mr. Chutindhon	Darakananda	Vice Chairman
• Emeritus Professor Dr. Achara Chandrachai		Independent Director
• Mr. Chivin	Chaipanich	Independent Director
• Miss Pakinee	Prerttitumrong	Independent Director
• Mr. Yanyong	Tangchitkul	Independent Director
• Mrs. Busarakham	Nilavajara	Independent Director
• Miss Dalad	Sapthavichaikul	Director and President
• Mr. Thitivat	Suebsaeng	Director
• Mr. Preecha	Shunhavanich	Director
• Mrs. Pinijporn Darakananda Kasemsap		Director
• Mr. Bovornrat	Darakananda	Director
• Mrs. Chantorntree	Darakananda	Director
• Mr. Vacharaphong	Darakananda	Director
• Mr. Nanthiya	Darakananda	Director
• Mrs. Chadaporn	Jiemsakulthip	Company Secretary

## Audit Committee

• Emeritus Professor Dr. Achara Chandrachai		Chairman of the Audit Committee
• Mr. Chivin	Chaipanich	Director
• Miss Pakinee	Prerttitumrong	Director

## Nomination and Remuneration Committee

• Mr. Yanyong	Tangchitkul	Chairman of the Nomination and Remuneration Committee
• Miss Pakinee	Prerttitumrong	Director
• Mr. Chutindhon	Darakananda	Director

## Risk Management Committee

• Miss Dalad	Sapthavichaikul	Chairman of the Risk Management Committee
• Mrs. Chantorntree	Darakananda	Director
• Mr. Vacharaphong	Darakananda	Director
• Mrs. Srinual	Sombatpraiwan	Director and Secretary

## Investment Committee

• Miss Sriwarin	Jirapakkana
• Miss Dalad	Sapthavichaikul
• Mr. Chutindhon	Darakananda
• Mr. Thitivat	Suebsaeng
• Mr. Aksornprasit	Darakananda
• Mrs. Pinijporn Darakananda Kasemsap	
• Mrs. Chantorntree	Darakananda
• Mr. Bovornrat	Darakananda
• Mr. Vacharaphong	Darakananda

## Executives

• Miss Dalad	Sapthavichaikul	President
• Mrs. Chantorntree	Darakananda	Executive Vice President
• Mr. Preecha	Shunhavanich	Vice President
• Mrs. Srinual	Sombatpraiwan	Account and Finance Department Manager

# DIRECT INVESTMENT OF SAHA-UNION IN GROUP COMPANIES AS AT 31 DECEMBER 2015

Group of Business	Company's Name	Registered Capital (Baht)	Paid-up Capital (Baht)	Paid-up per share (Baht)	Investment %	Investment per share (Baht)	
	Saha-Union Public Company Limited	3,000,000,000	3,000,000,000	10.00			
Textile Business	Zhejiang Saha-Union Feilun Thread Industries Co.,Ltd.	USD 30,300,000	USD 30,300,000		39.590	37.71	
	Union Textile Industries Public Company Limited	600,000,000	600,000,000	10.00	49.882	10.73	
	Union Garment Co., Ltd.	50,000,000	50,000,000	100.00	99.987	140.71	
	Union Universe Co., Ltd.	7,500,000	7,500,000	100.00	49.865	100.31	
	Union Micronclean Co., Ltd.	5,000,000	5,000,000	10.00	25.001	10.00	
	Union Spinning Mills Co., Ltd.	200,000,000	200,000,000	100.00	25.000	93.13	
Plastic, Rubber and Metal Business	Union Pioneer Public Company Limited	75,000,000	75,000,000	10.00	48.958	14.46	
	Union Plastic Public Company Limited	250,000,000	250,000,000	10.00	49.521	19.02	
	Union Zojirushi Co., Ltd.	600,000,000	600,000,000	100.00	51.000	100.22	
	Union Stainless Steel Products Co., Ltd.	40,000,000	40,000,000	100.00	98.000	133.70	
	Union Rubber Products Corp., Ltd.	20,000,000	20,000,000	100.00	99.998	80.56	
	Thai Rubber Enterprise Co., Ltd.	32,000,000	32,000,000	100.00	50.693	105.90	
	Union Nifco Co., Ltd.	100,000,000	100,000,000	100.00	30.002	105.18	
	Union Thai-Nichiban Co., Ltd.	15,000,000	15,000,000	100.00	40.285	319.68	
Trading Business	Computer Union Co., Ltd.	100,000,000	100,000,000	100.00	97.569	104.02	
Energy Business	Jiashan - Union Cogeneration Co.,Ltd.	USD 10,640,000	USD 10,640,000		56.928	41.45	
	Shangyu Hangzhou - Union Cogeneration Co.,Ltd.	RMB 200,000,000	RMB 200,000,000		25.000	5.15	
	Yunnan Energy Luliang-Union Cogeneration Co., Ltd.	USD 24,658,660	USD 24,658,660		40.000	42.30	
Hotel Business	The Royal Hotel Co., Ltd.	3,000,000,000	3,000,000,000	10.00	96.000	10.00	
Hospital Business	Sukhumvit 62 Medical Ltd.	847,250,000	428,625,000	100 , 50	47.212	50.13	
Investment Business and Others	Saha-Union International Ltd.	HKD 330,000,000	HKD 330,000,000	100.00	99.985	4.76	
	Saha-Union Investment (China) Co., Ltd.	USD 45,000,000	USD 45,000,000		100.000	34.95	
	Jiashan-Union Development Co., Ltd.	USD 41,000,000	USD 41,000,000		39.000	33.69	
	Taixing Union Zond Chemicals Co.,Ltd.	USD 29,000,000	USD 27,930,000		23.845	32.88	
	Jiangsu Zhonglian-Union Carpet Co.,Ltd.	RMB 79,394,073.79	RMB 79,394,073.79		25.000	5.70	
	Zhejiang-Union Property Co.,Ltd.	RMB 100,000,000	RMB 100,000,000		35.000	4.85	
	Saha-Union International Taipei Ltd.	TWD 5,000,000	TWD 5,000,000	25.00	10.000	0.77	
	Saha-Union Holding Co., Ltd.	1,200,000,000	1,200,000,000	100.00	99.540	100.00	
	Venus Shoes Co., Ltd.	72,000,000	72,000,000	100.00	76.000	80.42	
	Union Printing Co., Ltd.	30,000,000	30,000,000	10.00	94.735	10.37	
	Union Equity Co., Ltd.	160,000,000	160,000,000	10.00	99.794	10.01	
	Union Technology Co., Ltd.	100,000,000	100,000,000	10.00	99.999	10.00	
	Union Energy Co., Ltd.	3,200,000	3,200,000	10.00	99.258	10.00	
	Union Energy (China) Co., Ltd.	15,400,000	15,400,000	100.00	99.997	100.00	
	Texport International Corp. Ltd.	12,500,000	12,500,000	100.00	85.200	116.04	
	Union Human Resources Development Co., Ltd.	1,000,000	250,000	2.50	99.998	2.50	
	Union Shoes Co., Ltd.	24,000,000	24,000,000	24.00	61.910	35.68	
	Union Construction Corp., Ltd.	200,000,000	200,000,000	100.00	2.373	111.25	
	Saha-Union Property Co., Ltd.	500,000,000	125,000,000	25.00	99.999	25.00	
	Saha-Union Wealth Plus Co., Ltd.	500,000,000	125,000,000	25.00	99.999	25.00	
	Union Nakhon Co., Ltd.	350,000,000	210,000,000	60.00	75.000	60.00	
	Uni-Fibre Co., Ltd.	120,000,000	120,000,000	100.00	25.667	100.00	
	Uni-Agro Co., Ltd.	65,000,000	65,000,000	100.00	30.000	104.95	
	Union Thread Industries Co., Ltd.	200,000,000	200,000,000	10.00	24.898	10.41	
	Union Industries Corp., Ltd.	150,000,000	150,000,000	100.00	24.900	116.01	

	SU Investment at cost (Baht)	Book Value per share (Baht)	Market Value per share (Baht)	Investment Market Value (Baht)	Registration Date	Nature of Business
		45.61	37.25		10 Aug. 1972	Investment, distribution of raw materials and products manufactured by group companies
	452,337,284.26	24.71	24.71	296,415,476.70	20 Jun. 2003	Contract manufacture and distribution of textile products
	321,180,863.41	10.59	13.40	401,051,280.00	21 Mar. 1977	Manufacture and distribution of textiles
	70,344,917.52	167.06	167.06	83,519,308.16	26 Apr. 1974	Manufacture and distribution of garments
	3,751,380.06	1,007.11	1,007.11	37,664,906.89	7 Mar. 1968	Distributor of Grand Slam shirts
	1,250,405.30	86.49	86.49	10,811,855.43	24 Jan. 1996	Manufacture and distribution of anti-electrostatic and dust clothing
	46,563,324.78	135.06	135.06	67,530,000.00	4 Jun. 1971	Manufacture and distribution of thread
	53,084,046.25	50.65	53.50	196,442,370.00	8 Oct. 1973	Manufacture and distribution of elastic products
	235,432,531.30	21.75	25.00	309,503,250.00	3 Jan. 1969	Contract manufacture of plastic products, manufacture and repair of molds
	306,658,338.14	202.58	202.58	619,893,989.68	18 Aug. 1986	Manufacture and distribution of stainless steel vacuum bottles
	52,411,447.56	246.20	246.20	96,509,907.60	16 Dec. 1988	Manufacture and distribution of stainless steel kitchenware
	16,110,954.50	31.45	31.45	6,289,842.75	24 Mar. 1971	Manufacture and distribution of rubber products
	17,179,605.10	125.81	125.81	20,408,646.58	9 Jul. 1970	Rubber estates
	31,556,005.62	447.46	447.46	134,248,739.04	3 Nov. 1988	Manufacture and distribution of plastic parts and molds
	19,317,762.42	3,156.47	3,156.47	190,739,169.16	21 Jun. 1973	Manufacture of adhesive paper, corrugated adhesive paper, clear tape and OPP tape
	101,487,313.95	242.01	242.01	236,126,252.88	18 Nov. 1982	Computer dealer
	251,073,479.62	64.90	64.90	393,109,684.00	15 Aug. 1994	Power generation
	257,480,749.43	9.82	9.82	491,000,000.00	19 Nov. 2002	Power generation
	417,270,553.54	25.67	25.67	253,195,120.88	6 Jul. 1994	Power generation
	2,880,000,000.00	10.01	10.01	2,882,880,000.00	2 May 2014	Hotel
	200,500,000.00	50.47	50.47	201,880,000.00	6 Mar. 2014	Hospital
	1,571,303,051.88	4.92	4.92	1,623,354,000.00	18 Aug. 1972	Investment
	1,572,809,060.01	50.42	50.42	2,268,900,000.00	19 Jan. 1995	Investment
	538,703,100.00	40.46	40.46	646,955,400.00	22 Sep. 2009	Real estate
	218,957,706.00	33.30	33.30	221,778,000.00	29 Aug. 2007	Manufacture of Phthalic anhydride & Fumaric acid and associated products
	249,239,518.07	17.73	17.73	351,914,224.14	21 May 2007	Manufacture of automobile carpet
	169,702,065.33	4.99	4.99	174,650,000.00	11 Dec. 2012	Real estate
	385,917.66	1.68	1.68	840,000.00	8 Nov. 1984	Investment
	1,194,478,806.88	56.94	56.94	680,136,570.36	14 Nov. 1989	Investment
	44,006,626.43	58.69	58.69	32,115,344.07	29 Sep. 1988	Dormitory rental and services
	29,465,812.50	6.30	6.30	17,904,915.00	10 Jul. 1970	Rental services
	159,770,484.00	18.23	18.23	291,079,157.43	31 May 1989	Investment
	100,000,016.36	13.55	13.55	135,499,959.35	22 Jun. 1992	Investment
	3,176,270.00	41.64	41.64	13,225,988.28	2 Feb. 1994	Investment
	15,399,500.00	264.06	264.06	40,663,919.70	9 Aug. 1996	Investment
	12,357,879.00	227.62	227.62	24,241,530.00	14 Apr. 1978	Investment
	250,021.30	8.21	8.21	820,983.58	26 Sep. 2004	Train and development skills
	22,087,110.54	39.98	39.98	24,751,618.00	5 Aug. 1986	Rental services
	5,281,100.00	86.42	86.42	4,102,270.98	7 Sep. 1973	Rental services
	124,999,875.00	25.38	25.38	126,899,873.10	22 Apr. 2013	Investment
	124,999,875.00	25.77	25.77	128,849,871.15	16 May 2013	Investment
	157,499,880.00	58.67	58.67	154,008,632.66	22 Aug. 2013	Real estate
	30,800,193.16	817.40	817.40	251,760,017.40	5 Nov. 1980	Investment / Agency and Service business / Distribution of textile products and other materials
	20,464,690.80	101.63	101.63	19,817,850.00	22 Aug. 1972	Investment and agriculture
	51,861,469.06	143.95	143.95	716,811,980.50	2 Nov. 1973	Investment
	43,328,196.18	1,146.61	1,146.61	428,258,835.00	23 May 1961	Investment and real estate rental
Group Companies	12,196,319,187.92			15,308,560,740.45		
Other Companies	1,600,383,163.40			1,544,794,381.70		
Total	13,796,702,351.32			16,853,355,122.15		



# BUSINESS RESULTS AND FIVE YEARS FINANCIAL STATUS

(Unit : Million Baht)

	2015	2014	2013	2012	2011
<b>Revenues</b>		(Restated)			
Sales and service income	1,273.7	1,283.7	1,137.1	1,075.1	1,824.2
Export sales	520.9	536.4	488.1	470.4	457.2
Local sales	752.8	747.3	649.0	604.7	1,367.0
Dividend income	792.0	1,309.3	735.5	790.8	800.1
Other income	71.7	167.9	1,192.4	366.8	285.9
<b>Total revenues</b>	<b>2,137.4</b>	<b>2,760.9</b>	<b>3,065.0</b>	<b>2,232.7</b>	<b>2,910.2</b>
<b>Expenses</b>					
Cost of sales and services	1,250.6	1,265.5	1,117.3	1,061.8	1,803.6
Selling expenses	10.4	9.9	9.3	10.1	9.3
Administrative expenses	95.7	121.4	211.4	223.9	237.8
Other expenses	210.9	140.1	176.1	(96.4)	68.6
Interest expenses	1.4	5.5	11.8	6.3	10.9
<b>Total expenses</b>	<b>1,569.0</b>	<b>1,542.4</b>	<b>1,525.9</b>	<b>1,205.7</b>	<b>2,130.2</b>
Profit before income tax expenses	568.4	1,218.5	1,539.1	1,027.0	780.0
(Less) Income tax expenses	5.8	(12.7)	(89.3)	(9.0)	(19.7)
<b>Profit for equity holders of the Company</b>	<b>574.2</b>	<b>1,205.8</b>	<b>1,449.8</b>	<b>1,018.0</b>	<b>760.3</b>
Earnings per share (Baht)	1.91	4.02	4.83	3.39	2.53
Dividend per share (Baht)	1.50	1.75	2.00	1.50	1.50
Dividend per net profit (%)	78.37%	43.54%	41.39%	44.20%	59.18%

(Unit : Million Baht)

	2015	2014	2013	2012	2011
<b>Assets</b>		(Restated)			
Short-term loans to related parties	363.0	211.7	303.3	306.9	249.8
Other Current assets	543.5	889.7	3,503.4	1,358.9	983.4
Investments in associates held for sale	-	-	-	1,325.6	-
Investments in subsidiaries, associates and other companies	12,568.6	12,441.5	9,810.9	9,304.5	10,183.3
Investment properties	1,161.6	1,168.8	576.6	696.5	650.7
Property, plant and equipment	63.2	49.8	55.2	71.7	81.2
Other non-current assets	5.4	5.8	12.5	124.0	34.7
<b>Total assets</b>	<b>14,705.3</b>	<b>14,767.3</b>	<b>14,261.9</b>	<b>13,188.1</b>	<b>12,183.1</b>
<b>Liabilities and shareholders' equity</b>					
Deposits from related parties	865.8	836.0	900.3	747.2	497.4
Other current liabilities	82.3	84.5	160.8	94.8	150.1
Other non-current liabilities	72.8	103.2	92.1	121.7	17.9
<b>Shareholders' equity</b>					
Issued and fully paid-up capital	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Share premium	2,599.0	2,599.0	2,599.0	2,599.0	2,599.0
Retained earnings	7,861.3	7,815.6	7,209.8	6,210.0	5,554.3
Other components of shareholders' equity	224.1	329.0	299.9	415.4	364.4
Total shareholders' equity	13,684.4	13,743.6	13,108.7	12,224.4	11,517.7
<b>Total liabilities and shareholders' equity</b>	<b>14,705.3</b>	<b>14,767.3</b>	<b>14,261.9</b>	<b>13,188.1</b>	<b>12,183.1</b>
Book Value (Baht)	45.61	45.81	43.70	40.75	38.39

Segment	Consolidated financial statements																	
	Export				Local				Total									
	2015	%	2014	%	2013	%	2015	%	2014	%	2013	%						
Textile Business	788.9	7.00	912.0	8.42	1,032.0	9.52	529.1	4.69	610.8	5.64	649.0	5.99	1,318.0	11.69	1,522.8	14.07	1,681.0	15.51
Plastic, Rubber and Metal Business	4,219.2	37.42	3,696.2	34.14	3,155.2	29.12	2,030.6	18.01	1,917.7	17.71	2,002.2	18.48	6,249.8	55.42	5,613.9	51.86	5,157.4	47.60
Trading Business	2.5	0.02	33.4	0.31	-	-	2,370.7	21.02	2,602.9	24.04	2,921.7	26.96	2,373.2	21.05	2,636.3	24.35	2,921.7	26.96
Energy Business	716.8	6.36	648.2	5.99	533.1	4.92	-	-	-	-	-	-	716.8	6.36	648.2	5.99	533.1	4.92
Hotel Business	-	-	-	-	-	-	522.8	4.64	242.1	2.24	-	-	522.8	4.64	242.1	2.24	-	-
Investment Business and Others	16.1	0.14	2.8	0.03	5.2	0.05	29.7	0.26	25.2	0.23	21.2	0.20	45.8	0.41	28.0	0.26	26.4	0.24
<b>Total</b>	5,743.5	50.93	5,292.6	48.89	4,725.5	43.61	5,482.9	48.62	5,398.7	49.87	5,594.1	51.63	11,226.4	99.56	10,691.3	98.76	10,319.6	95.24
(Less) Related transaction	-	-	-	-	-	-	(1,108.8)	(9.83)	(1,005.5)	(9.29)	(901.5)	(8.32)	(1,108.8)	(9.83)	(1,005.5)	(9.29)	(901.5)	(8.32)
Sales and service income - net	5,743.5	50.93	5,292.6	48.89	4,725.5	43.61	4,374.1	38.79	4,393.2	40.58	4,692.6	43.31	10,117.6	89.73	9,685.8	89.47	9,418.1	86.92
Dividend Income													264.1	2.34	230.2	2.13	239.5	2.21
Rental Income													58.8	0.52	42.9	0.40	162.8	1.50
Interest income													25.0	0.22	54.2	0.50	134.7	1.24
Other income													810.7	7.19	812.8	7.51	880.3	8.13
<b>Total revenues</b>													11,276.2	100.00	10,825.9	100.00	10,835.4	100.00

The details are set out in Note 30 to the financial statements Segment information.

# INVESTMENT STRUCTURE OF THE COMPANY AND ITS SUBSIDIARIES

Group of Business	Company's Name	% Investment Equity Method	Group of Business	Company's Name	% Investment Equity Method
Textile Business	Zhejiang Saha-Union Feilun Thread Industries Co.,Ltd.	57.57	Investment Business and others	Saha-Union International Ltd.	99.98
	Union Textile Industries Public Company Limited	51.42		Saha-Union Investment (China) Co., Ltd.	100.00
	Union Garment Co., Ltd.	99.99		Union Energy (Hong Kong) Co., Ltd.	99.98
	Union Universe Co., Ltd.	49.87		Shanghai Dacity Co.,Ltd.	100.00
	Union Micronclean Co., Ltd.	51.00		Jiashan-Union Development Co., Ltd.	49.00
	Union Spinning Mills Co., Ltd.	51.99		Taixing Union Zond Chemicals Co., Ltd.	29.65
	Union Zip Co., Ltd.	24.85		Jiangsu Zhonglian-Union Carpet Co., Ltd.	35.00
	Venus Thread Co., Ltd.	24.90		Wuhan Taicang Car Internal Decoration Pastes Co., Ltd.	35.00
Plastic, Rubber and Metal Business	Union Pioneer Public Company Limited	52.73		Zhonglian-Union Carpet (Foshan) Co., Ltd.	21.00
	Union Plastic Public Company Limited	49.69		Zhejiang-Union Property Co., Ltd.	35.00
	Union Zojirushi Co., Ltd.	51.00		Saha-Union International Taipei Ltd.	42.30
	Union Stainless Steel Products Co., Ltd.	98.00		Saha-Union Holding Co., Ltd.	99.54
	Union Rubber Products Corp., Ltd.	99.99		Venus Shoes Co., Ltd.	99.99
	Thai Rubber Enterprise Co., Ltd.	50.69		Union Printing Co., Ltd.	94.74
	Union Nifco Co., Ltd.	50.00		Union Equity Co., Ltd.	99.79
	Union Thai-Nichiban Co., Ltd.	40.29		Union Technology Co., Ltd.	99.99
Trading Business	Computer Union Co., Ltd.	97.57		Union Energy Co., Ltd.	99.40
	Computer Union System Co., Ltd.	97.56		Union Energy (China) Co., Ltd.	99.99
	Soldev Co., Ltd.	40.00		Texport International Corp. Ltd.	85.20
Energy Business	Jiashan-Union Cogeneration Co., Ltd.	75.96		Union Human Resources Development Co., Ltd.	99.99
	Shangyu Hangzhou-Union Cogeneration Co., Ltd.	50.00		Union Shoes Co., Ltd.	98.23
	Yunnan Energy Luliang-Union Cogeneration Co., Ltd.	50.00		Union Construction Corp., Ltd.	99.88
Hotel Business	The Royal Hotel Co., Ltd.	96.22		Saha-Union Property Co., Ltd.	99.99
				Saha-Union Wealth Plus Co., Ltd.	99.99
Hospital Business				Union Nakhon Co., Ltd.	77.49
				Uni-Fibre Co., Ltd.	62.35
				Uni-Agro Co., Ltd.	44.94
				Union Thread Industries Co., Ltd.	35.99
				Union Industries Corp., Ltd.	29.46
				Union Business Management Co., Ltd.	41.93
				Venus Product Co., Ltd.	24.86
				Union Distributor Co., Ltd.	24.73
				Union Management and Service Co., Ltd.	24.86
				Union Asset Management Co., Ltd.	24.90
				Tencate-Union Protective Fabrics Asia Ltd.	49.35

# TEXTILE BUSINESS

## Type of Products or Services

There are 4 categories in manufacturing and selling textile products.

1. Sewing accessories such as zippers, thread and buttons.
2. Woven fabric. The process of manufacturing starting from spinning and weaving such as 100% cotton, polyester cotton and/or other synthetic fiber with special characteristics for making workwear and fabric used in other industries.
3. Garments such as fashion clothing, workwear.
4. Clean Room Garments.

## Supply of Products for Manufacturing or Services

The production of woven fabrics starts from spinning the yarn to weaving fabric. The main raw materials used in producing the yarn are cotton which is 100% imported from overseas and synthetic fiber which mainly was purchased from local suppliers and some from abroad. For garments and Clean room garment production, the main important materials used for this production are fabric and sewing accessories. Fabric used in this category came from both importing from other countries and purchasing from the local suppliers depending on customers' desires. Most of the sewing accessories came from local suppliers.

## Performance in 2015

The overall performance of textile business in 2015 was better than 2014.

**Woven fabric** was affected by the weak economic situation among EU partner countries, which were major markets in for exports. With customers' purchase power reducing and more intense price competition from advantageous competitors, it was difficult to raise the prices. Incomes from sales and services decreased from 2014. However, the overall performance still improved as result of more effective cost and expense management.

**Garment**, which includes fashionwear and workwear, suffered a decline in sales compared to 2014, but the sales increased mainly caused by the new products developed by collaboration with customers. The Company gained new customers. Exchange rates were also beneficial to the Company, rendering the performance far better than the previous year.

**Clean Room Garment** sales the goods directly and via local and overseas distributors. The overall performance is superior to 2014.







## Trends of the Industry and Competition

In 2016, the industry is expected to remain freezing due to the on-going economic slowdown, especially among the EU partner countries. The business is likely to be harsh for another year. There is also a lack of labor force in Thailand, especially for the garment industry where skilled workers are needed to manufacture high-quality products. Price competition tends to be more intense. Thailand's competitors such as China, Pakistan, India, Vietnam, and Indonesia benefit from lower labor wage. Some countries own cotton plantations to supply their own manufacturing. Moreover, Thailand is at a

disadvantage as 4 competitors including Pakistan, India, Vietnam, and Indonesia are exempt from EU tariffs. To maintain competitive, the Company tries to keep old customers and promote higher sales to this group of customers. The Company re-structure the sales department in order to reach more customers, aiming those who demand high-quality products. The Company also focuses on improving its products and services by constantly adding values to them, fully satisfying customers in terms of quality, quantity, and punctuality. Proper cost control and asset management can also benefit the business.



# PLASTIC, RUBBER AND METAL BUSINESSES

## Type of Products or Services

The production and sales in the Group Companies of plastic, rubber and metal businesses are divided into 4 categories:

1. Plastic products. The Companies under this group produced plastic parts using plastic injection molding process. The main products are parts used in motorcycle and automobile, electronic appliances, household items. The Company also designs and manufactures plastic injection molds, offering spray-painting and silk-screen painting services.
2. Rubber and rubber products. The Group has a complete range of operations on its rubber industry ranging from rubber plantation to manufacturing rubber products. The rubber latex is used for production of rubber blocks and smoked sheets. The rubber blocks are used for making elastic threads, elastic bands, elastic webbings and elastic braids, all under the trademark of "Venus," particularly used in various industries such as diapers, garments, textiles, medical equipment, exercise equipment, and physical therapy equipment.
3. Adhesive Tape products. The rubber blocks and smoked sheets are materials in manufacturing high quality rubber-based glue for adhesive tapes such as paper tape, transparent tape, masking tape and printing tape used for packaging industry and office supplies.
4. Stainless steel products. Stainless steel products include vacuum bottles and food containers, stainless steel tubes and household products.

## Supply of Products for Manufacturing or Services

The Group Companies of plastic, rubber and metal businesses have its facilities located in Minburi District, Bangkok, and Bangpakong District, Chachoengsao Province. As for the sourcing raw materials for productions, they vary according to the types of industries.

**Plastic products.** Plastic-pallets are the raw materials required for the manufacturing, sourced from both local and overseas suppliers.

**Rubber and rubber products.** The main raw material is natural rubber which is supplied from the rubber plantations and the Company's subsidiary's rubber factory, as well as from other suppliers.

**Adhesive tape business.** Rubber-based adhesive for coating the tape is mainly composed of natural rubber and chemical substances. The tape consists of Cellophane and OPP (Oriented Polypropylene), kraft paper, and crepe paper, all of which are sourced from both local and overseas suppliers.

**Stainless steel business.** The main raw material is stainless steel sheets supplied by both local and overseas suppliers.

## Performance in 2015

In 2015, the overall performance of Plastic, Rubber and Metal Businesses is regarded as good, in spite of some businesses being affected by the economic slowdown.

Industrial plastic part manufacturing experienced a decline due to the recession in the automobile industry as a result of the customers' decreasing purchase power and relatively severe competition in the market.

Rubber block, white crepe rubber, and smoked rubber sheet manufacturing, which relies on fresh rubber supplied by the Group Companies and purchased from







## PLASTIC, RUBBER AND METAL

outsources, suffered losses due to the fluctuation in rubber prices, thus making it difficult to gain control over the cost. As a result, the Company deemed necessary to initiate a production downsize policy, controlling the cost and manufacturing special-grade products only for supplying the Group Companies.

Elastic products made of natural rubber are mainly used in the manufacturing of other products also suffered a sales drop overall. However, the sales of rubber medical equipment are growing steadily.

Stainless steel vacuum bottle production in 2015 was a success, showing both improvements in production and performance. There were constant improvements in product quality, the efficiency of production, as well as capacity expansion. The Company invested for a capacity expansion of the facility in Bangpakong District in response to the growing demands for vacuum bottles last year, expected to become operational in 2016.

Stainless tube manufacturing for household items and other continuous products was emphasized on improvements of design and functionality. The Company tried to differentiate its products from the competitors, adding values of products in order to increase the sales.

### Trends of the Industry and Competition

In 2016, the global economic slowdown would be resulting in lower purchase power and consumption. The slow recovery of exports is likely to intensify the competition in this business sector. The Group Companies need to be constantly adaptive, properly controlling the cost and adjusting the production for better efficiency while maintaining the quality of products, expanding the sales channels to attract more customers, and improving the product values in order to raise the competitiveness.



# TRADING BUSINESS

## Characteristics of Business

Computer Union Co., Ltd., has been in computer and Information Technology (IT) business since 1982. A wide variety of computer and IT products and services is currently provided for all types of business, ranging from Small Office Home Office (SOHO) to large enterprises, both in Bangkok and its environs, across the regions of Thailand. In 2012, the trading business was expanded to the Lao People's Democratic Republic. In 2015, the Company was authorized by IBM (Thailand) as a distributor for hardware and software products in Myanmar.

## Type of products or services

The Company is an authorized dealer and distributor of products and also services provider as follows:

- Authorized dealer for server and storage products of IBM (Thailand) such as IBM Power Systems (AIX and i05), IBM PureFlex, all products in Integrated Solution and Storage line from low to high end, as well as server-related Switch/Network equipment;
- Authorized dealer for IBM (Thailand) software products, including every group of products such as:

- **System Software**

Including operating systems like Mainframe Power (AIX) and Power (i), information management and backup services like Tivoli, and application server like WebSphere;

- **Big Data**

Including data-analysis and database software like DB2, Cognos, SPSS;

- **Cloud:** Cloud management software

- **Mobile:** Mobile device software

- **Security:** IT security management software

- Authorized dealer in products of IBM (Thailand) Global Technology Services (GTS), including Maintenance Agreement (MA), system installation, GTS Implementation Services and Cloud Services;
- Authorized dealer in Lenovo (Thailand) for Intel Server and Flex Systems, including OEM Storage Products
- Authorized dealer in Acronis products (Backup Software from USA)
- Authorized dealer distributor in Thailand for Comm Vault (highly acclaimed Backup Software from USA)
- Authorized dealer in Hewlett Packard (HP)
- Authorized dealer in T-maxSoft products, a leading brand from Korea offering various database and system software tools
- Authorized dealer and service center for Pure Storage Inc.'s advanced storage products
- Authorized dealer in Ronsyys products - Reader/Encoder and PIN pad
- Authorized dealer in NCR products (ATMs, ATM Security, Banking Software, mobile Banking, Branch Transformation as well as Payment and Imaging)
- Authorized dealer in products of Lexmark International Co., Ltd., including printer, toner and software solution under Lexmark brand





- Master dealer in products of Samsung (Thailand) Co., Ltd. for CCTV and others under Samsung brand
- Gold Server Platform and Gold Datacenter of Microsoft Corporation
- Select Certified Partner and Advance Unified Computing Technology Specialization of Cisco System (Thailand) Co., Ltd.
- Authorized Reseller of Apple South Asia (Thailand) Co., Ltd.
- Authorized Service Provider of Lenovo, HP, Epson, Samsung and Lexmark
- Authorized dealer in Lenovo products (PC, ThinkPad, Server) including hardware products (HP, Ronsyncs, Epson, Samsung, Canon, Fujitsu, Dell, Acer, etc.
- Repair and maintenance services provider for hardware, software and Network System including equipments as well as design work and system development.

- Distributing and offering installation service for closed-circuit television cameras (CCTV) and other security systems.
- Design, application software development for Mobile Application like IOS and Android as well as installation and consulting service.
- Media data recovery service (Hard Disk, Flash Drive, Memory cards) by Clean room class 100 since 2004, including all operating systems (DOS, Windows, Linux, Unix, Novell, Macintosh), which treated customer information as strictly confidential.

### Supply of Products for Manufacturing or Services

The Company has engaged in trading and service business as an authorized dealer of IBM Thailand Co., Ltd. However, some products are necessarily ordered from overseas IBM. The Company is a dealer of related products for other brands as well.

## Performance in 2015

The performance was good, despite lower sales than expected earlier that year due to slowdown of investment from the government sector as a result of global economy. Besides, the investments from the government sector during the first three quarters were unexpectedly lower. Nevertheless, there was more spending from the government sector in the 4<sup>th</sup> quarter as a result of the economic stimulus policy and stronger private sector. Therefore, the performance showed considerable improvement.

## Trends of the Industry and Competition

The industry is likely to grow due to Information Technology (IT) expansion in the public and private sectors. However, the competition is strong, particularly in terms of prices, as new entrepreneurs are marching into the business, as long as arrivals of new technology such as Cloud service.

But with strict financial disciplines, the Company is highly financially stable, thus maintaining its great competitiveness. In addition, reliable quality and services, as well as constant personnel knowledge development, the Company has been able to meet customers' needs and gained their trust for over 30 years.





# HOTEL BUSINESS

## Type of Products or Services

Hilton Hua Hin Resort and Spa, located at 33 Naret Damri Road, Hua Hin Sub-District, Hua Hin District, Prachuap Khiri Khan Province, is a five-star hotel on the shores of the beach at the center of Hua Hin Town. The Hotel is 17-story high, offering 296 rooms of different types. Each room has the spectacular view of the Gulf of Thailand. The Hotel provides conference and banquet rooms capable of seating approximately 500 guests. There are a total of 9 bars, bistros and restaurants, as well as a spa, a fitness center, tennis courts, squash courts, a swimming pool, as well as other facilities.

## Supply of Products or Services

A subsidiary, the Royal Hotel Co., Ltd. (RH), acquired the assets and business of Hilton Hua Hin Resort & Spa for Baht 3.2 billion. The Company holds 96 percent of shares to engage in a hotel business and other related businesses.

## Performance in 2015

In 2015, the average occupancy rate was at approximately 80 percent. The returns were not very high in short term due to the needs for renovations and redecorations.

## Trends of the Industry and Competition

The competition in hotel business became more intense due to the price competition among newcomers in the hotel business. The Company is planning to differentiate itself by offering high-quality service in order to satisfy customers who seek luxury. Hilton Hua Hin Resort & Spa has its strengths in its 17-story height and its location on the beach right at the center of the town. Every room offers the ocean view. In addition, Hua Hin is a premier tourist attraction, widely popular among both local and foreign travelers, not very far from Bangkok. Tourists can conveniently visit Hua Hin either by car or plane.



# HOTEL

# ENERGY BUSINESS IN THE PEOPLE'S REPUBLIC OF CHINA

## Type of Products or Services

At present, the Company has 3 joint venture companies in energy business with the State-Owned Enterprises in the People's Republic of China. Two Cogeneration Plants are in Zhejiang Province; Jiashan-Union Cogeneration Co., Ltd. and Shangyu Hangzhou-Union Cogeneration Co., Ltd. and one in Yunnan Province named Yunnan Energy Luliang-Union Cogeneration Co., Ltd., a cogeneration plant which generates and sells electricity and steam, with steam being its main product.

## Supply of Products for Manufacturing or Services

The cogeneration plants in Zhejiang Province, the People's Republic of China uses coal as main fuel which mostly came from coal mines of the Northwestern part of the country.



## Performance in 2015

The two plants in Zhejiang showed relatively good performance overall, despite the decline in electricity and steam demands due to China's economic slowdown. Owing to the decreasing price of coal, the plants managed to gain control over the cost.

As for Yunnan Energy Luliang-Union Power Co., Ltd. in Yunnan Province, despite being converted into a cogeneration plant, its performance was not as expected and still suffered loss.







# ENERGY BUSINESS IN THE PEOPLE'S REPUBLIC OF CHINA

## Trend of the Industry and Competition

Cogeneration power plant business is regarded as the nation's utility. Its production and sales volumes depend on the country's economic growth. The performance in 2016 can be affected by several negative factors such as China's economic slowdown, the Government trying to control the overcapacity in order to increase the efficiency while decreasing the power consumption, as well as the strict policy to control and reduce pollution aiming to regulate the pollution emission index by 2017. Power plants will be required to invest more on depollution systems, leading to higher cost of operation.

Regarding the business competition, all electricity generated will be sold to the local electricity authority for the fixed price. Steam is mostly sold to factories within the industrial estate for agreed prices, which can vary based on the changing price of coal. The steam delivery is done by piping through underground internal network systems which are designed and approved by the industrial estate itself. As a result, by default, this reduces the problem of competing with overlap steam pipelines from other power plants.



# OTHER BUSINESSES IN THE PEOPLE'S REPUBLIC OF CHINA

## Real Estate Business

### Type of Products or Services

The Company has invested in 2 real estate projects in the People's Republic of China.

Riverview Garden Project in Jiashan, Zhejiang Province, operated by Jiashan-Union Development Co., Ltd. It is a construction project of 4-story buildings and residential condominiums situated on a property of 139 MU in total or approximately 58 rai. The total construction area is approximately 330,000 square meters.

Project at Shaoxing, Zhejiang Province, operated by Zhejiang-Union Property Co., Ltd. This is a residential and commercial construction project, situated on the total property of 11.5 MU or 7,669 square meters. The total construction area is approximately 30,000 square meters.

### Supply of Products or Services

The Company entered bid for a property license from the local government for residential and commercial development projects in Jiashan and Shaoxing.

### Performance in 2015

The real estate projects in Jiashan, Zhejiang Province during phase 3 was affected by China's economic slowdown, causing a pause on sales. The Company is currently under a process of construction inspection by the authority before advancing to the customer's ownership transfer. In November 2015, the joint venture, Jiashan-Union Development Co., Ltd. (JD), which engages in a real estate business in Jiashan, Zhejiang Province, China, agreed to submit the finalization of phase 3 of the project and restructure the JD shares by decreasing capital. The Company and its subsidiary (Thai party) who had an investment of RMB 137.2 million would hold all the decreased capital in JD, and was







## OTHER BUSINESSES IN THE PEOPLE'S REPUBLIC OF CHINA

expected to receive a total return of RMB 220 million on a condition that the submission was approved by the government. Once the Thai party has received all the returns, the Chinese shareholders will continue to operate JD business in China. The process is expected to reach its completion mid 2016.

The real estate project in Shaoxing, Zhejiang Province has been complete and is now under the authority inspection process before advancing to customer's ownership transfer.

### Trends of the Industry and Competition

Real estate business growth relies on China's economic growth. With the current slowdown of Chinese economy, the sales of residential and commercial buildings have been greatly slowed. Moreover, there has been more and more real estate projects taking place in Jiashan, Zhejiang Province which has led to tougher competition. Sales and price setting have become difficult decisions.



# OTHER BUSINESSES IN THE PEOPLE'S REPUBLIC OF CHINA

## Chemical Industry Business

### Type of Products or Services

The Company has invested in chemical industry business in the People's Republic of China, operated by Taxing-Union Zond Chemical Co., Ltd. (Taixing-Union), located in Taixing, Jiangsu Province. The plant mainly manufactures Phthalic Anhydride (PA) which is a chemical for the production of Phthalate Plasticizers, Thermoplastic Resins-Polyvinyl Chloride (PVC), etc. Minor product is Fumaric Acid, which is used as food additives and also as a precursor for Polyester Resin production.



### Supply of Products for Manufacturing or Services

Ortho-Xylene is a petrochemical that was previously used as the main material in the production of Phthalic Anhydride. After improvements in manufacturing process regarding production techniques in a bid to be able to use variety of raw materials for production, Naphthalene is now being used as a supplement raw material in the production of Phthalic Anhydride due to its lowered price, thus reducing the production cost. The manufactured Phthalic Anhydride in the form of crystal or liquid is supplied to the producers of Plastic PVC, Polyester, Resin and other products

### Performance in 2015

There has been changes in the market recently were an excess supply took place. With a lot of capacity remained available, as well as an increase in price of materials, the Company needed to augment its machinery

so more variety of materials can be used, thus reducing cost and yielding better performance compared to the previous year.

### Trends of the Industry and Competition

Given that Phthalic Anhydride is classified as an industrial chemical, the law stipulates that its plant must be located in a chemical industrial estate and provided with strict rules and assessment of environmental impact. In the preceding production process, the Company managed to lower pollution and control pollution emission in conformity with the set forth standards. The competition is still high. The market is changing. Supply of the product exceeds demand and hence the selling prices cannot be raised. At the same time, the prices of materials are still high, due to the monopoly in petrochemical business.



# CORPORATE SOCIAL RESPONSIBILITY : CSR

The main activities of Saha-Union Public Company Limited are investments in textile, plastic, rubber, metal, trading, energy and hotel businesses, including other businesses in the People's Republic of China such as property, chemical and automobile carpets. The Company has conducted business with the sense of corporate social responsibility (CSR) for the economic benefit of all stakeholders by concerning with the social and environment for its sustainable growth.

