

SAHA-UNION PUBLIC CO.,LTD.



SAHA- UNION

ANNUAL REPORT 2016

In Remembrance of
His Majesty King Bhumibol Adulyadej
With deepest sympathy and condolences

Saha-Union Public Company Limited and Group Companies

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.





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 that may change in the future.



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Major Financial Information and Ratio

(Unit : Million Baht)

Saha-Union Public Company Limited (Consolidated)	2016	2015	2014
			(Restated)
Total revenues	12,242.0	11,276.2	10,825.9
Revenues from sales and services	10,939.9	10,117.6	9,685.8
Gross profit	1,608.9	1,402.2	1,219.4
Profit for equity holders of the Company	1,323.0	917.3	1,003.3
Total assets	24,020.9	23,627.0	22,136.9
Total liabilities	3,075.5	3,339.3	2,823.9
Total shareholders' equity	20,945.4	20,287.7	19,313.0
Earning ratio (%)	10.81%	8.13%	9.27%
Earnings per share (Baht)	4.56	3.16	3.46
Book value per share (Baht)	65.76	63.76	61.32
Net asset value per share (Baht)	63.96	61.96	59.52
Return on assets (%)	5.55%	4.01%	4.60%
Return on equity (%)	7.04%	5.06%	5.71%
Debt to equity ratio (Times)	0.16	0.18	0.16

(Unit : Million Baht)

Saha-Union Public Company Limited	2016	2015	2014
			(Restated)
Revenues	2,796.4	2,137.4	2,760.9
Sales and service income	1,176.4	1,273.7	1,283.7
Export sales	482.5	520.9	536.4
Local sales	693.9	752.8	747.3
Gross profit	18.4	23.1	18.2
Profit for equity holders of the Company	1,181.0	574.2	1,205.8
Earnings per share (Baht)	3.94	1.91	4.02
Dividend per share (Baht)	2.00	1.50	1.75
Book value per share (Baht)	48.24	45.61	45.81



Board of Director's Report



According to the separate financial statements of the year 2016, the Saha-Union Public Company Limited recorded total assets of Baht 15,369.27 million, an increase of Baht 663.98 million in comparison to the previous year, total liabilities of Baht 897.19 million, a decrease of Baht 123.72 million, compared to the past year and a net profit amounting to Baht 1,181.02 million or Baht 3.94 per share. Regarding the consolidated financial statements, the Company recorded total assets of Baht 24,020.93 million, an increase of Baht 393.95 million from the previous year, total liabilities of Baht 3,075.53 million, a decrease of Baht 263.77 million, compared to the previous year, and a net profit of Baht 1,565.65 million or Baht 4.56 per share.

Miss Sriwarin Jirapakkana
Chairman



In 2016, the overall world economy was slowly recovering. The economy was fragile and the uncertainty of being able to recover continually due to the pressure of risk factors and the events happening around the world. For example, the uncertainty of U.S. foreign policies on trading and economy, the various monetary policies of the major economy countries; they had an impact on mobility of capital causing the increase of fluctuated currency exchange trend, including the unexpected event of Brexit referendum in the UK to leave the European Union. These factors played an important role in the world economic recovery.

In 2016, the Thailand economy was expanding gradually, significantly driven by government investment and the consistent 2016 growth of the tourism industry, therefore, supporting the economic recovery in the future. The overall consumption in the private sector was generally in good shape. Purchasing power and confidence were improving due to the recovery of farmers and general labor's income. The export sector was shrinking continuously whereas the private investment sector remained stable with no considerable expansion. Most of the investments were aimed at improving machinery efficiency and machine replacement. Also the overproduction capacity was sufficient enough to respond to the increasing purchasing orders.

For 2017, Thailand economy is expected to expand throughout, yet will encounter the risk factors based on the uncertainty of the major countries' economic and trading policies, monetary policies and their political climate including the stability of Thailand's own politics.