The Company has set its ethical values, that is-integrity, quality and service. For over 40 years, these values have been transmitted by the highest ranked executives to all levels of employees, ranging from executives to workforce level. They have been all informed and adhered to the Company's values.

To meet the changing circumstances, the Board of Directors had considered the vision and mission.

## Vision

A leading reliable investments company on diverse business activities, while managing a strong business growth and producing high yields of return on investment.

## Mission

- Improve and strengthen the existing business activities.
- Extend the business of which the subsidiaries have skills or body of knowledge
- Manage the existing investments and seek new long term potential investments yielding a good return.
- Promote a new generation of skilled and competent executives showing leadership and sharing the Company's culture based on integrity, quality and service.
- Encourage staff and give them the opportunity to continuously improve their learning and skills.
- Cultivate continuously the corporate values.
- Oversee business management in a way that it is efficient, transparent and verifiable according to the international standards, with the aim of maximizing profits, increasing the value of trade and yielding a suitable return to the Company, related parties and all stakeholders, namely employees, shareholders or investors, customers, trade partners, creditors, rivals, communities, society and nation.

Incidentally, the scope of this Corporate Social Responsibility (CSR) report is focused on the Company's investment and sales of raw materials used in woven fabric, elastic band and metal businesses to the Group Companies and the export of adhesive tape products overseas. However, the sales part has no significant proportion. According to the disclosure information standards, the risk factor in business was taken into consideration as it is reflecting the way the Company operates its business and the report was done in accordance with the guidelines set by the Stock Exchange of Thailand (SET), issued by the Office of the Securities and Exchange Commission (SEC).

The following report of CSR performance was done in consideration of stakeholders namely, investors and or shareholders, employees, associates, customers, trading partners, debtors, competitors, communities, relating organizations and intellectual property owners.

The Company's operations of CSR under the organizational competencies and currently available resources (in 2015) consist of:

## 1. Fair Business Operations

The Company conducted the business with morality and fairness as following:

### 1.1 Fair Competition

The Company committed to do business fairly without taking advantage of its rivals. Therefore, no prior business information or any relating information was used to compete with business rivals or to discredit them. The Company would not disseminate any partners' confidential information. Any agreement made would be followed earnestly. For example, once the advance purchase of cotton was established, the cotton's market price dropped later, the Company yet continued to respect the agreement made earlier including making every payment on time as scheduled.

In addition, the Company consistently has conducted businesses fairly vis-à-vis its customers, without taking any advantages with honesty and good professional ethics.

### 1.2 Corporate Social Responsibility (CSR) in the Business Chain

The Company's joint ventures were equally treated and had the equal rights as shareholders. They were paid the same amount of dividend and at the same time as those of Thai party. All joint venture's benefits were not abused due to the accuracy, completeness and ethical transparency of finances and related financial information.

### 1.3 Respect for the Property of Others and Infringement of Intellectual Property

The Company made an announcement of policy against any actions by its employees involved in intellectual property violation. All executives and employees were encouraged to use products, equipment and services of which its legal copyright preserved.

## 2. Anti-Corruption Measures

### 2.1 The anti-corruption policy

The Company set the code of conduct as prescribed by the Board of Director by holds a policy of doing business based on previously-mentioned ethical values and good corporate governance-that is to work honestly without corruption. This policy was enforced not only among the business of the Company and the Company group in Thailand but also the invested Company overseas. All the accounting reports must be done with completeness and with accuracy including correct tax calculation and payments. There were not any bribes paid to any persons involved. As a result, the related authorities always received the correct information. The Company would pay taxes correctly. The government would not lose its benefit. This is the policy that the Company has followed consistently. In this way, the Company has earned trust from both the government sector and the society.

### 2.2 Work Guidelines according to the Policy

The Company has instilled high a value of morality, quality and benefits all the way from management to employees. Laws and regulations will be observed and followed strictly by raising awareness of both executives and employees. Moreover, employees will receive a Guide to Rules and Regulations for Employees, as stated in chapter 6, "The discipline and disciplinary sanctions article 6.1 (f)", article 6.2 (4) "Work with honesty" and article 6.3, "Violation Penalty Policy" and "The Termination of Employment". In order to reinforce the Company's policy in business operations, an internal control system was established to efficiently and productively monitor and track for corruption, all of which would go under an inspection procedure conducted by the internal auditing department.

Prior 2014, the Board of Directors had committed to the policy of anti-corruption in the society by donating 1 million baht to Thailand's Private Sector Collective Action Coalition against Corruption (CAC).

### 2.3 The Disclosure of Performance and Progress in Practice

In 2015, there were not any issues or substantial faults involving the prosecutions, investigation, allegations or any lawsuit regarding unfair competition operation, corruption, discrimination or unequal employment, non-compliance with laws, including getting fined or non-fine penalty in any violations caused by non-transparent or incorrect operation of previously mentioned matters.

### 3. The Respect for Human Rights

The Company promotes basic human rights of freedom, equality in expression, including rights in economic, social and cultural status to which all individuals concerned are entitled according to the highest standards possible.

#### 3.1 Respect Human Rights Principles at Work

The Company has a policy of basic human rights, for example, employee rights to express their opinions. The Company will indiscriminately listen to employees' agendas and put it into consideration to find measures to prevent or release, and or correct the effects of the matters caused by the organization's activities. As for the right of investors or shareholders, the Company will indiscriminately respect their right of both local and foreign investors. The Company will receive and response to the comments from the minor shareholders with respect. The Company has established an investor relations department to help provide information as well as the opportunity for the shareholders to propose the agenda 4 months prior to the next shareholders' meeting. Furthermore, the Company will respect the customers and partners' rights based on the mutual agreement.

#### 3.2 Policy and Guidelines at work

Since the Company's main business is both domestic and overseas investments, the policy of human rights is firmly established to observe the rights of the invested companies' employees are not violated but individually, fairly and indiscriminately respected. Also the employees' safety and occupational health measures are legally established and strictly followed.

#### 3.3 Important Measures on Labor Rights

The Company's policy offers its employees the labor rights in accordance with the relating law. The employees receive benefits based on the Company's rules and regulations, including provident funds. The representatives from the Company and the Group Company, periodically participate in the meetings to oversee possible labor problems, sort out corrective action plans to work peacefully together.

### 4. Practice on Fair Labor

The partly important stakeholders in an organization are staff or employees. The Company attaches importance to human resources matter consistently as it is an essential mechanism in driving the organization to achieve its economic targets as well as creating the impact in the society.

#### 4.1 Employment and Benefits

The Company's human resource management policy is setting up criteria for employment, benefits, salary based on job position and fringe benefits. Employees will be treated fairly and will not be exploited. Employees will receive their pay in full and on time, the Company will set up payroll twice a month. In addition to benefits offered to employees in accordance with the Company's rules and regulations, the contributions and benefits from employees' provident funds, based on the funds' regulations are included. Moreover, the employees are offered the benefits from Employee Savings and Credit Cooperatives of Saha-Union Group. The Company will allow employees holidays, sick leave and annual vacation based on years of service to the company. Moreover, the employees benefit the right of yearly physical examination according to the regulations. In 2015, the Company had 67 employees in total, 13.43% were newly employed and 17.91% were out of employment status. 100% were the rate of employee retention or those returning to work after maternity leaves. The Company offers its employees equal labor rights and benefits, regardless of gender.

#### 4.2 Occupational Health and Safety

Even though the Company is not industrial factory, but employees' occupational health and safety are taken into consideration. For example, water of good clean quality as well as drinking water is provided to promote healthy employees, including annual health examinations. Schedule routine-maintenance for workplace's air-conditioning system as well as provide a good work environment and adequate workspace. Routinely inspect the elevator system including setting up the alarm systems. A number of fire extinguishers are installed properly in each location and routinely maintained. Therefore as the investment Company, there are not cases of pollution emissions to the nearby area concerned. The employees' work environment carries high standards of occupational health and safety. However, the executives will accept (if any) complaints and take any measures necessary for improvement in accordance with the company's emphasis on employees well-being policy.

### 4.3 Diversity and Equal Opportunity

The Company employs diversified group of employees, regardless of their genders, races, religions, age, education and others. The policy of equal treatment and opportunity employment is firmly held in place. For example, employees, regardless of gender, will receive their pay equally such as basic salary rate based on job description. Moreover, the Company gives employees the opportunities to improve their learning and competences which match their job description, including promotion potential to a higher position. Employees are also offered 6 hours of training per person per year.

## 5. Responsibilities to Consumers

The Company adheres to its standards of product quality or services, of which is for not only consumers' health safety but also at reasonable price based on the agreed quality.

### 5.1 Health and Safety of Customers

The Company products which are raw materials used in woven fabric such as cotton and synthetic fiber, and stainless steel, all of which are used to manufacture garments, elastic bands and vacuum bottles, respectively. The Company selectively offers the products with high quality and safe to human body. Stainless steel used in the manufacturing of vacuum bottles are of very high quality standards with good protection and durable. Also, under the Group Company's manufacturing process, the vacuum bottles offer consumers a very safe and healthy product. The food coloring used in this product is at the safety level for consumers. Therefore the consumers can trust the Company's product quality as well as those manufactured and distributed by the Group Company. Similarly, the Company exports high quality adhesive tape products under the trademark of "Unitape, Panfix, Sello Tape, Fuji and Nichiban". In addition, the Company will not only maintain the quality of products but also take responsibility in tracking the shipment, its quality, price and agreement's time period.

### 5.2 Product Labels and Services

The Company not only offers to its customer's high quality products but also provides a communication on products and correct instructions. This is to achieve the Company's objectives of offering high quality products to its customers as much as maximizing the use of products. The Company will clearly label the product according to standards by showing its name, its brand name, its capacity, bar code data, its ingredients by identifying the Universal Product Code (if any), its qualification, its use recommendation, its warnings and manufactured date according to the international laws and standards. The information provided will be all valid information.

### 5.3 Marketing Communications and Customer Privacy

The Company's marketing communications method is product labels and user's instructions. For example, in the case of vacuum bottles of which the Company has transferred its distribution to the Group Company that manufactures the products with properly advertisement, only the pamphlet showing different models or merely the picture label of the products were provided. Therefore there was no exaggeration in product advertising and no misguiding customers in product quality. On the contrary, it's the consumers themselves who decide and accept the quality and safety of products. It is the consumers' word-of-mouth that recommends the product to others. Since the Company did not have marketing expense, the merchandise price did not have to absorb the advertising costs, therefore, the sale price is very reasonable. The Company is aware that good ethical business practices can lead to business sustainability. Up to now, the Company has never disclosed customers' confidentiality, nor exploited it to the Company or relating party's benefit without permission. In the past, the Company never got fined from violations of consumer protection laws and other relating regulations.

## 6. Environment Conservation

As the investment Company and its other businesses are of trading type, there was not any significant element that requires natural resources where living organisms might be affected by their operations. The Company and its other businesses' operations emitted neither pollution nor polluted water that might destroy the environment. The Company carefully uses energy and water efficiently based on normal standards. However, the Company has invested in the use of natural resources and environmental conservation including complying with any relating laws and regulations.

### 6.1 Sustainable Utilization Strategy of Natural Resource

The Company invested in the Cogeneration Plant in Zhejiang Province, in the People's Republic of China which uses coal as fuel. Therefore the Company did a study of how to reduce coal consumption. By using modern technology of recycling the ash, the residual waste from coal can be used as fuel as well. This method not only helps reduce the consumption of natural resources but also improves the performance since production costs are lower.

### 6.2 Prevention and Reduction of Pollution Impact

Every factory in which the Company has investments is a manufacture industrial factory. All of them have pollution prevention systems and are invested in programs that reduce environmental pollution impact. Their managements are implemented according to the standards and laws. To give an example, the elastic band factory has 2-step-wastewater treatment system. Until the wastewater was tested safe, not creating any pollution to the environment, it will be released from the factory. Other factories also follow suit to preserve the environment.

## 7. Social and Community Development

The Company is aware of stakeholders both in community and those outside the area. Consequently, for a better living, the Company has participated in the following activities;

### 7.1 Role in the Market and Job Creation

The Company and its invested company developed the community by hiring people mostly from the local area and surrounding communities in order to build a strong foundation for their lives. For example, the invested companies in Bangpakong District, Bang Chan District, and Hua Hin, most of their employees are local residents. Their communities become important labor markets, constantly creating jobs to increase their incomes. As a result, the community and society have been developed.

### 7.2 Community Involvement

In regard of Item 7.1, the above mentioned companies hold annual religious activities such as the Kathin ceremony, offering robes to Buddhist monks festival or Tod Pa Paa, Buddhist Lent Festival at neighborhood temples, and donating books for neighborhood libraries to benefit the local members.

Moreover, the companies will accept any ideas or complaints from the local residents in order to find the way to improve to the better society.

In 2015, the Company and its subsidiaries did not receive any investigations, accusations or lawsuits that could significantly affect the business operation, reputation or the Company and its subsidiaries' reliabilities over the principles of the above-mentioned operations.

## Corruption Prevention Policy

The Company has formulated a policy of anti-corruption and provided guidelines on this subject in the Corporate Governance Handbook, Code of Business Conduct and Rules and Regulations for Employees in accordance with core values of the Saha-Union, that is-integrity, quality and service. These values have been observed by the Company's directors, executives and all employees and regarded as ethical corporate culture which has been promoted and cultivated. It is their duty and responsibility to acknowledge, understand and ensure its rigorous compliance.

The organizational structure is established through a sufficient and appropriate system to prevent business conduct of the Company from any actions related to corruptions, no matter what form of bribery and corruption: seeking, accepting or paying.

The Company provides a system of internal audit to oversee and monitor its compliance with the Corporate Governance Handbook, Code of Business Conduct and rules and regulations for Employees by requiring regular audits. Then, the audit reports will be submitted to the Audit Committee and/or the Board of Directors who decide to integrate audits relevant to corruptions into internal audit plans.

The Company will examine and improve standards of anti-corruption measures proposed in the Thailand's Private Sector Collective Action Coalition Against Corruption Project (CAC) and review the Corporate Governance Handbook, Code of Business Conduct and Rules and Regulations for Employees with the aim of adopting clearer and more inclusive guidelines.

# SOCIAL BENEFIT AND ENVIRONMENT ACTIVITIES

Saha-Union Public Company Limited and Group Companies are aware of the importance of social, community, and environment development, thus encouraging its participation for the cause by conducting business with a sense of responsibility towards the society through various activities, based on its core ethical values, **"Integrity, Quality, and Service"**. The Company constantly collaborates with the government, public sectors, and associated organizations, so as to conserve valuable Thai cultures and traditions, demonstrating the commitment to creating shared values between business and the society necessary for the sustainable development.

## Educational Activities

Saha-Union Group recognizes the importance of learning as a foundation for the development of knowledge, skills, and expertise which contribute to a stable career, as well as the benefit of the society. Therefore, the Company provides support to the education in schools, universities and communities as follows:

- The Group Companies made a donation to the Pre-school Children Development Center, Bang Chan Phatthana Community for the purpose of building maintenance and expansion;
- The Group Companies held an event, "Labor Assembly for Education Opportunities" and granted financial and material supports to students at Ban Tha Khan School, Tha Takiap District, Chachoengsao Province as to celebrate the 60<sup>th</sup> Birthday of H.R.H. Princess Maha Chakri Sirindhorn.
- The Group Companies together with the employees made a financial donation, as well as giving stationary and sport equipments to Wat Sanam Chai School, Wat Na Sa School, and Wat Nong Hong School, Chanthaburi Province.



Giving stationary and sport equipments to 3 schools in Chanthaburi Province



Donation to Bang Chan Phatthana Community for the purpose of building maintenance and expansion



## Environmental Activities

Saha-Union Group promotes and builds awareness to employees in the efficient use of natural resources, and participates in the conservation of natural resources and environment in accordance with the law and environmental international standards by adopting the environmental management standard ISO14001 to continuously improve the manufacturing process as well as wastewater treatment system and air pollution treatment. A good company must be responsible for good environment of the surrounding community. In hope that these valuable natural resources will be conserved for next generations, Saha-Union Group has become part of development and conservation of environment along with its business engagement as follows:

- Treat waste water before disposing into the public water supply;
- A Group Company has been awarded the Green Star Award for its good corporate governance by the Bangchan Industrial Estate Office, Bangchan Industry Society, and representatives of the communities in the vicinity area.
- A Group Company is certified by the Industrial Estate;
- Directors and employees of a Group Company participated in the mangrove forest planting in collaboration with Tam Ru Community, Bang Pu Mai Sub-District, Muang District, Samut Prakan, so as to conserve the natural resources significant for the communities and the environment;



The mangrove forest planting in collaboration with Tam Ru Community, Bang Pu Mai Sub-District, Muang District, Samut Prakan

### Pouring bio-extract into the San Sab Canal

- Directors and employees of a Group Company participated in the campaign, “Clear Water Back to the Community,” held on World Environment Day, collaborating with Bangchan Industrial Estate by pouring bio-extract into the San Sab Canal, at Wat Bamphen Nua, Bangkok, so as to rejuvenate the canal.



## Social Activities

Saha-Union Public Co., Ltd. and the Group Companies are committed to supporting the communities and society in collaboration with the Government sector, associations, and charity foundations so as to promote the social involvement and responsibility. The Company encourages all Directors and employees to be aware of the importance of value sharing through various activities for sustainable development as follows:

- The Company provided office supplies to the Phrakanong Police Station for the purpose of improving the inspector office on 19 March, 2015;



Provided office supplies to the Phrakanong Police Station

- Saha-Union Public Co., Ltd. donated products of the Group Companies to the National Council on Social Welfare of Thailand, so as to help raise fund for the 49<sup>th</sup> Disable's Day 2015, taking place on 14 November, 2015 with the purpose of improving the welfare of the disable. The profits were given to the Disable's Occupation Promotion and Development of Her Royal Highness Princess Srinagarindra Boromarajajonani to be used at its dispose;



Donated products of the Group Companies to raise fund for the 49<sup>th</sup> Disable's Day





#### Donation to the Royal Cattle-Buffalo Bank for Farmers under the royal initiatives

• Saha-Union Public Co., Ltd. and the Group Companies donated a total of Baht 456,000 to the Royal Cattle-Buffalo Bank for Farmers which was established under the royal initiatives to help poor farmers across the country with cattle and buffaloes for drafting and increasing agricultural productivity as a mean to generate more income for the farmers and sustainably improving their quality of living. The Department of Livestock Development, which is in charge of the project, held a cattle and buffalo redemption ceremony according to the ownership granting project and so as to celebrate on the auspicious occasion of Her Royal Highness Princess Maha Chakri Sirindhorn's 5<sup>th</sup> Cycle Birthday Anniversary 2<sup>nd</sup> April 2015, at the ceremonial ground, Phutthamonthon District, Nakhon Pathom Province, 20 December 2015.

## Religious Activities

In addition, the Group Companies also participated in various activities to develop good moral and ethics among the employees as follows:

- Participated in a Lent Candle ceremony at Wat Bamphen Nua, Bangkok and Wat Khao Daeng, Nakhon Nayok Province;
- Participated in a Kathin Ceremony at Wat Tam Ru, Samut Prakan Province;
- Participating in a Kathin Ceremony with 12th Infantry Regiment at Wat Ban Tun, Sa Kaeo Province;
- Representatives from the management and staff participating in rice and dried food offerings to monks in an occasion of New Year's Celebration Ceremony.

Participated in a Lent Candle ceremony at Wat Bamphen Nua, Bangkok



Participated in a Kathin Ceremony at Wat Tam Ru, Samut Prakan Province



Present fresh and dries food an occasion of New Year's Celebration Ceremony



# SHAREHOLDING STRUCTURE

## Corporate securities

- The Company had a fully paid-up registered capital of Baht 3,000 million, divided into 300,000,000 ordinary shares of Baht 10 each.
- The Company had no types of shares which differed in rights or conditions other than the ordinary shares.
- The Company had no plan to issue and convertible shares to the Thai Trust Fund or to issue non-voting depository receipts (NVDR) which was regarded as a listed security.
- The Company had no securities other than the ordinary shares.
- There was no Shareholders Agreement between groups of major shareholders on effect of the Company's securities issuance or its management.

## Shareholders

List of Top 10 major shareholders of Saha-Union Public Company Limited As of 3 April 2015

No.	Shareholders	Beneficial Owner	Major Business	No. of Shares	Percentage of Shares
1.	Group of Companies				
	1.1 Union Thread Industries Co., Ltd.	Darakananda Group	Investment	29,850,000	9.95
	1.2 Union Business Management Co., Ltd.	Darakananda Group	Investment	22,574,000	7.53
	1.3 Union Capital Co., Ltd.	Darakananda Group	Investment	20,346,000	6.78
	1.4 Union Industries Corp., Ltd.	Darakananda Group	Investment	17,988,300	5.99
	1.5 Uni-Fibre Co., Ltd.	Darakananda Group	Investment	13,551,340	4.52
	1.6 Saha-Union Holding Co., Ltd	Saha-Union PLC.	Investment	6,239,994	2.08
	1.7 Union Multi-Capital Co., Ltd	Darakananda Group	Investment	6,082,000	2.03
	1.8 Darakananda Co., Ltd	Darakananda Group	Investment	3,000,000	1.00
	1.9 Union Equity Co., Ltd	Saha-Union PLC.	Investment	2,782,700	0.93
	1.10 Union Wealth Management Co., Ltd	Darakananda Group	Investment	2,420,000	0.81
2.	Mrs. Jarunee Chinnawongworakul			18,250,000	6.08
3.	Mr. Chalermchai Mahagitsiri			14,865,400	4.96
4.	Bangkok Bank Public Company Limited			12,325,000	4.11
5.	DBS BANK LTD.			10,546,400	3.52
6.	Mr. Kumtorn Poonsakudomsin			7,985,644	2.66
7.	The Southeast Life Insurance Public Company Limited			7,121,000	2.37
8.	Mr. Sumeth Darakananda			2,966,514	0.99
9.	East Fourteen Limited - Dimensional Emer Mkts Value Fund			2,963,700	0.99
10.	Mr. Supachai Sutthiphongchai			2,823,800	0.94
	Total			204,681,792	68.23

## Policy of dividend payment

The Company's policy on dividend payment was a proper rate of return on investment to shareholders, dependent on the performance of the Company, at a rate not less than 1/3 of the annual net profit, after accumulated loss (if any), from the separate financial statement of the Company.

Concerning the subsidiaries' policy on dividend payment for the Company, it is determined by each subsidiary based on its performance.

## Shareholding of the Directors

No.	Name	Shareholding		% Change
		No. of Shares held in 2015	No. of Shares held in 2014	
1.	Miss Sriwarin Jirapakkana	157,284	157,284	-
2.	Mr. Chutindhon Darakananda	1,627,700	3,427,700	(52.51)
3.	Emeritus Professor Dr. Achara Chandrachai	-	-	-
4.	Mr. Chivin Chaipanich	-	-	-
5.	Miss Pakinee Prerttiumrong	1,950,624	1,950,624	-
6.	Mrs. Busarakham Nilavajara	-	-	-
** 7.	Mr. Yanyong Tangchitkul	434,000	434,000	-
8.	Miss Dalad Saphavichaikul	13,052	13,052	-
** 9.	Mrs. Chantorntree Darakananda	269,400	1,069,400	(74.81)
** 10.	Mr. Preecha Shunhavanich	10,000	-	-
11.	Mr. Thitivat Suebsaeng	-	-	-
** 12.	Mrs. Pinijporn Darakananda Kasemsap	137,000	137,000	-
13.	Mr. Bovornrat Darakananda	-	-	-
14.	Mr. Vacharaphong Darakananda	1,582,600	1,582,600	-
15.	Mr. Nanthiya Darakananda	-	-	-

## Shareholding of the Executive

No.	Name	Shareholding		% Change
		No. of Shares held in 2015	No. of Shares held in 2014	
** 1.	Mrs. Srinual Sombatpraiwan	602	602	-

\*\* Included related person



## Directors' Remuneration

Remunerations for the Company's Directors comprising of Meeting allowance and/or Directors' remuneration, which are fixed based on individual position and previously approved by the 2015 Shareholders' Meeting. Remunerations paid to each Director for the fiscal year 2015 were as follows:

Unit : Baht

No.	Name	Position	Remuneration					
			Remuneration of the Position	Board of Directors' Meeting Allowance	Audit Committee' Meeting Allowance	Nomination and Remuneration Committee' Meeting Allowance	Total Remuneration	Total Remuneration from Subsidiaries
1.	Miss Sriwarin Jirapakkana	Chairman	4,590,000.00	144,000.00	-	-	4,734,000.00	52,000.00
2.	Mr. Chutindhon Darakananda	Vice Chairman/ Member of the Nomination and Remuneration Committee	4,320,000.00	144,000.00	-	20,000.00	4,484,000.00	96,000.00
3.	Emeritus Professor Dr. Achara Chandrachai	Chairman of the Audit Committee/ Independent Director	-	144,000.00	132,000.00	-	276,000.00	-
4.	Mr. Chivin Chaipanich	Member of the Audit Committee/ Independent Director	-	144,000.00	120,000.00	-	264,000.00	-
5.	Miss Pakinee Prerttitumrong	Member of the Audit Committee/ Independent Director/ Member of the Nomination and Remuneration Committee	-	144,000.00	120,000.00	20,000.00	284,000.00	-
6.	Mr. Yanyong Tangchitkul	Chairman of the Nomination and Remuneration Committee/ Independent Director	-	144,000.00	-	20,000.00	164,000.00	-
7.	Mrs. Busarakham Nilavajara	Independent Director	-	144,000.00	-	-	144,000.00	-
8.	Miss Dalad Saphavichaikul	President	-	144,000.00	-	-	144,000.00	288,000.00
9.	Mrs. Chantornree Darakananda	Executive Vice President	-	144,000.00	-	-	144,000.00	262,000.00
10.	Mr. Preecha Shunhavanich	Vice President	-	144,000.00	-	-	144,000.00	-
11.	Mr. Thitivat Suebsaeng	Director	-	144,000.00	-	-	144,000.00	96,000.00
12.	Mrs. Pinijorn Darakananda Kasemsap	Director	-	144,000.00	-	-	144,000.00	-
13.	Mr. Bovornrat Darakananda	Director	-	144,000.00	-	-	144,000.00	-
14.	Mr. Vacharaphong Darakananda	Director	-	144,000.00	-	-	144,000.00	222,000.00
15.	Mr. Nanthiya Darakananda	Director	-	-	-	-	-	-
			8,910,000.00	2,016,000.00	372,000.00	60,000.00	11,358,000.00	1,016,000.00

## Executives' Remuneration

Total remunerations was paid to the 4 Company's Executive and Non-Executive Directors in 2015 amounted to Baht 12,120,250.- comprising of salaries and bonuses. Apart from the aforementioned, other Executive Directors holding equivalent position to the 4th Executive succeeding the President were not entitled to remuneration of this kind, because they had been the Executives in other Group Companies and accordingly received remunerations from those companies in term of salaries and bonuses.

In 2015, the Company paid an aggregate of Baht 74.25 million as remunerations (salaries and bonuses) to totally 33 Executives in 10 Subsidiaries undertaking

## Others Remuneration

In addition to the above salaries and bonuses, the Company paid other remunerations to 3 executives in the form of contributions to Provident Fund, managed by the BBL Asset Management Co., Ltd. as a Fund Manager, at a rate of 3% of individual salary. The other remunerations in 2015 were Baht 294,300.-

## Personnel

As of 31 December 2015, the company has had 67 employees. The Company's subsidiaries' total number of employees nationwide is 8,732. In the past 3 years, the Company has not obtained any major labor disputes.

Since year 2007, the Company has made some changes on its structure of management by setting a policy to allow direct sales between subsidiary companies and the customers. In order to provide uninterrupted service to the customers, the Company has relocated some employees to resume the same positions at the subsidiary companies. As a result, the number of employees has significantly changed from the past.

The total remuneration of the Company's as of year 2015 came as monthly salary, bonus pay, provident fund and social security fund with the total value of Baht 40.59 million.

The Company's human resource development has set a policy projecting employee self-evaluating, creative thinking and job improvement. The employee should have knowledgeable, ability and skills in accordance with the applicable job description including a potential ability to take on a higher level position. Thus, the Company has been training employees using both inside and outside seminars, depending on appropriate occasions. The Company attends seminars designed for mid-level executives as part of the Company's continuing executive development plan. This has been done continually to prepare the Company's accounting department to become one with global standards, legally promulgated since 1 January 2011 and which the Company will enforce on 1 January 2015.

# STRUCTURE OF MANAGEMENT

The Company's Board of Directors structure is composed of four committees, namely the Board of Directors of which five or one-third of the fifteen directors are independent. The sub-committees are the Audit Committee, the Nomination and Remuneration Committee, the Risk Management Committee and the Investment Committee.

Here are lists of the committees as of 31 December 2015 with scope of their authorities.

## 1. Board of Directors : There are 15 members on the Board of Directors as follows;

Name		Position
1. Miss Sriwarin	Jirapakkana	Chairman
2. Mr. Chutindhon	Darakananda	Vice Chairman
3. Emeritus Professor Dr. Achara Chandrachai		Independent Director
4. Mr. Chivin	Chaipanich	Independent Director
5. Miss Pakinee	Prertitumrong	Independent Director
6. Mr. Yanyong	Tangchitkul	Independent Director
7. Mrs. Busarakham	Nilavajara	Independent Director
8. Miss Dalad	Sapthavichaikul	President
9. Mrs. Chantornree	Darakananda	Executive Vice President
10. Mr. Preecha	Shunhavanich	Vice President
11. Mr. Thitivat	Suebsaeng	Director
12. Mrs. Pinijporn Darakananda Kasemsap		Director
13. Mr. Bovornrat	Darakananda	Director
14. Mr. Vacharaphong	Darakananda	Director
15. Mr. Nanthiya	Darakananda	Director

### The Board of Directors has authorities in line with the business administration structure as below

1. Plan directions, set goals and business operating policies of the Company.
2. Supervise and oversee business administration, monitor appropriate risk management and make profits so as to make appropriate return on investment to the Shareholders.
3. Supervise and oversee the Company's accounting system in compliance with accounting standard and provide financial reports with complete and accurate records.
4. Ensure a good reputation and image of the Company.
5. Appoint and remove the President of the Company as well as the Managing Director of the subsidiaries of which the Company is a major Shareholder.
6. Stipulate a purview of the Company's President and the subsidiaries' Managing Directors.
7. Make decisions on work plans and annual budgets proposed by the Company's Managing Director.
8. Abide by the laws, objectives, regulations and resolution of the Shareholders' Meeting.
9. Evaluate performance of the Company's Managing Director and decide on yearly remuneration of the subsidiaries' Managing Director.

Under their power, the Board of Directors may assign one or several member(s) of the Board or other person(s) to perform task(s) on its behalf.

The Board of Directors shall appoint a member of the Board to perform a function of Managing Director who shall have authorities as it is deemed appropriated.

The Board of Directors shall be at least five and a half of its total members shall be resident in the Kingdom of Thailand. Furthermore, at least three-fourth shall be Thai nationality.

The Board of Directors shall be selected by statutory Shareholder meeting in accordance with the rules and procedures for members and directors nomination. See page 58.

Below is a list of five Independent Directors, in other words, one-third of the Board of Directors, which comprised of 3 female Independent Directors and 2 male Independent Directors.

1. Emeritus Professor Dr. Achara Chandrachai
2. Mr. Chivin                Chaipanich
3. Miss Pakinee        Prertitumrong
4. Mrs. Busarakham Nilavajara
5. Mr. Yanyong        Tangchitkul

#### Criteria for Independent Directors Selection

Independent Directors are selected on the basis of competency, experience and knowledge of business operations relating to those of the subsidiaries. They shall be non executive directors of the Company, with vision, have time to perform duties and be fully qualified in conformity with the rules and official regulations. They are invited by the Nomination Committee to be Independent Directors whom the Company considers to be capable and helpful to manage the Company and the corporate business as well.

#### Board of Directors' Meeting

Generally, the Company arranges a meeting to be convened at least once a month. They meet to consider the proposals made by executives, to make decisions on issues for further action as it is deemed appropriated and also to follow up performance, aiming at verifying if the business runs as planned or their objectives are attained. In some cases, corrections might be considered and carried out the solutions, personnel may be assigned for further follow-up. In 2015, twelve meetings were held and attended by all Directors with the exception of those who were on duty abroad or absent by force majeure. Since the Company has had a lot of overseas investments and some members of the Board had to take care of and follow up operation of business invested by the Company, they could not be present at the monthly meetings of the year 2015. However, those who have worked for associated companies in Shanghai, Hong Kong or USA, attended the meetings via VDO conferences on the same day. In addition, the Secretary submitted regularly the minutes to all of members, no matter what they were present or absent, to keep them informed and to ask for their suggestions (if any).

#### Record of 2015 Meeting Attendances of Director

Name		No. of Meeting Attendances	
1. Miss Sriwarin	Jirapakkana	12/12	
2. Mr. Chutindhon	Darakananda	12/12	(including 5 times via VDO Conferences)
3. Emeritus Professor Dr. Achara Chandrachai		12/12	
4. Mr. Chivin	Chaipanich	11/12	
5. Miss Pakinee	Prertitumrong	12/12	
6. Mr. Yanyong	Tangchitkul	10/12	
7. Mrs. Busarakham	Nilavajara	12/12	
8. Miss Dalad	Sapthavichaikul	12/12	
9. Mrs. Chantorntree	Darakananda	12/12	
10. Mr. Preecha	Shunhavanich	11/12	
11. Mr. Thitivat	Suebsaeng	12/12	
12. Mrs. Pinijporn	Darakananda Kasemsap	9/12	(including 4 times via VDO Conferences)
13. Mr. Bovornrat	Darakananda	11/12	(including 10 times via VDO Conferences)
14. Mr. Vacharaphong	Darakananda	12/12	
15. Mr. Nanthiya	Darakananda	9/12	

Sometimes the director got sick or went to abroad for business trip could not attend the Board of Directors' Meeting.

The Company's Secretary is Mrs. Chadaporn Jiemsakulthip.

The Company's Board of Directors' Meeting No. 12/2013 had a resolution to appoint Mrs. Chadaporn Jiemsakulthip, a full-time employee of the Company, to be a Company's Secretary since 1 January 2014.

#### **Duties and responsibility of Company Secretary**

The Company's secretary must perform duties with a sense of responsibility, attentively, honestly as well as loyally, in compliance with the Section 89/15, 89/16, 89/17 and 89/23 of the Securities and Exchange Act (Volume No. 4) B.E. 2551. Besides, she has to comply with the rules of law, the objectives and regulations of the Company, the Board of Directors' resolutions, including the Shareholders' resolutions.

The Board members and the Company's secretary' qualifications, educational background and experience are shown from page 10-17, as well as their previous training concerning responsibilities and skills for directors on page 18 and their Executives information on page 19.

## **2. Audit Committee**

The Audit Committee comprises of three members who have all necessary qualifications in accordance with the rules set forth by the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC). At the meeting held on 19 December 2013, the Board of Directors passed a resolution to appoint the Audit Committee to hold office for the term of three years. In this regard, all members of the Audit Committee are independent directors.

List of the Audit Committee is as follow;

<b>Name</b>	<b>Position</b>
1. Emeritus Professor Dr. Achara Chandrachai	Chairman of the Audit Committee
2. Mr. Chivin Chaipanich	Audit Director
3. Miss Pakinee Prertitumrong	Audit Director

The Audit Director who has knowledgeable about finance and experienced in auditing company financial statements was Dr. Achara Chandrachai, Emeritus Professor from Faculty of Commerce and Accountancy, Chulalongkorn University.

#### **Charter of the Audit Committee shall have duties and responsibilities as follows;**

1. Review internal control process so that it should be efficient and suitable to the Company.
2. Approve selection, review and nomination of external auditor, coordinate with external auditor regarding the financial statements and review their information as correct and reliable.
3. Have oversight of the Company compliance with the regulation of the government agencies concerned and the relevant laws thus avoiding conflicts of interest.
4. Write a Committee's report, signed by the Chairman and disclosed in the Company's annual report to whom it may concerned.
5. Get management team to correct the mistakes if found and verify the correction.
6. Monitor and evaluate the operations which the Audit Committee deems as critical.
7. Evaluate the compliance with the Charter of the Audit Committee.
8. Perform other tasks as assigned by the Board of Directors.

In 2015, four meetings were organized and attended by Emeritus Professor Dr. Achara Chandrachai, Mr. Chivin Chaipanich and Miss Pakinee Prertitumrong. Moreover, the Audit Committee was organized a meeting with the Risk Management Committee and another meeting with the Auditor for independently discussion regarding the Auditor's observations and opinions, by without the Company's management.

### 3. The Nomination and Remuneration Committee

The Company has appointed qualified and experienced board members as below;

Name	Position
1. Mr. Yanyong Tangchitkul	Chairman of the Nomination and Remuneration Committee
2. Miss Pakinee Prertitumrong	Nomination and Remuneration Director
3. Mr. Chutindhon Darakananda	Nomination and Remuneration Director

The Nomination and Remuneration Committee shall have duties and responsibilities as follows;

1. Establish procedures and selection method for director nomination.
2. Select the persons whose qualifications are in compliance with the government agencies to be nominated as new directors.
3. Consider procedures of remuneration for directors
4. Determine the amount of remuneration for the board members by submitting proposals to the Board of Directors;

In 2015, two meetings were organized and attended by all three Directors of the Nomination and Remuneration Committee. The Chairman of the Nomination and Remuneration Committee was not Chairman of the Company's Board of Directors.

### 4. The Risk Management Committee

List of the Risk Management Committee is as follows;

Name	Position
1. Miss Dalad Sapthavichaikul	Chairman of the Risk Management Committee
2. Mrs. Chantorntree Darakananda	Director
3. Mr. Vacharaphong Darakananda	Director
4. Mrs. Srinual Sombatpraiwan	Director and Secretary

The Risk Management Committee shall have authorities and responsibilities: establish policies and monitor the Company's risk management, conduct reviews of risks and improve risk categories, assess potential risks and their impacts, and also take measures to manage risks and see the outcome. In addition, the Committee may designate a Specific Risk Management Sub-committee to be charged with management as it deems appropriate.

In 2015, two meetings were organized to perform as the scope of duties, the Company's objectives and policy and one meeting were held with the Audit Committee.



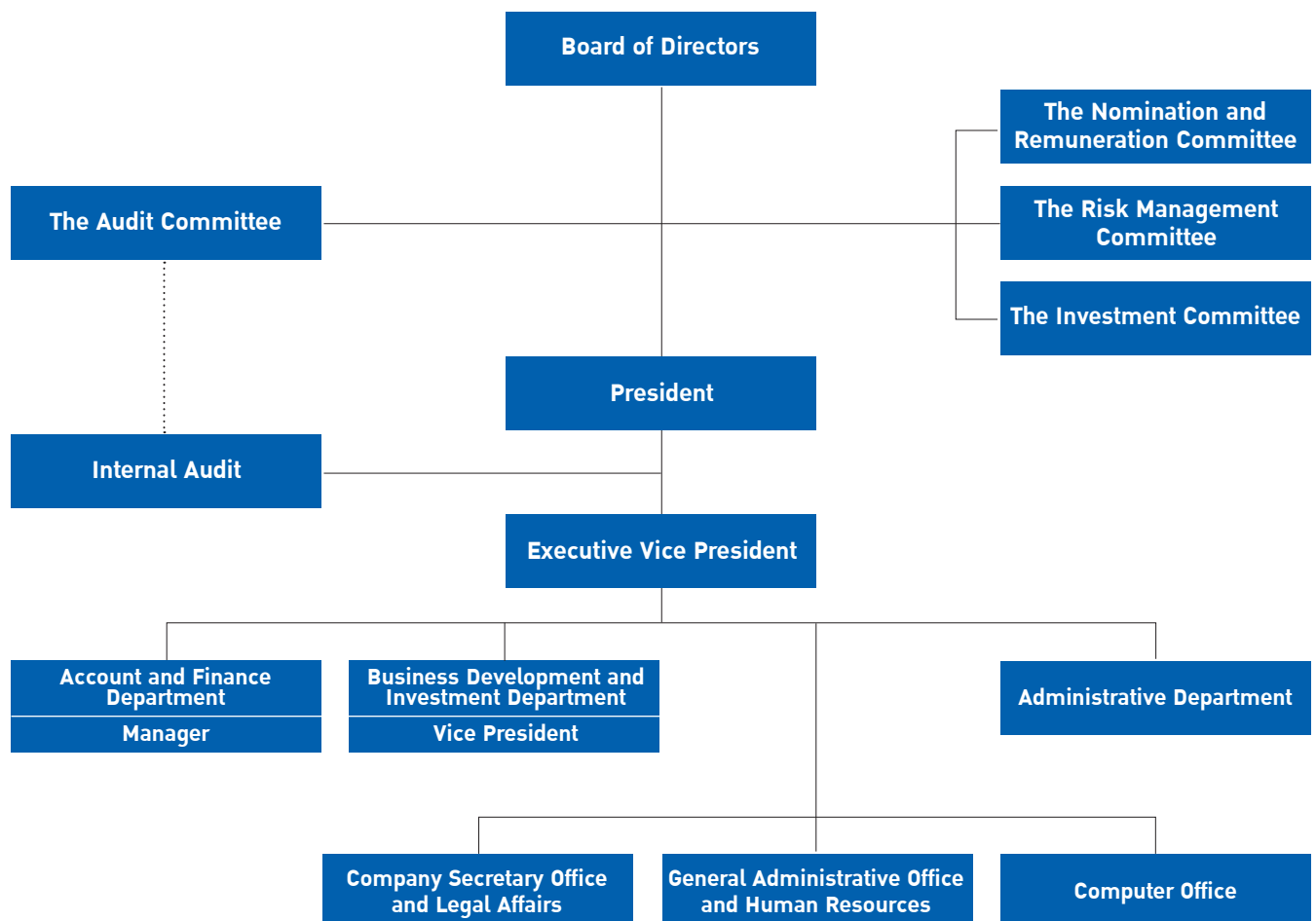
## Executives

As of 31 December 2015, the Company's Executives were as follows:

Name	Position
1. Miss Dalad Saphavichaikul	President
2. Mrs. Chantorntree Darakananda	Executive Vice President
3. Mr. Preecha Shunhavanich	Vice President
4. Mrs. Srinual Sombatpraiwan	Account and Finance Department Manager

The Company's organization chart was as follows:

Saha-Union Public Company Limited's Organization Chart  
As of 31 December 2015



## Nomination of Directors and Executives

Regarding the election of the Company's directors, the Nomination Committee shall recruit persons who are highly qualified or competent and experienced in business administration. In addition, they shall be ready to perform their duties for the Company. Such qualifications shall not be contrary to the regulations of government agencies concerned. Having assessed suitability of interested persons, the Committee suggests them to the Board of Directors who presents to the Shareholders' Annual General Meeting, in accordance with the Company's regulations stipulated below;

1. A Shareholder shall have one vote per one share.
2. Candidates may be elected, at one time, individually or in group, according to the required number of directors at the moment as it is deemed appropriated by the Shareholders' Meeting. The election procedures shall be in line with the public law.
3. Directors shall be elected by majority votes. In case of equal votes, the chairman of meeting shall have a casting vote. Concerning the minor Shareholders, they shall comply with the Company's regulations as mentioned above as their voting rights are not stipulated as a special case. It means that they have equal voting rights.

At the Annual General Meeting, one-third of the directors shall vacate office. In case that the number of directors could not be divided into three parts, the most approximate number to one-third of the directors shall vacate office.

After the Company's registration, directors vacating office in the first year and the second year shall be selected by drawing lots while, in the following years, directors who have held office for the longest time shall vacate office.

Directors vacating office may be re-elected.

In addition to vacating office on the exemption of term, directors vacate office upon:

1. Death
2. Resignation
3. Disqualification
4. Being removed by a resolution of at least three-fourth of the Shareholders attending the meeting and having the voting rights, whose shares, when calculated, are not less than a half of shares held by Shareholders attending the meeting and having the voting rights.
5. The court judgment

All of the Directors were nominated by the Nomination and Remuneration Committee and a resolution on its nomination was adopted by the 2015 Annual General Meeting of Shareholders in the electing directors' agenda.

# CORPORATE GOVERNANCE

The Company operated or proceeded by the corporate governance as follows:

## 1. Corporate Governance Policy

Through the years, the Company's Board of Directors has emphasized corporate governance based on both morality and good ethics in all departments for accuracy, transparency and fairness to every Stakeholder. The Board of Directors takes responsibility in disclosing sufficient information and acknowledging the rights of Shareholders. Thus, the Company follows the rules set forth and endorsed by the National Corporate Governance Committee. Moreover, the Company has set their policy in the Company's Code of Conduct Manual which publicized via the Company's website at [www.sahaunion.com](http://www.sahaunion.com) and proceeded as following matters:

### 1.1 The Rights of Shareholders

(1) Besides voting rights, the Shareholders' return on investments is getting by equal dividend payments. The minor Shareholders are given the right to receive the dividend at the same rate as those of major Shareholders including all related businesses (if any).

- The Company shall allow Shareholders to propose a meeting agenda or present any questions related to the Company since 1 October – 31 December of every year or 5 months prior to the Shareholders' Meeting. The Company gives a chance to the Shareholders to propose the consideration matter' agenda by inform the criteria of this procedure in advance. The criteria is comprise of qualification of the person who propose the agenda, procedure to propose the agenda, details of the information and including criteria and process to consider the proposal by using the Company's website: [www.sahaunion.com](http://www.sahaunion.com) or regular postal service.

#### (2) Shareholders' Meeting Invitation

The Company will send out meeting invitations, which clearly specify each agenda including related documents to the Shareholders at least 14 days prior to the meeting date for review. Also included in the documents are:

- The previous minutes of the Shareholders' Meeting as supporting documents for endorsing the minutes' agenda.
- Financial statements information, operational performance and the most recent annual report for review to acknowledge the performance report and to present questions or doubts, if any.
- The objective, reasons and Board of Directors' opinions from other agendas.
- The agenda of the Director, the election and fixing their remuneration was separated.
- Information of the nominees for the next Board of Directors including their educational backgrounds, working experiences and director categories, all of which have been selected by the Nomination Committee based on the standard criteria and methods. In case, any returning Director is nominated, the information of his past year's meeting attendance and the number of years the person has been serving in the Board of Directors will be provided.
- The information of the auditors including name, last name, their auditing office, work experience and the service fee including verification of the auditor's independence, number of years for being auditor to support the Audit Committee's consideration for appointing the auditors and fixing their remuneration agenda.
- The dividend payment policy, its rate and the reason for the request of dividend distribution in its agenda.
- The invitation was published in Thai and English version separately for sending to foreign Shareholder, which announced at the same time with Thai version. The invitation was also publicize via the Company's website.

### (3) Shareholders Meeting

- The Company shall encourage Shareholders to exercise their rights by attending the meetings and voting. Any Shareholder who cannot attend the meeting may present Proxy Letter to assign his/her representative. Therefore, the company must send out the Proxy Letter along with the meeting invitation in advance.
- The Company shall never limit or violate the right of Shareholders in any cases.
- The Company shall provide any necessary services for Shareholders' conveniences on the meeting day. Staff will be available to help with the registration procedure and preparation of any documents requested least 1 hour prior to the scheduled meeting.
- The meeting shall be located at the most convenient location, close to a main street or sky train station. Snacks and beverages shall be served and the Shareholders shall be greeted with souvenirs.
- Before the meeting starts, the Chairman shall introduce the Board of Directors and Executives individually to Shareholders. There should be present the Chairman of the Board, Directors, Executives, the Chairman of the Audit Committee, the Chairman of Nomination and Remuneration Committee, the Chairman of Risk Management Committee, Independent Directors, Directors, the Company Secretary, Finance and Accounting Manager and Auditors.
- Chairman of the meeting shall explain voting procedures, the use of voting card and how to count the votes to the Shareholders prior to the start of the meeting.
- The Shareholders have the right to consider the Board of Directors' remuneration as its agenda will be held annually.
- As for the Board of Directors' remuneration agenda, the Company shall explain fixing the remuneration's policy and principles, that's the Director received only meeting allowance. Proposing all type of payments in each position of Company's Directors, would be approved by the Remuneration Committee, then presented to the Shareholders' Meeting's consideration as well.
- As for Director appointment, the Company shall allow Shareholders to vote either for individual or a group based on the meeting's resolution. The vote can be done by either nominating the new member into the committee or the current one to continue the next term. All candidates must be approved by the Nomination Committee. Each candidate has to provide personal history and experience.
- Dividend Payment Agenda. The Chairman shall explain the Company's policy of dividend payment and its offering rate. Also, the current year's dividend payment shall be submitted to Shareholders for approval along with its rate and calculation. Therefore, the Shareholders can consider and vote accordingly.
- Appointment of the auditors' agenda. The Chairman shall nominate more than one person from the same auditing office. The auditors' history of auditing and the number of years working as the Company's auditors including qualifications in compliance with those of the Securities and Exchange Commission Acts will be included. The auditors shall work independently without any personal binding with the company, the Board of Directors or the executives. Also, the auditing fee shall be submitted to the Shareholders for consideration.
- The Chairman of the meeting shall allow any questions from the Shareholders including suggestions regarding any agendas. The Board of Directors or related Directors shall answer every question from Shareholders until satisfied. All other opinions or suggestions shall be taken into further consideration. All shall be recorded in the minutes of the meeting.
- Every agenda resolution shall be recorded clearly showing number of votes on each agenda. In each agenda, the minutes has to show the number of Shareholders that vote for, against and abstention. The computer processing system shall be used for vote counting in each agenda and will be announced by the Chairman. Furthermore, the full report which contains the matters in each agenda shall be sent to the SEC within 14 days after the meeting. The minutes of the meeting shall be carefully filed and available for reference by the Shareholders at all time by going to the Company's website; [www.sahaunion.com](http://www.sahaunion.com).



(4) The Company shall not add any more to the agenda that is not previously stated in the Shareholders' meeting invitation letter.

(5) The Company's shareholding structure had been carrying on approximately for the past 30 years which has not objective to set up the prevention of business takeovers but on cross shareholding. The structure is to give Shareholders the most benefit of managing, manufacturing and selling without any conflicts of interest.

- The Company's structure is not a pyramid scheme. Periodically in the past, there were a number of corrections on cross shareholding structure to avoid the related matters.
- The Company's Board of Directors shall not be allowed to hold the Company's shares more than 25% of the in total shares.
- The Company holds free float shares more than 40% of issued stocks. This will give Shareholders convenient trading in both secondary market and the Stock Exchange of Thailand.

## **1.2 Equality among Shareholders**

(1) The company has a policy to treat all Shareholders equally which been set in the Company's Code of Conduct Manual with no violation to minor Shareholders or foreign Shareholders.

- According to the Company's voting rules, one share equals one vote regardless of being major or minor Shareholders or foreign Shareholders.
- The committee shall answer every question proposed by minor Shareholders and foreign Shareholders in the meeting.
- Prior to the meeting date, the Company shall disclose the opportunity of giving Shareholders to submit any agenda or information to the Shareholders Meeting by using the company's web site in the period of 1 month before the end of the Company's fiscal year or 5 months before the scheduled Shareholders Meeting date.
- The Company shall provide any conveniences to the Shareholders who cannot attend the meeting in person by attaching the Proxy Letter form that contains the information as appeared on Form Khor (กข.) to the invitation letter of the Shareholders Meeting.
- The invitation letter of Shareholders Meeting shall indicate the type of documents and proof needed to attach the Proxy Letter including to provide step-by-step instructions to issue Proxy Letter to the Shareholders in advance without any further regulations or conditions that will complicate the procedure.
- The Company shall send out an invitation letter to the Shareholders Meeting and all related documents such as Proxy Letter, minutes of the meeting, annual report, and financial statements report to the Shareholders at least 14 days before the scheduled meeting date. Therefore, all Shareholders will have sufficient time to study the information and agendas in order to make decisions at the meeting.
- The Company shall use its website to make announcements on the meeting plans and its agendas to all Shareholders before sending out the official invitation letter. All details regarding the meeting shall be included and should be posted for viewing at least 30 days prior to the scheduled meeting date.

(2) The Policy of Insider Trading Prevention.

The Company has a policy of insider trading prevention according to its rules and regulations. Disciplinary violation will call upon different measures of punishments stated in the Company's internal rules where the employees, executives, and Directors will acknowledge and proceed accordingly.

- The Company has a policy of insider trading prevention by announcing an annual Silent Period for Directors and the executives to avoid trading company's stocks. It will be 14 days before and 24 hours after the Company's fiscal or quarterly report disclosure date. All Board of Directors and executives must acknowledge and comply with this policy.

(3) In the past year, the Company did not have any cases of insider trading among the Board of Directors and executives.

(4) The Relating Transactions required to be disclosed or to be authorized by the Company's Shareholders shall be executed thoroughly in compliance with the Act regulated by the Stock Exchange of Thailand and SEC before they are presented to the Audit Committee for review and then, brought to the Company's Board of Directors meeting. Thereafter, the complete information shall be disclosed via the Stock Exchange of Thailand's ELCID. For example, the transaction will provide its category, the relating individuals' names and relationship / characteristic of relations, the value of the transaction, the criteria or policy of setting the price, the reasons that necessitate the making of the transaction and the Audit Committee and Board of Directors' opinions over the transaction. In case Shareholder agendas are included in the meeting, the company shall fully comply with relating regulations to execute the matter.

(5) The structure of company's business group's shareholding

Due to the status of being a headquarters company, investing in different kinds of businesses and producing different kinds of merchandise, all are legally independent from each other for smooth operation. But for the business profit and the power of negotiation, the Company sometimes needs to have "Related Transactions". Therefore the list of related transactions of the year 2015 was regular commercial listings with general commercial conditions:

- The Related Transactions value of the year 2015 had a total gross amount of Baht 780.83 million, which is 3.00% of assets and 6.48% of total revenues.
- The Company did not have any transaction of financial aid fund for non-subsiary company.
- In the past year, the Company did not violate or fail to follow to the policy of Related Transactions according to provisions issued by the Stock Exchange of Thailand and SEC.
- In the past year, the Company did not violate or fail to abide by the rules of stock trading according to provisions issued by the Stock Exchange of Thailand and SEC.

### 1.3 Consideration of the Stakeholders' Roles

The Company emphasizes the rights of company Stakeholders based on either basic legal rights or the mutual agreement contract. The Company treats all Stakeholders based on integrity, quality and service. These are the most important factors to build a good relationship and cooperation between the Company and all Stakeholders in order to accomplish the goal and sustainability growing. The role between the Company and the Stakeholders are the followings:

(1) The Company shall conduct the business with the sense of responsibility towards society. It is the obligation the Company has vowed to do so.

(2) On the account of employees, the Company holds a transparent and practical policy of taking care of employees' welfare and compensation appropriately. The employee handbook is available in the Human Resources Department and is acknowledged by the Company's employees.

- (2.1) The Company's policies are outlined in the Company handbook for the employees' safety and welfare.
- (2.2) The Company and its subsidiaries set up a provident fund for Saha-Union Group's employees by appointing a committee to oversee, administer and collaborate with the provident fund manager. This policy will assist to create employee's long term savings. Hence, the company will contribute up to 3% of the employee's salary to this fund.
- (2.3) The Company and its subsidiaries have established Employee's Savings and Credit Cooperatives of Saha-Union Group in order to collect the employees' deposits which are deducted from their salary monthly. The employee shall be eligible to withdraw the whole balance upon resignation. However, while working, each year the employee shall receive their dividend and is eligible to apply for a loan in compliance with the rules issued by the Cooperatives Promotion Department.
- (2.4) The Company sets a clear policy of improving employee's knowledge and skill by using a Competency System to promote the potential employee who is capable of taking responsibility in a higher level task. Moreover, the Company has set up a subsidiary company to organize seminars and training programs to educate the employees regularly.

(3) The Company has no policy that will violate the human rights.

(4) On the account of customers, the Company set the policy to be practical and transparent in treating customer fairly. The Company will maintain good customer relationship and take responsibility as vowed to the customers.

(5) On the account of the business rival, the Company shall maintain its business conduct professionally.

(6) The Company will treat its business partners fairly and responsibly as stated in the contract agreement even if the unforeseen situations may result in loss.

(7) On the account of creditors, the Company sets a policy of fairly treatment and responsibility by making on time loan repayments or purchases based on mutual contract.

(8) The Company sets a clear policy against copyright violation and the Company's penalty measures are strongly reinforced.

(9) The Company has clearly set a policy against corruption and bribery which has been practiced for over 30 years.

(10) The Company and its subsidiaries set a policy to take part in the community's responsibility and social welfare. The Company carefully avoids any wrongdoings that will create the community disturbances. On the contrary, the Company shall contribute any beneficial to its community and society in order to being employment and getting welfare. Moreover, the Company shall follow the regulations of noise and pollution standard control, including setting a standard for waste water treatment. The Company also supports community outreach activities including donating necessity materials to schools.

(11) The Company has a strict policy of environmental control by installing septic tanks for waste water treatment and controlling toxic emissions in order to reduce pollution. Other manufacturing subsidiaries have also followed these standard environmental control guidelines and have been certified by regulating organizations.

(12) The Company's subsidiaries support, educate and train their employees to understand the importance of environmental protection and set the policy to do so as continuing practice to improve quality or work.

(13) The Company and its subsidiaries support the use of resources efficiently by setting a policy to improve work systems including replacing equipment to be more energy saving.

(14) The Company shall be available for any Stakeholders to contact or report any concerns that may cause damages to the company by contacting the company's secretary. All matters shall be taken into consideration and under investigation procedure and the conclusion shall be made to present to the Company's Board of Directors.

The investors and the Shareholders can contact the Investor Relations by contacting Mrs. Srinual Sombatpraiwan or Mrs. Chadaporn Jiemsakultip, Tel. No. 02-3115111 ext. 7688 or Fax. 02-311-6867 for any further procedure in relating issues.

#### **1.4 Disclosure and its Transparency**

The Company shall disclose any important information accurately and completely within the timeframe. For example, through the year, there will be a disclosure of financial statements report, quarterly report, report of any events occurred during that time including any changes (if any) of shareholding structure and annual disclosure report which consists of the Company's financial statements, annual performance report, annual information listing and annual report. To conclude, the list is as follows:

(1) The company shall disclose its transparent shareholding structures of both the Company's and those of its subsidiaries.

- On the account of Shareholding' structure, the list shall reveal the individual names under the same shareholding group including the number of shares in percentage proportion within their group, 9 other Shareholders and other minor Shareholders with smaller percentages in holdings which is more than 40% in total.
- The individuals who own the shares under the same group, Beneficial Owners' names shall be clearly listed.
- The number of shares held by the Board of Directors and executives shall be disclosed.

(2) A list of the Board of Directors shall be accompanied by each individual name and last name, education background, the responsibility and skills of being the director trainings, work experiences and the companies that person being the director.

- List the name of Independent Director of which 1/3 of the group.
- List 3 names of the Audit Committee who possess the knowledge and are capable of scrutinizing the Company's financial statements information.
- Disclose the distributing rules of the Board of Directors' remuneration and identify the type of payment for each Director based on position such as the meeting allowance and the amount of each individual received.
- Disclose the total amount of remunerations made to higher rank executives including its policy, type of payment and to which category it is made to.
- Disclose the meeting attendance record for each director and other subcommittee groups in the past year under the title of the committee meeting title.

(3) The Company sets a policy inquiring each director to report their holding shares of the Company to the Chairman of the Board of Directors including a copy sent to the Company's Secretary.

(4) The Company shall disclose a complete "Related Transactions" report by showing the individual names under the Related Transactions' listing, their relationships, descriptions of each item, conditions or pricing policy, value of the transaction and the necessity. In the past year, all transactions are under the course of business.

(5) The Company shall appoint the auditors approved by the Annual General Meeting of the Shareholder's resolution. The appointed auditor shall work independently, with no relationship to any Shareholders, Board of Directors or executives including endorsed by the Securities and Exchange Commission.

(6) The Company's financial statements is audited and approved by a reliable auditor without any conditions.

(7) In the past year, the Company had no record of delaying annually or quarterly of financial reports' delivery. The Company had been prompt in disclosing and delivering the reports. In addition, in the past year, the Company did not receive any requests from the office of Securities and Exchange Commission for corrections.

(8) The Company will disclose its financial status, operational performance, cash flow statements and other financial statements, including notes to consolidated financial statements, all of which can be found at the last part of the annual report. In addition, the management's discussion and analysis, operational performance, important changes and the factors of cause and effect of the previously mentioned shall be found under separate title.

(9) The Company shall provide details of business operational characteristic and competition including all other information of major business of group companies.



(10) The Company shall disclose the operational risk by indicating type of risk, cause and effect, its likelihood and countermeasures for each type of risk under the title of Risk Factor.

(11) There are quite a few different communications methods between the company and the Shareholders / the investors, for example through the annual report, annual information, financial statements report, news via electronic communications of SET and company's website including arranging meetings with the analysts who interested in Company's information.

(12) The Company has its own website offering information both Thai and English language regarding to the annual report, financial statements, meeting invitations and other related information, all of which are periodically updated.

(13) The Company has set up a department of Investor Relation where Shareholders, investors and analysts can contact at their most convenience to Mrs. Srinual Sombatpraiwan or Mrs. Chadaporn Jiemsakultrip Tel. 02-3115111 ext. 7688 Fax. 02-3116867. In the past, the Company has been in contact with Shareholders, meeting with the analysts and from representatives of investment institutions.

All the above mentioned information can be looked up by referring to the title page number on the table of contents.

## **1.5 The Responsibility of the Board of Directors**

The 15 Directors of the Board has responsibility to the Company, Shareholders and Stakeholders under the guidance of Corporate Governance as following:

(1) The Company sets a policy and provides a Corporate Governance Handbook which is approved and signed by the Board of Directors. Thereafter, the Company shall communicate with the relating organizations to acknowledge, sign and proceed to follow its guidelines.

(2) The Code of Conduct Manual of the Group Company conforms to the same business ethics under the same directions. All Stakeholders are treated based on business ethics which are integrity, quality and service. All relating parties have well acknowledged and followed its work guidelines consistently. This ethics policy is clearly posted in public and has been translated into practice by all levels of the Company's employees. Moreover, the Company has diligently and consistently overseen the aforementioned policy. In addition, there was an employee self-assessment of compliance with the Code of Conduct annually.

(3) The leadership and the Board of Directors' vision  
The Company's Board of Directors will determine the Company and its subsidiaries' objectives, vision, obligation, strategic goal and business management policy to all departments including Directors and employees to acknowledge and follow in the same direction. Moreover, the Board of Directors has review and approved the Company's vision and mission at least every 5 years.

(4) In the past, the Board of Directors and the Audit Committee had overseen the Company's rules and regulations without any legal violations. The Board of Directors has conscientiously and skillfully performed their duties as any wise decent human would do. Every Director in the Board has passed the training program of the Board of Directors about the responsibility and skills of being the director by Thailand Institute of Directors (IOD).

The Company's Executive Director would being the Director not more than 3 listed companies outside the Group Companies.

(5) The Company also forms an "Internal Audit" department working in accordance with the audit plan and to be in charge of inspecting job as needed.

(6) The report done by Internal Audit will be submitted to the Audit Committee.

(7) The Audit Committee shall present a working report in conclusion and review the Internal Control System with remarks and then report to the Board of Directors meeting by quarterly period.

(8) On the account of Related Transactions, the Audit Committee will consider its suitability and feasibility of its price value and submit the case to the Board of Directors before the transaction occurred.

(9) The 2015 Audit Committee Report appeared on page 96.

(10) Every member in the Board of Directors has passed the training program of the Board of Directors about the responsibility and skills of being the director organized by Thailand Institute of Directors (IOD).

(11) In the past year, there were 12 Board of Directors meetings in all. According to the information from the Structure of Management in the Board of Directors' Meetings, all members had attended the meeting regularly except those who were abroad during the meeting time. However, some members did have access to a Video Conference System and were able to join the meetings from abroad.

Normally, the Non-Executive Director (NED) such as the Audit Directors who are also Independent Directors (ID) shall also organize meetings among themselves or sometimes with the auditors, but without any management team involved, to evaluate the different matters that draw attention and sometimes the meetings will include the auditor as well.

(12) The Company has clearly divided the roles, duties and responsibilities between the Board of Directors and the Management Team. Any cases that required specific authorization, the Management Team shall relay to the Board of Directors for consideration regularly.

(13) Once a year, the Board of Directors shall individually have a self-evaluation report. The Company's secretary shall also collect all other evaluations and report to the Board of Directors to be acknowledged and for further improvements. Moreover, member of the sub-committee shall individually have a self-evaluation as well.

The President's performance evaluation shall be considered for the purpose of remuneration by the Remuneration Committee.

(14) According to the Company's policy, visions and obligations regarding its employees and executives, the Company shall plan the successors and prepare suitable personnel to take over the top executives and other high level executives at least 1-2 years in advance by providing training and placing the suitable personnel on the right position in order to warrant uninterrupted work and to accomplish the Company's goals.

(15) The Company's Risk Management Committee shall hold meetings, make plans and lay down operational procedures for all related tasks including scheduling the Risk Management training to all company's subsidiaries' executives and employees in order to reach the whole organization's objectives under the same direction. Also, a Follow-up System shall be carried out to keep its practice corresponding with any changing circumstances.

(16) The Company sets a clear policy of Conflict of Interest as part of company's rules and regulations and reified into practice.

(17) The Company shall appoint the Company's Secretary whose duty is to give legal advice and notify any rules to the Board of Directors, to oversee the Board of Directors' meeting activities, arrange minutes of the meetings including related documents. Also the Secretary shall collaborate with all related parties to conform to the Board of Director's resolutions. The Secretary is responsible to oversee the rules issued under the Securities and Exchange Act. Volume No. 4 (B.E. 2551) Section 89/15, Section 89/16, Section 89/17 and Section 89/23 are followed accordingly.

(18) The Chairman of the Board of Directors is not the Company's full time executive.

(19) The Chairman of the Board of Directors is neither the same person as the President nor has mutual relationship. Therefore, their duties are clearly separated based on the scope of each individual's authority and position. Details can be found in the Managing Policy Manuals.

(20) The Appointment of the Audit Committee and their relating duty.

The Company's Board of Directors has appointed the Audit Committee that are fully qualified according to the Stock Exchange of Thailand's requirements issued since 19 December 2013 and complied with the Securities and Exchange Commission (SEC) as well. Each member shall hold the position for a 3-year-term and shall be an Independent Director (ID) as well as a Non-Executive Director (NED). In the year 2015 the Audit Committee is consisted of:

Name	Position	Number of Attendances:
1. Emeritus Professor Dr. Achara Chandrachai	Chairman of the Audit Committee / Independent Director	4/4
2. Mr. Chivin Chaipanich	Audit Director / Independent Director	4/4
3. Miss Pakinee Prerttiumrong	Audit Director / Independent Director	4/4

All 3 Audit Directors have continually been working independently. In 2015, there were 4 Audit Committee Meetings and the performance reports were made to the Board of Directors by quarterly period. The committee has performed their work in full compliance with every charter as following:

The Audit Committee has formed a charter in writing with the approval from the Company's Board of Directors by declaring the scope of authority, role of duty and responsibility clearly as following:

1. Review the Company's Internal Control Process for its suitability and efficiency.
  2. Be part of the selecting procedure, reviewing and nominating the external auditor by collaborating with the coordinating Director and external auditor in relation to the company's financial report and review for accuracy and reliability.
  3. Oversee the company's business practice to be in compliance with laws and legal regulations and no conflicts of interest.
  4. Provide the conclusion of the Audit Committee's performance report which is verified by the chairman of the Audit Committee and later to be disclosed to related parties on the Company's annual report.
  5. Assign the management to correct any errors found promptly.
  6. Follow up and evaluate any important tasks.
  7. Oversee other miscellaneous tasks assigned by the Company's Board of Directors within its authority.
- The Audit Committee's qualifications, educational background and experiences are shown from page 11-12.

Therefore, upon the operation of the Audit Committee of the year 2015, the Company has enclosed "the report of Corporate Governance of the Audit Committee" as part of the Audit Committee's Report as shown on page 96.

(21) The Internal Control System and the Internal Audit

The Company emphasizes on the importance of Internal Control System's efficiency on both executive and employee levels. Therefore, the Company set the rules and proper procedure with clarity but without repetition by dividing the duties between the task performers and the quality controllers completely from each other. This is to create checks and balances ensuring work performance. Moreover, a Financial Report System is presented to the executives showing the record of work efficiency. There is also a property control system to oversee the Company's benefits. The detail of the Board of Directors' opinion over the internal control system was disclosed and can be found on page 97.

The Company's Internal Control Process oversees the Company's work system, major task operation and financial activities to be in compliance with the rules and also be efficient. The Internal Control Process will work directly with the Audit Committee according to an annual audit plan and to be in charge of inspecting job as needed. The Internal Control Process team shall report directly to the Audit Committee. Upon any urgent matter, the Internal Control Process team can make a direct report to the executive to address any corrections or improvements immediately. In such case, the Company's Internal Control Process will work fully independently from the Audit Committee.

(22) Nomination and Remuneration Committee

The Company forms the Nomination Committee and the Remuneration Committee as one committee. Most members, which are 66% of the committee, including the Chairman are independent director. The Committee has highly experienced and well qualified directors. They are:

Name	Position
1. Mr. Yanyong Tangchitkul	Chairman of Nomination and Remuneration Committee / Independent Director
2. Miss Pakinee Prertitumrong	Nomination and Remuneration Director / Independent Director
3. Mr. Chutindhon Darakananda	Nomination and Remuneration Director

The scope of duty and responsibility of the Nomination and Remuneration Committee are as followed:

1. Set up guidelines for nominating the Company's director, as well as consider the database of the person who nominated to be the Company's Director.
2. Select the qualified persons suitable to be nominated for new directors, according to the SEC's requirements, as well as to consider the qualifications of the Director who have necessary skills that needed in the Board.
3. Review the guidelines of the director's remuneration.
4. Set the value of remuneration for the director before proposing to the company's Board of Directors meeting's consideration.

In 2015, the committee held two meetings for considering the related matters with members' full attendance.

(23) Independent Director (ID)

The Company had a total of 5 independent Directors out of 15 as of the end of 2015, which is 1:3 ratio. All independent Directors possess the qualifications according to SEC – Securities and Exchange Commission's rules, in addition to their knowledge of company's business.

(24) The Company had 7 Non-Executive Directors out of 15 or 46.67% of the Board of Directors.

(25) The Board of Directors' Responsibility for the financial report as shown on page 97.

(26) The Company has no plan to entitle any executives to buy Company's securities.

(27) In the past year, the Company's Board of Directors assured that all the work and activities were in compliance with the Company's objectives and policies which emphasized on accuracy and transparency. Thus, there were no actions or offences against the related rules and regulations.

The Company has the policy regarding the minimum quorum of the Board of Directors' Meeting. The Directors are required to have at least two third of the total directors for voting agenda.

(28) According to the Company's Corporate Governance, the Company is against any kinds of corruption and illegal practices. Therefore, the Company shall neither cooperation nor involvement with any corrupted matters.



## 2. Subcommittee

2.1 Composition of the Board of Directors consists of the Board and all 4 subcommittees, the details are in the section: management structure which included the subcommittee members' names and the scope of authority of each committee.

2.2 The Audit Committee. According to the details of subcommittee listed above as No. 1.5 (20), this included the directors with knowledge and experience in auditing the financial statements of the Company was Emeritus Professor Dr. Achara Chandrachai. The detail of the duties is specified in item 1. (1.5) The Responsibility of the Board of Directors.

## 3. Nomination and appointment of Directors and Top Executives

### (1) Independent Director

The Company's Nomination and Remuneration Committee had specified the year 2015 hiring process, scope, responsibilities and operation in item 3: management structure.

In 2015, the Independent Director didn't have the business relation and any professional services.

### (2) Nomination of Directors and Top Executives

Through the Nomination and Remuneration Committee, the Company's had guidelines for persons to be appointed as director as detailed above. The resolution had been passed for the agenda appointment of directors in the Annual General Meeting of Shareholders under the criteria for the General Meeting of Shareholders item 1.1 The Right's of Shareholder and item 1.2 Equality Among Shareholders.

## 4. Supervision of subsidiaries, joint ventures and associated companies.

The Company's subsidiaries, joint ventures and associated companies engage in many fields of businesses. The Company supervises the subsidiaries, joint ventures and follow the associates companies through the following methods:

(1) Company's Board of Directors supervises the management and operation of subsidiaries in accordance with its objective. Sending representatives to the subsidiaries, the Company had sent directors or executives to control management and be responsible for the subsidiaries' operation. Representatives were sent to the joint ventures and associates to perform their duties as directors of the Company, provide helpful comments, recognized business trends and operation results of joint ventures and associates which are in proportion to its shareholding. There will be regular Board of Directors meeting for subsidiaries, joint ventures and associates.

The proportion of the Directors in subsidiaries, joint ventures and associates is at least in proportion with the Company's investment.

The Company's representative who performed their duties as the directors or executives of the subsidiaries have duties and responsibilities as assigned by the management guide.

For the supervision of subsidiaries, Board meeting was convened regularly almost every month. Report on financial position and operating results were made, or approval of significant transactions which is in accordance with the relevant rules.

The Company determined that its subsidiaries have appropriate internal audit. The Company incorporated internal control into 2 steps. Firstly, the subsidiaries will assess the adequacy of the internal audit by itself, and secondly the Company's internal audit made random inspection on the subsidiaries' internal audit.

(2) The Company and shareholders of the subsidiaries, joint ventures and associates made no agreement which is significant to the operation or the Group of Companies management other than the usual business practice.

## **5. Internal Data Usage Control**

From the beginning, the Company set moral measures for the executives and employees to follow. The Company's core value is emphasizing Integrity, Quality and Service. Also there are other related company rules as follows:

- Prohibit the use of either self-authority or other's authority for personal benefit or assisting others in an illegal manner.
- Dedicate time and attention to the work for the Company's benefit
- Perform duty with best knowledge and effort
- Perform duty honestly and loyally

The Company exercises the disciplinary actions against wrongdoers if there is any violation of the above mentioned. Penalty measures are clearly stated in the Company's rules.

Moreover, the Company set a policy to prevent using the internal information for trading Company's securities. In order to avoid unequal opportunity to outsiders, the Company's Board of Directors resolved that the executives and Board of Directors must avoid trading for 14 days prior to the disclosure date of the Company's annually or quarterly financial statements report and within 24 hours thereafter. The Company's Secretary shall be in charge of making announcements of the Silent Period schedule regarding the Company's security trading.

## **6. Auditor's Remuneration**

As shown in page 182.

## **7. The principles of good governance in other matters.**

The Company is in compliance with the principle of good corporate governance for listed companies (Code of best practices) according to the guideline set by the Stock Exchange of Thailand. The Company had disclosed 5 topics in item 1.1 to 1.5.

# INTERNAL CONTROL AND RISK MANAGEMENT

Saha-Union Public Company Limited's main business is investment and products selling such as textile materials, stainless steel and adhesive tape products. Its policies are based on ethical values, namely-Integrity, Quality and Service, in accordance with its vision and missions in pursuit of achievement of the organization's objectives and value addition to all stakeholders, under the above-mentioned operation. The Company attaches much importance to overseeing progress and procedures on internal control process which involves 5 issues: control environment, risk assessment, control activity, information and communication and monitoring activity. During the Board of Directors' meeting No.1/2016 on 21 January 2016 in the presence of the five Independent directors, the Board of Directors evaluated adequacy of the Company's internal control process. The result can be summarized as follows:

## 1. Control Environment

1.1 The Company is committed to the values of honesty and morality. Based on these values, the Board of Directors and the Executives have provided practical guidance on daily duties performing, decision-making and the way of treating its business partners, customers and outsiders. Written regulations stipulate that the executives and personnel staff must perform their duties with loyalty and keep to the Code of conduct Handbook regarding a prohibition of action that may provoke conflicts of the interest and bribery that may cause damage to the organization. Disciplinary actions shall call upon different measures of punishments stated in the Company's rules where, the executives and other employees acknowledge and sign each year. In addition, the Code of conduct is communicated to them and outsiders via the Company's website.

A monitoring process and aforementioned performance evaluation has been carried out by the internal audit team. The executives and other employees have conducted a self-assessment, and they have been assessed by independent experts from the outside and external auditor as well.

By means of detective controls, the Company has managed to act in time upon noncompliance of the above-mentioned rules. Penalties are imposed or corrective actions are taken within a reasonable time period against violation of principles of loyalty and the Code of conduct.

1.2 The Board of Directors is independent from the Company's executives; their duties are to supervise, oversee and improve the operation of internal control process.

The Company has determined to the Board of Directors specific roles and duties explicitly segregated from the management, clear goals of business operation and measurable plans as guidelines for both the executives and employees' performance. It has also established roles and duties of the Board of Directors and executives in conformity to the laws and rules, together with those of the Audit Committee, auditor, internal audit team as well as a person in charge of financial reporting.

The Board of Directors has an understanding of the Company's activities and helpful expertise and they can have consultations with specialists over this matter.

The Board of Directors comprised of Independent Directors who are skilled, competent, reliable and fully independent of work - that is one third of the Board of Directors,

The Board of Directors has undertaken an appropriate evaluation of adequacy of the internal control system in all aspects.

1.3 While taking business operation and the laws into account, the management has properly set the organizational structure and a hierarchical authority of command and responsibilities among the Board of Directors, Executives and personnel staff, including a design of an efficient internal control process with the aim of achieving the organization's objectives.

1.4 The Company has had its intention of motivating, improving and keeping skilled, competent and suitable personnel staff. Performance evaluations have been conducted in a bid to give incentives and rewards to employees for their good work, if not, to take actions to the personnel of whom their performance objectives were not met. This practice is made explicitly known to the executives as well as other staff members. Besides, problems solutions and preparatory measures are provided such as consulting service, training programs and succession plan for important ranks in case of a shortage of personnel.

1.5 The Company has ensured that each staff has a duty and is held responsible for internal control within his or her span of authority. The executives have provided corrective actions in operational process if needed through indicators of performance, assessment with the aim of incentives and rewards offering while taking account of the Code of conduct linking to achievement of the organization's internal control objectives in a short term and long term. There has not been too much pressure on the individual performance under the condition.

## 2. Risk Assessment

The Company has set its clear goals in identifying and assessing risks related to the achievement of the organization's objectives.

2.1 In respect to compliance of relevant regulations and rules, the Company has conformed to the accounting standard which is approved and suitable for the business in each period of time; all transactions shown in the financial statements have really existed and are complete, demonstrating correctly the rights and obligations of the Company and proper values. The report is correctly and completely disclosed, reflecting its real operational activities. The criteria for financial reporting is based on significant factors such as regulations of the government agencies involved, financial statement user, the extent of transactions and business trend.

The Risk Management committee approves, communicates and acknowledges risk management policy to the executives and the personnel staff who are required to follow so much that this practice is forming part of the organization culture.

2.2 To meet the organization's objectives, all types of risks threatening business operations have been identified and analyzed at all levels within the organization from business units to administration section. Such risks analysis is based on various internal and external factors in relation to the Company. Furthermore, likelihood of the risk occurring and its impact, provision of measures and operational plans to mitigate risks to some degree have been analyzed as well. Moreover, the participation in the risk management by the Board of Directors at all levels is embedded in the organization culture.

2.3 The likelihood of frauds has been taken into consideration; any false entry in the Company's financial records, loss of assets, corruption, the executives' performance against the internal control system, information modification on important reports, abused acquisition and exploitation of assets, etc. As a result, the control process is designed and the objectives of operation are carefully reviewed by considering a possibility of the set forth objectives, including logic of incentives and rewards offerings to employees for the purpose of discouraging them from behaving in a dysfunctional manner. However, during the meeting with the executives meeting, the Audit Committee has verified and inquired each year about potentialities of corruption and its preventive or corrective actions, including the risk management. Moreover, the Company has ensured that its policies and internal control strategic plans are understood and also applied by the personnel staff in order to prevent or reduce the risks.

2.4 The Company is able to identify and assess any changes that may have an impact on the internal control process, arising from external factors such as incidence of world economic change, including influence of foreign exchange and interest rates. The responsive measures to such changes have been sufficiently provided.

Furthermore, the responsive measures have been sufficiently provided for the assessment of change in the types of business that may affect business performance, the internal control process and the financial reports related to the Company such as addition of new type of business.

Also, the responsive measures have been sufficiently provided for the assessment of change in the organization's leader that may have an impact on the internal control process, that is to say; when the leader reaches his or her term.



### 3. Control Activities

The Company has adopted a system of internal control that helps to mitigate a risk of non-achievement of the organization's objectives at an acceptable level.

3.1 The internal control system of the Company is suitable for its risks and its characteristic in terms of the complexity and nature of tasks, investment specification such as follow-up control system of information and financial reporting of all invested companies, usage of cross check data system for the consolidated financial statements presentation, including management of risk arising from the foreign exchange that may affect the operations, etc.

3.2 The Company has provided an appropriate internal control process covering various measures in the form of written instructions by setting policies, regulations and procedures in regard to financial operations, purchasing and general management. There is also a handbook stating explicitly and concisely scopes of powers and duties including hierarchical command of approval of the executives at each level, aiming at preventing fraud, by limiting a ceiling and approval authorization span, providing approval procedures of investment projects, purchasing procedures, supplier selection criteria and procedures of tools requisition. There are also other operational processes as following;

3.2.1 Collect as well as update records of interrelated transactions or transactions with potential conflict of interest by major Shareholders, Directors, Executives, or any other related persons to these people for the purpose of follow-up and checking.