In 2016, there was a significant change during the third quarters. The Company and its subsidiary named Saha-Union Investment (China) Co., Ltd. (SU-CHA) received income from disposing of the total investment capital of Jiashan-Union Development Co., Ltd., the Real Estate business operator in Jiashan, Zhejiang Province in People's Republic of China worth RMB 220 million, of which RMB 175.1 million belonged to the Company and the subsidiary SU-CHA RMB 44.9 million. Compared to the initial capital fund of the Company and its subsidiary combined of RMB 137.2 million, based on cost method,

the transaction rendered a capital surplus of RMB 82.8 million (which was around Baht 430 million). Of this amount, the Company received a gain of RMB 65.9 million and the subsidiary SU-CHA RMB 16.9 million.

The Saha-Union Group's operation in 2016 was affected by the world economic slowdown. The export in several merchandise sectors was shrinking following their trading partner's economy slowdown. The Saha-Union Group had prepared to counter situations by improving technique and manufacturing processes to a higher efficiency. The Group managed to reduce expenses and manufacturing cost, increase distribution channels by expanding its customer base, and perform products research and development in order to raise the product value and maintain the continuity of its competitive potential. Organizing training sessions to strengthen employees' skills was also included. In each business sector, here are the main changes and productions:

Textile Business It was affected by the world economic non-recovery especially among the EU community's countries which were the main overseas markets, leading to a decrease of purchasing power. Also there was a price competition from rival countries having advantages on different areas. As a result, the textile selling prices could not be much raised. However, the Company kept its competitive potential by earning trust from the customers on its product quality and punctual delivery service. In the past year, the Company Group had improved their manufacturing efficiency and managed to reduce expenses and production costs, giving overall performance stability.

Plastic, rubber and metal Business

- In regards to the manufacturing of industrial plastic parts and molds, overall sales was stable due to the slowdown of manufacturing and sales of auto industry including intense price competition in the market. However, the Company had reviewed its business plan to improve efficiency in production process to reduce loss, manage cost and control expense to stay competitive. Therefore the Company's performance was better than the previous year.



- Concerning the manufacturing of rubber blocks, white crepe rubber and smoked sheets which used the natural rubber sourced from the Company's subsidiary rubber factory and other suppliers, its high-quality products would be sold to the Group Companies only. The imbalance of demand and supply in the world market caused volatility in rubber product price. To set the selling price in consistent with their production cost was rather difficult. However, during the end of 2016, the price of rubber was adjusted and the Company was able to control the production cost as well as manage the stock. Thus, the performance was better than previous year.

- The total sales of rubber products deriving from natural rubber, mostly used as raw materials for other productions, were increased in 2016 owing to new product improvement and the continual expansion of medical equipment product market. The production cost was reduced due to the significant decreasing price of latex mainly used as raw material in the first half of the year. As a result, the Company was able to raise profit and maintain good level of performance.

- Manufacturing of adhesive tape from natural rubber did make a small increase of domestic sales whereas the international sales decreased in consistent with the non-recovering foreign trading partners' economy. The Company tried to maintain the client bases, develop new products for business expansion, and support the continual sales. Since the price of raw materials such as Latex and Film dropped substantially during the first half of the year, the industry was able to raise profit and maintain good level of performance.

- Regarding the manufacturing of vacuum bottles by the Union Zojirushi Co., Ltd., the Company hit its milestone in 2016. In other words, the Company celebrated its 30th year anniversary since it was founded on 18 August 1986. The total sales amounted to 100 million bottles as of March 2016 since then. The sales growth came from the worldwide acceptance of its high-quality products resulting in the continuity of production capacity expansion to respond to the consumers demand. The Company performance was also in good level in the past year.

- As for stainless steel production of household use as well as its derivatives, in 2016 the sales was stable

and the performance was close to the previous year, yet lower than the expected goal.

Trading Business Computer and Information Technology business. The Company was officially appointed by a foreign company to represent their leading products' sales and services in wide range, which its sales mostly in Thailand, including carrying on business expansion to Laos and Myanmar. The 2016 performance was in good standard.