3.2.2 Monitor the follow-up through agreed conditions throughout commitment period, for example, repayment at the due date and review of contracts appropriateness in case of authorization of transactions with the related parties in the manner of committing the Company in long term such as borrowings, loans, guarantees and securities loans.

3.3 The Company has determined various types of internal controls, for example, manual and automated controls, including preventive and detective controls.

3.4 The internal control process takes place at all constituencies of the organization; Group companies, business units, party hierarchy, departments, sections including overall processes.

3.5 The roles are strictly divided into three groups for the purpose of cross checking. That is role of approval, role of accounting and information transaction recording and role of asset management and storage.

3.6 The Company has selected and has improved the control activities by means of technologies in a bid to support the achievement of its objectives, adopting information technology of relevance to operational process and having general control over the information and communication system through scope of duties concerned. The Company has also provided proper activities controls of structure, security, acquisition, improvement and maintenance of information and communication technology.

3.7 The Company has established the monitoring activities towards its policies stating what is expected and how to proceed in order to render these policies applicable. The procedures are specified in the Code of conduct. To give an example, concerning business transactions by major Shareholders, Directors, Executives, or any other related persons to these people, there must be approval procedures in conformity with regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission. This is to prevent the related parties from exploiting the opportunities or interests of the Company for their personal benefit. Moreover, determination of transaction approval shall be done by people who do not have the common interest, on the basis of the Company's optimal interest or at arms' length basis.

As an investment company, the Company shall need to take measures and policies on following up activities of its subsidiaries or associated companies and shall also provide guidelines to the Directors or to the Executives of those companies. The Company has determined roles and responsibilities for implementing policies and internal control plans in a timely manner to both the competent executives and staff members and has taken measures to rectify performance failings (if any).

The Company has regularly conducted a review of its policies as well as operational process to render them appropriate.

## 4. Information and Communication

The Company puts emphasis on pertinent and quality information processing to support the internal control process as intended, by defining categories of information related to the Company's performance from within and outside the organization and bearing cost/benefit as well as correctness considerations in mind in regard to quantity of information.

4.1 Decision-making by the Board of Directors is based on the important information that the Company has sufficiently provided. This is to say, the Board of Directors shall be summoned to a meeting or receive supporting documents which are necessary and sufficient for considerations at least seven days in advance, as stipulated by the law. In addition to the minutes containing enough details on appropriate performance of the Board of Directors, that could be retro-checked, the Company has properly classified filing related to important documentation into categories. In case of deficiencies in the operation of internal control found by the auditor or the internal audit team, the Company has made corrections of the control already.

4.2 The Company has designed a flow of information and established the objectives as well as the responsibilities for the internal controls to support efficiently and effectively the internal control process plans. Moreover, important issues are regularly reported once a month to the Board of Directors whom access to the information and communication technology is possible for the purpose of their activities or listing check as needed. To give an example, the Board of Directors can get more information from the auditor and the internal control team besides that of the executives. Normally, meetings are held especially for only the Audit Committee and auditor, excluding the executives. Also, there were discussions between the Board of Directors and Executives besides meeting of the Board of Directors.

A channel of communication has been established for individuals so that they could inform in a safe manner the Company on suspected fraudulent activities incurring within the Company.

4.3 The Company has a proper means of communication with the external stakeholders regarding the matters that may affect the internal controls. For example, some staffs are assigned the duty of looking after activities in relation to investors or the task of receiving complaints. The external stakeholders can safely give information on suspected fraud to the Company as well.

## 5. Monitoring activities

The Company has provided monitoring activities and evaluation of effectiveness of the internal control process to ensure that the internal control strategic plan is completely working.

5.1 The Company forms an internal control team to be in charge of monitoring compliance of business ethics and the Company's regulations stating a prohibition of the management and personnel staffs' behavior that may provoke a conflict of interest. The internal control team shall submit the report to the Audit Committee.

The task of monitoring activities and evaluation of effectiveness of the internal control process has been assigned to the skilled and competent internal control team working independently. Their task is to verify if the internal control strategy is applied as planned. The Company has determined a frequency of the monitoring and the evaluation according to the situation that might change. The guidelines on audit reporting issued by the Company demand that it should be directly reported to the Audit Committee. In this regard, the internal control team is encouraged to conform to the international standard on professional internal audit performance and also provided with relevant training programs.

5.2 The Company has created a channel of communication of audit report and deficiencies of internal controls on a timely basis to the persons responsible for this matter involving high-ranked executives and the Audit Committee. This allows necessary corrective actions to be taken promptly in case of the findings with a significant difference from the set forth goal.

The Company has a policy on reporting in a cascading way; In case of an incident, suspected serious fraudulent acts, violation of laws or any queer activities that may have a significant impact on the Company's reputation and financial position, the executives shall notify them immediately to the Board of Directors.

For any detected significant failings together with actions to be taken to rectify them, the internal control team is required to communicate them to the Audit Committee for its consideration within a reasonable time period and the latter, in turn, must present them to the Board of Directors.

Concerning progress of significant failing correction, it shall be reported to the Audit Committee who shall make a judgment on forwarding the matter to the Board of Directors.

Normally, the Audit Committee shall monitor the audit outcome at quarterly intervals and submit subsequently the report to the Board of Directors within the same time period.

The Audit Committee concluded that the internal control process and the risk management of the Company are adequate and proper. There is sufficient personnel staff to execute the work efficiently. In regard to the internal control process, control activities have been sufficiently carried out for the purpose of preventing the subsidiaries' Directors and Executives from abusing or using without authorization the assets of both the Company and the subsidiaries, involving the related transactions between parties who may have conflicts of interests and the related parties.

The Company's Auditor is Mr. Termphong Opanaphan, from EY Office Limited had performed an audit of quarterly financial statements of the year 2015 and expressed suitability and adequacy of the internal control process.

The Company gives much importance to the internal control system as well as the risk management aforementioned, which are the core elements inspiring confidence in the quality of the organization to those involved.

In the past year, there was no any defect on the internal control system.

The Audit Committee expressed no difference in opinions from those of the Board of Directors, as shown in the annual report of the year 2015 made by the Audit Committee's Report on page 96.

## **Chief of the Internal Audit**

Mrs. Chanpen Nopsuri, the Company's Chief Audit Executive in 2015, takes responsibility for operational monitoring of internal audit process. Being experienced in internal audit system and having an understanding of the Company's business activities, she is suitably qualified for this task.

Approval, appointment and removal of the Chief of the internal Audit shall be made, at the high-ranking executives' suggestion, by the Chairman of the Audit Committee.

# RISK FACTORS

The Risk Management Committee, appointed by the Board of directors, is responsible for risk evaluations, policy setting, risk management and risk evaluation reporting to the board members of the Company and its subsidiaries within time frame. Due to economic and political situation and a change in society, reviews of risk factors, risk potentialities including their impact and management measures are needed for the purpose of reducing the risk in an acceptable range or eliminating them. Based on internal and external factors, risk assessment is classified into four categories: business risk, operational risk, financial risk and external circumstances risk, which may have a significant impact on the Company. In regard to the measures and policies on the risk management, they have been transmitted to the executives and operational teams of both the Company and the companies in the group's core business so that the latter would identify clear objectives and carry them out in the same direction to achieve goals.

The following are risk causes that may significantly affect the Company.

**1. Business risk** is the risk on returns on investment, which are different from anticipated returns.

The Company's major business is investment, consisting of domestic and foreign investment capital on which the return is in the form of dividend. Thus, the risk may arise from this unrealized return that would result in profit diminution. The Company estimates that likelihood and impact on this case are at a moderate level owing to diversification of investments. The ways of managing risk are through a conduction of close follow-up to performance and return on investment, including assessment of the future situation for business investment to anticipate solutions. In order to consider a business development, an investing company must provide a medium-term plan to propose to the Board of Directors. During 2015, the Risk Management Committee made a proposal to the Board of Directors and was given remarks for further development.

## 1.1 Decreasing income from investment

The Company launched a new business acquisition plan to address this issue by venturing into a new type of business involving medical services in 2015, establishing a new hospital which is going to take 3 years to complete.

## 1.2 Risk on the target return on investment.

The target return on investment which is not achieved is another risk cause that may occur in the future, arising from a change in accounting standard; from Thai to international practice, involving precisely interpretation of the International Financial Reporting Standards No 4 (IFRIC 4) related to assessment of the agreement, whether it included lease contract or not, and No 12 (IFRIC 12): service concession agreement. This concerns interpretation of business on electricity generation as a lease or service concession, which will affect the operational business of Ratchaburi Power Company Limited, invested by the Company. The latter may have to modify the accounting record model. In spite of its revenue arising from production and sales, it shall be gradually recorded as earnings related to concession period, according to the new accounting standard taking effect in 2015. It means that net profits would decrease in the early years. As a result, the Company may receive less dividends. Besides, the economic recession in 2015 that affected a number of entrepreneurs may be another reason for dividends being lower than expected.

## **2. Operational risks.** The important operational risks are as follows;

### **2.1 Risk of damage and management errors of invested business.**

As indicated earlier that the Company's main business is investment, logically, if any entities in which the Company invested failed to work, it may cause damage to the Company in terms of securities. The Company estimates that potential risk and its impact are at a moderate level as the company has diversified their investments. The company's measures for the entities in question are through risk assessment, internal control process, policy on providing relevant knowledge, performance follow-up, including regular meeting holdings for investors and executives. In addition, on the part of the Company, checking, monitoring and internal control process provided for each operation business is a must. The Company places an emphasis on checking remaining goods as well as managing debtors and creditors affairs and other systems in secondary thing.

### **2.2 Risk of reliance on orders from a few key customers.**

Some of the Company's subsidiaries are joint ventures and the partners are foreigners who carry out the overseas marketing plans. The Company is strongly influenced by demand of product orders from a few of these key customers in case they change or reduce order volume or move their facilities to another country. However, the potential risk is quite low as these partners have about 50% of capital and they should cooperate to get returns on investment. The Company has taken measures by maintaining good relationships with the partners and by offering its products of quality to the customers as required.

### **2.3 Risk of non-return on assets.**

During the past years, there was a change in business operations in Sri Racha by the Company on a basis of assets leasehold which expired. The lease agreement is currently terminated by the tenant. As a result, the Company has a risk of non-return on assets. Most of the assets are buildings, clean-room system as well as equipment used especially in manufacturing business of electronic parts of computers, but not assets in general. In case of maintenance to keep these assets in a normal condition, a quite huge increase of expenses is needed by the Company. Consequently, if the Company cannot find a new tenant, returns on assets mentioned above will not be possible, leading to a revenue decrease and probably more expenses. Since 2014, the Company had been gradually selling its unused assets, and was considering a measure to deal with the issue. The impact of this kind of risk may eventually lead to lower shareholders' dividends. Anyhow, such impact may, in turn, result in decreasing dividend payments to shareholders.

## **3. Financial risks.** Below is a list of significant financial risks:

### **3.1 Risk of foreign currency exchange loss in the associated companies.**

According to the Company's analysis, the potential risk and their impacts are high because of the export volume is quite a great deal for the major company in the Group. If there was a high fluctuation of exchange rate for Thai baht compared to US dollars, thus, this affected foreign currency-denominated expenses and earnings from product sales, then exchanged to Thai baht. Substantially, this risk factor plays an important role. The Company takes action by assigning a personal to be responsible with the ongoing situation and the exchange rate. This person has to report activity and consult with Managing Directors of the associated companies, in relation to prompt decision-makings. Additionally, the associated companies have to report impact of foreign currency exchange rate, including number of debtors and creditors to the Company. Normally, the Company has its policy to manage this risk by using Natural hedge and consider making Forward contracts with banks according to the situation. This is only to prevent the risk, but speculation about exchange rate is not permitted. Moreover, the Company has invited from time to time key speakers from financial institutions to bring about more knowledge and skills, at the same time to place emphasis on management vigilance, to executives and personals concerned.



### 3.2 Risk of impairment of investments.

The Company's main business is investment, in many kinds of investments. With the passing time, changes in economic and political situation, demand and supply, energy price as well as raw material price may influence some business types invested by the Company. If the performance of these associated companies is negative, the value of shareholders' equity will decrease. In case the decrease is inferior to the total of Company's investment, it is necessary to record the impact on low-value of investment. In this regard, the Company assessed that the potential risk and its impacts were at a moderate level. The Company has been carrying out yearly assessments of invested business each year. In this regard, the Company conducted assessment of this risk. In 2015, Baht 192 million of the impairment of investments was accounted for in the notes to financial statements for the year 2015 No. 13, No. 14.3, and No. 16 under the Separate Financial Statements.

## 4. Risks arising from external circumstances. These risks, being beyond control of the Company, are as follows:

### 4.1 Increasing interest rate risk.

The source of working capital of some subsidiaries is partly from loan. Therefore, the increasing interest rate results in financial costs. This factor is outside the control scope of the company. If interest rates rise, it will affect the cost of financial year. In around 2015, the interest rate was lower than the previous year. However, the Company and its subsidiaries do not have huge loans. Thus, the risk assessment and its impact are at a low level. To prepare for this event, the Company has a policy to prevent this risk by maintaining a portion of the structure between debts and funds accordingly so as to get a high return on investment than the financial cost of the company.

### 4.2 The risk of Global economic change.

In 2015, the world economy was affected by the economic crisis in Europe, so was Thai economy. As a result, the associated companies got less order volume from the European customers, when compared to those in a normal economic situation. The business group that was the most affected is textile segment and rubber segment, including adhesive tapes segment. This might affect the companies' operations, in which the Company had invested, in the way that the Company will get less dividend payment during this period. The ways of managing these risks factors by the Company are through maintaining the marketing parts as well as improving its product quality to compete with rivals. Anyway, the Company's existing investments are aimed at getting long-term yields. Regarding risk management measures, the Company has focused on careful consideration about investments, follow-up of economic situation in the invested partner's countries, including study of fundamental factors in the countries to be invested, on the purpose of getting proper yields.

# MANAGEMENT DISCUSSION AND ANALYSIS

During 2015, the overall operation was still affected by the ongoing recession from 2014. The export sector was not extended as predicted. The domestic demand did not increase as it should. Eventually at year end, the government sector issued fiscal stimulate tax policy to increase consumption. Nevertheless, the Company's business group was affected such as automobile parts manufacturing, computers trading, etc. However, some of the Company's business investments did show better performances for example, energy business in the People's Republic of China and Hotel business, the new business investment starting mid 2014 which has just completed the first full year of 2015. Thus, there was a rebalance of investment risk among joint ventures due to varied types of businesses.

## 1. Overview of operations and the factors in significant changes

In 2015, the performance, according to Company's separate financial statements based on cost method showed Baht 574.22 million as net profit, a decrease of Baht 631.58 million or 52.38%, when compared to 2014. The main factor is the receipt of dividend income paid by 2 oversea subsidiaries, Saha-Union International Ltd. in Hong Kong and Saha-Union Investment (China) Co., Ltd. They had paid most of their retained earnings to the Company; dividend payments of Baht 251.66 million and Baht 310.98 million respectively, or Baht 562.64 million in total. This was the result of Company's group's 2014 financial management project for maximum profit. But there was none of such transactions that had occurred in 2015. Furthermore, in 2015, there was a recognition of realised losses on impairment of investment of energy business in Yunnan. The business has been performing under loss continually for several years as well as facing its liquidity problem. Therefore, the company's report of losses on impairment of investment increased the expenses on this segment Baht 87.4 million more than that of 2014.

Net profit according to the Company's separate financial statements based on cost method will not equal to the Company's consolidated financial statements.

The operation overview according to the consolidated financial statements based on equity method in 2015, the Company's shareholders earned a net profit of Baht 917.26 million, a decrease of Baht 85.99 million or 8.57%, compared to the net profit of the Company's equity holders of Baht 1,003.25 million in 2014. The major causes that contributed to the changes of the above-mentioned performance were the reflections of the following factors and some significant events:

### 1.1 Change in Currency Market

In 2015, the saving interest rate was lower than 2014 at approximately 0.50%. Therefore, the return on the excess liquidity of some of the Group Companies were decreased.

### 1.2 Directions and Investment Market Trends

In 2015, the investment atmosphere was not propitious to the investors due to the ongoing decreased set index of global capital market. Especially by the end of 2015, the market value of Stock Market decreased dramatically. Based on accounting standard, the Company must report a recognition of the differences between the market value and the cost at the end of accounting period. For trading investments, the amount that is lower than the mentioned-market value is recognized as unrealised losses from revaluation of trading securities.

### 1.3 Directions and Economic Trends

In 2015, Thailand's economic atmosphere still continued to slow down and so did the growth rate of economy. The expenditures of both government and private sectors are still sluggish affecting some of the Group Companies such as automobile parts manufacturing, elastic bands and computer trading. Their sale volumes decreased when compared to normal situation.

## 2. The Performance and Ability to Make Profit

### 2.1 Sales and Services Income

In 2015, The Company gained income from sales and service for Baht 10,117.59 million, an increase of Baht 431.75 million when compared to Baht 9,685.84 million gained in 2014. The main factor came from the Group Company of plastic, rubber and metal business. The increased sales volume of stainless steel vacuum bottles came from its manufacturing expansion policy. In 2015, the hotel business earned its revenue for the full year when compared to the time of its acquisition in June 2014. Therefore the hotel business gained Baht 281 million more. Furthermore, revenues from sales of energy business in the People's Republic of China gained Baht 281 million more due to the change of machines and equipment required by newer technology, as a result, the production capacity has been increased to accommodate the growing demand of electricity in Jiashan city. Other businesses with lower sales income are the result of economic recession in 2015.

### 2.2 Other Income

In 2015, the Company and its subsidiaries gained other income besides the above-mentioned sales and service. Most came from the investment transactions with the total of Baht 701 million, Baht 125.42 million from unearned income and Baht 826.42 million from total of other income. It was Baht 75.84 million more or 0.36% of the total income components, compared to the total of Baht 750.58 million generated in 2014. The main factors in changes are as following:

(a) The dividend income increased Baht 33.95 million as a result of the return investment outside the Group business and marketable securities in 2015. The return from energy business increased Baht 30 million.

(b) Gains on disposals of investments decreased Baht 79.28 million due to the decreasing trend of foreign investment market value at the secondary market throughout 2015. As a result the profit of Baht 100 million that the foreign subsidiaries received in the previous year was reduced to Baht 14 million in 2015. Therefore the chance of revenue increases on this transaction was reduced.

(c) The receipt of interest income in 2015 decreased Baht 29.2 million or 0.29% of the segments, compared to the previous year's total income. This was due to the decreased return on the excess liquidity management, affected by money market's lower interest rate, by approximately 0.5% per year, lower than the previous year.

(d) The Company gained profit from currency exchange rate Baht 22.4 million due to the weaker US dollar value against Thai Baht in the previous year. The exchanged Thai Baht value on the payment for exported products on receiving date was higher than the day export transaction was made.

(e) In 2015, there was an additional transaction due to the fire damage of its subsidiary's stainless steel vacuum bottles manufacturing building in Bangchan district. The company appealed for compensations from the insurance company after the incident, which was in mid-2014. Eventually, after undergoing all the necessary procedures required, the Company was compensated during the 1st quarter of 2015 for Baht 125 million. Therefore the mentioned amount was recorded as additional income in 2015 since the damage value of Baht 48 million was already noted as realised expenses in 2014.

For other segments of other income, there were not any significant changes.

## 2.3 The Cost and Expenses of Sales and Administration

In 2015, the Company and its subsidiaries generated cost of sales and services for Baht 8,715.38 million, which was Baht 248.98 million more, compared to Baht 8,466.39 million generated in 2014. The increasing cost of sales was in accordance with the increasing of Baht 431.75 million more in sales income. The cost of sales' increased rate was lower than sales income. In other words, in 2014 the cost of sales was 87.41% of sales volume compared to 86.41% in 2015. This had demonstrated the Company's excellent cost of sales control. The businesses that generated the higher cost of sales as well as their sales volume came from Plastic, Rubber and Metal business, the expansion of stainless steel vacuum bottles manufacturing, the Power Plant Energy business in Jiashan city, People's Republic of China, which has been using newly replaced equipment and machines of more advanced technology to increase the production. Besides, the hotel business' full year of revenue was generated in 2015, compared to its half-year income gained in 2014. In comparison, both its cost of sales and sales volume increased while the ratio between cost of sales and sales volume decreased. In 2015, the Company got better control over textile business' cost of sales. Though both sales volume and cost of sales decreased, the business still yielded greater profit.

**Selling Expenses.** In 2015, the selling expenses were Baht 274.43 million. Compared to Baht 277.96 million in 2014, it was Baht 3.5 million or 0.16% less. This demonstrated the Company's efficient ability to control selling expenses as the overview showed a greater sales volume while the selling expenses were decreased.

**Administrative Expenses.** Administrative expenses in 2015 were Baht 734.72 million, Baht 53.97 million more or 0.19% of the total income, compared to Baht 680.75 million in 2014. The main factors of change came from Power Plant Energy business in Jiashan city, People's Republic of China that generated Baht 12 million more on administrative expense in accordance with the increasing income. Then, the hotel business' full-year-performance not only increased income but also generated more expenses such as professional administration fees, staff expense and others, for approximately Baht 39 million in total.

Besides the administrative expenses, another significant factor of the change was the unrealised losses from revaluation of trading securities. In 2015 the Company lost Baht 87.42 million when in 2014, gained Baht 28.97 million. Therefore the Company had to report recognition of the realised loss of Baht 116.40 million decreasing profit due to the volatility of capital markets. In 2015, the stock value in secondary market went significantly lower than those of 2014. According to accounting standards, the business would need an end-of-period adjustment in order to match the marketable security value to the stock market value on that same day and report the recognition of the unrealised loss and gain of every segment in financial statement. These transactions belonged to the oversea subsidiaries.

## 2.4 The Ability to make Profit

### Gross Profit

In 2015, the Company and its subsidiaries gained gross profit of Baht 1,402.21 million or 13.86% which is Baht 182.77 million or 1.27% higher than year 2014 that gained gross profit of Baht 1,219.44 million or 12.59% of sales volume. The increasing gross profit came from the Company's subsidiaries' power plant energy business in Jiashan City, People's Republic of China. Their investment on changing to higher technological equipment and machines deemed not only increased sales volume but also higher gross profit rate. Also in 2015, the efficiency of cost and expenses of sales and administration in textile business yielded significantly higher gross profit. For hotel business segment, its gross profit increased Baht 111.8 million due to its full-year-operation in 2015 compared to its 2014's half-year-operation.

### Operating Profit and Cash Flows from Operations

In 2015, according to the consolidated financial statements, the Company and its subsidiaries earned profit before share of profit from investments in joint venture and investments in associates, finance cost and income tax expenses, or in other words, profit from operating activities, Baht 1,109.2 million which is Baht 187.28 million or 1.31% more than Baht 921.91 million earned in 2014. The main factor came from the gross profit of Baht 182.77 million earned by the Company and its subsidiaries as it was mentioned above. According to the financial statements, the amount of cash flow received from operating activities is Baht 1,817.96 million which is Baht 708.77 million more than operating profit. However, of the mentioned amount, Baht 641.31 million was accounted for trade and other payables once they are due. Another Baht 24.7 million was accounted for other current liabilities. Once both payment transactions were made, the operation's cash flow's balance would be Baht 1,151.95 million compared to Baht 1,109.19 million profit from operating activities. The ability to turn operating profit into cash flows indicated good liquidity. The 2015's Operating Activities' profit rate was at 10.14% or 1.31% higher than 8.83% in 2014. Therefore according to consolidated financial statements, the operating performance was better.

### Earning Ratio

In 2015, according to the consolidated financial statements, net profit before calculation the profit attribution was Baht 1,208.58 million, Baht 54.64 million more than Baht 1,153.94 million earned in 2014. The total net income of 2015 was at 11.04%, close to 11.06% in 2014. Once the calculation the profit attributable to the subsidiaries' investments proportions was done, the balance of Baht 917.26 million belonged to the Company's shareholders. This net earnings ratio was 8.38% of the total income which was Baht 85.99 million or 1.23% less than last year which the Company's shareholders' earned the net profit of Baht 1,003.25 million or 9.6% of the total income. Based on the total net profit before the calculation the profit attributable, the earning was higher than last year. But after the calculation the profit attributable to the Company's shareholders, the earning yielded lower than last year. On the other hand, the profit attributable to the non-controlling interests of the subsidiaries was increased due to the greater yield of the subsidiaries' profit. In summary, since the Company holds more than half of the total shares, despite the moderate increasing profit earned by subsidiaries which majority shares hold by the Company, the earnings ratio came out as the above explanation.



### Return on Equity (ROE)

In 2015, according to the Company and its subsidiaries' consolidated financial statements based on equity method according to accounting standards, with the recognition of investment profit gained from the joint ventures and the associates, the Company earned Baht 917.26 million profit attributable to equity holders or basic earnings per share at Baht 3.16 (the Company's shareholders). Therefore the average ROE is 5.06%, or 0.65% slightly lower than ROE in 2014 which was at 5.71%.

For separate financial statements, based on cost method, the Company had a net profit of Baht 574.22 million or Baht 1.91 per share which was Baht 631.58 million or Baht 2.11 per share less. In 2014, there was a receipt of dividend paid by the 2 oversea Group Companies' financial structure management, yielding the retained earnings of Baht 562.64 million to the Company in Thailand. But in 2015, there was none of such dividend income occurred which has mentioned earlier under the title: Overview of operations and the factors in significant changes.

The Company holds the dividend payment policy of dividend income based on performance no lesser than 1/3 of annual net profit after deduction of retained loss (if any). This is the net profit of separate financial statements (based on cost method) pending on business liquidity and company's cash expenses. However, the Company has consistently paid dividends to its shareholders in appropriate rate. Therefore on 17 March 2016, the Company's Board of Directors had proposed at the shareholders meeting for approval of paying a dividend to the shareholders at the rate of Baht 1.50 per share or 78.37% of net profit based on cost method.

History of company's dividend payment compared to net profit per share based on cost method is as following:

Year	Dividend per share	Net profit per share (cost method)	Dividend per net profit (%)
2014	1.75	4.02	43.54
2013	2.00	4.83	41.41
2012	1.50	3.39	44.25
2011	1.50	2.53	59.29
2010	1.75	4.36	40.14

### 3. Financial Status and Ability to Asset Management Capability

The Company and its subsidiaries' asset structure of major businesses are investments, productions and distribution, sales, and services and hotel. As of 31 December 2015, according to the consolidated financial statements, the Company carried total assets of Baht 23,626.98 million which was Baht 1,490.11 million or 6.73% more, compared to total assets of Baht 22,136.87 million at the end of 2014. The significant causes of this change are as following:

### 3.1 Compositions of Asset

The composition of assets is calculated by proportionally comparing to the total assets each year. At the end of 2015, the main components consisted of current assets 29.85%, investment fund 32.69%, investment property 7.95%, property, plant and equipment 26.16%, goodwill 2.21% and other non-current assets 1.14%. Compared to the changes of assets composition in 2014, the major change in 2015 was Baht 536.19 million or 2.11% increase of current investments. This was when the stock price was low enough and worthwhile for the Company's Oversea Subsidiary to make a decision on investment purchase. Furthermore, the Company had a new business investment of medical and nursing services called Sukhumvit 62 Medical Ltd. in 2015. The investment payments are arranged in installments within approximately 2-3 years period, which in 2015, a payment of Baht 200.5 million was made. This project needs approximately 3 years to build the hospital and acquire related equipment. For the overseas division, in accordance with its expansion policy, a sum of Baht 135.8 million was paid on proportional capital increase in Jiangsu Zhonglian-Union Carpet Co., Ltd., a manufacturer of automobile carpet. For property, plant and equipment division whose asset compositions proportionally rose 0.34% or Baht 463.86 million more, most of the investment was for purchasing more machines and equipment in order to increase a subsidiary's production capacity of stainless steel vacuum bottles.

Other assets besides the above-mentioned had no significant changes.

The return rate of on assets was at 4.01% and 20.71% for fixed assets, 7% less than that of year 2014. This is the result of the increased fixed assets of machines and equipment in order to increase the production of plastic, rubber and metal business. Furthermore, the fixed assets of hotel business which was acquired in mid-2014 was in high value. Therefore, it deemed very high depreciation expense, consequently the return was low. Long-term returns are expected.

### 3.2 The Asset Quality

On 31 December 2015, the total balance of trade receivables and other receivables was Baht 2,065.7 million which was 8.74% of the total assets. It is Baht 204.96 million more compared to Baht 1,860.73 million of the previous year. They were trade receivables-related parties for Baht 20.19 million, Baht 9.63 million was past due over 12 months under the associates' liquidating receivables and the Company has recorded the total of Baht 9.63 million as allowance for doubtful accounts. Baht 10.56 million, which is the remain of the balance, belongs to the net trade receivables-related parties. Furthermore there were also trade receivables-non related parties for Baht 1,786.32 million which has the component of accounts receivable aging over 12 months for Baht 7.5 million. The Company had recorded a recognition of allowance for doubtful accounts for Baht 7.43 million. Therefore, the net balance of trade receivables-non related parties came to Baht 1,778.89 million. Including the all the above-mentioned receivables, the grand total of net trade receivables was Baht 1,789.45 million, or Baht 109.04 million higher than the end of 2014. The main factor came from trading business segment's much higher sales volume in December 2015, than the rest of the year. As a result, the receivables at year end were brought up higher and the payment is not yet due. The average of accounts receivable collection period is approximately 63 days which was close to the Company's credit term granted for the customers and those offered last year which was 62 days. Thus, it is considered regular credit period offered to customers.

**Other receivables** such as prepaid-corporate income tax (withholding tax), accrued income, input tax refundable (VAT) and others came to the total of Baht 305.61 million. This sum consisted of other receivables-related parties Baht 29.36 million, which is the same as liquidation account settlement of the above mentioned trade receivables-related parties. The Company reported a recognition of Baht 29.36 million worth of allowance for doubtful accounts. The rest of the net outstanding balance is other receivables of Baht 276.25 million which is expected to be paid off within one year.

The net value of past due over 12 months' receivables is Baht 46.51 million. Therefore the Company has reported a recognition of Baht 46.41 million worth of allowance for doubtful accounts which is 2.20% of the entire receivables (Trade and Others). The Company and its subsidiaries believed that the recorded amount of the allowance for doubtful accounts is proper and sufficient in the current situation. Therefore it is considered a good quality asset according to the consolidated financial statements.

#### **Inventories**

On 31 December 2015, the inventories balance was at Baht 1,238.63 million. The subsidiaries reduced cost to reflect the net realizable value of Baht 66.74 million which brought the net inventories balance to Baht 1,171.89 million or 4.96% of total assets. The total inventories value by the end of 2015 was Baht 94.55 million more than year-end of 2014. At the end of 2015, the finished goods were increased Baht 28.98 million and Goods in transit for Baht 59.14 million more. This is in response to the received purchasing order to start its sales in the beginning of January 2016. According to the inventory control system, the Company consistently performs internal control systems, doing inventory count checks and reports the age of inventory analysis for further administration, including evaluating relative market value assessment of the inventories assets with the net book value and recording impairment of the assets value (if any). In this fiscal year, the Company restated a cost reduction to Baht 36 million in order to keep the cost, according to the books, as close to the expecting sales value as much as possible. The Company and its subsidiaries estimated the amount of the allowance of impairment of assets value as shown on Notes to the Financial Statements No.11, was adequately set.

#### **Investment transactions**

The Company and its subsidiaries' net investments as of 31 December 2015, carried a grand total of Baht 7,705.83 million or 32.61% of the total assets, which was Baht 352.45 million more, based on equity method. The new investment in 2015, there were new increasing investment transactions in 2 companies. The first investment was Sukhumvit 62 Medical Ltd. for Baht 200.5 million. The other one was the investment paid on proportional capital increase for Baht 135.8 million to the automobile carpet manufacturer, Jiangsu Zhonglian-Union Carpet Co., Ltd in the People's Republic of China. In 2015, according to the new accounting standards, the investment fund was divided into 1 additional category. Thus, the Company holds a new investment in joint ventures category under the newly financial statement adjustment as shown on the Company's financial statement dated on 31 December 2015. The Company held the investments of Baht 2,826.44 million in joint ventures, Baht 3,139.5 million in associates and the net value of Baht 1,739.89 million in other long-term investments. The value of these investments is based on equity method.

By the end of 2015, the analysis of the Company's separate financial statement after the recognition of allowance for impairment of investments, the total of allowance for impairment of investments was Baht 581.37 million in joint ventures and Baht 32.67 million in the associates. Therefore, to reflect the value of investments as close as the expecting return in the future as much as possible, the mentioned value of the allowance for impairment of investments is adequate and sufficient.

For the other long-term investment, there was not any significant change besides the restatement of securities' market-traded value for sales at Baht 147.4 million at the end of accounting period in 2015. Therefore the total value of capital securities was Baht 656.15 million, compared to Baht 966 million at market-value.

For the details of all investments categories such as name of the investments, type of business, proportion, the cost, the value base on equity method, can be found on Notes to the Financial Statement No.14, 15 and 16.

#### **Other Compositions of Asset**

1) Goodwill. There was Baht 521.72 million or 2.21% of total assets acquired by the subsidiary from the purchase of Hua Hin Hotel business. The Company conducts goodwill impairment tests annually to assess its realistic value. If it becomes lower, the Company will report its depreciation value in financial statements. In 2015, the goodwill value remained the same.

2) Other non-current assets. They consist of the components shown on Notes to the Financial Statements No.19, mostly is leasehold property. The Company's subsidiary in the People's Republic of China carries the leasehold property for Baht 83.08 million. To abide by the law of the People's Republic of China, the subsidiary has to lease the property from its government for the business operation location.

Other assets are considered essential in business operation, therefore, this composition of asset is adequate.

## **4. Company's Adequacy and Liquidity**

### **4.1 Sources and uses of capital**

At the-year-end on 31 December 2015, the Company and its subsidiaries held the sources and uses of capital by holding the net cash flow of Baht 1,817.96 million from operating activities which included account receivables and account payables. Baht 28.28 million baht was cash paid for interest. Baht 190.50 million was cash paid for income tax and Baht 42.11 million was cash from income tax refund. Therefore the net cash flow used in operating activities was Baht 1,641.28 million, the grand total of Baht 1,209.73 million was used in investing activities and Baht 823.36 million used in financing activities. After being restated by the translation adjustments of foreign currency exchange, the amount of Baht 126.98 million was added. Therefore, the total of net cash flow in 2015 was down Baht 264.83 million. But once combined with Baht 2,871.09 million of cash brought forward at the beginning of the year, by year-end 2015, the total cash flow balance was Baht 2,606.27 million.

Before the payments of interest and corporate income tax, the Company earned Baht 1,817.96 million from the operation along with the profit of Baht 1,109.19 million. All profit was received in cash. This has demonstrated the Company's high liquidity and ability to handle the operating activities' expenses adequately.

The significant changes of the expenses on investment activities are due to the Company's overseas subsidiaries' current investments. First, the stock value in secondary market was significantly reduced, approximately Baht 576 million. Then there was a paid on proportional capital increase in carpet manufacturing business in People's Republic of China approximately Baht 136 million and a new investment in medical and nursing services for Baht 200.5 million. Besides, the Company planned an expansion of stainless steel vacuum bottles manufacturing. In 2015 the Company invested approximately Baht 560 million in increasing machines, equipment and the size of factory, to respond its increasing demand. Next, the Company's subsidiary power plant in People's Republic of China had improved its energy production equipment using new technology, as a result, the investment of Baht 380 million more was added in 2015. Furthermore, the Company also received an investment dividend of Baht 617 million. The sources of this capital came from both internal cash overflow of liquidity and financial institute's long-term loan with payoff term. The Company is expected to be able to follow these terms adequately.

For financing activities, the significant transactions are the dividend payment of Baht 680.3 million to the major shareholders and the payment of current portion of long-term loans from the subsidiaries for Baht 177.2 million. There was also a receipt of capital increase for Baht 152.4 million from external shareholders. Others transactions showed no significant changes.

#### **The Adequacy of Capital Structure**

On 31 December 2015, the Company held the investment capital structure of Baht 20,287.68 million from the shareholders and the total liabilities of Baht 3,339.29 million. As the result, it is 0.16:1 debt-to- equity ratio between liabilities and the shareholders' equity of which the similar number of ratio shown on the previous year. It is considered a very small portion of liabilities when compared to its source from the shareholders' equity. Thus, the Company's lenders were at low risk on the account of Company's repayments.

In summary, the investment structure can increase its liabilities from the loan in the future.

#### **Debt Service Coverage Ratio**

The Company and its subsidiaries' liabilities were classified to current loan portion due within one year, consisted of short-term loan of Baht 333.87 million and current portion of long-term debt loan of Baht 177.2 million. Others were liabilities under finance lease due agreements due within one year Baht 54.64 million, the deposit from related parties Baht 34.29 million, income tax payables Baht 66.78 million and other current liabilities Baht 130.55 million. The grand total was Baht 797.33 million when compared to cash and cash equivalent, it was Baht 2,606.27 million, ready for use. Therefore the Company held the ability to immediately pay the entire debts due within one year. In other words, the ratio of the debt repayment is 30.59% of existing cash or 0.31:1, indicating that the Company's high ability to pay debt without affecting its operation. In general, most debt to cash service coverage ratio usually is at 1:1. Besides the number from the creditors shown on the Company's statement of financial position, there is also Off-Balance Sheet Financing source which is the Company's unused credit facility of Baht 900 million, issued by the financial institute.



Between these periods, the Company held no changes in capital structure. There were neither occurrences of increase or decrease of investment capitals nor any significant use of capital from the creditors.

#### **Composition of the Shareholders' Equity**

According to the consolidated financial statements, on 31 December 2015, the equity attributable to owners of the Company was Baht 18,489.81 million. It was Baht 706.89 million more compared to the equity of Baht 17,782.91 million at the year-end 2014. The reasons of change were as following:

1) The operation in 2015, the Company's net profit grew Baht 917.26 million more. During the year, there were dividend payments of Baht 525 million as the resolution of the Annual General Meeting of the common Shareholders' meeting, resulting in shareholders' equity, the increase of Baht 917.26 million and the decrease of Baht 525 million respectively.

2) The unrelated operation but with recognition of the increased profit (loss), restated to the total increase shareholders' equity of Baht 314.64 million, was composed of;

2.1 Adjustment based on accounting standards. There was a recognition of unrealised gain (loss) from securities available-for-sales at the end of the period with its reevaluation based on market price. Since the stock market price was down, the reduction of Baht 120.99 million resulted in the shareholders' equity.

2.2 The difference on translation adjustments of consolidated financial statements and gain (loss) financial statements in foreign currency. As of 31 December 2015, the difference increased the shareholders' equity by Baht 431.14 million.

2.3 At the end of 2015, there was a different actuarial loss occurred based on 3-year-summative assessments for Baht 13.05 million. According to the 2015 newly adjusted accounting standards, this different sum must be reported as retained earnings account. Consequently, the shareholders' equity was reduced by the same amount.

2.4 Restated the recognition of dividend payment to subsidiaries that held the Company's shares. According to the accounting standards of consolidated financial statements, such dividend payment is not an expense. Therefore, Baht 17.54 million was restated in addition to the shareholders' retained earnings amount.

Once summing all the above-mentioned factors, in 2015, the shareholders equity arose to Baht 706.89 million more. Therefore on 31 December 2015, the Company's shareholders equities valued at Baht 18,489.81 million.

#### **4.2 Capital Expenditure**

In 2015, the Company held significant capital expenditures as following:

1) Energy Business - Cogeneration plants in the People's Republic of China. The Company continued to invest in replacing the old machines by purchasing new machines and equipment related to new set of boiler that requires up-to-date technology. This is to increase the production capacity more efficiently in order to reduce the production cost as well as increase the capacity. This capital expenditure was approximately Baht 378 million.

2) Capital expenditure on the renovation of Plastic, Rubber and Metal factory building and acquisition of machines and equipment for approximately Baht 580 million in total. This investment is to add more molding equipment in response to the new product's purchasing orders. Others are for fixed assets belonged to the stainless steel vacuum bottles factory for the purpose of increasing its production capacity in accordance with the increasing purchasing orders.

3) Capital expenditure of the beginning phase of restoring furniture and some equipment of hotel business for approximately Baht 22 million.

The source of capital fund of (1) and (3) came from each subsidiary's working capital. For (2), Part of the fund came as loans from financial institutes and some portion came from the subsidiary's working capital itself. The Company is expected to follow the loan agreements in completeness.

#### 4.3 Adequacy of Liquidity

According to the above-mentioned, the Company's capital structure carries the ratio between the loan and shareholders' equity at 0.16 to 1, whose source came from a small loan amount. Therefore the working capital was a large sum resulting in cash totally from operating profit. The Company maintained the ability to repay short-term loans with its existing cash flow in completeness, demonstrating its high liquidity. Moreover, the Company still holds an unused credit facility of approximately Baht 900 million. Therefore, if necessary, the Company can use the line of credit to apply for short-term call loan or 3-month-term loan with interest based on short-term monetary market rate during that period.

The Company holds the liquidity ratio as following:

The Current Ratio between current assets and current liabilities is at 2.55 to 1 and 2.12 to 1 for Quick Ratio, indicating the Company's absolute ability to turn quick assets into cash for not only making a complete repayment of current liabilities but also leaving the Company's excess liquidity ratio at 1.12. In other words, the Company and its subsidiaries maintained their adequacy of liquidity.

In regard to debtor and creditor, the Company held the average collection period of 63 days, which is close to 62 days in the previous year as well as close to the credit term given to the customers. The average payment period was 36 days which is fewer than the previous year (41 days), nevertheless within the credit term given by the creditor. As for Cash Conversion Cycle, It was 33 days per cycle, starting from the time raw materials was purchased until the collection of accounts receivable generated in the sale of the final product. In other words, the Company and its subsidiaries were holding 9.6 cash conversion cycles per year.

The Leverage Ratio was at 64.27, indicating that the Company and its subsidiaries held adequate cash flow and could make interest payments to creditor in completeness.

#### 4.4 The Ability to Find Additional Source of Investment

The additional source of investment held by the Company and issued by a financial institute is the unused short-term loans which is no less than Baht 900 million. It is classified as 3-month-term promissory note or call loan. If the event a project needs funding, the Company can contact the financial institute to approve either an medium or long-term loan type for such project.

#### 4.5 Factors That May Affect Credit Rating

The Company's source of investment came from the common stock shareholders' only, neither debenture nor bond has been issued. The Company is not ranked by a credit rating company because in the past the Company do not have necessary to used it. As a result, there is no effect on company's credit rating.

#### 4.6 The Ability To Repay and Follow by the Covenant and Restrictions of Loan

There is a Subsidiary's loan of Baht 360.6 million from a financial institute. It is a long-term loan with scheduled repayments every 6 months or annually from 2012 to 2018, of which Baht 177.2 million is a current portion of long-term loans. However, under the loan agreement, there are covenants and restrictions, that is the maintenance of a debt to equity ratio, including negative pledges on certain assets that are essential for the subsidiary's operations. As for the ability to repay, the Company is confident that the subsidiary can satisfy the mentioned covenant and restrictions of loan in completeness.

For debt repayment, as of 31 December 2015, according to the consolidated financial statements, the Company and its subsidiaries held the total of Baht 360.6 million long-term loan, but Baht 2,606.27 million of cash and cash equivalents. Therefore they had the ability to repay adequately and immediately the interest and loan. There are neither factors expected to interrupt the loan agreement nor effects on dividend payment either.

### 5. Contractual Obligations and Off-Balance Sheet Arrangements

The Company and its subsidiaries held liabilities: current portion due within one year such as trade payables and non-current due-over-12-months liabilities such as long-term loans, finance lease agreements, provision for long-term employee benefits and other non-current liabilities, the grand total of non-current liabilities is Baht 568.7 million. Each liability carries different repayment schedule. For example, the long-term loan requires commitments under the loan's contractual agreements. Finance lease agreement requires commitments of the payment plans under installment agreements. Provision for long-term employee benefits requires the obligation to pay the employee when resigning or retiring in conformity with law and regulations. As for the commitments of the payment obligation to the employee whether for resigning before retirement or financial aid at retirement, it will come from a different portion from the paid retirement fund conforming with law and regulations. The Company provides fund for this segment by subsidizing monthly into the employee's provident fund every time his/her salary is paid.

Details on Each Obligation, Disclosed on Notes to the Financial Statements as following:

Type of Obligation	Details according Notes to Financial Statements, Amount, Payment Period shown on each obligation
Long-term liabilities commitments	Note 22 Long-term loans
	Note 24 Provision for long-term employee benefits
Obligation of finance lease agreement	Note 23 Liabilities under finance lease agreement
Operating lease commitments	Note 33.2 Operating lease commitments
Sales obligations	Note 33.4 Commitment to purchase raw materials
Other liabilities' obligations	Note 33.1 Capital commitments
	Note 33.3 Long-term service agreements

## 6. Factors and Influences that may affect the Operations or Financial Position in the Forward Looking

Currently, the main business of the Company is investments and small portion in trading. Therefore, the main income came from both local and overseas investments dividends. The factors and influences that may affect the Company's operations or financial position in the future are:

(1) The investments' return may not be as expected, based on many factors. Those that caused loss or below-expected profit are:

(1.1) The overall economic atmosphere is still in recession. As a result, demands are less than supplies in local economy. The industry that can be varied by economic climate is automobile industry. If its sale volume is down, the purchase orders for Subsidiary's automobile parts manufacturing will be decreasing and so will its production and sales. Consequently the unit cost will rise while the operating profit will fall. Or if the expansion of the investment in computer equipment is decrease or even comes to a halt, this will affect the operating performance of the Company's trading section as well.

(1.2) The decreasing price of rubber products reduces the income from rubber plantation business. Subsequently this was a positive situation for the subsidiary that produces products using rubber as raw material. It will deem more customers if they are convinced to use products made out of natural rubber instead of synthetic. Consequently, the production performance will be much improved.

(2) Securities market price. If the security value in secondary market increases, the transfer of unrealised gain (loss) of marketable securities will increase the income in the following year.

(3) Hotel business. The Company added Baht 200 million more to the capital expenditure in order to maintain and improve the good physical guestrooms of its 5-star-hotel and to stay competitive in the business. At the beginning, the expense of depreciation was high resulting in underperforming operations. It will require some time to yield in the form of dividends. Nevertheless, the administration regularly monitors its operating performance and seek to improve higher income.

## 7. Additional Information of the Translation Adjustments

The Company has prepared the consolidated financial statements of the overseas company using foreign currency converted to baht. The table below shows the exchange rates used in consolidated financial statements in the past 3 years.

Currency	The Exchange rate used in					
	Statement of financial position			Income statement		
	2015	2014	2013	2015	2014	2013
RMB	5.53280	5.28530	5.39400	5.444488	5.294563	5.219413
HKD	4.65105	4.24360	4.22320	4.421359	4.203750	4.099575
TWD	1.09925	1.03795	1.09395	1.079369	1.058238	1.074288

The auditor has verified the Company's financial statements and expressed no conditions.



# RELATED TRANSACTIONS

## 1. Characteristics of Related Transactions

Related transactions are regarded as a normal business practice of companies, with general trading conditions, and no unusual transactions or improper pricing. Most of the transactions are conducted in the form of trade, related creditors and debtors, loans and borrowings among groups of companies for the purpose of maximum benefits in terms of financial management, by charging interests at the referenced rates of a large domestic commercial bank, based on business type.

The companies' policy on related transactions between parties, who may have conflicts of interests, focuses on necessity and a certain logic of such transactions. These transactions usually take form of normal trading related to business operation, including related trading of goods or borrowings among companies. Sales price and remuneration are calculated according to the market rate. To give an example, in case of interest charge, the companies adopt the market rate by the time such transactions are conducted. Thus, the return shall be the same as the rate charged in the market.

Since related transactions are commercially customary or unexceptional, it is not necessary to get opinions from outside directors or independent experts on the related transaction.

In the past year, as the Company did not have any information about securities offerings or its persuasive draft, no opinions from outside directors on the compliance with these obligations were needed. Meanwhile, in the same year, all transactions with related parties were disclosed through an electronic channel of the Stock Exchange of Thailand.

## 2. Necessity and logic of Related Transactions

In the previous years, the Company took charge of marketing, by acting as a product distributor for all of its manufacturing companies, allowing transactions of goods purchase/sale, related creditors/debtors, and related interest received/paid. But later, due to changing situation of competitions in the market, the Company had to adjust for more lucrative business movement. In 2007, the Company decided to put its marketing service in related companies, resulting in a sharp drop in trading transactions. Meanwhile, the movement of interest received/paid has remained. This is because the associated companies have been supported by the Company, in terms of financial management, enabling effectiveness and maximum benefits. In conclusion, related transactions conduction has been a necessary and logical thing.

## 3. Approval procedures of Related Transactions

The approval procedures of related transactions are followed in the same way as with external customers practicing a normal business. The Board of Directors used to approve, in principle, the related transactions as a normal business. Regarding the follow-up of payments, the due date of each transaction was specified and controlled; however, the approval of each transaction was in conformity with rules and regulations of the Stock Exchange of Thailand (SET) and with the Office of the Securities and Exchange Commission (SEC).

## 4. Policy and future trends in Related Transactions

With regard to policies on related transactions, the Company seeks to treat fairly all related parties, with the aim of maximizing benefits, to comply with the regulations of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission (SEC), and to disclose sufficiently essential information.

As from 2007 onwards, the trends of business transactions between the group companies would decline because most of the previous transactions involved normal business practice; for examples, trading of goods, creditors/debtors transactions as indicated earlier. However, the Company has its policy to restructure the channel of goods distribution and related management of the group companies. It means that these manufacturing companies became themselves distributors, to ensure smooth running and capabilities of alteration in decision making on the priorities of manufacturing or pricing in relation to the rapidly changing situation, allowing its competitiveness in the industrial market as well as its long-term growth. Therefore, normal transactions tend to drop, except some items of goods under contracts previously signed. Meanwhile, transactions of deposit and borrowing between the group companies remain unchanged because they have insisted on their effective financial management.

Related transactions in 2015 are shown on page 94 - 95.

## Related Transactions of Saha-Union Public Company Limited and Parties Possibly in Conflict in 2015

Party's Name	Type of Relationship	Related Transaction			Necessity
		Type of Transaction	Amount (Million Baht)	Pricing Policy	
1 Union Thread Industries Co., Ltd.	One of 10 major related shareholders	1 Dividend Income/Payment	61.20	From resolution of the Shareholders' Meeting	In the ordinary course of business should have return on investment.
2 Union Business Management Co., Ltd.	One of 10 major related shareholders	1 Dividend Income/Payment	39.50	From resolution of the Shareholders' Meeting	In the ordinary course of business should have return on investment.
3 Union Capital Co., Ltd.	One of 10 major related shareholders	1 Dividend Income/Payment	35.61	From resolution of the Shareholders' Meeting	In the ordinary course of business should have return on investment.
4 Union Industries Corp., Ltd.	One of 10 major related shareholders	1 Dividend Income/Payment	38.20	From resolution of the Shareholders' Meeting	Return on investment.
5 Uni-Fibre Co., Ltd.	One of 10 major related shareholders	1 Deposits 2 Interest Receivables/Payables 3 Dividend Income/Payment 4 Services Income 5 Income/Other expenses 6 Interest Income/Expenses	34.30 0.04 23.71 0.01 0.01 0.11	Outstanding balance as of 31 December 2015 Outstanding balance as of 31 December 2015 From resolution of the Shareholders' Meeting Contract price Contract price Referred to types and rates of a major commercial bank	The Companies in the Group had their surplus liquidity and deposited the money with the Company for effective financial management. In business transactions should have return on investment.
6 Union Multi-Capital Co., Ltd.	Major shareholder holding more than 30% of shares	1 Dividend Income/Payment	10.64	From resolution of the Shareholders' Meeting	In the ordinary course of business should have return on investment.
7 Venus Thread Co., Ltd.	Major shareholder holding more than 30% of shares	1 Purchases/Sales of Merchandise 2 Rental Income 3 Income/Other expenses 4 Account Receivables/Payables	16.05  0.04 0.05 2.61	Comparable with market price  Contract price Contract price Outstanding balance as of 31 December 2015	The purchasing of raw material should be made in large quantity to generate more bargaining power.
8 Union Spinning Mills Co., Ltd.	Major shareholder holding more than 30% of shares	1 Rental Income 2 Income/Other expenses	0.13 0.05	Contract price Contract price	
9 Union Zip Co., Ltd.	Major shareholder holding more than 30% of shares	1 Purchases/Sales of Merchandise 2 Income/Other expenses	1.88 0.06	Comparable with market price Contract price	The purchasing of raw material should be made in large quantity to generate more bargaining power.
10 Uni-Agro Co., Ltd.	Major shareholder holding more than 30% of shares	1 Dividend Income/Payment	0.60	From resolution of the Shareholders' Meeting	In the ordinary course of business should have return on investment.

## Related Transactions of Saha-Union Public Company Limited and Parties Possibly in Conflict in 2015

Party's Name	Type of Relationship	Related Transaction				Necessity
		Type of Transaction	Amount (Million Baht)	Pricing Policy		
11 Union Shoes Co., Ltd.	Major shareholder holding more than 30% of shares	1 Deposits	37.70	Outstanding balance as of 31 December 2015	The Companies in the Group had their surplus liquidity and deposited the money with the Company for effective financial management.	
		2 Interest Receivables/ Payables	0.06	Outstanding balance as of 31 December 2015		
		3 Interest Income/Expenses	0.42	Referred to types and rates of a major commercial bank		
12 Union Textile Industries Public Company Limited	Major shareholder	1 Purchases/Sales of Merchandise	315.72	Comparable with market price	The purchasing of raw material should be made in large quantity to generate more bargaining power.	
		2 Dividend Income/Payment	1.75	From resolution of the Shareholders' Meeting		
		3 Account Receivables/ Payables	41.11	Outstanding balance as of 31 December 2015		
		4 Income/Other expenses	0.25	Contract price		
13 Thai Rubber Enterprise Co., Ltd.	Major shareholder	1 Loans	2.00	Outstanding balance as of 31 December 2015	To develop and make use of its vacant plots of land by rental of property for rubber plantation.	
		2 Interest Receivables/ Payables	0.01	Outstanding balance as of 31 December 2015		
		3 Account Receivables/ Payables	6.99	Outstanding balance as of 31 December 2015		
		4 Rental Income	1.49	Contract price		
		5 Interest Income/Expenses	0.01	Referred to types and rates of a major commercial bank		
		6 Income/Other expenses	0.02	Contract price		
14 Union Pioneer Public Company Limited	Major shareholder	1 Purchases/Sales of Merchandise	7.45	Comparable with market price	The purchasing of raw material should be made in large quantity to generate more bargaining power and in the ordinary course of business should have return on investment.	
		2 Dividend Income/Payment	12.30	From resolution of the Shareholders' Meeting		
		3 Rental Income	3.31	Contract price		
		4 Income/Other expenses	0.40	Contract price		
		5 Account Receivables/ Payables	0.88	Outstanding balance as of 31 December 2015		
15 Union Button Corp., Ltd.	Directors and related person holding more than 10% of shares	1 Rental Income	0.01	Contract price	In the ordinary course of business should have return on investment.	
		2 Income/Other expenses	0.02	Contract price		
		3 Dividend Income/Payment	2.84	From resolution of the Shareholders' Meeting		
16 Venus Shoes Co., Ltd.	Major shareholder	1 Deposits	8.00	Outstanding balance as of 31 December 2015	The Companies in the Group had their surplus liquidity and deposited the money with the Company for effective financial management.	
		2 Interest Income/Expenses	0.07	Referred to types and rates of a major commercial bank		
		3 Income/Other expenses	0.69	Contract price		
		4 Rental Income	0.42	Contract price		
		5 Interest Receivables/ Payables	0.01	Outstanding balance as of 31 December 2015		
		6 Account Receivables/ Payables	0.10	Outstanding balance as of 31 December 2015		
Total amount of related transaction in 2015		708.83				

# AUDIT COMMITTEE'S REPORT

To Shareholders,

The Audit Committee is comprised of three independent directors, namely Emeritus Professor Dr. Achara Chandrachai as Chairman, Miss Pakinee Prertitumrong and Mr. Chivin Chaipanich. In the year 2015, four meetings were organized and attended by all members of the Audit Committee as below.

	<u>Number of Attendances</u>
• Emeritus Professor Dr. Achara Chandrachai	4
• Miss Pakinee Prertitumrong	4
• Mr. Chivin Chaipanich	4

Participated in the meetings were the Company's Executives, internal auditors and external auditors. The performance of the Audit Committee can be summarized as follow:

## 1. Review of financial reports.

The Audit Committee and the Company's Executives reviewed the quarterly and yearly financial statements of the year 2015 audited by the external auditor on the accounting policies and including some important changes during a year, the integrity and reliability of the financial reports and the prompt adequacy of information disclosure, to assure the Company's compliance with accounting standards and the regulations concerned prior to the financial statements' approval for the beneficial of investor and the other users. Moreover, the Committee held a meeting, in absence of the Company's Executives, to discuss the observations and opinions independently with the external auditor and welcome his comments.

## 2. Review of corporate governance.

The Audit Committee oversaw the Company's rules and regulations, without any legal violations.

## 3. Review of risk management.

The Audit Committee held a meeting with the Risk Management Committee with their remarks destined for the Risk Management Committee. The Committee confirmed the efficiency and suitability of risk management of the company.

## 4. Review of internal control and internal audit.

The Audit Committee examined, approved the yearly audit plan and assessed adequacy and suitability of internal control process of the Company. Furthermore, some useful suggestions were made for the purpose of improving efficiency of internal audit system.

## 5. Review of related transactions.

The Audit Committee reviewed, commented on related transactions or transactions with possible conflicts of interests and disclosed a complete and adequate report of the transactions in compliance with the regulations and requirements set forth by the Stock Exchange of Thailand, considering the Company's benefits.

## 6. Self-assessment.

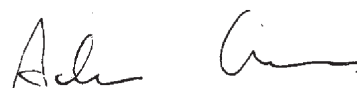
The Audit Committee conducted individually a self-assessment of persons concerned according to the Charter of the Audit Committee and the best practice guidelines of the Stock Exchange of Thailand. The finding indicated very good quality.

## 7. Nomination of external auditor.

The Audit Committee decided on qualifications of external auditor and his proposed remuneration. Then, the Committee suggested its nomination to the Board of Directors who presented to the statutory shareholder meeting.

In conclusion, the Audit Committee emphasized on the importance of internal control for the sake of the Company's good corporate governance, efficient internal control process, including its compliance with the law and regulations related to business operation.

On behalf of the Audit Committee



**(Emeritus Professor Dr. Achara Chandrachai)**

Chairman of the Audit Committee  
Saha-Union Public Company Limited

# BOARD OF DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL REPORT

The Board of Directors is responsible for the consolidated financial statements of the Company and its subsidiaries and other financial information as appeared in the Annual Report. Such financial statements are prepared in accordance with generally accepted accounting standards and consistently using appropriate accounting policies. Careful consideration and best estimation are applied in the preparation and important information is fully disclosed in the notes to such financial statements which are adjusted in accordance with the new accounting standards effective on 1 January 2007. According to investment is the Company's major business, therefore, the consolidated financial statements is comprised of its subsidiaries and associates' information. In the separated financial statements, investment accounts are recorded on cost method as if this method were used at the beginning. In the consolidated financial statements, gains and losses from investments are recognized on equity method. In addition, the Company is prepared to accommodate new accounting standards applicable to companies in the group which has been effective since 2 January 2011 and also the new accounting standards that became effective in 2015 concerning with the TFRS 10 Consolidated Financial Statements which significantly implication to the Company. The financial statements of the Company are audited and given an unqualified audit opinion by the Auditors.

The Board of Directors has maintained proper and effective internal control system to ensure reasonably that accounting records are correct, complete, and sufficient to safeguard Company's assets and to ascertain any weaknesses so as to prevent fraud or material irregularities.

Hence, the Board of Directors has appointed the Audit Committee comprising Independent Directors who are Non-Executive Directors to be responsible for the quality of the financial reports and the internal control system. Opinions of the Audit Committee on these matters are disclosed in the Report from the Audit Committee as appeared in the Annual Report on page 96.

The Board of Directors is of the opinion that the Company's overall internal control system is satisfactory to ensure reasonably the credibility of the financial statements of the Company and its subsidiaries as of 31 December 2015.

On behalf of the Board of Directors



**(Miss Sriwarin Jirapakkana)**

Chairman



**(Miss Dalad Saphavichaikul)**

President

25 February 2016



# INDEPENDENT AUDITOR'S REPORT

## To the Shareholders of Saha-Union Public Company Limited

I have audited the accompanying consolidated financial statements of Saha-Union Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2015, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Saha-Union Public Company Limited for the same period.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinion

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

### Emphasis of matter

I draw attention to Note 3 and Note 4 to the financial statements regarding the change in accounting policy due to the adoption of TFRS 11 Joint Arrangements. The Company has restated the consolidated and separate financial statements for the year ended 31 December 2014, presented herein as comparative information, to reflect the adjustments resulting from such change. The Company has also presented the consolidated and separate statements of financial position as at 1 January 2014 as comparative information, using the newly adopted accounting policy for Joint Arrangement. My opinion is not qualified in respect of this matter.



**Termphong Opanaphan**

Certified Public Accountant (Thailand) No. 4501

EY Office Limited

Bangkok: 25 February 2016

# STATEMENT OF FINANCIAL POSITION

Saha-Union Public Company Limited and its subsidiaries

As at 31 December 2015

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements		
		As at 31 December 2015	As at 31 December 2014	As at 1 January 2014	As at 31 December 2015	As at 31 December 2014	As at 1 January 2014
			(Restated)			(Restated)	
<b>Assets</b>							
<b>Current assets</b>							
Cash and cash equivalents	7	2,606,269,170	2,871,097,862	5,585,749,063	342,890,350	664,736,632	3,247,887,949
Current investments	8	1,105,853,848	569,656,235	626,046,574	-	-	-
Trade and other receivables	10	2,065,698,995	1,860,733,197	1,812,249,600	180,102,026	202,482,834	207,565,846
Inventories	11	1,171,889,281	1,077,337,778	1,294,465,640	19,434,822	21,314,893	46,141,742
Short-term loans to related parties	9	6,916,000	6,606,625	318,246,000	363,022,000	211,737,000	303,256,000
Other current assets		97,194,890	39,293,701	23,637,735	1,057,499	1,138,959	1,876,165
<b>Total current assets</b>		<b>7,053,822,184</b>	<b>6,424,725,398</b>	<b>9,660,394,612</b>	<b>906,506,697</b>	<b>1,101,410,318</b>	<b>3,806,727,702</b>
<b>Non-current assets</b>							
Restricted investments	12	19,303,623	19,193,597	27,794,820	-	-	-
Investments in subsidiaries	13	-	-	-	8,884,394,867	8,704,483,065	5,957,906,509
Investments in joint ventures	14	2,826,439,204	2,708,730,851	2,614,213,200	1,320,229,338	1,366,686,362	1,338,790,000
Investments in associates	15	3,139,503,146	2,778,918,253	2,714,621,165	819,195,246	694,433,685	717,515,814
Other long-term investments	16	1,739,891,178	1,865,728,453	1,963,048,477	1,544,794,382	1,675,870,247	1,796,655,458
Investment properties	17	1,879,023,714	1,858,109,053	1,228,180,691	1,161,625,807	1,168,775,182	576,634,242
Property, plant and equipment	18	6,180,132,683	5,716,273,116	3,039,516,434	63,165,528	49,750,015	55,230,118
Goodwill		521,724,374	521,724,374	-	-	-	-
Intangible assets - computer software		8,044,380	1,264,943	2,177,046	-	-	-
Deferred tax assets	28	91,384,217	100,236,108	104,512,826	2,430,562	2,019,753	7,478,804
Other non-current assets	19	167,708,985	141,963,174	120,065,727	2,954,455	3,854,075	4,955,707
<b>Total non-current assets</b>		<b>16,573,155,504</b>	<b>15,712,141,922</b>	<b>11,814,130,386</b>	<b>13,798,790,185</b>	<b>13,665,872,384</b>	<b>10,455,166,652</b>
<b>Total assets</b>		<b>23,626,977,688</b>	<b>22,136,867,320</b>	<b>21,474,524,998</b>	<b>14,705,296,882</b>	<b>14,767,282,702</b>	<b>14,261,894,354</b>

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

# STATEMENT OF FINANCIAL POSITION (continued)

Saha-Union Public Company Limited and its subsidiaries  
As at 31 December 2015

(Unit: Baht)

Note	Consolidated financial statements			Separate financial statements		
	As at 31 December 2015	As at 31 December 2014	As at 1 January 2014	As at 31 December 2015	As at 31 December 2014	As at 1 January 2014
<b>Liabilities and shareholders' equity</b>		(Restated)			(Restated)	
<b>Current liabilities</b>						
Bank overdrafts and short-term loans from financial institutions	333,870,464	344,560,639	90,535,234	-	-	-
Trust receipts	-	11,203,995	40,112,027	-	6,417,228	36,216,819
Trade and other payables	1,973,239,181	1,272,795,004	1,470,078,645	80,742,017	77,158,538	123,910,873
Current portion of long-term loans	177,200,000	177,200,000	233,350,000	-	-	-
Current portion of liabilities under finance lease agreements	54,642,768	62,614,580	73,455,202	-	-	-
Deposits from related parties	34,298,874	58,289,788	12,198,451	865,823,777	835,966,213	900,334,012
Income tax payable	66,785,743	21,805,456	39,437,572	-	-	-
Other current liabilities	130,554,216	105,812,216	56,906,994	1,578,334	947,565	578,333
<b>Total current liabilities</b>	<b>2,770,591,246</b>	<b>2,054,281,678</b>	<b>2,016,074,125</b>	<b>948,144,128</b>	<b>920,489,544</b>	<b>1,061,040,037</b>
<b>Non-current liabilities</b>						
Long-term loans, net of current portion	183,400,000	360,600,000	197,800,000	-	-	-
Liabilities under finance lease agreements, net of current portion	44,557,518	40,133,591	69,067,038	-	-	-
Provision for long-term employee benefits	270,304,523	258,794,054	253,233,968	16,735,311	14,681,270	17,126,281
Deferred tax liabilities	62,788,737	98,392,867	80,939,993	56,022,244	88,554,287	74,983,754
Other non-current liabilities	7,651,869	11,700,845	10,257,018	-	-	-
<b>Total non-current liabilities</b>	<b>568,702,647</b>	<b>769,621,357</b>	<b>611,298,017</b>	<b>72,757,555</b>	<b>103,235,557</b>	<b>92,110,035</b>
<b>Total liabilities</b>	<b>3,339,293,893</b>	<b>2,823,903,035</b>	<b>2,627,372,142</b>	<b>1,020,901,683</b>	<b>1,023,725,101</b>	<b>1,153,150,072</b>

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

# STATEMENT OF FINANCIAL POSITION (continued)

Saha-Union Public Company Limited and its subsidiaries  
As at 31 December 2015

(Unit: Baht)

Note	Consolidated financial statements			Separate financial statements		
	As at 31 December 2015	As at 31 December 2014	As at 1 January 2014	As at 31 December 2015	As at 31 December 2014	As at 1 January 2014
<b>Shareholders' equity</b>		(Restated)			(Restated)	
Share capital						
Registered						
300,000,000 ordinary shares of Baht 10 each	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000
Issued and fully paid						
300,000,000 ordinary shares of Baht 10 each	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000
Share premium	2,599,000,000	2,599,000,000	2,599,000,000	2,599,000,000	2,599,000,000	2,599,000,000
Retained earnings						
Appropriated						
Statutory reserve	993,269,979	992,839,445	1,041,417,539	750,000,000	750,000,000	750,000,000
Other reserve	186,620,765	164,829,966	125,874,452	-	-	-
Unappropriated	10,863,424,254	10,488,897,118	10,055,978,781	7,111,306,225	7,065,607,935	6,459,809,268
Other components of shareholders' equity	847,491,333	537,347,149	563,179,119	224,088,974	328,949,666	299,935,014
Equity attributable to owners of the Company	18,489,806,331	17,782,913,678	17,385,449,891	13,684,395,199	13,743,557,601	13,108,744,282
Non-controlling interests of the subsidiaries	1,797,877,464	1,530,050,607	1,461,702,965	-	-	-
<b>Total shareholders' equity</b>	<b>20,287,683,795</b>	<b>19,312,964,285</b>	<b>18,847,152,856</b>	<b>13,684,395,199</b>	<b>13,743,557,601</b>	<b>13,108,744,282</b>
<b>Total liabilities and shareholders' equity</b>	<b>23,626,977,688</b>	<b>22,136,867,320</b>	<b>21,474,524,998</b>	<b>14,705,296,882</b>	<b>14,767,282,702</b>	<b>14,261,894,354</b>

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

# INCOME STATEMENT

Saha-Union Public Company Limited and its subsidiaries

For the year ended 31 December 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
			(Restated)		(Restated)
<b>Revenues</b>					
Sales and service income	30	10,117,593,509	9,685,839,832	1,273,700,629	1,283,748,033
Dividend income		264,115,206	230,164,137	791,992,582	1,309,275,437
Rental income		58,767,386	42,911,184	29,797,918	18,158,985
Interest income		25,036,564	54,251,051	15,112,247	38,668,743
Gains on disposals of investments and dissolution of a subsidiary	13	14,235,836	93,523,334	-	51,806,851
Gains on disposals of investment properties		20,813,284	40,206,040	1,975,205	34,155,227
Compensate for fire damage	1.2	125,426,010	-	-	-
Unrealised gains from revaluation of trading securities		-	28,972,236	-	-
Other income		318,028,228	260,551,470	24,791,207	25,097,505
<b>Total revenues</b>		<b>10,944,016,023</b>	<b>10,436,419,284</b>	<b>2,137,369,788</b>	<b>2,760,910,781</b>
<b>Expenses</b>					
Cost of sales and services		8,715,381,607	8,466,397,915	1,250,587,930	1,265,465,141
Selling expenses		274,434,227	277,958,375	10,394,768	9,914,420
Administrative expenses		734,716,729	680,749,085	95,632,231	121,035,781
Losses on impairment of investments	13,14,15	71,594	50,406	192,391,151	105,017,373
Unrealised losses from revaluation of trading securities	8	87,430,295	-	-	-
Losses on inventory write-off	1.2	-	33,565,771	-	-
Losses on property, plant and equipment write-off	1.2, 18	4,239,057	20,717,234	60	-
Expenses of withholding tax write-off		18,544,449	35,067,073	18,544,449	35,067,073
<b>Total expenses</b>		<b>9,834,817,958</b>	<b>9,514,505,859</b>	<b>1,567,550,589</b>	<b>1,536,499,788</b>
<b>Profit before share of profit from investments in joint ventures and investments in associates, finance cost and income tax income (expenses)</b>		<b>1,109,198,065</b>	<b>921,913,425</b>	<b>569,819,199</b>	<b>1,224,410,993</b>
Share of profit from investments in joint ventures	14	96,660,356	267,406,553	-	-
Share of profit from investments in associates	15	235,574,804	122,113,693	-	-
<b>Profit before finance cost and income tax income (expenses)</b>		<b>1,441,433,225</b>	<b>1,311,433,671</b>	<b>569,819,199</b>	<b>1,224,410,993</b>
Finance cost		(37,841,314)	(35,688,152)	(1,448,723)	(5,929,622)
<b>Profit before income tax income (expenses)</b>		<b>1,403,591,911</b>	<b>1,275,745,519</b>	<b>568,370,476</b>	<b>1,218,481,371</b>
Income tax income (expenses)	28	(195,012,131)	(121,805,371)	5,847,705	(12,682,704)
<b>Profit for the year</b>		<b>1,208,579,780</b>	<b>1,153,940,148</b>	<b>574,218,181</b>	<b>1,205,798,667</b>
<b>Profit attributable to:</b>					
Equity holders of the Company		917,260,446	1,003,250,369	574,218,181	1,205,798,667
Non-controlling interests of the subsidiaries		291,319,334	150,689,779		
		1,208,579,780	1,153,940,148		
<b>Basic earnings per share (Baht)</b>	29				
Profit attributable to equity holders of the Company		3.16	3.46	1.91	4.02

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



# STATEMENT OF COMPREHENSIVE INCOME

Saha-Union Public Company Limited and its subsidiaries

For the year ended 31 December 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<b>Profit for the year</b>		1,208,579,780	(Restated) 1,153,940,148	574,218,181	(Restated) 1,205,798,667
<b>Other comprehensive income:</b>					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Exchange differences on translation of financial statements in foreign currency		437,272,879	(106,144,752)	-	-
Gains (losses) on change in value of available-for-sale investments	16	(150,532,726)	61,803,023	(131,075,865)	36,268,315
Less: Income tax effect	28	30,901,410	(12,341,221)	26,215,173	(7,253,663)
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		317,641,563	(56,682,950)	(104,860,692)	29,014,652
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial loss		(22,769,036)	-	(4,399,864)	-
Less: Income tax effect	28	4,588,781	-	879,973	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		(18,180,255)	-	(3,519,891)	-
<b>Other comprehensive income for the year</b>		<b>299,461,308</b>	<b>(56,682,950)</b>	<b>(108,380,583)</b>	<b>29,014,652</b>
<b>Total comprehensive income for the year</b>		<b>1,508,041,088</b>	<b>1,097,257,198</b>	<b>465,837,598</b>	<b>1,234,813,319</b>
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		1,214,352,938	949,395,832	<b>465,837,598</b>	<b>1,234,813,319</b>
Non-controlling interests of the subsidiaries		293,688,150	147,861,366		
		<b>1,508,041,088</b>	<b>1,097,257,198</b>		

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

(Unit: Baht)

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

# STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (continued)

Saha-Union Public Company Limited and its subsidiaries  
For the year ended 31 December 2015

(Unit: Baht)

	Separate financial statements					
	Issued and paid-up share capital	Share premium	Retained earnings		Other component of equity	Total shareholders' equity
			Appropriated - statutory reserve	Unappropriated	Other comprehensive income	
Balance as at 1 January 2014	3,000,000,000	2,599,000,000	750,000,000	6,459,809,268	299,935,014	13,108,744,282
Profit for the year	-	-	-	1,205,798,667	-	1,205,798,667
Other comprehensive income for the year	-	-	-	-	29,014,652	29,014,652
Total comprehensive income for the year	-	-	-	1,205,798,667	29,014,652	1,234,813,319
Dividend paid (Note 32)	-	-	-	(600,000,000)	-	(600,000,000)
Balance as at 31 December 2014	3,000,000,000	2,599,000,000	750,000,000	7,065,607,935	328,949,666	13,743,557,601
Balance as at 1 January 2015	3,000,000,000	2,599,000,000	750,000,000	7,065,607,935	328,949,666	13,743,557,601
Profit for the year	-	-	-	574,218,181	-	574,218,181
Other comprehensive income for the year	-	-	-	(3,519,891)	(104,860,692)	(108,380,583)
Total comprehensive income for the year	-	-	-	570,698,290	(104,860,692)	465,837,598
Dividend paid (Note 32)	-	-	-	(525,000,000)	-	(525,000,000)
Balance as at 31 December 2015	3,000,000,000	2,599,000,000	750,000,000	7,111,306,225	224,088,974	13,684,395,199

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

# CASH FLOW STATEMENT

Saha-Union Public Company Limited and its subsidiaries

For the year ended 31 December 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
		(Restated)		(Restated)
<b>Cash flows from operating activities</b>				
Profit before tax	1,403,591,911	1,275,745,519	568,370,476	1,218,481,371
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	711,290,729	655,230,036	15,667,669	19,332,786
Allowance for doubtful accounts (reversal)	13,006,837	(7,743,558)	-	-
Reduction of cost of inventories to net realisable value	5,798,029	17,753,479	-	-
Losses on inventory write-off	-	33,565,771	-	-
Gains on disposals of property, plant and equipment	(14,248,818)	(8,075,244)	(3,525,232)	(5,743,256)
Losses on write-off of property, plant and equipment	4,239,057	20,717,234	60	-
Gains on disposals of investment properties	(20,813,284)	(40,206,040)	(1,975,205)	(34,155,227)
Losses on impairment of investments	71,594	50,406	192,391,151	105,017,373
Expenses of withholding tax write-off	18,544,449	35,067,073	18,544,449	35,067,073
Unrealised losses (gains) from revaluation of trading securities	87,430,295	(28,972,236)	-	-
Share of profit from investments in joint ventures	(96,660,356)	(267,406,553)	-	-
Share of profit from investments in associates	(235,574,804)	(122,113,693)	-	-
Gains on disposals of investments and dissolution of a subsidiary	(14,235,836)	(93,523,334)	-	(51,806,851)
Unrealised losses (gains) on exchange	(7,991,260)	(16,917,730)	189,097	(1,673,871)
Dividend received from investments	(264,115,206)	(230,164,137)	(791,992,582)	(1,309,275,437)
Provision for long-term employee benefits	27,347,494	30,024,610	777,410	4,058,891
Interest income	(25,036,564)	(54,251,051)	(15,112,247)	(38,668,743)
Interest expenses	27,849,842	29,944,252	1,320,171	5,507,270
Profit (loss) from operating activities before changes in operating assets and liabilities	1,620,494,109	1,228,724,804	(15,344,783)	(53,858,621)
Operating assets (increase) decrease				
Trade and other receivables	(215,735,260)	(92,667,254)	24,976,136	4,708,200
Inventories	(100,349,532)	165,808,612	1,880,071	24,826,849
Other current assets	(57,900,671)	8,945,483	81,460	737,206
Other non-current assets	(54,666,089)	(20,310,046)	155,999	334,915
Operating liabilities increase (decrease)				
Trade and other payables	641,310,177	(202,265,726)	3,952,519	(45,592,467)
Other current liabilities	24,707,789	25,928,832	630,769	369,231
Other non-current liabilities	(39,899,071)	(23,242,774)	(3,123,234)	(6,503,901)
Cash from (used in) operating activities	1,817,961,452	1,090,921,931	13,208,937	(74,978,588)
Cash paid for interest	(28,285,015)	(29,835,529)	(1,975,026)	(6,667,139)
Cash paid for income tax	(190,501,836)	(193,880,016)	(20,793,990)	(36,321,717)
Cash refund from income tax	42,107,519	17,998,769	-	-
<b>Net cash from (used in) operating activities</b>	<b>1,641,282,120</b>	<b>885,205,155</b>	<b>(9,560,079)</b>	<b>(117,967,444)</b>

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

# CASH FLOW STATEMENT (continued)

Saha-Union Public Company Limited and its subsidiaries  
For the year ended 31 December 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
		(Restated)		(Restated)
<b>Cash flows from investing activities</b>				
Decrease (increase) in short-term loans to related parties	-	311,503,500	(151,285,000)	91,519,000
Decrease (increase) in current investments	(576,345,097)	165,429,371	-	-
Acquisition of investments	(336,265,687)	(150,857,466)	(450,607,489)	(2,986,797,898)
Proceeds from disposals of property, plant and equipment	27,177,243	14,577,172	5,442,591	8,604,620
Proceeds from disposals of investment properties	32,184,900	54,328,861	2,647,750	35,469,551
Cash receipt from disposals of other long-term investments	-	183,464,481	-	179,922,881
Cash receipt from dissolution of investment in a subsidiary	-	170,661,820	-	159,327,233
Dividend received from investments	617,106,616	533,427,821	791,992,582	1,309,275,437
Interest income	25,300,437	56,140,176	14,320,102	39,686,693
Goodwill from business acquisition	-	(521,724,374)	-	-
Acquisition of investment properties	(5,888,620)	(639,389,352)	-	(600,000,000)
Acquisition of property, plant and equipment	(993,001,706)	(3,307,149,185)	(23,146,476)	(9,077,829)
<b>Net cash from (used in) investing activities</b>	<b>(1,209,731,914)</b>	<b>(3,129,587,175)</b>	<b>189,364,060</b>	<b>(1,772,070,312)</b>
<b>Cash flows from financing activities</b>				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	(10,690,175)	254,025,405	-	-
Decrease in trust receipts	(11,229,797)	(27,226,051)	(6,507,827)	(28,745,762)
Increase (decrease) in deposits from related parties	(23,990,914)	46,091,337	29,857,564	(64,367,799)
Share capital receipt from non-controlling interests of the subsidiaries	152,429,105	167,232,004	-	-
Dividend paid	(680,305,027)	(751,610,427)	(525,000,000)	(600,000,000)
Cash receipt from long-term loans	-	340,000,000	-	-
Repayment of long-term loans	(177,200,000)	(233,350,000)	-	-
Cash paid for liabilities under finance lease agreements	(72,371,288)	(78,677,745)	-	-
<b>Net cash used in financing activities</b>	<b>(823,358,096)</b>	<b>(283,515,477)</b>	<b>(501,650,263)</b>	<b>(693,113,561)</b>
<b>Increase (decrease) in translation adjustments</b>	<b>126,979,198</b>	<b>(186,753,704)</b>	<b>-</b>	<b>-</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(264,828,692)</b>	<b>(2,714,651,201)</b>	<b>(321,846,282)</b>	<b>(2,583,151,317)</b>
Cash and cash equivalents at beginning of year	2,871,097,862	5,585,749,063	664,736,632	3,247,887,949
<b>Cash and cash equivalents at end of year</b>	<b>2,606,269,170</b>	<b>2,871,097,862</b>	<b>342,890,350</b>	<b>664,736,632</b>
<b>Supplemental cash flows information</b>				
Non-cash transaction				
Purchases of property, plant and equipment for which no cash has been paid	127,397,557	69,809,361	285,815	-

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



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Saha-Union Public Company Limited and its subsidiaries

For the year ended 31 December 2015

## 1. General information

### 1.1 Corporate information

Saha-Union Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company is principally engaged in investment, distribution of raw materials and products manufactured by group companies. The registered address of the Company is at 1828 Sukhumvit Road, Bangchak, Phraknong, Bangkok.