Hotel Business The Hilton Hua Hin Resort and Spa Hotel, Prachuap Khiri Khan Province. In 2016, Thailand's tourism industry expanded continually. However, it was a very competitive business because of the opening of new projects around the hotel. Thus, the price competition was intense. As a result, the Company targeted on high-end customers' satisfaction. In mid-2016, there was some property renovation and improvement in order to maintain its standard as well as improve service quality. Consequently, the hotel's short-term return profit was not as good.

Energy Business in the People's Republic of China. At present, the Company has three joint ventures companies in the energy business, destined for generating and distributing electricity as well as steam which is its main product. Last year's performance was good owing to the growing demand of steam and lowered coal price. Therefore, the company was capable of controlling production cost. Because of the Chinese economic slowdown, its government held the policy of limitation on the industrial sector's production overcapacity for the purpose of enhancing 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. The Company had to invest and improve on the installation of the equipment to monitor and reduce pollution, causing more expenses for the operation.

Other businesses in China

- Textile business has been sluggish according to the slowing economic situation. Performance did not reach its goal for a long period of time. Therefore in 2016, the Company set up additional allowances for impairment of investments in joint venture, Zhejiang Saha-Union Feilun Thread Industries Co., Ltd.



- For the Chemical Industry. The Chinese government raised the bar on policy of pollution control and its reduction, leading to the limitation of operation. A lot of chemical plants either halted their production in order to improve its operation or moved their locations or closed, allowing more balance of the industry's supply and demand. Thus, the Company gained competitive potential and delivered better performance than planned. Next phase, the Company will observe closely the market movement so as to push higher sales.

- Real Estate business, The Group Joint Venture Companies approved to close the Project Phase 3 in Jiashan, Zhejiang Province. The Chinese shareholders agreed to buy shares of the joint venture, Jiashan-Union Development Co., Ltd., the Real Estate Business from the Company and its subsidiary, Saha-Union Investment (China) Co., Ltd. (SU-CHA) at the total amount of RMB 220 million. Compared to the Company and its subsidiary, SU-CHA's total initial capital of RMB 137.2 million, based on cost method, the total capital surplus of RMB 82.8 million will be received. In regard to the Company's Joint Venture, Zhejiang-Union Property Co., Ltd., the Real Estate Company in Shaoxing, Zhejiang Province where the Company holds 35% of the shares, the Chinese shareholders had agreed to do a share buyout from the Company's subsidiary and is in the process of getting approval from the Chinese Authority.

According to the separate financial statements of the year 2016, the Saha-Union Public Company Limited recorded total assets of Baht 15,369.27 million, an increase of Baht 663.98 million in comparison to the previous year, total liabilities of Baht 897.19 million, a decrease of Baht 123.72 million, compared to the past year and a net profit amounting to Baht 1,181.02 million or Baht 3.94 per share. Regarding the consolidated financial statements, the Company recorded total assets of Baht 24,020.93 million, an increase of Baht 393.95 million from the previous year, total liabilities of Baht 3,075.53 million, a decrease of Baht 263.77 million, compared to the previous year, and a net profit of Baht 1,565.65 million or Baht 4.56 per share.

The success of the Company and its subsidiaries in the year 2016 performance, amidst the various challenges, came from the determination and dedication of the hard-working group of persons ranking from Board

of Directors, Executives and Employees. As for the future growth, the Company firmly holds the vision of being the leading investment company carrying on the mission of improving the existing business to its utmost strength, raising its value, expanding the Company Group's business where they are most skillful and looking for opportunities for new investments with long-term potentiality and excellent return in order to move the organization forward with stability, continuity and sustainability.

The Company has realized that sustaining business growth depends, in part, on sustainability of community without corruption. 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 will oversee and organize activities to raise awareness and cultivate good conscience in collaborations of all personnel levels. The policy will be carried on and executed as guideline to their work.