### 1.2 The significant information of subsidiary - Union Zojirushi Co., Ltd. ("Union Zojirushi")

During the second quarter of 2014, there was fire in the vacuum stainless bottle factory building of Union Zojirushi, which is located in Bangchan Industry Estate. As a result of this event, the factory building and vacuum stainless bottle inventory were damaged and production temporarily ceased. Union Zojirushi recorded losses incurred as a result of the fire damage in its accounts. Resulting losses in the consolidated financial statements amounted Baht 48 million, which the Company presented as separate items under the captions of "Losses on inventory write-off", amounting to Baht 34 million, and "Losses on property, plant and equipment write-off", amounting to Baht 14 million, in the consolidated income statement for the year ended 31 December 2014.

Subsequently, during the first quarter of 2015, Union Zojirushi receipts the compensation for fire damage totaling Baht 125 million from its insurance company. The Company has presented this income as a separate item under the caption of "Compensate for fire damage" in the consolidated income statement for the year ended 31 December 2015.

## 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 28 September 2011, issued under the Accounting Act B.E. 2543.

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

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

### 2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Saha-Union Public Company Limited ("the Company") and the following subsidiary companies ("the subsidiaries"):

Company	Nature of business	Country of incorporation	Percentage of shareholding	
			2015	2014
			(percent)	(percent)
<i>Textile business</i>				
Union Textile Industries Plc.	Manufacture and distribution of textiles	Thailand	51.42	51.42
Union Garment Co., Ltd.	Manufacture and distribution of garments	Thailand	99.99	99.99

Company	Nature of business	Country of incorporation	Percentage of shareholding	
			2015	2014
			(percent)	(percent)
<i>Plastic, rubber and metal business</i>				
Union Pioneer Plc.	Manufacture and distribution of elastic products	Thailand	52.73	52.73
Union Plastic Plc.	Contract manufacture of plastic products, manufacture and repair of molds	Thailand	49.69	49.69
Union Zojirushi Co., Ltd.	Manufacture and distribution of vacuum stainless bottles	Thailand	51.00	51.00
Union Stainless Steel Products Co., Ltd.	Manufacture and distribution of stainless steel kitchenware	Thailand	98.00	98.00
Union Rubber Products Corp., Ltd.	Manufacture and distribution of rubber products	Thailand	99.99	99.99
Thai Rubber Enterprise Co., Ltd.	Rubber estates	Thailand	50.69	50.69
<i>Trading business</i>				
Computer Union Co., Ltd.	Computer dealer	Thailand	97.57	97.55
Computer Union Systems Co., Ltd. (99.99 percent owned by Computer Union Co., Ltd.)	Computer dealer	Thailand	97.56	97.55
<i>Energy business</i>				
Jiashan-Union Cogeneration Co., Ltd.	Power generation	China	75.96	75.96
<i>Hotel business</i>				
The Royal Hotel Co., Ltd.	Hotel	Thailand	96.22	96.22
<i>Investment and others business</i>				
Saha-Union International Ltd.	Investment and other	Hong Kong	99.98	99.98
Saha-Union Investment (China) Co., Ltd.	Investment	China	100.00	100.00
Union Energy (Hong Kong) Co., Ltd. (100.00 percent owned by Saha-Union International Ltd.)	Investment	Hong Kong	99.98	99.98
Shanghai Dasity Co., Ltd. (100.00 percent owned by Saha-Union Investment (China) Co., Ltd.)	Sales and services	China	100.00	100.00
Saha-Union Holding Co., Ltd.	Investment	Thailand	99.54	99.54
Venus Shoes Co., Ltd.	Dormitory rental and services	Thailand	99.99	99.99
Union Printing Corp., Ltd.	Rental services	Thailand	94.74	94.74
Union Equity Co., Ltd.	Investment	Thailand	99.79	99.79
Union Technology Co., Ltd.	Investment	Thailand	99.99	99.99
Union Energy Co., Ltd.	Investment	Thailand	99.40	99.40
Union Energy (China) Co., Ltd.	Investment	Thailand	99.99	99.99
Texport International Corp., Ltd.	Investment	Thailand	85.20	85.20
Union Human Resources Development Co., Ltd.	Train and development skills	Thailand	99.99	99.99
Union Shoes Co., Ltd.	Rental services	Thailand	98.23	98.02
Union Construction Corp., Ltd.	Rental services	Thailand	99.88	99.88
Saha-Union Property Co., Ltd.	Investment	Thailand	99.99	99.99
Saha-Union Wealth Plus Co., Ltd.	Investment	Thailand	99.99	99.99
Union Nakhon Co., Ltd.	Real estate	Thailand	77.49	77.49

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.
- f) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
- g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements present investments in subsidiaries, joint ventures and associates under the cost method.

### **3. New financial reporting standards**

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

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

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

#### **TAS 19 (revised 2014) Employee Benefits**

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

The Company and its subsidiaries have changed the recognition of actuarial gains and losses in the current period from an immediate recognition in profit or loss to an immediate recognition in other comprehensive income, which has no impact to provision for long-term employee benefit liabilities and retained earnings brought forward in the financial statements of the Company and its subsidiaries.

### TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the content of TAS 27 *Consolidated and Separate Financial Statements* dealing with consolidated financial statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over investees and determining which entities have to be included in preparation of the consolidated financial statements.

This standard does not have any impact on the Company's and its subsidiaries' financial statements.

### TFRS 11 Joint Arrangements

TFRS 11 supersedes TAS 31 *Interests in Joint Ventures*. This standard requires an entity investing in any other entity to determine whether the entity and other investors have joint control in the investment. When joint control exists, there is deemed to be a joint arrangement and the entity then needs to apply judgement to assess whether the joint arrangement is a joint operation or a joint venture and to account for the interest in the investment in a manner appropriate to the type of joint arrangement. If it is a joint operation, the entity is to recognise its shares of assets, liabilities, revenue and expenses of the joint operation, in proportion to its interest, in its separate financial statements. If it is a joint venture, the entity is to account for its investment in the joint venture using the equity method in the financial statements in which the equity method is applied or the consolidated financial statements, and at cost in the separate financial statements.

The management of the Company determined that the Company has investments in 6 associates that are joint arrangements, joint ventures type in accordance with this standard. The Company has therefore reclassified these investments in associates as investments in joint ventures. The reclassification does not have any significant impact on the Company's and its subsidiaries' financial statements because the equity method is still applied in the consolidated financial statements and the cost method in the separate financial statements, as before. It is only a reclassification. The Company restated the prior period's financial statements, presented as comparative information, to reflect the effect of the reclassification. The effect of change in this accounting policy is presented in Note 4 to the financial statements.

### TFRS 12 Disclosure of Interests in Other Entities

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact on the financial statements of the Company and its subsidiaries.

### TFRS 13 Fair Value Measurement

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

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

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

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

### 4. The effects of change in accounting policy due to the adoption of new financial reporting standards

As described in Note 3 to the financial statements, during the current year, the Company and its subsidiaries have changed some of their accounting policies, as a result of the adoption of TFRS 11 Joint Arrangements, as a result of reclassification in consolidated financial statements and separate financial statements between investments in associates and investments in joint ventures.

The effect of the reclassification to the statements of financial position and the income statements are summarised below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2014	1 January 2014	31 December 2014	1 January 2014
Statements of financial position:				
Increase in investments in joint ventures	2,709	2,614	1,367	1,339
Decrease in investments in associates	(2,709)	(2,614)	(1,367)	(1,339)

(Unit: Million Baht)

	For the year ended 31 December 2014	
	Consolidated financial statements	Separate financial statements
Income statements		
Increase in share of profit from investments in joint ventures	267	-
Decrease in share of profit from investments in associates	(267)	-

### 5. Significant accounting policies

#### 5.1 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 buyers. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts.

##### *Rendering of services*

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

#### *Revenues from hotel operations*

Revenues from hotel operations, which are a part of service revenues, represent the invoiced value, excluding value added tax, of room rental, food and beverage sales, and other services, after deducting discounts, and adding service charges.

#### *Dividends*

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

#### *Interest income*

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

#### *Rental income*

Rental income is recognised on an accrual basis based on the contract period.

### **5.2 Cash and cash equivalents**

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

### **5.3 Trade accounts receivable**

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

### **5.4 Inventories**

Finished goods, semi products and work in process are valued at the lower of cost (under the average/ first-in, first-out 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, chemicals, spare parts and factory supplies are valued at the lower of cost (under the average/ first-in, first-out method) and net realisable value and are charged to production costs whenever consumed.

### **5.5 Investments**

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.
- b) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.
- c) 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.
- d) Investments in non-marketable equity securities, which the Company and its subsidiaries classify as other investments, are stated at cost net of allowance for impairment loss.
- e) Investments in joint ventures and associates are accounted for in the consolidated financial statements using the equity method.
- f) Investments in subsidiaries, joint ventures and associates are accounted for in the separate financial statements using the cost method and net of allowance for impairment loss.

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association. The fair value of unit trusts is determined from net asset value.



The weighted average method is used for computation of the cost of investments.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

## 5.6 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment.

Depreciation of investment properties are calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Buildings	-	20 years
Land improvement and leasehold	-	5, 20 years
Facilities	-	5 years

Depreciation of investment properties of a company's branch that have been acquired before year 2011, is calculated by reference to their net book value on a double-declining basis, over the useful lives of 5-20 years.

Depreciation of investment properties is included in determining income.

No depreciation is provided on land and assets under construction which are classified as investment properties.

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.

## 5.7 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.

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

Buildings	-	20 years
Land improvement and leasehold	-	5, 20 years
Machinery and equipment	-	3, 5, 10, 20 years
Molds	-	5 years
Facilities	-	5 years
Furniture and fixtures	-	3, 5, 10 years
Motor vehicles	-	5, 10 years
Computers	-	3, 5 years

Depreciation of plant and equipment of a subsidiary acquired in the year 2001, is calculated by reference to its net book value on a double-declining basis, over the useful lives of 3-20 years.

Depreciation of equipment of a company's branch acquired in the year 2015, is calculated by reference to its net book value on a double-declining basis, over the useful lives of 10 years.

Depreciation is included in determining income.

No depreciation is provided on land and assets under construction.

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

## 5.8 Intangible assets - Computer software

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

Computer Software with finite lives, which has an estimated useful life of three and five years, is amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the computer software may be impaired. The amortisation period and the amortisation method of such computer software are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

## 5.9 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses (if any). Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the subsidiary's cash generating units that are expected to benefit from the synergies of the combination. The subsidiary estimates the recoverable amount of each cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

## 5.10 Related party transactions

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

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

## 5.11 Long-term leases

Leases of equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The equipment acquired under finance leases is depreciated over the shorter of the useful life of the equipment and the lease period.

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

## 5.12 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

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, with the exception of those covered by forward exchange contracts, which are translated at the contracted rates.

Gains and losses on exchange are included in determining income.

## 5.13 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the property, plant and equipment, investment properties, investments and include intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The subsidiary also carries out annual impairment reviews in respect of goodwill. 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.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company and its subsidiaries estimate the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

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

#### *Defined benefit plans*

The Company and its subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labor law and resignation fund plan. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

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

Plan assets are assets held by a long-term employee benefit fund. They are not available to the Company and its subsidiaries' creditors and cannot be returned to the Company and its subsidiaries, except the portion which reference to the provident fund's rules. The Company and its subsidiaries measures the fair value of plan assets by using market price and, in case that plan assets are debt instruments in active market, the Company and its subsidiaries measure them by using quoted price.

#### **5.15 Provisions**

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

#### **5.16 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.

Overseas subsidiaries calculate corporate income tax in accordance with tax rates mandated under the tax law of those countries.

##### **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 and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise 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 and its subsidiaries review and reduce 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 and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

#### **5.17 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 and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at

fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

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 and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

## **6. Significant accounting judgements and estimates**

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

### **Leases**

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

### **Allowance for doubtful accounts**

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

### **Allowance for diminution in value of inventory**

In determining an allowance for diminution in value of inventory, the management makes judgements and estimates regarding the net realisable value of inventory. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the period. Also, the management makes judgements and estimates regarding the expected loss from stock obsolescence based upon the aging profile of inventories and the prevailing economic conditions.

### **Fair value of financial instruments**

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk (bank and counterparty, both) liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

#### Impairment of investment in securities

The Company and its subsidiaries treat available-for-sale investments and other investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgement of the management.

#### Property, plant and equipment, and investment properties/Depreciation

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

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

#### Goodwill

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

#### Deferred tax assets

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

#### 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.

## 7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash	1,662	3,076	128	108
Bank deposits	2,482,949	2,795,113	342,762	664,629
Short-term bonds	121,658	72,909	-	-
<b>Total</b>	<b>2,606,269</b>	<b>2,871,098</b>	<b>342,890</b>	<b>664,737</b>

As at 31 December 2015, bank deposits in saving accounts, fixed deposits and short-term bonds carried interests between 0.01 and 1.49 percent per annum (2014: between 0.01 and 2.86 percent per annum).



## 8. Current investments

As at 31 December 2015 and 2014, the balances of subsidiaries' current investments are as follow:

(Unit: Thousand Baht)

	Consolidated financial statements			
	2015		2014	
	Cost/ Book value	Fair value	Cost/ Book value	Fair value
Trading securities				
Overseas marketable equity securities	703,846	627,976	264,469	277,049
Allowance for change in value of investments	(75,297)		12,133	
Translation adjustments	(573)		447	
<b>Total trading securities - net</b>	<b>627,976</b>		<b>277,049</b>	
Debt securities held to maturity - current portion				
Bonds	5,960		32,808	
<b>Total debt securities held to maturity - current portion</b>	<b>5,960</b>		<b>32,808</b>	
Fixed bank deposits with an original maturity within one year				
Fixed deposits of commercial bank	471,918		259,799	
<b>Total fixed bank deposits with an original maturity within one year</b>	<b>471,918</b>		<b>259,799</b>	
<b>Current investments - net</b>	<b>1,105,854</b>		<b>569,656</b>	

As at 31 December 2015, the fixed bank deposits with an original maturity within one year carried interests between 0.25 and 5.00 percent per annum (2014: between 0.38 and 4.55 percent per annum).

During the year 2015, the subsidiaries have gains on disposals of current investments amounting to Baht 14 million (2014: gains, Baht 80 million) and have dividend income amounting to Baht 19 million (2014: Baht 22 million).

## 9. Related party transactions

During the years, the Company and its subsidiaries 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, its subsidiaries and those related parties.

### Consolidated financial statements

(Unit: Million Baht)

	For the years ended 31 December		Pricing policy
	2015	2014	
		(Restated)	
<b><u>Transactions with joint ventures</u></b>			
Sales of merchandise	18	19	Cost plus margin
Service income	1	4	Contract price
Rental income	7	6	Contract price
Purchases of merchandise	25	27	Resale price reduced by a margin
Lendings (weighted average from outstanding balances at month end)	7	84	Interest rate with reference to the loan interest rate of local commercial bank in China
Interest income	-	4	Interest rate with reference to the loan interest rate of local commercial bank in China
<b><u>Transactions with associates</u></b>			
Sales of merchandise	98	131	Cost plus margin
Service income	3	3	Contract price
Rental income	4	4	Contract price
Purchases of merchandise	518	541	Resale price reduced by a margin
Deposits (weighted average from outstanding balances at month end)	30	47	Interest rate with reference to the deposit interest rate of local commercial bank
Interest expenses	-	1	Interest rate with reference to the deposit interest rate of local commercial bank
<b><u>Transactions with related companies</u></b>			
Sales of merchandise	3	3	Cost plus margin
Service income	4	4	Contract price
Rental income	1	1	Contract price
Purchases of merchandise	2	2	Resale price reduced by a margin

## Separate financial statements

(Unit: Million Baht)

	For the years ended 31 December		Pricing policy
	2015	2014	
		(Restated)	
<b><u>Transactions with subsidiaries</u></b>			
Sales of merchandise	735	707	Cost plus margin
Service income	6	5	Contract price
Rental income	20	14	Contract price
Lendings (weighted average from outstanding balances at month end)	137	210	Interest rate with reference to the loan interest rate of local commercial bank
Interest income	8	15	Interest rate with reference to the loan interest rate of local commercial bank
Deposits (weighted average from outstanding balances at month end)	811	888	Interest rate with reference to the deposit interest rate of local commercial bank
Interest expenses	9	12	Interest rate with reference to the deposit interest rate of local commercial bank
<b><u>Transactions with joint ventures</u></b>			
Rental income	3	2	Contract price
<b><u>Transactions with associates</u></b>			
Sales of merchandise	18	41	Cost plus margin
Purchases of merchandise	506	523	Resale price reduced by a margin
Deposits (weighted average from outstanding balances at month end)	30	47	Interest rate with reference to the deposit interest rate of local commercial bank
Interest expenses	-	1	Interest rate with reference to the deposit interest rate of local commercial bank
<b><u>Transactions with related companies</u></b>			
Service income	4	3	Contract price
Rental income	1	1	Contract price

As at 31 December 2015 and 2014, the balances of the accounts between the Company, its subsidiaries and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
		(Restated)		(Restated)
<u>Trade and other receivables - related parties (Note 10)</u>				
Subsidiaries	-	-	150,443	152,361
Joint ventures	2,578	2,761	-	-
Associates	46,561	54,085	2,611	8,272
Related companies (related by shareholding)	412	543	-	-
Total	49,551	57,389	153,054	160,633
Less: Allowance for doubtful accounts	(38,995)	(38,995)	-	-
Total trade and other receivables - related parties, net	10,556	18,394	153,054	160,633
<u>Trade payables - related parties (Note 21)</u>				
Joint ventures	3,895	3,947	-	-
Associates	13,227	32,170	11,718	26,118
Related companies (related by shareholding)	196	207	-	-
Total trade payables - related parties	17,318	36,324	11,718	26,118
<u>Deposits from related parties</u>				
Subsidiaries	-	-	831,525	777,676
Associates	34,299	58,290	34,299	58,290
Total deposits from related parties	34,299	58,290	865,824	835,966

#### Short-term loans to related parties

As at 31 December 2015 and 2014, the balance of short-term loans between the Company, its subsidiaries and those related parties and the movement are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		
	Balance as at 31 December 2014	Translation adjustments	Balance as at 31 December 2015
	(Restated)		
<u>Short-term loans to related party</u>			
<i>Joint venture</i>			
Yunnan Energy Luliang-Union Cogeneration Co., Ltd.	6,607	309	6,916
Total short-term loans to related party	6,607	309	6,916

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at 31 December 2014	Increase during the year	Decrease during the year	Balance as at 31 December 2015
<a href="#"><u>Short-term loans to related parties</u></a>				
<i>Subsidiaries</i>				
Computer Union Co., Ltd.	205,337	1,124,000	(968,415)	360,922
Union Construction Corp., Ltd.	13,100	-	-	13,100
Union Rubber Products Corp., Ltd.	6,300	3,150	(9,450)	-
Thai Rubber Enterprise Co., Ltd.	-	2,000	-	2,000
Total	224,737	1,129,150	(977,865)	376,022
Less: Allowance for doubtful accounts	(13,000)	-	-	(13,000)
Total short-term loans to related parties - net	211,737	1,129,150	(977,865)	363,022

[Directors and management's benefits](#)

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Short-term employee benefits	128	115	24	19
Post-employment benefits	1	2	-	-
Total	129	117	24	19

[Guarantee obligations with related parties](#)

The Company and its subsidiaries have outstanding guarantee obligations with their related parties, as described in Note 33.5 to the financial statements.

## 10. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<a href="#">Trade receivables - related parties</a>				
Aged on the basis of due dates				
Not yet due	2,672	6,349	153,054	160,633
Past due				
Up to 3 months	7,882	12,045	-	-
3 - 6 months	2	-	-	-
6 - 12 months	-	-	-	-
Over 12 months	9,635	9,635	-	-
Total	20,191	28,029	153,054	160,633
Less: Allowance for doubtful accounts	(9,635)	(9,635)	-	-
Total trade receivables - related parties, net	10,556	18,394	153,054	160,633
<a href="#">Trade receivables - unrelated parties</a>				
Aged on the basis of due dates				
Not yet due	1,581,816	1,294,843	4,932	18,829
Past due				
Up to 3 months	142,578	261,594	-	-
3 - 6 months	16,898	76,653	-	-
6 - 12 months	37,501	26,138	-	-
Over 12 months	7,526	9,887	1,410	1,410
Total	1,786,319	1,669,115	6,342	20,239
Less: Allowance for doubtful accounts	(7,427)	(7,099)	(1,410)	(1,410)
Total trade receivables - unrelated parties, net	1,778,892	1,662,016	4,932	18,829
Total trade receivables - net	1,789,448	1,680,410	157,986	179,462
<a href="#">Other receivables</a>				
Advances	14,447	18,896	-	-
Prepaid corporate income tax	28,828	29,873	2,250	348
Accrued income	49,504	18,448	14,304	16,250
Input tax refundable	28,585	44,502	4,214	6,300
Other receivables - related parties	29,360	29,360	-	-
Other receivables - unrelated party	55,328	-	-	-
Others	99,559	68,604	1,348	123
Total	305,611	209,683	22,116	23,021
Less: Allowance for doubtful accounts	(29,360)	(29,360)	-	-
Total other receivables - net	276,251	180,323	22,116	23,021
Total trade and other receivables - net	2,065,699	1,860,733	180,102	202,483



## 11. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2015	2014	2015	2014	2015	2014
Finished goods	317,197	288,217	(25,360)	(29,737)	291,837	258,480
Semi products	11,644	18,126	(444)	(839)	11,200	17,287
Work in process	137,397	145,918	(1,329)	(989)	136,068	144,929
Raw materials	464,987	456,808	(7,776)	(7,465)	457,211	449,343
Packing materials	38,251	49,167	(4,655)	(1,619)	33,596	47,548
Spare parts and factory supplies	142,225	118,835	(27,180)	(26,877)	115,045	91,958
Goods in transit	126,932	67,793	-	-	126,932	67,793
Total	1,238,633	1,144,864	(66,744)	(67,526)	1,171,889	1,077,338

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2015	2014	2015	2014	2015	2014
Goods in transit	19,435	21,315	-	-	19,435	21,315
Total	19,435	21,315	-	-	19,435	21,315

During the current year, the subsidiaries reduced cost of inventories by Baht 36 million (2014: Baht 40 million) to reflect the net realisable value. This was included in cost of sales. In addition, the subsidiaries reversed the write-down of cost of inventories by Baht 37 million (2014: Baht 25 million) and reduced the amount of inventories recognised as expenses during the year.

## 12. Restricted investments

These represent bank deposits and the bonds of subsidiaries which pledged with the local banks to guarantee electricity use.

### 13. Investments in subsidiaries

13.1 Details of investments in subsidiaries as presented in separate financial statements are as follows:

(Unit: Thousand Baht)

Company	Paid-up capital		Shareholding percentage		Cost		Dividend received during the years	
	2015	2014	2015	2014	2015	2014	2015	2014
	(Million Baht)	(Million Baht)	(%)	(%)				
<i>Textile business</i>		(Except for other specified currencies)						
Union Textile Industries Plc.	600	600	51.42	51.42	321,181	321,181	-	-
Union Garment Co., Ltd.	50	50	99.99	99.99	70,345	70,345	12,748	33,621
					391,526	391,526	12,748	33,621
<i>Plastic, rubber and metal business</i>								
Union Pioneer Plc.	75	75	52.73	52.73	53,084	53,084	12,300	10,281
Union Plastic Plc.	250	250	49.69	49.69	235,433	235,433	23,151	35,283
Union Zojirushi Co., Ltd.	600	300	51.00	51.00	306,659	153,659	107,100	106,335
Union Stainless Steel Products Co., Ltd.	40	40	98.00	98.00	52,411	52,411	32,928	23,520
Union Rubber Products Corp., Ltd.	20	20	99.99	99.99	16,111	16,111	-	-
Thai Rubber Enterprise Co., Ltd.	32	32	50.69	50.69	17,179	17,179	-	3,731
					680,877	527,877	175,479	179,150
<i>Trading business</i>								
Computer Union Co., Ltd.	100	100	97.57	97.55	101,488	101,441	91,715	110,965
					101,488	101,441	91,715	110,965
<i>Energy business</i>								
Jiashan-Union Cogeneration Co., Ltd.	11	11	75.96	75.96	251,073	251,073	77,477	41,075
	(Million USD)							
					251,073	251,073	77,477	41,075
<i>Hotel business</i>								
The Royal Hotel Co., Ltd.	3,000	3,000	96.22	96.22	2,880,000	2,880,000	-	-
					2,880,000	2,880,000	-	-

(Unit: Thousand Baht)

Company	Paid-up capital		Shareholding percentage		Cost		Dividend received during the years	
	2015	2014	2015	2014	2015	2014	2015	2014
	(Million Baht)	(Million Baht)	(%)	(%)				
	(Except for other specified currencies)							
<i>Investment and others business</i>								
Saha-Union International Ltd.	330	330	99.98	99.98	1,571,303	1,571,303	-	251,662
	(Million HKD)							
Saha-Union Investment (China) Co., Ltd.	45	45	100.00	100.00	1,572,809	1,572,809	-	310,982
	(Million USD)							
Saha-Union Holding Co., Ltd.	1,200	1,200	99.54	99.54	1,194,479	1,194,479	-	-
Venus Shoes Co., Ltd.	72	72	99.99	99.99	44,007	44,007	-	-
Union Printing Corp., Ltd.	30	30	94.74	94.74	29,466	29,466	-	-
Union Equity Co., Ltd.	160	160	99.79	99.79	159,771	159,771	-	-
Union Technology Co., Ltd.	100	100	99.99	99.99	100,000	100,000	-	-
Union Energy Co., Ltd.	3	3	99.40	99.40	3,176	3,176	-	-
Union Energy (China) Co., Ltd.	15	15	99.99	99.99	15,399	15,399	-	-
Texport International Corp., Ltd.	13	13	85.20	85.20	12,358	12,358	-	-
Union Human Resources Development Co., Ltd.	0.25	0.25	99.99	99.99	250	250	-	-
Union Shoes Co., Ltd.	24	24	98.23	98.02	22,087	22,008	-	-
Union Construction Corp., Ltd.	200	200	99.88	99.88	5,281	5,281	-	-
Saha-Union Property Co., Ltd.	125	125	99.99	99.99	125,000	125,000	-	-
Saha-Union Wealth Plus Co., Ltd.	125	125	99.99	99.99	125,000	125,000	-	-
Union Nakhon Co., Ltd.	210	210	77.49	77.49	157,499	157,499	-	-
					5,137,885	5,137,806	-	562,644
<i>Dissolved group</i>								
Union Technology (2008) Plc.	-	-	-	-	-	-	-	3,630
					-	-	-	3,630
Total					9,442,849	9,289,723	357,419	931,085
Less: Allowance for impairment of investments in subsidiaries					(558,454)	(585,240)		
Total investments in subsidiaries - net					8,884,395	8,704,483		

### 13.2 Details of investments in subsidiaries that have material non-controlling interests

(Unit: Million Baht)

Company	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit/loss allocated to non-controlling interests during the years		Dividend paid to non-controlling interests during the years	
	2015	2014	2015	2014	2015	2014	2015	2014
Union Textile Industries Plc.	(%) 48.58	(%) 48.58	56	53	3	(23)	-	-
Union Pioneer Plc.	47.27	47.27	130	124	17	10	12	10
Union Plastic Plc.	50.31	50.31	69	80	14	24	24	36
Union Zojirushi Co., Ltd.	49.00	49.00	302	262	146	103	103	102
Jiashan-Union Cogeneration Co., Ltd.	24.04	24.04	92	77	39	34	32	17

### 13.3 Summarised financial information that based on amounts before inter-company elimination about subsidiaries that have material non-controlling

#### Summarised information about financial position

(Unit: Million Baht)

	As at 31 December							
	Union Textile Industries Plc.		Union Pioneer Plc.		Union Plastic Plc.		Union Zojirushi Co., Ltd.	
	Jiashan-Union Cogeneration Co., Ltd.							
	2015	2014	2015	2014	2015	2014	2015	2014
Current assets	336	288	379	376	365	388	986	942
Non-current assets	602	649	106	114	336	347	1,358	947
Current liabilities	80	95	57	72	105	120	1,035	893
Non-current liabilities	43	50	48	49	42	38	93	162
							-	-

### Summarised information about comprehensive income

(Unit: Million Baht)

	For the years ended 31 December							
	Union Textile Industries Plc.		Union Pioneer Plc.		Union Plastic Plc.		Union Zojirushi Co., Ltd.	
	2015	2014	2015	2014	2015	2014	2015	2014
Revenue	776	984	599	626	796	799	3,863	3,043
Profit (loss)	29	(22)	37	25	28	47	297	211
Other comprehensive income	(7)	14	(1)	-	(5)	-	(6)	-
Total comprehensive income	22	(8)	36	25	23	47	291	211
							193	134
								664
								140
								(6)

### Summarised information about cash flow

(Unit: Million Baht)

	For the years ended 31 December							
	Union Textile Industries Plc.		Union Pioneer Plc.		Union Plastic Plc.		Union Zojirushi Co., Ltd.	
	2015	2014	2015	2014	2015	2014	2015	2014
Cash flow from operating activities	11	48	94	55	70	79	593	285
Cash flow used in investing activities	(9)	(18)	(23)	(20)	(40)	-	(602)	(197)
Cash flow from (used in) financing activities	(14)	(15)	(25)	(21)	(47)	(71)	8	(169)
Net increase (decrease) in cash and cash equivalents	(12)	15	46	14	(17)	8	(1)	(81)
							29	(15)

During the year 2015 and 2014, there were the following significant changes in the subsidiaries.

*Increase in registered shares capital*

(Unit: Thousand Baht)

Company	Approved by	Approved date	Registration date	Registered and paid-up share capital before increase	Registered and paid-up share capital after increase	Net cash receipt (paid) for capital increase	
						Consolidated financial statement	Separate financial statement
2015 Union Zojirushi Co., Ltd.	The Extraordinary Meeting of Shareholders No. 1/2015	15 May 2015	2 June 2015	300,000	600,000	147,000	(153,000)
<b>Total</b>						<b>147,000</b>	<b>(153,000)</b>

*Additional investment in new subsidiary*

(Unit: Thousand Baht)

New subsidiary	Nature of business	Shareholding (percent)	Approved by	Approved date	Registration date	Registered share capital	Registered and paid-up share capital
2014 The Royal Hotel Co., Ltd.	Hotel	96.22	The meeting of Board of Directors No. 4/2014	24 April 2014	2 May 2014	3,000,000	3,000,000
<b>Total</b>							<b>3,000,000</b>



## Dissolution

(Unit: Thousand Baht)

Company	Description	Effects in consolidated financial statements	Effects in separate financial statements	Net cash return from dissolution	
				Consolidated financial statement	Separate financial statement
2014 Union Technology (2008) Plc.	The Annual General Meeting of Shareholders 2014, No. 21 on 20 March 2014, passed a resolution for dissolution and it registered the dissolution on 11 April 2014.	<ul style="list-style-type: none"> <li>- Decreased in a subsidiary</li> <li>- The Company reversed the "Deficit on investment in subsidiary arising as a result of acquisition of additional shares at a price over than the net book value at the acquisition date" amounting to Baht 28 million.</li> </ul>	<ul style="list-style-type: none"> <li>- Decreased in a subsidiary</li> <li>- The Company recorded a gain on dissolution of a subsidiary under the cost method amounting to Baht 39 million.</li> </ul>	170,662	159,327
<b>Total</b>				<b>170,662</b>	<b>159,327</b>

During the year 2015, the Company reversed allowance for impairment of investments in subsidiaries amounting to Baht 27 million. As a result, as at 31 December 2015, the Company recorded allowance for impairment of investments in subsidiaries totaling Baht 558 million in order to reflect the future expected return on investments.

## 14. Investments in joint ventures

### 14.1 Details of investments in joint ventures:

Investment in joint ventures represent investments in entities which are jointly controlled by the Company and other companies. Details of these investment are as follows:

#### Consolidated financial statements

(Unit: Thousand Baht)

Company	Nature of business	Country of incorporation	Shareholding percentage		Cost			Carrying amounts based on equity method		
			31 December 2015	31 December 2014	31 December 2015	31 December 2014	1 January 2015	31 December 2015	31 December 2014	1 January 2014
<b>Textile business</b> Zhejiang Saha-Union Feilun Thread Industries Co., Ltd.  Union Universe Co., Ltd.	Contract manufacture and distribution of textile products  Distributor of Grand Slam shirts	China  Thailand	(%)	(%)		(Restated)		(Restated)		
			57.57	57.57	640,940	640,940	500,595	413,399	466,532	362,396
			49.87	49.87	3,751	3,751	3,751	33,686	42,060	61,986
					644,691	644,691	504,346	447,085	508,592	424,382
<b>Plastic, rubber and metal business</b> Union Nifco Co., Ltd.	Manufacture and distribution of plastic parts and molds	Thailand	50.00	50.00	51,559	51,559	51,559	223,734	214,574	219,827
					51,559	51,559	51,559	223,734	214,574	219,827
			50.00	50.00	514,653	514,653	514,653	1,037,776	954,016	919,679
			50.00	50.00	445,914	445,914	445,914	105,015	223,587	287,046
<b>Energy business</b> Shangyu Hangzhou-Union Cogeneration Co., Ltd. Yunnan Energy Luliang-Union Cogeneration Co., Ltd.	Power generation  Power generation	China  China			960,567	960,567	960,567	1,142,791	1,177,603	1,206,725
					200,500	-	-	200,000	-	-
					200,500	-	-	200,000	-	-
					676,832	676,832	676,832	812,829	807,962	763,279
<b>Hospital business</b> Sukhumvit 62 Medical Ltd.	Hospital	Thailand	47.21	-						
<b>Investment and others business</b> Jiashan-Union Development Co., Ltd.	Real estate	China	49.00	49.00	676,832	676,832	676,832	812,829	807,962	763,279
					676,832	676,832	676,832	812,829	807,962	763,279
					2,534,149	2,333,649	2,193,304	2,826,439	2,708,731	2,614,213
Total investments in joint ventures										

## Separate financial statements

(Unit: Thousand Baht)

Company	Nature of business	Country of incorporation	Shareholding percentage		Cost			Allowance for impairment of investments			Carrying amounts based on cost method - net		
			31 December 2015	31 December 2014	31 December 2015	31 December 2014	1 January 2014	31 December 2015	31 December 2014	1 January 2014	31 December 2014	31 December 2015	1 January 2014
<b>Textile business</b>			(%)	(%)		(Restated)			(Restated)		(Restated)		
Zhejiang Saha-Union Feilun Thread Industries Co., Ltd.	Contract manufacture and distribution of textile products	China	39.59	39.59	452,337	452,337	355,302	(205,826)	(154,350)	(103,985)	297,987	246,511	251,317
Union Universe Co., Ltd.	Distributor of Grand Slam shirts	Thailand	49.87	49.87	3,751	3,751	3,751	-	-	-	3,751	3,751	3,751
					456,088	456,088	359,053	(205,826)	(154,350)	(103,985)	301,738	250,262	255,068
<b>Plastic, rubber and metal business</b>													
Union Nifco Co., Ltd.	Manufacture and distribution of plastic parts and molds	Thailand	30.00	30.00	31,556	31,556	31,556	-	-	-	31,556	31,556	31,556
					31,556	31,556	31,556	-	-	-	31,556	31,556	31,556
<b>Energy business</b>													
Shangyu Hangzhou-Union Cogeneration Co., Ltd.	Power generation	China	25.00	25.00	257,481	257,481	257,481	-	-	-	257,481	257,481	257,481
Yunnan Energy Luliang-Union Cogeneration Co., Ltd.	Power generation	China	40.00	40.00	417,271	417,271	417,271	(375,544)	(180,063)	(161,289)	237,208	41,727	255,982
					674,752	674,752	674,752	(375,544)	(180,063)	(161,289)	494,689	299,208	513,463
<b>Hospital business</b>													
Sukhumvit 62 Medical Ltd.	Hospital	Thailand	47.21	-	200,500	-	-	-	-	-	-	200,500	-
					200,500	-	-	-	-	-	-	200,500	-
<b>Investment and other business</b>													
Jiashan-Union Development Co., Ltd.	Real estate	China	39.00	39.00	538,703	538,703	538,703	-	-	-	538,703	538,703	538,703
					538,703	538,703	538,703	-	-	-	538,703	538,703	538,703
Total investments in joint ventures - net					1,901,599	1,701,099	1,604,064	(581,370)	(334,413)	(265,274)	1,366,686	1,320,229	1,338,790

#### 14.2 Share of comprehensive income and dividend received

During the years, the Company recognised its share of comprehensive income from investments in the joint ventures in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit: Thousand Baht)

Company	Consolidated financial statements			Separate financial statements		
	Share of profit/loss from investments in joint ventures during the years		Share of other comprehensive income from investments in joint ventures during the years	Dividend received during the years		(Restated)
	2015	2014		2015	2014	
<b>Textile business</b>		(Restated)				
Zhejiang Saha-Union Feilun Thread Industries Co., Ltd.	(66,485)	(28,232)	22,277	7,042	-	-
Union Universe Co., Ltd.	(4,996)	(19,100)	(2,816)	561	1,122	1,122
	(71,481)	(47,332)	19,461	7,603	1,122	1,122
<b>Plastic, rubber and metal business</b>						
Union Nifco Co., Ltd.	74,436	62,247	(276)	39,003	40,503	40,503
	74,436	62,247	(276)	39,003	40,503	40,503
<b>Energy business</b>						
Shangyu Hangzhou-Union Cogeneration Co., Ltd.	259,523	247,899	44,141	97,554	99,628	99,628
Yunnan Energy Luliang-Union Cogeneration Co., Ltd.	(133,011)	(55,144)	14,439	-	-	-
	126,512	192,755	58,580	97,554	99,628	99,628
<b>Hospital business</b>						
Sukhumvit 62 Medical Ltd.	(500)	-	-	-	-	-
	(500)	-	-	-	-	-
<b>Investment and other business</b>						
Jiashan-Union Development Co., Ltd.	(32,307)	59,737	37,174	-	-	-
	(32,307)	59,737	37,174	-	-	-
<b>Total</b>	<b>96,660</b>	<b>267,407</b>	<b>114,939</b>	<b>144,160</b>	<b>141,253</b>	<b>141,253</b>

### 14.3 Summarised financial information about material joint ventures

#### Summarised information about financial position

(Unit: Million Baht)

Company	Zhejiang Saha-Union Feilun Thread Industries Co., Ltd.		Union Universe Co., Ltd.		Union Nifco Co., Ltd.		Shangyu Hangzhou-Union Cogeneration Co., Ltd.		Yunnan Energy Luliang-Union Cogeneration Co., Ltd.		Sukhumvit 62 Medical Ltd.		Jiashan-Union Development Co., Ltd.	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Cash and cash equivalents	94	127	8	8	60	101	455	399	8	6	-	-	162	228
Current assets	241	312	51	67	396	338	675	930	193	75	116	-	4,814	3,479
Non-current assets	663	852	13	17	186	191	2,972	2,584	701	910	311	-	263	170
Bank overdrafts and short-term loans	221	328	-	-	-	-	885	846	138	-	-	-	-	-
Current portion of long-term loans	-	-	-	-	-	-	228	-	-	-	-	-	-	-
Other current liabilities	28	124	4	8	191	193	487	591	287	282	-	-	3,580	2,228
Long-term loans	-	-	-	-	-	-	537	652	-	-	-	-	-	-
Other non-current liabilities	-	-	-	-	3	8	-	-	37	31	-	-	-	-
<b>Net assets</b>	749	839	68	84	448	429	1,965	1,824	440	678	427	-	1,659	1,649
Shareholding percentage (%)	57.57	57.57	49.87	49.87	50.00	50.00	50.00	50.00	50.00	50.00	47.21	-	49.00	49.00
<b>Share of net assets</b>	431	483	34	42	224	215	983	912	220	339	202	-	813	808
Elimination entries	(18)	(16)	-	-	-	-	55	42	(115)	(115)	(2)	-	-	-
<b>Carrying amounts of joint ventures based on equity method</b>	<b>413</b>	<b>467</b>	<b>34</b>	<b>42</b>	<b>224</b>	<b>215</b>	<b>1,038</b>	<b>954</b>	<b>105</b>	<b>224</b>	<b>200</b>	<b>-</b>	<b>813</b>	<b>808</b>

Summarised information about comprehensive income

(Unit: Million Baht)

Company	Zhejiang Saha-Union Feilun Thread Industries Co., Ltd.		Union Universe Co., Ltd.		Union Nifco Co., Ltd.		Shangyu Cogeneration Co., Ltd.		Yunnan Energy Luliang-Union Cogeneration Co., Ltd.		Sukhumvit 62 Medical Ltd.		Jiashan-Union Development Co., Ltd.	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Revenue	468	806	22	24	1,009	1,085	2,568	2,649	551	378	-	-	172	324
Depreciation and amortisation	(52)	(61)	-	-	(52)	(54)	(173)	(180)	(66)	(57)	-	-	(2)	(2)
Interest income	-	1	-	-	2	1	7	6	-	-	-	-	1	1
Interest expense	(20)	(26)	-	-	-	-	(48)	(52)	(8)	(3)	-	-	-	(4)
Income tax income (expenses)	-	-	-	-	(34)	(29)	(181)	(173)	-	-	-	-	12	-
Profit (loss)	(113)	(49)	(10)	(38)	149	124	517	497	(74)	(110)	(1)	-	(66)	122
Other comprehensive income	39	(14)	(6)	1	(1)	-	88	(34)	29	(17)	-	-	76	(31)
Total comprehensive income	(74)	(63)	(16)	(37)	148	124	605	463	(45)	(127)	(1)	-	10	91

During the current year, there was the following significant change in the investments in joint venture account.