On behalf of the Board of Directors, we would like to thank every shareholder and every group of stakeholders for your continuing support and trust. With potentiality and the Company's financial strength including our skills and dedication of all levels of our personnel, please be assured that Saha-Union Group will fully undertake and manage business in order to not only accomplish our business goals but also ensure sustainable growth of the organization. The Company emphasizes on working on the basis of core value that-is, integrity, quality and service which have been regarded as the Company's long-serving ethical corporate culture. The Company holds good governance policy and responsibility to our society, community and environment. Our business management is efficient, transparent and verifiable in order to give the Company and all stakeholders the highest benefits, higher value and good return.

Miss Sriwarin Jirapakkana
Chairman



Board of Directors



Miss Sriwarin Jirapakkana

Chairman



Mr. Chutindhon Darakananda

Vice Chairman /
Nomination and Remuneration Committee



Mrs. Achara Chandrachai

Chairman of the Audit Committee /
Independent Director



Mr. Chivin Chaipanich

Audit Committee / Independent Director



Miss Pakinee Prertitumrong

Audit Committee / Independent Director /
Nomination and Remuneration Committee



Mr. Yanyong Tangchitkul

Independent Director /
Chairman of the Nomination and
Remuneration Committee



Mrs. Busarakham Nilavajara

Independent Director



Miss Dalad Saphavichaikul
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 69 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

- March 1993 — 1998 Director, Saha-Union Public Company Limited
- 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 Companies

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

Saha-Union Group Companies

- 1999 — 2016 Vice Chairman, Union Industries Corp. Ltd.
- 1999 — 2016 Vice Chairman, Union Thread Industries Co., Ltd.
- 2005 — Present Director, Union Zojirushi Co., Ltd.
- April 2012 — Present Director, Union Nifco Co., Ltd.
- May 2014 — 2016 Chairman, 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 Companies

- None -

Years of Directorship 23 years (since March 1993)

Mr. Chutindhon Darakananda

Vice Chairman /

Nomination and Remuneration Committee

Age 57 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

- 1990 — 2006 Director, Saha-Union Public Company Limited
- 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

- January 2011 — Present Nomination and Remuneration Committee, Saha-Union Public Company Limited
- 2013 — Present Vice Chairman, Saha-Union Public Company Limited
- February 2013 — Present Director, Union Textile Industries Public Company Limited

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.
- Present Chairman, Vice Chairman and Director, Other Companies in Saha-Union Group

Other Companies

- None -

Years of Directorship 26 years (since December 1990)



Mrs. Achara Chandrachai

Chairman of the Audit Committee / Independent Director

Age 68 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

- 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

Saha-Union Group Companies

- None -

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
- 2012 — Present Lecturer, Technopreneurship & Innovation Management Program, Chulalongkorn University
- 2014 — Present Committee, Rakkaew Foundation
- 2015 — Present Chairman of the Audit Committee/Independent Director, CMC Group

Years of Directorship 4 years (since January 2013)

Years of Independent Directorship 4 years (since January 2013)

Mr. Chivin Chaipanich

Audit Committee / Independent Director

Age 70 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 Co., Ltd.
- 2012 — January 2013 Audit Committee / Independent Director, Union Pioneer Public Company Limited
- 2013 Chairman of the Audit Committee and Independent Director, Union Pioneer Public Company Limited

Current Positions

Listed Companies

- 2014 — Present Audit Committee / Independent Director, Saha-Union Public Company Limited

Saha-Union Group Companies

- None -

Other Companies

- None -

Years of Directorship 3 years (since January 2014)

Years of Independent Directorship 3 years (since January 2014)



Miss Pakinee Prerttitumrong

**Audit Committee / Independent Director /
Nomination and Remuneration Committee**

Age 67 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.
- April 1998 - 2004 Director, Saha-Union Public Company Limited
- 1999 — March 2011 Audit Committee / Independent Director, Union Technology (2008) Public Company Limited

Current Positions

Listed Companies

- 2005 — Present Audit Committee / Independent Director, Saha-Union Public Company Limited
- 2014 — Present Nomination and Remuneration Committee, Saha-Union Public Company Limited