*Additional investment in new joint venture*

(Unit: Thousand Baht)

New joint venture	Nature of business	Approved by	Approved date	Shareholding (percent)	Registered share capital	Registered and paid-up share capital	Net cash paid	
							Consolidated financial statement	Separate financial statement
Sukhumvit 62 Medical Ltd.	Hospital	The Board of Director's Meeting	23 July 2015	47.21	847,250	428,625	(200,500)	(200,500)
<b>Total</b>							<b>(200,500)</b>	<b>(200,500)</b>

During the year 2015, the Company set up additional allowance for impairment of investments in joint ventures amounting to Baht 247 million. As a result, as at 31 December 2015, the Company recorded allowance for impairment of investments in joint ventures totaling Baht 581 million in order to reflect the future expected return on investments. Share of loss from investment in one joint venture accounted for under the equity method amounting to approximately Baht 5 million, as included in the income statement for the year ended 31 December 2015 (2014: one joint venture, the share of loss Baht 19 million), was calculated from financial statements prepared by the management of that company, and not audited by its auditor. However, the management believes that there would be no material difference if the financial statements had been audited by the joint ventures' auditor.



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### 15.1 Details of associates:

## Consolidated financial statements

(Unit: Thousand Baht)

Company	Nature of business	Country of incorporation	Shareholding percentage		Cost			Carrying amounts based on equity method			
			31 December 2015	31 December 2014	31 December 2015	31 December 2014	1 January 2014	31 December 2015	31 December 2014	1 January 2014	
<b>Textile business</b> Union Micronclean Co., Ltd.  Union Spinning Mills Co., Ltd.  Union Zip Co., Ltd. (99.79 percent owned by Union Industries Corp., Ltd.) Venus Thread Co., Ltd. (98.96 percent owned by Union Thread Industries Co., Ltd. and 1.04 percent by Union Spinning Mills Co., Ltd.)	Manufacture and distribution of anti-electrostatic and dust clothing  Manufacture and distribution of thread  Manufacture and distribution of zippers  Manufacture and distribution of thread and yarn	Thailand  Thailand  Thailand  Thailand	(%)	(%)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)		
			51.00	51.00	2,550	2,550	2,550	2,550	22,054	19,327	18,629
			51.99	51.99	46,563	46,563	46,563	46,563	86,451	81,909	83,056
			24.85	24.85	-	-	-	-	27,463	24,094	16,374
			24.90	24.90	-	-	-	-	22,441	20,826	21,093
<b>Plastic, rubber and metal business</b> Union Thai-Nichiban Co., Ltd.	Manufacture of adhesive paper, corrugated adhesive paper, clear tape and OPP tape	Thailand	40.29	40.27	19,318	19,266	19,266	190,739	173,720	163,363	
			19,318	19,266	19,266	190,739	173,720	163,363			
<b>Investment and others business</b> Taixing Union Zond Chemicals Co., Ltd.	Manufacture of Phthalic anhydride and Fumaric acid and associated products	China	29.65	29.65	273,029	273,029	273,029	275,754	229,142	233,982	

(Unit: Thousand Baht)

Company	Nature of business	Country of incorporation	Shareholding percentage		Cost			Carrying amounts based on equity method		
			31 December 2015	31 December 2014	31 December 2015	31 December 2014	1 January 2014	31 December 2015	31 December 2014	1 January 2014
<i>Investment and others business (continued)</i>			(%)	(%)		(Restated)			(Restated)	
Jiangsu Zhonglian-Union Carpet Co., Ltd.	Manufacture of automotive carpets	China	35.00	35.00	353,912	218,108	218,108	495,411	327,184	325,303
Wuhan Taicang Car Internal Decoration Parts Co., Ltd. (100.00 percent owned by Jiangsu Zhonglian-Union Carpet Co., Ltd.)	Manufacture of automotive carpets and decorated accessories	China	35.00	35.00	-	-	-	19,363	7,515	-
Zhonglian-Union Carpet (Foshan) Co., Ltd. (60.00 percent owned by Jiangsu Zhonglian-Union Carpet Co., Ltd.)	Manufacture of automotive carpets and decorated accessories	China	21.00	-	-	-	-	-	-	-
Zhejiang-Union Property Co., Ltd.	Real estate	China	35.00	35.00	169,702	169,793	169,793	174,473	177,938	186,828
Saha-Union International Taipei Ltd.	Investment	Taiwan	42.30	42.30	386	386	386	2,271	2,821	3,126
Uni-Fibre Co., Ltd.	Investment / Agency and service business / Distribution of textile products and other materials	Thailand	62.35	52.99	55,800	55,800	55,800	448,140	378,355	363,789
Uni-Agro Co., Ltd.	Investment and agriculture	Thailand	44.94	44.94	20,465	20,465	20,465	16,579	16,527	16,473
Union Thread Industries Co., Ltd.	Investment	Thailand	35.99	35.99	51,861	51,861	51,861	795,362	788,016	777,534
Union Industries Corp., Ltd.	Investment and real estate rental	Thailand	29.46	29.46	43,328	43,328	43,328	395,963	380,279	371,263

(Unit: Thousand Baht)

Company	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method		
			31 December 2015	31 December 2014	31 December 2015	31 December 2014	31 December 2015	31 December 2014	1 January 2014
<i>Investment and others business (continued)</i> Union Business Management Co., Ltd. (51.10 percent owned by Union Thread Industries Co., Ltd., 29.40 percent by Union Capital Co., Ltd., 18.99 percent by Union Textile Industries Plc. and 0.50 percent by Union Industries Corp., Ltd.)	Investment	Thailand	(%)	(%)		(Restated)		(Restated)	
			41.93	32.70	94,999	94,999	154,117	137,366	121,510
Soldev Co., Ltd. (40.00 percent owned by Computer Union Co., Ltd.) Venus Product Co., Ltd. (99.86 percent owned by Union Thread Industries Co., Ltd.)	Develop and distribution of computer software	Thailand	40.00	40.00	2,000	2,000	1,001	2,646	2,259
	Investment	Thailand	24.86	24.86	-	-	1,790	1,792	1,793

(Unit: Thousand Baht)

Company	Nature of business	Country of incorporation	Shareholding percentage		Cost			Carrying amounts based on equity method		
			31 December 2015	31 December 2014	31 December 2015	31 December 2014	1 January 2014	31 December 2015	31 December 2014	1 January 2014
<i>Investment and others business (continued)</i> Union Distributor Co., Ltd. (99.30 percent owned by Union Industries Corp., Ltd.) Union Management and Service Co., Ltd. (99.83 percent owned by Union Industries Corp., Ltd.) Union Asset Management Co., Ltd. (99.99 percent owned by Union Industries Corp., Ltd.)			(%)	(Restated)		(Restated)		(Restated)		
	Investment	Thailand	24.73	-	-	-	-	1,286	1,222	1,157
	Distribution of fuel and employee transportation services	Thailand	24.86	-	-	-	-	3,251	3,385	3,042
	Apartment, office building space and warehouse rental	Thailand	24.90	-	-	-	-	5,594	4,854	4,047
<i>Liquidated group</i> Ten Cate-Union Protective Fabric Asia Co., Ltd. (49.35 percent owned by Union Textile Industries Plc.)										
	-	Thailand	49.35	49.35	190,000	190,000	929,769	2,790,355	2,459,042	2,412,106
Total investments in associates					190,000	190,000	190,000	-	-	-
					1,323,913	1,188,148	1,188,148	3,139,503	2,778,918	2,714,621

# Separate financial statements

(Unit: Thousand Baht)

Company	Nature of business	Country of incorporation	Shareholding percentage		Cost			Allowance for impairment of investments			Carrying amounts based on cost method - net		
			31 December 2015	31 December 2014	31 December 2015	31 December 2014	1 January 2014	31 December 2015	31 December 2014	1 January 2014	31 December 2015	31 December 2014	1 January 2014
<b>Textile business</b>	Union Micronclean Co., Ltd.	Thailand	(%)	(%)		(Restated)			(Restated)			(Restated)	
			25.00	25.00	1,251	1,251	1,251	-	-	-	1,251	1,251	1,251
Union Spinning Mills Co., Ltd.	Manufacture and distribution of anti-electrostatic and dust clothing	Thailand	25.00	25.00	46,563	46,563	46,563	-	-	-	46,563	46,563	46,563
					47,814	47,814	47,814	-	-	-	47,814	47,814	47,814
<b>Plastic, rubber and metal business</b>	Union Thai-Nichiban Co., Ltd.	Thailand	40.29	40.27	19,318	19,266	19,266	-	-	-	19,318	19,266	19,266
					19,318	19,266	19,266	-	-	-	19,318	19,266	19,266
<b>Investment and other business</b>	Taixing Union Zond Chemicals Co., Ltd.	China	23.85	23.85	218,958	218,958	218,958	(32,129)	(59,908)	(36,826)	186,829	159,050	182,132
					249,239	152,218	152,218	-	-	-	249,239	152,218	152,218
Jiangsu Zhonglian-Union Carpet Co., Ltd.	Manufacture of automotive carpets	China	25.00	25.00	169,702	169,793	169,793	-	-	-	169,702	169,793	169,793
					386	386	386	-	-	-	386	386	386
Zhejiang-Union Property Co., Ltd.	Real estate	China	35.00	35.00									
Saha-Union International Taipei Ltd.	Investment	Taiwan	10.00	10.00									

(Unit: Thousand Baht)

Company	Nature of business	Country of incorporation	Shareholding percentage		Cost			Allowance for impairment of investments			Carrying amounts based on cost method - net		
			31 December 2015	31 December 2014	31 December 2015	31 December 2014	1 January 2014	31 December 2015	31 December 2014	1 January 2014	31 December 2015	31 December 2014	1 January 2014
Investment and others business (continued) Uni-Fibre Co., Ltd.	Investment / Agency and service business / Distribution of textile products and other materials	Thailand	(%)	(%)		(Restated)		(Restated)			(Restated)		
			25.67	25.67	30,800	30,800	30,800	-	-	-	30,800	30,800	30,800
Uni-Agro Co., Ltd. Union Thread Industries Co., Ltd. Union Industries Corp., Ltd.	Investment and agriculture Investment  Investment and real estate rental	Thailand Thailand Thailand	30.00	30.00	20,465	20,465	20,465	(547)	(547)	(547)	19,918	19,918	19,918
			24.90	24.90	51,861	51,861	51,861	-	-	-	51,861	51,861	51,861
			24.90	24.90	43,328	43,328	43,328	-	-	-	43,328	43,328	43,328
Total investments in associates - net					784,739	687,809	687,809	(32,676)	(60,455)	(37,373)	752,063	627,354	650,436
					851,871	754,889	754,889	(32,676)	(60,455)	(37,373)	819,195	694,434	717,516



### 15.2 Share of comprehensive income and dividend received

During the years, the Company has recognised its share of profit/loss from investments in associates in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit: Thousand Baht)

Company	Consolidated financial statements			Separate financial statements	
	Share of profit/loss from investments in associates during the years		Share of other comprehensive income from investments in associates during the years	Dividend received during the years	
	2015	2014 (Restated)		2015	2014 (Restated)
<b>Textile business</b>					
Union Micronclean Co., Ltd.	7,324	4,779	503	2,500	2,000
Union Spinning Mills Co., Ltd.	3,989	(1,147)	553	-	-
Union Zip Co., Ltd.	11,115	7,721	(291)	-	-
(99.79 percent owned by Union Industries Corp., Ltd.)					
Venus Thread Co., Ltd.	1,737	(267)	(122)	-	-
(98.96 percent owned by Union Thread Industries Co., Ltd. and 1.04 percent by Union Spinning Mills Co., Ltd.)					
	24,165	11,086	643	2,500	2,000
<b>Plastic, rubber and metal business</b>					
Union Thai-Nichiban Co., Ltd.	46,959	28,721	(1,297)	28,695	18,365
	46,959	28,721	(1,297)	28,695	18,365

(Unit: Thousand Baht)

Company	Consolidated financial statements				Separate financial statements	
	Share of profit/loss from investments in associates during the years		Share of other comprehensive income from investments in associates during the years		Dividend received during the years	
	2015	2014 (Restated)	2015	2014 (Restated)	2015	2014 (Restated)
<i>Investment and others business</i>						
Taixing Union Zond Chemicals Co., Ltd.	35,621	(131)	10,991	(4,709)	-	-
Jiangsu Zhonglian-Union Carpet Co., Ltd.	15,398	17,458	26,144	(15,577)	6,507	-
Wuhan Taicang Car Internal Decoration Parts Co., Ltd. (100.00 percent owned by Jiangsu Zhonglian-Union Carpet Co., Ltd.)	7,166	3,312	4,683	4,203	-	-
Zhonglian-Union Carpet (Foshan) Co., Ltd. (60.00 percent owned by Jiangsu Zhonglian-Union Carpet Co., Ltd.)	(980)	-	357	-	-	-
Zhejiang-Union Property Co., Ltd. Saha-Union International Taipei Ltd.	(10,807)	(5,074)	7,433	(3,816)	-	-
Uni-Fibre Co., Ltd.	70,451	(83)	240	(222)	-	-
Uni-Agro Co., Ltd.	52	14,299	(238)	151	-	-
Union Thread Industries Co., Ltd.	19,702	54	-	-	-	-
Union Industries Corp., Ltd.	12,323	22,128	(344)	-	8,963	8,963
Union Business Management Co., Ltd. (51.10 percent owned by Union Thread Industries Co., Ltd., 29.40 percent by Union Capital Co., Ltd., 18.99 percent by Union Textile Industries Plc. and 0.50 percent by Union Industries Corp., Ltd.)	16,751	12,894	(18)	-	6,723	6,723
		15,856	-	-	-	-

(Unit: Thousand Baht)

Company	Consolidated financial statements				Separate financial statements	
	Share of profit/loss from investments in associates during the years		Share of other comprehensive income from investments in associates during the years		Dividend received during the years	
	2015	2014	2015	2014	2015	2014
		(Restated)		(Restated)		(Restated)
<i>Investment and others business (continued)</i>						
Soldev Co., Ltd.	(1,645)	387	-	-	-	-
(40.00 percent owned by Computer Union Co., Ltd.)						
Venus Product Co., Ltd.	(2)	(2)	-	-	-	-
(99.86 percent owned by Union Thread Industries Co., Ltd.)						
Union Distributor Co., Ltd.	60	60	3	5	-	-
(99.30 percent owned by Union Industries Corp., Ltd.)						
Union Management and Service Co., Ltd.	410	342	(544)	-	-	-
(99.83 percent owned by Union Industries Corp., Ltd.)						
Union Asset Management Co., Ltd.	741	807	-	-	-	-
(99.99 percent owned by Union Industries Corp., Ltd.)						
<b>Liquidated group</b>						
Ten Cate-Union Protective Fabric Asia Co., Ltd.	-	-	-	-	-	-
(49.35 percent owned by Union Textile Industries Plc.)						
<b>Total</b>	<b>235,575</b>	<b>122,114</b>	<b>48,053</b>	<b>(19,965)</b>	<b>53,388</b>	<b>36,051</b>

### 15.3 Summarised financial information of associates

#### Summarised information about financial position

(Unit: Million Baht)

Company	Current assets		Non-current assets		Current liabilities		Non-current liabilities		Net assets		Shareholding percentage (%)		Share of net assets based on equity method		Elimination entries		Carrying amounts of associates based on equity method	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
<b>Textile business</b>																		
Union Micronclean Co., Ltd.	51	51	12	13	16	21	4	5	43	38	51.00	51.00	22	19	-	-	22	19
Union Spinning Mills Co., Ltd.	248	307	63	98	27	129	14	15	270	261	51.99	51.99	140	136	(54)	(54)	86	82
Union Zip Co., Ltd.	210	195	58	55	24	21	34	32	210	197	24.85	24.85	52	49	(25)	(25)	27	24
(99.79 percent owned by Union Industries Corp., Ltd.)																		
Venus Thread Co., Ltd.	438	434	122	141	68	86	102	105	390	384	24.90	24.90	97	96	(75)	(75)	22	21
(98.96 percent owned by Union Thread Industries Co., Ltd and 1.04 percent by Union Spinning Mills Co., Ltd.)																		
<b>Plastic, rubber and metal business</b>																		
Union Thai-Nichiban Co., Ltd.	521	470	53	59	71	74	30	24	473	431	40.29	40.27	191	174	-	-	191	174
<b>Investment and other business</b>																		
Taixing Union Zond Chemicals Co., Ltd.	599	875	1,198	1,220	867	1,243	-	79	930	773	29.65	29.65	276	229	-	-	276	229
Jiangsu Zhonglian-Union Carpet Co., Ltd.	1,134	1,145	859	647	585	696	-	-	1,408	1,096	35.00	35.00	493	384	2	(57)	495	327
Wuhan Taicang Car Internal Decoration Parts Co., Ltd. (100.00 percent owned by Jiangsu Zhonglian-Union Carpet Co., Ltd.)	217	185	168	128	134	161	-	-	251	152	35.00	35.00	88	53	(69)	(45)	19	8

Company	Current assets		Non-current assets		Current liabilities		Non-current liabilities		Net assets		Shareholding percentage (%)		Share of net assets based on equity method		Elimination entries		Carrying amounts of associates based on equity method	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
<i>Investment and others business (continued)</i>																		
Zhonglian-Union Carpet (Foshan) Co., Ltd.	116	-	1	-	11	-	-	-	106	-	21.00	-	22	-	(22)	-	-	-
(60.00 percent owned by Jiangsu Zhonglian-Union Carpet Co., Ltd.)																		
Zhejiang-Union Property Co., Ltd.	602	959	3	3	106	454	-	-	499	508	35.00	35.00	175	178	-	-	175	178
Saha-Union International Taipei Ltd.	3	3	7	8	1	1	-	-	9	10	42.30	42.30	4	4	(2)	(1)	2	3
Uni-Fibre Co., Ltd.	35	63	770	731	1	4	59	67	745	723	62.35	52.99	465	383	(17)	(5)	448	378
Uni-Agro Co., Ltd.	3	3	55	55	-	-	-	-	58	58	44.94	44.94	26	26	(9)	(9)	17	17
Union Thread Industries Co., Ltd.	36	59	2,157	2,103	3	3	8	8	2,182	2,151	35.99	35.99	785	774	10	14	795	788
Union Industries Corp., Ltd.	54	28	1,225	1,209	1	1	1	1	1,277	1,235	29.46	29.46	376	364	20	16	396	380
Union Business Management Co., Ltd.	10	17	681	640	-	-	-	-	691	657	41.93	32.70	290	215	(136)	(78)	154	137
(51.10 percent owned by Union Thread Industries Co., Ltd., 29.40 percent by Union Capital Co., Ltd., 18.99 percent by Union Textile Industries Plc. and 0.50 percent by Union Industries Corp., Ltd.)																		
Soldev Co., Ltd.	4	10	1	1	-	4	2	-	3	7	40.00	40.00	1	3	-	-	1	3
(40.00 percent owned by Computer Union Co., Ltd.)																		
Venus Product Co., Ltd.	-	-	9	9	-	-	-	-	9	9	24.86	24.86	2	2	-	-	2	2
(99.86 percent owned by Union Thread Industries Co., Ltd.)																		

(Unit: Million Baht)

Company	Current assets		Non-current assets		Current liabilities		Non-current liabilities		Net assets		Shareholding percentage (%)		Share of net assets based on equity method		Elimination entries		Carrying amounts of associates based on equity method	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
<i>Investment and others business (continued)</i>																		
Union Distributor Co., Ltd. (99.30 percent owned by Union Industries Corp., Ltd.)	2	2	4	4	-	-	-	-	6	6	24.73	24.73	1	1	-	-	1	1
Union Management and Service Co., Ltd. (99.83 percent owned by Union Industries Corp., Ltd.)	16	14	11	9	2	2	8	4	17	17	24.86	24.86	4	4	(1)	(1)	3	3
Union Asset Management Co., Ltd. (99.99 percent owned by Union Industries Corp., Ltd.)	49	44	35	37	1	2	-	-	83	79	24.90	24.90	21	20	(15)	(15)	6	5
<i>Liquidated group</i>																		
Ten Cate-Union Protective Fabric Asia Co., Ltd. (49.35 percent owned by Union Textiles Industries Plc.)	-	-	-	-	-	-	-	-	-	-	49.35	49.35	-	-	-	-	-	-



Summarised information about comprehensive income

(Unit: Million Baht)

Company	Revenue		Profit (loss)		Other comprehensive income		Total comprehensive income	
	2015	2014	2015	2014	2015	2014	2015	2014
<b>Textile business</b>								
Union Micronclean Co., Ltd.	120	123	14	9	1	-	15	9
Union Spinning Mills Co., Ltd.	510	562	8	(2)	1	-	9	(2)
Union Zip Co., Ltd.	214	188	45	31	(1)	-	44	31
(99.79 percent owned by Union Industries Corp., Ltd.)								
Venus Thread Co., Ltd.	596	629	7	(1)	(1)	-	6	(1)
(98.96 percent owned by Union Thread Industries Co., Ltd and 1.04 percent by Union Spinning Mills Co., Ltd.)								
<b>Plastic, rubber and metal business</b>								
Union Thai-Nichiban Co., Ltd.	918	944	116	71	(3)	-	113	71
<b>Investment and other business</b>								
Taixing Union Zond Chemicals Co., Ltd.	2,271	2,839	120	-	37	(16)	157	(16)
Jiangsu Zhonglian-Union Carpet Co., Ltd.	1,293	1,214	44	50	75	(45)	119	5
Wuhan Taicang Car Internal Decoration Parts Co., Ltd.	434	361	21	9	13	12	34	21
(100.00 percent owned by Jiangsu Zhonglian-Union Carpet Co., Ltd.)								
Zhonglian-Union Carpet (Foshan) Co., Ltd.	-	-	(5)	-	2	-	(3)	-
(60.00 percent owned by Jiangsu Zhonglian-Union Carpet Co., Ltd.)								
Zhejiang-Union Property Co., Ltd.	584	4	(31)	(14)	21	(11)	(10)	(25)
Saha-Union International Taipei Ltd.	-	-	(2)	-	1	(1)	(1)	(1)
Uni-Fibre Co., Ltd.	33	42	23	27	(1)	-	22	27

(Unit: Million Baht)

Company	Revenue		Profit (loss)		Other comprehensive income		Total comprehensive income	
	2015	2014	2015	2014	2015	2014	2015	2014
<i>Investment and other business (continued)</i>								
Uni-Agro Co., Ltd.	1	2	-	-	-	-	-	-
Union Thread Industries Co., Ltd.	80	85	47	65	(1)	-	46	65
Union Industries Corp., Ltd.	87	61	69	57	-	-	69	57
Union Business Management Co., Ltd.	40	45	34	48	-	-	34	48
(51.10 percent owned by Union Thread Industries Co., Ltd., 29.40 percent by Union Capital Co., Ltd., 18.99 percent by Union Textile Industries Plc. and 0.50 percent by Union Industries Corp., Ltd.)								
Soldev Co., Ltd.	11	14	(4)	1	-	-	(4)	1
(40.00 percent owned by Computer Union Co., Ltd.)								
Venus Product Co., Ltd.	-	-	-	-	-	-	-	-
(99.86 percent owned by Union Thread Industries Co., Ltd.)								
Union Distributor Co., Ltd.	-	-	-	-	-	-	-	-
(99.30 percent owned by Union Industries Corp., Ltd.)								
Union Management and Service Co., Ltd.	25	27	1	1	(2)	-	(1)	1
(99.83 percent owned by Union Industries Corp., Ltd.)								
Union Asset Management Co., Ltd.	11	11	3	3	-	-	3	3
(99.99 percent owned by Union Industries Corp., Ltd.)								
<i>Liquidated group</i>								
Ten Cate-Union Protective Fabric Asia Co., Ltd.	-	-	-	-	-	-	-	-
(49.35 percent owned by Union Textiles Industries Plc.)								

During the years 2015 and 2014, there were significant changes of associates as the following:  
Increase in registered shares capital

(Unit: Thousand Baht)

Company	Approved by	Approved date	Registration date	Registered and paid-up share capital before increase	Registered and paid-up share capital after increase	Net cash paid for capital increase	
						Consolidated financial statements	Separate financial statements
<b>2015</b>							
Jiangsu Zhonglian-Union Carpet Co., Ltd.	The Board of Director's Meeting	6 November 2014	5 December 2014	56,915,779 (RMB)	69,802,371 (RMB)	(75,325)	(53,821)
<b>Total</b>						<b>(75,325)</b>	<b>(53,821)</b>
<b>2014</b>							
Zhejiang Saha-Union Feilun Thread Industries Co., Ltd.	The Board of Director's Meeting	29 October 2013	11 March 2014	22,776,932 (USD)	30,300,000 (USD)	(140,345)	(97,035)
<b>Total</b>						<b>(140,345)</b>	<b>(97,035)</b>

During the year 2015, the Company reversed allowance for impairment of investments in associates amounting to Baht 27 million. As a result, as at 31 December 2015, the Company recorded allowance for impairment of investments in associates totaling Baht 33 million in order to reflect the future expected return on investments.

Share of profit from investments in four associates accounted for under the equity method amounting to approximately Baht 12 million, as included in the income statement for the year ended 31 December 2015 (2014: eight associates, the share of profit Baht 35 million), was calculated from financial statements prepared by the management of those companies, and not audited by their auditors. However, the management believes that there would be no material difference if those financial statements had been audited by the associates' auditors.

## 16. Other long-term investments

Other long-term investments consist of investments in ordinary shares and available-for-sale securities as follows:

### Consolidated financial statements

#### Investments in ordinary shares

(Unit: Thousand Baht)

Company	Shareholding percentage		Cost method	
	2015	2014	2015	2014
	(%)	(%)		
Ratchaburi Power Co., Ltd.	10.00	10.00	732,500	732,500
Value Creation Inc.	0.18	0.18	328,280	328,280
Others			41,251	41,251
Total investments in ordinary shares			1,102,031	1,102,031
Less: Allowance for impairment of investments			(328,157)	(328,640)
Total investments in ordinary shares - net			773,874	773,391

#### Investments in available-for-sale securities

(Unit: Thousand Baht)

Company	Cost		Surplus (deficit) on changes in value of investments		Fair value	
	2015	2014	2015	2014	2015	2014
Saha Pathana Inter-Holding Plc.	27,508	27,508	191,358	187,784	218,866	215,292
Bangkok Bank Plc.	230,096	230,096	206,942	323,009	437,038	553,105
Electricity Generating Plc.	30,514	30,514	12,209	16,016	42,723	46,530
Ratchaburi Electricity Generating Holding Plc.	32,024	32,024	4,831	13,801	36,855	45,825
Banyan Tree Indochina Hospitality Fund, L.P.	271,882	271,882	(112,899)	(86,620)	158,983	185,262
Others	64,129	43,049	7,423	3,274	71,552	46,323
Total investments in available-for-sale securities	656,153	635,073	309,864	457,264	966,017	1,092,337
Total other long-term investments - net					1,739,891	1,865,728

## Separate financial statements

### Investments in ordinary shares

(Unit: Thousand Baht)

Company	Shareholding percentage		Cost method	
	2015	2014	2015	2014
	(%)	(%)		
Ratchaburi Power Co., Ltd.	10.00	10.00	732,500	732,500
Value Creation Inc.	0.18	0.18	328,280	328,280
Others			33,801	33,801
Total investments in ordinary shares			1,094,581	1,094,581
Less: Allowance for impairment of investments			(335,700)	(335,700)
Total investments in ordinary shares - net			758,881	758,881

### Investments in available-for-sale securities

(Unit: Thousand Baht)

Company	Cost		Surplus (deficit) on changes in value of investments		Fair value	
	2015	2014	2015	2014	2015	2014
Saha Pathana Inter-Holding Plc.	27,508	27,508	191,358	187,784	218,866	215,292
Bangkok Bank Plc.	204,402	204,402	203,662	312,033	408,064	516,435
Banyan Tree Indochina Hospitality Fund, L.P.	271,882	271,882	(112,899)	(86,620)	158,983	185,262
Others	2,010	2,010	(2,010)	(2,010)	-	-
Total investments in available-for-sale securities	505,802	505,802	280,111	411,187	785,913	916,989
Total other long-term investments - net					1,544,794	1,675,870

During the current year, the Company and its subsidiaries received dividends from their investments in ordinary shares and available-for-sale securities totaling Baht 245 million (2014: Baht 208 million), with the Company receiving Baht 237 million (2014: Baht 201 million).

## 17. Investment properties

The net book value of investment properties as at 31 December 2015 and 2014 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements				Separate financial statements		
	Land and land improvement awaiting development	Factory and office building for rent	Assets under construction	Total	Land and land improvement awaiting development	Factory and office building for rent	Total
<b>As at 31 December 2015</b>							
Cost	1,391,630	2,692,863	88,627	4,173,120	1,186,689	1,795,743	2,982,432
<u>Less</u> Accumulated depreciation	(43,275)	(2,091,475)	-	(2,134,750)	(32,649)	(1,644,911)	(1,677,560)
<u>Less</u> Allowance for impairment loss	(4,413)	(154,933)	-	(159,346)	(4,413)	(138,833)	(143,246)
Net book value	1,343,942	446,455	88,627	1,879,024	1,149,627	11,999	1,161,626
<b>As at 31 December 2014</b>							
Cost	1,391,630	2,674,812	85,456	4,151,898	1,186,689	1,832,026	3,018,715
<u>Less</u> Accumulated depreciation	(37,225)	(2,096,731)	-	(2,133,956)	(26,782)	(1,679,425)	(1,706,207)
<u>Less</u> Allowance for impairment loss	(4,413)	(155,420)	-	(159,833)	(4,413)	(139,320)	(143,733)
Net book value	1,349,992	422,661	85,456	1,858,109	1,155,494	13,281	1,168,775

A reconciliation of the net book value of investment properties for the years 2015 and 2014 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Net book value at beginning of year	1,858,109	1,228,181	1,168,775	576,634
Acquisition of assets	5,889	639,389	-	600,000
Disposals/write-off - net book value	(11,371)	(14,157)	(672)	(1,314)
Transferred from property, plant and equipment - net book value	37,809	42,238	-	-
Depreciation for the year	(32,961)	(32,892)	(6,477)	(6,545)
Translation adjustments	21,549	(4,650)	-	-
Net book value at end of year	1,879,024	1,858,109	1,161,626	1,168,775



The fair value of the investment properties as at 31 December 2015 and 2014 stated below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Land and land improvement awaiting development	3,272,089	2,100,641	2,213,120	1,467,418
Factory and office building for rent	1,147,249	912,217	29,964	130,230

The fair value of the above investment properties has been determined based on valuation performed by an accredited independent valuer. The fair value of the land and land improvement awaiting development has been determined based on market prices, while that of the factory and office building for rent has been determined using the income approach (2014: The replacement cost method for the factory and other building for rent). Key assumptions used in the valuation include yield rate, inflation rate, long-term vacancy rate and long-term growth in real rental rates.

## 18. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements						
	Land	Land improvement	Leasehold improvements, buildings and facilities	Machinery and equipment	Power plants	Others	Total
<b>Cost</b>							
As at 1 January 2014	164,109	18,575	2,052,066	5,487,536	744,619	981,934	9,448,839
Additions	93,876	-	135,108	103,181	155,109	205,969	693,243
Increased from business acquisition	1,639,000	11,940	897,780	-	-	134,995	2,683,715
Disposals/write-off	-	-	(99,989)	(182,056)	(39,040)	(104,448)	(425,533)
Transfers	-	(10,457)	43,243	104,234	-	(137,020)	-
Transfers to investment properties	-	-	(59,321)	-	-	-	(59,321)
Translation adjustments	-	-	(9,984)	-	(15,006)	(632)	(25,622)
<b>As at 31 December 2014</b>	<b>1,896,985</b>	<b>20,058</b>	<b>2,958,903</b>	<b>5,512,895</b>	<b>845,682</b>	<b>1,080,798</b>	<b>12,315,321</b>
Additions	-	-	19,107	295,854	225,337	580,101	1,120,399
Disposals/write-off	-	-	(20,181)	(196,512)	(7,067)	(143,574)	(367,334)
Transfers	-	-	159,092	122,912	-	(282,004)	-
Transfers to investment properties	-	-	(37,757)	-	-	(53)	(37,810)
Translation adjustments	-	-	52,209	-	39,602	3,141	94,952
<b>As at 31 December 2015</b>	<b>1,896,985</b>	<b>20,058</b>	<b>3,131,373</b>	<b>5,735,149</b>	<b>1,103,554</b>	<b>1,238,409</b>	<b>13,125,528</b>

(Unit: Thousand Baht)

	Consolidated financial statements (continued)						
	Land	Land improvement	Leasehold improvement, buildings and facilities	Machinery and equipment	Power plants	Others	Total
<b>Accumulated depreciation</b>							
As at 1 January 2014	-	7,611	999,548	4,317,587	349,207	729,362	6,403,315
Depreciation for the year	-	916	136,910	305,960	39,682	130,554	614,022
Depreciation on disposals/write-off	-	-	(89,442)	(175,585)	(32,605)	(100,868)	(398,500)
Transfers	-	(5,718)	5,555	163	-	-	-
Transfers to investment properties	-	-	(17,083)	-	-	-	(17,083)
Translation adjustments	-	-	(1,310)	-	(6,896)	(500)	(8,706)
<b>As at 31 December 2014</b>	-	2,809	1,034,178	4,448,125	349,388	758,548	6,593,048
Depreciation for the year	-	1,275	170,678	320,823	46,562	129,068	668,406
Depreciation on disposals/write-off	-	-	(13,188)	(195,108)	(2,922)	(138,916)	(350,134)
Transfers	-	-	-	(4)	-	4	-
Transfers to investment properties	-	-	-	-	-	(1)	(1)
Translation adjustments	-	-	8,338	-	16,930	2,840	28,108
<b>As at 31 December 2015</b>	-	4,084	1,200,006	4,573,836	409,958	751,543	6,939,427

(Unit: Thousand Baht)

	Consolidated financial statements (continued)						
	Land	Land improvement	Leasehold improvement, buildings and facilities	Machinery and equipment	Power plants	Others	Total
<b>Allowance for impairment loss</b>							
As at 1 January 2014	-	-	-	1,075	-	4,933	6,008
Decrease from disposals	-	-	-	(1)	-	(7)	(8)
As at 31 December 2014	-	-	-	1,074	-	4,926	6,000
Decrease from disposals	-	-	-	(30)	-	(2)	(32)
As at 31 December 2015	-	-	-	1,044	-	4,924	5,968
<b>Net book value</b>							
As at 31 December 2014	1,896,985	17,249	1,924,725	1,063,696	496,294	317,324	5,716,273
As at 31 December 2015	1,896,985	15,974	1,931,367	1,160,269	693,596	481,942	6,180,133
<b>Depreciation for the year</b>							
2014 (Baht 545 million included in manufacturing cost, and the balance in selling and administrative expenses)							614,022
2015 (Baht 603 million included in manufacturing cost, and the balance in selling and administrative expenses)							668,406

(Unit: Thousand Baht)

	Separate financial statements				
	Land	Buildings and facilities	Machinery and equipment	Others	Total
<b>Cost</b>					
As at 1 January 2014	18,550	141,075	203,352	322,888	685,865
Additions	-	995	-	8,083	9,078
Disposals/write-off	-	(2,702)	(40,280)	(34,267)	(77,249)
As at 31 December 2014	18,550	139,368	163,072	296,704	617,694
Additions	-	284	-	23,148	23,432
Disposals/write-off	-	-	(77,718)	(14,552)	(92,270)
Transfers	-	6,695	(64)	(6,631)	-
Transfers from investment properties	-	-	-	13	13
As at 31 December 2015	18,550	146,347	85,290	298,682	548,869
<b>Accumulated depreciation</b>					
As at 1 January 2014	-	132,070	202,850	290,287	625,207
Depreciation for the year	-	1,873	-	9,823	11,696
Depreciation on disposals/write-off	-	(2,702)	(40,276)	(31,401)	(74,379)
As at 31 December 2014	-	131,241	162,574	268,709	562,524
Depreciation for the year	-	1,601	-	6,498	8,099
Depreciation on disposals/write-off	-	-	(77,686)	(12,634)	(90,320)
Transfers	-	-	(64)	64	-
Transfers from investment properties	-	-	-	13	13
As at 31 December 2015	-	132,842	84,824	262,650	480,316

(Unit: Thousand Baht)

	Separate financial statements (continued)			
	Land	Buildings and facilities	Machinery and equipment	Others
				Total
<b>Allowance for impairment loss</b>				
As at 1 January 2014	-	-	496	4,932
Decrease during the year	-	-	(1)	(7)
As at 31 December 2014	-	-	495	4,925
Decrease from disposals	-	-	(31)	(2)
As at 31 December 2015	-	-	464	4,923
<b>Net book value</b>				
As at 31 December 2014	18,550	8,127	3	23,070
As at 31 December 2015	18,550	13,505	2	31,109
<b>Depreciation for the year</b>				
2014 (included in selling and administrative expenses)				11,696
2015 (included in selling and administrative expenses)				8,099



As at 31 December 2015, the subsidiaries had equipment under finance lease agreements with net book values amounting to Baht 91 million (2014: Baht 92 million).

As at 31 December 2015, certain plant and equipment items of the Company and its subsidiaries have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 4,332 million (2014: Baht 4,113 million) and the Company only Baht 445 million (2014: Baht 530 million).

## 19. Other non-current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Withholding tax	32,917	45,185	672	325
Leasehold	83,081	31,481	-	-
Advance for purchase of fixed assets	16,690	38,169	-	-
Others	35,021	27,128	2,282	3,529
Total other non-current assets	167,709	141,963	2,954	3,854

## 20. Bank overdrafts and short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate (percent per annum)	Consolidated financial statements	
		2558	2557
Bank overdrafts	Based on MOR	7,383	17,489
Short-term loans from financial institutions	Based on MLR	326,487	327,072
Total		333,870	344,561

## 21. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Trade payables - related parties	17,318	36,324	11,718	26,118
Trade payables - unrelated parties	896,328	766,566	50,637	32,010
Other payables	207,859	175,159	429	561
Accrued expenses	293,148	265,596	16,656	17,909
Advance received	497,952	-	-	-
Others	60,634	29,150	1,302	561
Total trade and other payables	1,973,239	1,272,795	80,742	77,159

## 22. Long-term loans

(Unit: Thousand Baht)

Loan	Interest rate [%]	Repayment schedule	Consolidated financial statements	
			2015	2014
1. Loan from local bank	Based on MLR	Six-month installments from 2012 to 2017	35,000	55,000
2. Loan from local bank	Based on MLR	Six-month installments from 2014 to 2017	85,600	142,800
3. Loan from local bank	Based on MLR	Annual installments from 2015 to 2018	240,000	340,000
Total			360,600	537,800
Less: Current portion			(177,200)	(177,200)
Long-term loans, net of current portion			183,400	360,600

The loan agreements contain several covenants which, among other things, require the subsidiaries to maintain debt-to-equity ratio and negative pledges on certain assets that are essential for the subsidiaries' operations.

As at 31 December 2015, the long-term credit facilities of the subsidiaries which have not yet been drawn down amounted to Baht 60 million (2014: Baht 360 million).

## 23. Liabilities under finance lease agreements

(Unit: Thousand Baht)

	Consolidated financial statements	
	2015	2014
Liabilities under finance lease agreements	99,204	105,865
Less: Deferred interest expenses	(3)	(3,117)
Total	99,201	102,748
Less: Portion due within one year	(54,643)	(62,614)
Liabilities under finance lease agreements - net of current portion	44,558	40,134

Subsidiaries have entered into the finance lease agreements with leasing companies for rental of equipment for use in their operations, whereby they are committed to pay rental on a monthly basis. The terms of the agreements are generally between 3 and 4 years.

Future minimum lease payments required under the finance lease agreements were as follows:

(Unit: Million Baht)

	As at 31 December 2015		
	Less than 1 year	1 - 4 years	Total
Future minimum lease payments	55	44	99
Deferred interest expenses	-	-	-
Present value of future minimum lease payments	55	44	99

(Unit: Million Baht)

	As at 31 December 2014		
	Less than 1 year	1 - 4 years	Total
Future minimum lease payments	65	41	106
Deferred interest expenses	(2)	(1)	(3)
Present value of future minimum lease payments	63	40	103

## 24. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire as at 31 December 2015 and 2014, were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Present value of defined benefit obligation	414,644	393,498	28,970	27,269
Fair value of plan assets	(144,339)	(134,704)	(12,235)	(12,588)
Net defined benefit liability	270,305	258,794	16,735	14,681

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Defined benefit obligation at beginning of year	393,498	377,743	27,269	31,795
Current service cost	28,215	27,949	938	1,181
Interest cost	12,675	12,271	739	797
Reversal during the year	(1,253)	-	(1,253)	-
Increased from business acquisition	-	6,799	-	-
Actuarial (gain) loss arising from				
Demographic assumptions changes	(1,065)	-	(25)	-
Financial assumptions changes	26,621	-	1,215	-
Experience adjustments	(5,298)	-	3,210	-
Benefits paid during the year	(38,749)	(31,264)	(3,123)	(6,504)
Defined benefit obligation at end of year	414,644	393,498	28,970	27,269

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<b>Fair value of plan assets at beginning of year</b>	<b>134,704</b>	<b>124,509</b>	<b>12,588</b>	<b>14,669</b>
Change in fair value	923	5,592	122	619
Contribution by the Company and its subsidiaries	21,434	19,662	985	844
Benefits paid during the year	(12,722)	(15,059)	(1,460)	(3,544)
<b>Fair value of plan assets at end of year</b>	<b>144,339</b>	<b>134,704</b>	<b>12,235</b>	<b>12,588</b>

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

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cost of sales	23,968	27,522	-	-
Selling and administrative expenses	16,922	12,698	1,677	1,978
<b>Total expenses recognised in profit or loss</b>	<b>40,890</b>	<b>40,220</b>	<b>1,677</b>	<b>1,978</b>

The Company and its subsidiaries expect to pay Baht 44 million of long-term employee benefits during the next year and the Company only amounting to Baht 7 million (2014: Baht 3 million).

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

Key actuarial assumptions used for the valuation are as follows:

(Unit: percent per annum)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Discount rate	2.8	3.7	2.8	3.7
Future salary increase rate (depending on age of employees)	3.5 - 6.5	3.5 - 6.5	3.5 - 6.5	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 2015 are summarised below:

(Unit: Million Baht)

	Consolidated financial statement		Separate financial statement	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(29)	34	(1)	2
Future salary increase rate (depending on age of employees)	33	(29)	2	(1)

## 25. The Company's shares held by its subsidiaries

This represents the acquisition cost of the 10,022,694 ordinary shares (3.34 percent of the total number of shares in issue) of the Company acquired and held by Saha-Union Holding Co., Ltd., Union Equity Co., Ltd. and Union Textile Industries Plc., subsidiaries.

## 26. Statutory reserve

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

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

## 27. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Salary and wages and other employee benefits	1,737,609	1,474,495	54,717	59,839
Depreciation and amortisation expenses	711,312	655,230	15,668	19,333
Rental expenses from operating lease agreements	30,251	28,909	-	29
Transportation expenses	30,173	36,540	1,766	3,091
Raw materials and consumables used	3,036,824	2,988,008	-	-
Changes in inventories of finished goods and work in process	(63,832)	271,926	1,880	24,827
Unrealised losses from revaluation of trading securities	87,430	-	-	-
Losses on inventory write-off	-	33,566	-	-
Losses on property, plant and equipment write-off	4,239	20,717	-	-
Losses on impairment of investments	72	50	192,391	105,017
Expenses of withholding tax write-off	18,544	35,067	18,544	35,067

## 28. Income tax

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<b>Current income tax:</b>				
Current income tax charge	186,972	111,019	-	907
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	8,040	10,786	(5,848)	11,776
<b>Income tax expenses (income) reported in the income statements</b>	<b>195,012</b>	<b>121,805</b>	<b>(5,848)</b>	<b>12,683</b>

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Deferred tax on exchange differences from translating foreign currency financial statements	1,375	(41)	-	-
Deferred tax on actuarial loss	4,589	-	880	-
Deferred tax on gains (losses) from the change in value of available-for-sale investments	29,526	(12,300)	26,215	(7,254)
<b>Total</b>	<b>35,490</b>	<b>(12,341)</b>	<b>27,095</b>	<b>(7,254)</b>

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Accounting profit before tax	1,403,592	1,275,745	568,370	1,218,481
The separation of accounting profit (loss) before tax of the Company and its subsidiaries to each applicable tax rate are as the following:				
Exemption from corporate income tax	(6)	55	-	-
Applicable tax rate 10.0 percent	744	-	-	-
Applicable tax rate 16.5 percent	(5,299)	111,053	-	-
Applicable tax rate 20.0 percent	1,116,167	905,705	568,370	1,218,481
Applicable tax rate 25.0 percent	291,986	258,932	-	-
Accounting profit before tax multiplied by income tax rate	295,430	264,198	113,674	243,696
Effects of:				
Promotional privileges	-	(48,989)	-	-
Tax exempt dividend revenue	(33,624)	(41,942)	(158,395)	(261,224)
Share of profit from investments in joint ventures	(19,332)	(53,481)	-	-
Share of profit from investments in associates	(47,115)	(24,423)	-	-
Additional expense deductions allowed	(15,878)	(17,266)	(5,397)	(436)
Non-deductible expenses	11,891	36,575	4,090	7,858
Losses on impairment of assets (reversal)	(90)	2,637	38,375	20,779
Gains (losses) on disposals of investments under equity method	(3,544)	6,278	-	-
Unrecognised deferred tax on deductible temporary differences and unused tax losses	16,775	20,510	1,469	-
Others	(9,501)	(22,292)	336	2,010
Total	(100,418)	(142,393)	(119,522)	(231,013)
Income tax expenses (income) reported in the income statements	195,012	121,805	(5,848)	12,683



The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Consolidated statements of financial position		Separate statements of financial position	
	As at 31 December 2015	As at 31 December 2014	As at 31 December 2015	As at 31 December 2014
<b>Deferred tax assets</b>				
Allowance for diminution in value of inventories	8,838	7,497	-	-
Accumulated depreciation - Plant and equipment	9,803	10,176	-	-
Provision for long-term employee benefits	51,693	48,802	2,431	2,020
Unused tax loss	-	14,625	-	-
Deferred income	17,923	14,737	-	-
Others	3,127	4,399	-	-
<b>Total</b>	<b>91,384</b>	<b>100,236</b>	<b>2,431</b>	<b>2,020</b>
<b>Deferred tax liabilities</b>				
Gain on re-measuring available-for-sale investments	62,557	91,453	56,022	82,237
Others	232	6,940	-	6,317
<b>Total</b>	<b>62,789</b>	<b>98,393</b>	<b>56,022</b>	<b>88,554</b>

As at 31 December 2015, the subsidiaries have deductible temporary differences and unused tax losses totaling Baht 304 million (2014: Baht 261 million), no deferred tax assets have been recognised on these amount as the subsidiaries believe future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses and the unused tax losses will expire within 2019.

## 29. Earnings per share

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

	For the years ended 31 December			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Profit attributable to equity holders of the Company (Baht)	917,260,446	1,003,250,369	574,218,181	1,205,798,667
Weighted average number of ordinary shares (shares)	289,977,306	289,977,306	300,000,000	300,000,000
Basic earnings per share (Baht/share)	3.16	3.46	1.91	4.02

### 30. 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 chief operating decision maker has been identified as the Company's Board of Directors.

For management purposes, the Company and its subsidiaries are organised into business units based on its products and services and have six reportable segments as follows:

- Textile segment, which is the contract manufacture and distribution of textile products and garments
- Plastic, rubber and metal segment, which is the manufacture and distribution of rubber, elastic products, finished elastic products, plastic products, vacuum bottles and stainless steel kitchenware
- Trading segment, which is the operation of a computer dealership
- Energy segment, which is power generation
- Hotel segment, which is the operation of hotel
- Investment and others segment, which is principally the operation of an investment business

No other operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements. However, the Company and its subsidiaries' central administrative activities, financing activities (including finance costs and finance income) and income taxes are managed on a group basis. Therefore these income and expenses are not allocated to operating segments.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue, profit and total assets information regarding the Company and its subsidiaries' operating segments for the years ended 31 December 2015 and 2014, respectively.

(Unit: Million Baht)

For the years ended 31 December																	
Textile segment		Plastic, rubber and metal segment		Trading segment		Energy segment		Hotel segment		Investment and others segment		Elimination of inter-segment revenues		Consolidated financial statements			
2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014		
(Restated)																	
<b>Revenues</b>																	
Revenue from external customers		970	1,153	5,554	4,992	2,325	2,635	717	648	523	242	29	16	-	-	10,118	9,686
Inter-segment revenues		11	16	-	-	1	1	-	-	-	-	16	11	(28)	(28)	-	-
<b>Total revenues</b>		<b>981</b>	<b>1,169</b>	<b>5,554</b>	<b>4,992</b>	<b>2,326</b>	<b>2,636</b>	<b>717</b>	<b>648</b>	<b>523</b>	<b>242</b>	<b>45</b>	<b>27</b>	<b>(28)</b>	<b>(28)</b>	<b>10,118</b>	<b>9,686</b>
<b>Segment operating profit</b>		<b>129</b>	<b>59</b>	<b>574</b>	<b>637</b>	<b>235</b>	<b>215</b>	<b>257</b>	<b>217</b>	<b>191</b>	<b>80</b>	<b>16</b>	<b>11</b>	<b>-</b>	<b>-</b>	<b>1,402</b>	<b>1,219</b>
Unallocated income and expenses:																	
Dividend income																	
Rental income																	
Interest income																	
Other income																	
Selling expenses																	
Administrative expenses																	
Share of profit from investments in joint ventures																	
Share of profit from investments in associates																	
Finance cost																	
<b>Profit before income tax expenses</b>																	
Income tax expenses																	
Non-controlling interests of the subsidiaries																	
<b>Profit for the year - equity holders of the company</b>																	

Below is the segment assets of the Company and its subsidiaries' operating segment as at 31 December 2015 and 2014.

(Unit: Million Baht)

As at 31 December																
	Textile segment		Plastic, rubber and metal segment		Trading segment		Energy segment		Hotel segment		Investment and others segment		Elimination of inter-segment revenues		Consolidated financial statements	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Current investments	25	25	136	128	-	-	-	-	-	-	945	417	-	-	1,106	570
Trade and other receivables	201	136	687	709	961	814	92	96	46	59	78	47	-	-	2,065	1,861
Inventories	185	180	730	741	224	114	11	16	3	2	19	24	-	-	1,172	1,077
Investments in subsidiaries	-	-	-	-	-	-	-	-	-	-	5,491	5,115	(5,491)	(5,115)	-	-
Investments in joint ventures	-	-	89	85	-	-	-	-	-	-	2,737	2,624	-	-	2,826	2,709
Investments in associates	423	344	-	-	1	3	-	-	-	-	2,716	2,432	-	-	3,140	2,779
Other long-term investments	2	2	12	12	-	-	-	-	-	-	1,726	1,852	-	-	1,740	1,866
Investment properties	41	42	4	4	-	-	-	-	-	-	1,834	1,812	-	-	1,879	1,858
Property, plant and equipment	229	266	1,736	1,350	96	101	694	496	2,704	2,768	721	735	-	-	6,180	5,716
Unallocated assets	57	71	396	348	128	66	181	92	656	616	2,101	2,508	-	-	3,519	3,701
Total assets	1,163	1,066	3,790	3,377	1,410	1,098	978	700	3,409	3,445	18,368	17,566	(5,491)	(5,115)	23,627	22,137

Transfer prices between business segments are set out in Note 9 to the financial statements.

#### Geographic information

Revenue from external customers is based on locations of the customers.

(Unit: Million Baht)

	For the years ended 31 December	
	2015	2014
Revenue from external customers		
Thailand	4,374	4,393
Japan	3,960	3,430
China	733	651
United Kingdom	318	388
Others	733	824
Total	10,118	9,686

#### Major customer

For the year 2015, a subsidiary has revenue from one major customer in amount of Baht 3,362 million, arising from sales by the plastic, rubber and metal segment (2014: Baht 2,833 million derived from one major customer, arising from sales by the plastic, rubber and metal segment).

### 31. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 3 percent of basic salary. The fund, which is managed by BBL Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2015 amounting to Baht 1 million (2014: Baht 1 million).

### 32. Dividends

(Unit: Baht)

Dividends	Approved by	Total dividends	Dividend per share
Final dividends for 2013	Annual General Meeting of the shareholders on 24 April 2014	600,000,000	2.00
Total for 2014		600,000,000	2.00
Final dividends for 2014	Annual General Meeting of the shareholders on 23 April 2015	525,000,000	1.75
Total for 2015		525,000,000	1.75

### 33. Commitments and contingent liabilities

#### 33.1 Capital commitments

As at 31 December 2015, the Company and its subsidiaries had capital commitments of Baht 97 million (2014: Baht 88 million) and the Company only amounting to Baht 1 million (2014: Baht 9 million), relating to the purchases of machinery and equipment, factory buildings and office buildings.

#### 33.2 Operating lease commitments

The subsidiaries have entered into several lease agreements in respect of the lease of land, office building space, motor vehicles and machinery and equipment. The terms of the agreements are generally between 1 and 20 years.

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

(Unit: Million Baht)

	Consolidated financial statements	
	As at 31 December	
	2015	2014
Payable:		
In up to 1 year	24	30
In over 1 and up to 5 years	9	11
In over 5 years	10	11

#### 33.3 Long-term service agreements

The Royal Hotel Co., Ltd. (subsidiary) entered into a management agreement with a non-related company in respect of managing its hotel business, The Hilton Hua Hin Resort and Spa Hotel. The subsidiary has to pay the related management fee at the rate stated in the agreement. The agreement has a term of 20 years, and as at 31 December 2015 still has approximately 5 years left to run.

#### 33.4 Commitment to purchase raw materials

As at 31 December 2015, the Company had commitments to purchase raw materials with overseas companies amounting to 1,710 Metric tons (2014: 2,760 Metric tons) with reference to contract prices. Deliveries of raw materials will occur within January to May 2016.

#### 33.5 Guarantees

33.5.1 As at 31 December 2015, there were outstanding bank guarantees amounting to Baht 230 million (2014: Baht 190 million) issued by banks on behalf of the Company and its subsidiaries and the Company only amounting to Baht 2 million (2014: Baht 2 million) in respect of certain performance bonds as required in the normal course of business. These included letters of guarantee amounting to Baht 191 million (2014: Baht 157 million) to guarantee contractual performance, Baht 30 million (2014: Baht 26 million) to guarantee electricity use and Baht 9 million (2014: Baht 7 million) to guarantee others.

33.5.2 The Company has provided guarantees in the ordinary course of business to a trade account payable against certain obligations of Computer Union Co., Ltd. (subsidiary), charging such company 1 percent of the guarantee amount as a fee. The outstanding guarantees as at 31 December 2015 were Baht 115 million (2014: Baht 115 million).

33.5.3 The Company has provided a guarantee to secure loan provided by a local commercial bank to The Royal Hotel Co., Ltd. (subsidiary), charging based on guarantee amount, to the Company 1.00 percent of the loan guarantee amount. The outstanding loan guarantee as at 31 December 2015 was Baht 290 million (2014: Baht 400 million).

33.5.4 Saha-Union Investment (China) Co., Ltd. (subsidiary) has provided a guarantee, proportionate to its shareholders, to secure loans provided by commercial banks in China to Shangyu Hangzhou-Union Cogeneration Co., Ltd. (joint venture), amounting to RMB 170 million (2014: RMB 150 million).

33.5.5 The Company has pledged all of its share certificates of Ratchaburi Power Co., Ltd. with a project loan lender as collateral for the loan to Ratchaburi Power Co., Ltd., proportionate to its shareholders in such company.

### 34. Fair value hierarchy

As at 31 December 2015, the Company and its subsidiaries had the assets that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statement			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Held for trade investments				
Equity instruments	628	-	-	628
Available-for-sale investments				
Equity instruments	966	-	-	966
<b>Assets for which fair value are disclosed</b>				
Investment properties	-	-	4,419	4,419

(Unit: Million Baht)

	Separate financial statement			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Held for trade investments				
Equity instruments	786	-	-	786
<b>Assets for which fair value are disclosed</b>				
Investment properties	-	-	2,243	2,243



## 35. Financial instruments

### 35.1 Financial risk management

The Company and its subsidiaries' 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, short-term loans to related parties, restricted investments, bank overdrafts and short-term loans from financial institutions, trust receipts, trade and other payables, deposits from related parties, liabilities under finance lease agreements and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

#### *Credit risk*

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade accounts receivable, loans to related parties and other receivables. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company and its subsidiaries do not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables and short-term loan to related parties as stated in the statement of financial position.

#### *Interest rate risk*

The Company and its subsidiaries' exposure to interest rate risk relates primarily to their cash at banks, loans to related parties, bank overdrafts, short-term borrowings, trust receipts, deposits from related parties, liabilities under financial lease agreements and long-term borrowings. However, since most of the Company and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

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

(Unit: Million Baht)

	Consolidated financial statements				
	As at 31 December 2015				
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total
	Within 1 year	1-5 years			
<b>Financial assets</b>					
Cash and cash equivalents	728	-	1,876	2	2,606
Current investments	-	-	1,106	-	1,106
Trade and other receivables	-	-	-	2,066	2,066
Short-term loans to related parties	-	-	7	-	7
Restricted investments	-	19	-	-	19
	728	19	2,989	2,068	5,804
<b>Financial liabilities</b>					
Bank overdrafts and short-term loans from financial institutions	-	-	334	-	334
Trade and other payables	-	-	-	1,973	1,973
Deposits from related parties	-	-	34	-	34
Liabilities under finance lease agreements	55	44	-	-	99
Long-term loans	-	-	361	-	361
	55	44	729	1,973	2,801

(Unit: Million Baht)

	Consolidated financial statements				
	As at 31 December 2014				
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total
	Within 1 year	1-5 years			
<b>Financial assets</b>					
Cash and cash equivalents	407	-	2,461	3	2,871
Current investments	-	-	570	-	570
Trade and other receivables	-	-	-	1,861	1,861
Short-term loans to related parties	-	-	7	-	7
Restricted investments	-	19	-	-	19
	407	19	3,038	1,864	5,328
<b>Financial liabilities</b>					
Bank overdrafts and short-term loans from financial institutions	-	-	345	-	345
Trust receipts	-	-	11	-	11
Trade and other payables	-	-	-	1,273	1,273
Deposits from related parties	-	-	58	-	58
Liabilities under finance lease agreements	63	40	-	-	103
Long-term loans	-	-	538	-	538
	63	40	952	1,273	2,328

(Unit: Million Baht)

	Separate financial statements		
	As at 31 December 2015		
	Floating interest rate	Non-interest bearing	Total
<b>Financial assets</b>			
Cash and cash equivalents	343	-	343
Trade and other receivables	-	180	180
Short-term loans to related parties	363	-	363
	706	180	886
<b>Financial liabilities</b>			
Trade and other payables	-	81	81
Deposits from related parties	866	-	866
	866	81	947

(Unit: Million Baht)

	Separate financial statements		
	As at 31 December 2014		
	Floating interest rate	Non-interest bearing	Total
<b>Financial assets</b>			
Cash and cash equivalents	665	-	665
Trade and other receivables	-	202	202
Short-term loans to related parties	212	-	212
	877	202	1,079
<b>Financial liabilities</b>			
Trust receipts	6	-	6
Trade and other payables	-	77	77
Deposits from related parties	836	-	836
	842	77	919

### Foreign currency risk

The Company and its subsidiaries' exposure to foreign currency risk arises mainly from trading transactions and borrowings that are denominated in foreign currencies. The Company and its subsidiaries seek to reduce this risk by entering into forward exchange contracts when it considers appropriate. Generally, the forward contracts mature within one year.

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

Foreign currency	Financial assets as at 31 December		Financial liabilities as at 31 December		Average exchange rate as at 31 December	
	2015	2014	2015	2014	2015	2014
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	29	26	4	6	36.0886	32.9630
Japanese yen	4	5	57	22	0.2996	0.2738
HK dollar	2	2	-	-	4.6579	4.2516
Euro	2	1	-	-	39.4388	40.0530

Foreign exchange contracts outstanding are summarised below.

As at 31 December 2015					
Foreign currency	Bought amount	Sold amount	Contractual exchange rate		Contractual maturity date
			Bought	Sold	
	(Million)	(Million)	(Baht per 1 foreign currency unit)		
US dollar	1	7	35.9400 - 36.1350	32.8178 - 36.4990	January 2016 - June 2016
Euro	-	3	-	37.9500 - 41.2000	February 2016 - June 2016

As at 31 December 2014					
Foreign currency	Bought amount	Sold amount	Contractual exchange rate		Contractual maturity date
			Bought	Sold	
	(Million)	(Million)	(Baht per 1 foreign currency unit)		
US dollar	1	5	32.1900 - 33.1450	31.7400 - 33.1225	January 2015 - June 2015
Euro	-	2	-	40.9500 - 45.2900	February 2015 - June 2015
Japanese yen	-	10	-	0.2770	May 2015

### 35.2 Fair values of financial instruments

Since the majority of the Company and its subsidiaries' financial instruments are short-term in nature or bear floating interest rates, their fair value are not expected to be materially different from the amounts presented in the statements of financial position.

### 36. 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 shareholders value. As at 31 December 2015, the Group's debt-to-equity ratio was 0.16:1 (2014: 0.15:1) and the Company's was 0.07:1 (2014: 0.07:1).

### 37. Approval of financial statements

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

# AUDITOR'S REMUNERATION

## Audit fee

The auditors of the Company and its subsidiaries in the year 2015 were Mr. Termphong Opanaphan, Certified Public Account (Thailand) No. 4501 or Miss Thipawan Nananuwat, Certified Public Account (Thailand) No. 3459 or Mr. Khitsada Lerdwana, Certified Public Account (Thailand) No. 4958 of EY Office Ltd.

These auditors were independent and no relationship, and/or not a stakeholder with the Company or its subsidiaries, or executive, or major shareholder, or person related to the stated persons and were certified auditors obtaining approval from the Securities and Exchange Commission (SEC).

During the agenda of the auditor nomination in the Annual General Meeting of Shareholders, the Company proposed at least 3 auditors from the same office for consideration. The nominated auditors were completed qualifications as approved by the Securities and Exchange Commission and was declared their independency to the Shareholders as above.

In the fiscal year 2015, the Company and its subsidiaries have paid the audit fee to EY Office Ltd., totaled Baht 9,100,000.- The Company and its subsidiaries have not paid the audit fee to the auditor directly or to any person, or any business related to the auditor and other auditor office where the auditor was working for.

## Non-audit Fee

In the fiscal year 2015, the Company has not paid any non-audit fee to EY Office Ltd. or related companies under common control and there were no remaining service works to be paid in the following year to the auditor or to EY Office Ltd., or to any person/business in connection with the auditor and the audit office where the auditor was working for.



# PRINCIPLES OF CORPORATE GOVERNANCE

## Section 1 : Rights of Shareholders (page 59-61)

- 1.1 To encourage Shareholders to exercise their rights in attending and casting their votes by facilitating on the matters concerned;
- 1.2 The Company shall neither limit nor violate the rights of Shareholders;
- 1.3 To provide opportunities for its Shareholders to send questions in advance before the meeting;
- 1.4 An invitation letter to the Shareholders' Meeting and related documents would be sent to the Shareholders in advance at least 14 days;
- 1.5 The financial statements, summary of Company's performance, the latest annual report would be sent to the Shareholders;
- 1.6 Shareholders have the rights to determine the remunerations of the Company's Board of Directors in the Annual General Meeting (AGM);
- 1.7 The Company shall allow Shareholders to ask questions or express opinions in the Shareholders' Meeting;
- 1.8 Minutes of Shareholders' Meeting shall clearly record and disclose information through the Company's website;
- 1.9 No adding other agendas prior to notify the Shareholders in advance;
- 1.10 Free-float ratios;

## Section 2 : Equal Treatment to Shareholders (page 61-62)

- 2.1 Matters of Shareholders' Meeting attendance by proxies;
- 2.2 Voting rights;
- 2.3 Sending of data and documents to shareholders prior to the meeting date, with details shown in the Company's website;
- 2.4 Every Shareholders could propose the meeting agendas in advance for 4 months before the meeting date;
- 2.5 To announce how to cast a vote, use a ballot paper and counting votes;
- 2.6 Internal data usage;
- 2.7 Related transactions, reasons and necessities thereof;

## Section 3 : Consideration of Roles of Stakeholders (page 62-63)

- 3.1 The rights of Shareholders beyond the basic legal rights;
- 3.2 Policy on against violation of human rights;
- 3.3 Policy on benefit of employees and develop skills and competency;
- 3.4 Policy on treatment to customers;
- 3.5 Policy on treatment to competitors;
- 3.6 Policy on treatment to business partners;
- 3.7 Policy on treatment to creditors;
- 3.8 Policy on the intellectual property;
- 3.9 Policy on the corruption and bribery;
- 3.10 Policy on the environmental protection and strictly complying with the legal requirements;
- 3.11 Responsibilities for the community and the society;

## **Section 4 : Disclosure of Data and Transparency (page 64-65)**

- 4.1 Complete, accurate and prompt disclosure of essential information;
- 4.2 Structure of shareholding;
- 4.3 List of the Board of Directors, shareholding, personal record and experiences;
- 4.4 Remunerations for individual directors;
- 4.5 Duty of the Board of Directors, included the sub-committee;
- 4.6 Policy on the Directors to report their stakes;
- 4.7 Related transactions;
- 4.8 Auditor's report;
- 4.9 Financial status information as well as the Management discussion and analysis;
- 4.10 Information of types of business operation, competition and trend of the businesses;
- 4.11 Risk factors and business operation;
- 4.12 A department and officer who responsible for investor relation;

## **Section 5: Responsibilities of the Board of Directors (page 65-69)**

- 5.1 Corporate governance policies and manual;
- 5.2 Business ethics;
- 5.3 Leadership and visions of the Board of Directors;
- 5.4 Aggregation and segregation between the Board of Directors and the Management;
- 5.5 Board of Directors' duties;
- 5.6 Internal audit had its independence in directly report the audit result to Audit Committee, and then proposed its internal control system to the Board of Directors;
- 5.7 Board of Directors' Meeting;
- 5.8 Company's Secretary;
- 5.9 Independent of Chairman and aggregation between Chairman and President;
- 5.10 The Directors' responsibilities and attending the Thailand Institute of Directors (IOD)'s accreditation and certification training program of the Board of Directors about the responsibility and skills of being the director;
- 5.11 Annual self-evaluation of the Board of Directors;
- 5.12 Succession Plan;
- 5.13 Determination of the Directors' remuneration;
- 5.14 Risk management sub-committee;
- 5.15 Audit Committee and the CHARTER, scope of duties and responsibilities;
- 5.16 Nomination and Remuneration Committee;
- 5.17 Independent directors, had one third of all directors;
- 5.18 The meeting among Non-Executive Directors/Independent Directors

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# GENERAL INFORMATION

## Saha-Union Public Company Limited and Its Subsidiaries

### Saha-Union Public Co., Ltd.

Company Registration No. 0107537000971

(Formerly Public Limited Company No. 344)

Head Office : 1828 Sukhumvit Road, Bangchak, Phraknong, Bangkok 10260, Thailand

Tel : (66-2) 311-5111-9, 332-5600

Fax : (66-2) 331-5668

[www.sahaunion.com](http://www.sahaunion.com)

The company is principally engaged in investment in textiles, plastic, rubber and metal, computer, hotel, energy and other business in the People's Republic of China, provide the financial services to the group companies, distribution of raw materials and product manufactured by the group companies, and the rental of property and real estate.

The company had a fully paid-up registered capital of Baht 3,000 million, divided into 300 million ordinary shares of Baht 10 each.

For more information, please visit the Securities and Exchange Commission's website at [www.sec.or.th](http://www.sec.or.th) or the Company's website at [www.sahaunion.com](http://www.sahaunion.com)

### Other References

#### Securities Registrar

Thailand Securities Depository Co., Ltd.

The Securities Exchange of Thailand Building

93 Ratchadaphisek Road, Dindaeng, Bangkok 10400, Thailand

Tel: (66-2) 009 9999

Fax: (66-2) 009 9991

#### Auditors

Mr. Termphong Opanaphan, Certified Public Account No. 4501

or Miss Thipawan Nananuwat, Certified Public Account No. 3459

or Mr. Khitsada Lerdwana, Certified Public Account No. 4958,

who was a Certified Public Accountant approved from the Securities and Exchange Commission.

EY Office Limited

33<sup>rd</sup> Floor, Lake Rajada Office Complex

193/136-137 Rajadapisek Road, Klongtoey, Bangkok 10110

Tel : (66-2) 264-0777

Fax : (66-2) 264-0789, 661-9192

# JURISTIC PERSONS OF WHICH THE COMPANY'S SHAREHOLDING EXCEED 10%

For each juristic person's quantity and type of issued shares, please see "Direct Investment Information of the Company", page 20-21.

## Textile Business

- **Zhejiang Saha-Union Feilun Thread Industries Co., Ltd.**  
No. 7, Hengshan Road, Jiashan County, Economic Development Area, Zhejiang Province, China
- **Union Textile Industries Public Company Limited**  
205 Moo 4 Sukhumvit Road Km. 39.5, Bangpoo Mai, Samutprakarn 10280  
Tel : (66-2) 323-1085-7  
Fax : (66-2) 710-8808
- **Union Garment Co., Ltd.**  
Garment Co., Ltd.  
1828 Sukhumvit Road, Bangchak, Phrakonong, Bangkok 10260  
Tel : (66-2) 311-5111-9  
Fax : (66-2) 331-5668  
Branch : 205 Moo 4 Sukhumvit Road Km.39.5, Bangpoo Mai, Samutprakarn 10280  
Tel : (66-2) 323-9285-6  
Fax : (66-2) 323-9181
- **Union Universe Co., Ltd.**  
52/16-17 Soi Chareonkroong 41, Chareonkroong Road, Seephaya, Bangrak, Bangkok 10500  
Tel : (66-2) 266-2976-80  
Fax : (66-2) 237-6468
- **Union Micronclean Co., Ltd.**  
1828 Sukhumvit Road, Bangchak, Phrakonong, Bangkok 10260  
Branch 1: 205 Moo 4 Sukhumvit Road, Bangpoo Mai, Samutprakarn 10280  
Tel : (66-2) 745-6871, 745-6873  
Fax : (66-2) 745-6874

- **Union Spinning Mills Co., Ltd**  
142 Soi Ladphrao 80 (Chantima), Ladphrao Road, Wangthonglang, Bangkok 10310  
Tel : (66-2) 514-7555, 530-0511-24  
Fax : (66-2) 538-4247

## Plastic, Rubber and Metal Business

- **Union Pioneer Public Company Limited**  
No. 1, Soi Serithai 62, Minburi, Bangkok 10510  
Tel : (66-2) 517-0105-8, 517-9052-5, 517-8217-21  
Fax : (66-2) 517-9056, 517-0345, 517-1016  
Branch 1: 70/2 Moo 1, Santeung, Khao Saming, Trad Province  
Branch 2 : 99 Moo 5 Bangna-Trad Km. 38, Bangsamak, Bangpakong, Chachoengsao 24180
- **Union Plastic Public Company Limited**  
11/1 Soi Serithai 62, Minburi, Bangkok 10510  
Tel : (66-2) 517-0109-14  
Fax : (66-2) 517-0529
- **Union Zojirushi Co., Ltd.**  
11/3, Soi Serithai 62, Minburi, Bangkok 10510  
Tel : (66-2) 919-8893-5  
Fax : (66-2) 517-1863  
Branch 1: 99 Moo 5 Bangna-Trad Km. 38, Bangsamak, Bangpakong, Chachoengsao 24180
- **Union Stainless Steel Products Co., Ltd.**  
11/2 Soi Serithai 62, Minburi, Bangkok 10510  
Tel : (66-2) 919-8996-8  
Fax : (66-2) 517-8167

- **Union Rubber Products Corp., Ltd.**

11/1 Soi Serithai 62, Minburi, Bangkok 10510  
 Tel : (66-2) 919-9930  
 Fax : (66-2) 919-9931  
 Branch : 70/1 Moo 1, Saantung, Khao Saming,  
 Trad Province  
 Tel : (66-39) 696-421

- **Thai Rubber Enterprise Co., Ltd.**

11/1 Soi Serithai 62, Minburi, Bangkok 10510  
 Tel : (66-2) 919-9930  
 Fax : (66-2) 919-9931  
 Branch 1: 12 Moo 2, Thabsai, Pong Nam Ron,  
 Chantaburi Province  
 Tel : (66-39) 447-300  
 Branch 2: 70/2 Moo 1, Santeung, Khao Saming,  
 Trad Province  
 Tel : (66-39) 696-423

- **Union Nifco Co., Ltd.**

99/11 Moo 5 Bangna-Trad Road, Bangsamak,  
 Bangpakong, Chachoengsao 24180  
 Tel : (66-38) 842-130-5  
 Fax : (66-38) 842-129

- **Union Thai-Nichiban Co., Ltd.**

No. 12, Soi Serithai 62, Minburi, Bangkok 10510  
 Tel : (66-2) 517-0100-3  
 Fax : (66-2) 517-0104

## Trading Business

- **Computer Union Co., Ltd.**

1828 Sukhumvit Road, Bangchak, Phrakonong,  
 Bangkok 10260  
 Tel : (66-2) 311-5111-9, 311-6881-2  
 Fax : (66-2) 311-6889 (Server)  
 (66-2) 311-6869 (Purchasing)  
 Branch : 142/1-2 Soi Ladphrao 80 (Chantima),  
 Ladphrao Road, Wangthonglang, Bangkok 10310  
 Tel : (66-2) 530-0505  
 Fax : (66-2) 530-2940 (Customer Service)  
 (66-2) 530-1955 (Warehouse)  
 (66-2) 530-2388 (Installation Department)

## Energy Business

- **Jiashan-Union Cogeneration Co., Ltd.**

No. 8, Hengshan Road, Jiashan County Economic  
 Development Area, Zhejiang Province, China

- **Shangyu Hangzhou-Union Cogeneration Co., Ltd.**

No. 7, Wei Jiu Road, Shangyu Industrial Area,  
 Hangzhou Bay, Zhejiang Province, China

- **Yunnan Energy Luliang-Union Power Co., Ltd.**

Bamaochong, Xiaobaihu Village, Cheng Xi Hua Si,  
 Luliang County, Yunnan Province, China

- **Ratchaburi Power Co., Ltd.**

1828 Sukhumvit Road, Bangchak, Phrakonong,  
 Bangkok 10260  
 Tel : (66-2) 311-5111-9  
 Fax : (66-2) 332-3882  
 Site : 245 Moo 6 Baan Rai Sub-district, Damnoen Saduak  
 District, Ratchaburi 70130  
 Tel : (66-32) 719-300 # 1000  
 Fax : (66-32) 719-300 #1090

## Hotel Business

- **The Royal Hotel Co., Ltd.**

1828 Sukhumvit Road, Bangchak, Phrakonong,  
 Bangkok 10260  
 Tel : (66-2) 311-5111-9  
 Fax : (66-2) 331-5668  
 Branch : No. 33, Naresdamri Road, Hua Hin,  
 Prachuap Khiri Khan 77110

## Hospital Business

- **Sukhumvit 62 Medical Ltd.**

77 Soi Sukhumvit 62, Bangchak, Phrakonong,  
 Bangkok 10260  
 Tel : (66-2) 311-0823



## Investment Business and Others

- **Saha-Union International Ltd.**  
1A Yuk Yat Street, 6/F, Fook Shing Building, Tokwawan,  
Kowloon, Hong Kong  
Tel : (852) 2365-0211-2  
Fax : (852) 2363-2641  
12<sup>th</sup> Floor, Bangkok Bank Building, No. 28 Des Voeux Road,  
Central, Hong Kong  
Tel : (852) 2521-2260  
Fax : (852) 2521-0021
- **Saha-Union Investment (China) Co., Ltd.**  
#31A-C, No. 18 Cao Xi Road (North), Shanghai 200030,  
China  
Tel : (86-21) 5459-0378, 5459-0678, 5459-0526  
Fax : (86-21) 6427-9117
- **Taixing Union Zond Chemicals Co., Ltd.**  
No. 18, Zhanan Road, Taixing Economic Development Area,  
Jiangsu Province, China
- **Jiangsu Zhonglian-Union Carpet Co., Ltd.**  
No. 81, East Luoyang Road, Taicang City,  
Jiangsu Province, China
- **Zhejiang-Union Property Co., Ltd.**  
No. 161, Jiangqiao Road, Yanxunqiao Town,  
Shaoxing County, Zhejiang Province, China
- **Saha-Union International (Taipei) Ltd.**  
15<sup>th</sup> Floor, Bangkok Bank Building, No. 121 Sung Chiang  
Road, Taipei 10429, Taiwan  
Tel : (88-62) 2506-7264-5  
Fax : (88-62) 2506-9712
- **Saha-Union Holding Co., Ltd.**  
1828 Sukhumvit Road, Bangchak, Phrakonong,  
Bangkok 10260  
Tel : (66-2) 311-5111-9  
Fax : (66-2) 331-5668
- **Venus Shoes Co., Ltd.**  
1828 Sukhumvit Road, Bangchak, Phrakonong,  
Bangkok 10260  
Branch : 99 Moo 5 Bangna-Trad Road (Km. 38),  
Bangsamak, Bangpakong, Chachoengsao 24180  
Tel : (66-38) 842-108  
Fax : (66-38) 842-109
- **Union Printing Co., Ltd.**  
1828 Sukhumvit Road, Bangchak, Phrakonong,  
Bangkok 10260  
Tel : (66-2) 311-5111-9  
Fax : (66-2) 331-5668
- **Union Equity Co., Ltd.**  
1828 Sukhumvit Road, Bangchak, Phrakonong,  
Bangkok 10260  
Tel : (66-2) 311-5111-9  
Fax : (66-2) 331-5668
- **Union Technology Co., Ltd.**  
1828 Sukhumvit Road, Bangchak, Phrakonong,  
Bangkok 10260  
Tel : (66-2) 311-5111-9  
Fax : (66-2) 331-5668  
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Sriracha, Chonburi 20110
- **Union Energy Co., Ltd.**  
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Bangkok 10260  
Tel : (66-2) 311-5111-9  
Fax : (66-2) 331-5668
- **Union Energy (China) Co., Ltd.**  
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Bangkok 10260  
Tel : (66-2) 311-5111-9  
Fax : (66-2) 331-5668

- **Texport International Co., Ltd.**  
1828 Sukhumvit Road, Bangchak, Phrakonong,  
Bangkok 10260  
Tel : (66-2) 311-5111-9  
Fax : (66-2) 331-5668
- **Union Human Resources Development Co., Ltd**  
1828 Sukhumvit Road, Bangchak, Phrakonong,  
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Tel : (66-2) 311-5111-9  
Fax : (66-2) 331-5668
- **Union Shoes Co., Ltd.**  
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Bangsamak, Bangpakong, Chachoengsao 24180  
Tel : (66-2) 311-5111-9  
Fax : (66-2) 331-5668
- **Saha-Union Property Co., Ltd.**  
1828 Sukhumvit Road, Bangchak, Phrakonong,  
Bangkok 10260  
Tel : (66-2) 311-5111-9  
Fax : (66-2) 331-5668
- **Saha-Union Wealth Plus Co., Ltd.**  
1828 Sukhumvit Road, Bangchak, Phrakonong,  
Bangkok 10260  
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Fax : (66-2) 331-5668
- **Union Nakorn Co., Ltd.**  
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Tambol Nai Muang, Amphur Muang Nakhon Si Thammarat,  
Nakhon Si Thammarat Province, 80000  
Tel : (66-2) 311-5111-9  
Fax : (66-2) 331-5668
- **Uni-Fibre Co., Ltd.**  
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Bangkok 10260  
Tel : (66-2) 311-5111-9  
Fax : (66-2) 331-5668
- **Uni-Agro Co., Ltd.**  
142 Soi Ladphrao 80 (Chantima), Ladphrao Road,  
Wangthonglang, Bangkok 10310  
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Fax : (66-2) 538-3292
- **Union Thread Industries Co., Ltd.**  
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Fax : (66-2) 539-6153
- **Union Industries Corp., Ltd.**  
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Fax : (66-2) 538-3292
- **Union Sime Darby (Thailand) Co., Ltd.**  
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Pathumwan, Bangkok 10330  
Tel : (66-2) 251-5288  
Fax : (66-2) 254-6383
- **Union Button Corporation Co., Ltd.**  
142 Soi Ladphrao 80 (Chantima), Ladphrao Road,  
Wangthonglang, Bangkok 10310  
Tel : (66-2) 530-7040-54  
Fax : (66-2) 539-6124
- **Processing Center Co., Ltd.**  
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142 Silom Road, Bangkok Thailand 10500  
Tel : (66-2) 237-6330-4  
Fax : (66-2) 237-6340

# OFFICE LOCATIONS

## Domestic

### Head Office

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## Overseas

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# SAHA-UNION





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Fax : 0 2331 5668

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