Saha-Union Group Companies

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

Other Companies

- None -

Years of Directorship 18 years 9 months (since April 1998)

Years of Independent Directorship 12 years (since January 2005)

Mr. Yanyong Tangchitkul

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

Age 64 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 Committee / 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

Saha-Union Group Companies

- None -

Other Companies

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

Years of Directorship 7 years 4 months (since September 2009)

Years of Independent Directorship 7 years 4 months (since September 2009)



Mrs. Busarakham Nilavajara

Independent Director

Age 65 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 Companies

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

Saha-Union Group Companies

- None -

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- None -

Years of Directorship 4 years (since January 2013)

Years of Independent Directorship 4 years (since January 2013)

Miss Dalad Saphavichaikul

President

Age 60 years

Education

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

IOD's Training

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

Experiences

- 1999 — 2007 Executive Director and Vice President, Saha-Union Public Company Limited
- 1999 — 2011 Director, Saha-Union Public Company Limited
- 1995 — May 2015 Director, Union Textile Industries Public Company Limited
- 2011 — May 2014 Director, Union Plastic Public Company Limited
- 2012 — May 2012 Director, Union Pioneer Public Company Limited
- 2012 — 2016 President, Saha-Union Public Company Limited

Current Positions

Listed Companies

- 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
 - 2017 — Present Vice Chairman, Saha-Union Public Company Limited
- Saha-Union Group Companies
- 2012 — Present Chairman, Union Nifco Co., Ltd.
 - 2012 — Present Chairman, Union Garment Co., Ltd.
 - 2013 — Present Chairman, Union Zojirushi Co., Ltd.
 - 2013 — Present Chairman, Union Micronclean Co., Ltd.
 - 2013 — Present Chairman, Union Stainless Steel Products Co., Ltd.
 - March 2014 — Present Chairman, Union Thai-Nichiban Co., Ltd.
 - 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
 - 2017 — Present Chairman, Computer Union Co., Ltd.
 - Present Chairman and Director, Other Companies in Saha-Union Group
- Other Companies
- 1989 — Present Director, Processing Center Co., Ltd.

Years of Directorship 17 years (since December 1999)



Mrs. Chantorntree Darakananda

Executive Vice President

Age 53 years

Education

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

IOD's Training

- Director Accreditation Program (DAP) รุ่นที่ 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 — 2014 Director, Pro-Lab Co., Ltd.
- 2013 — September 2014 Director, Saha-Union Public Company Limited
- September 2014 — 2016 Executive Vice President, Saha-Union Public Company Limited

Current Positions

Listed Companies

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

Other Listed Companies

- 1990 — Present Director, Ladphrao Hospital Public Company Limited
- 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.
- August 2015 — Present Director, The Sukhumvit 62 Medical Limited
- Present Director, Other Companies in Saha-Union Group

Other Companies

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

Years of directorship 4 years (since January 2013)

Mr. Preecha Shunhavanich

Vice President

Age 59 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 Companies

- January 2015 — Present 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.

Other Companies

- None -

Years of Directorship 2 years (since January 2015)



Mr. Thitivat Suebsaeng

Director

Age 63 years

Education

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

IOD's Training

- Director Accreditation Program (DAP) Class 21/2004

Experiences

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

Current Positions

Listed Companies

- September 1992 — Present Director, Union Plastic Public Company Limited
- January 2003 — Present Director, Saha-Union Public Company Limited
- February 1999 — Present Director, Union Stainless Steel Products Co., Ltd.
- April 2008 — Present Director, Union Rubber Products Corp., Ltd.
- March 2009 — Present Director, Yunnan Energy Luliang-Union Cogeneration Co., Ltd.
- Present Director, Other Companies in Saha-Union Group

Other Companies

- None -

Years of Directorship 14 years (since January 2003)

Mrs. Pinijporn Darakananda Kasemsap

Director

Age 54 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 Companies

- 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.
- Present Director, Other Companies in Saha-Union Group

Other Companies

- None -

Years of Directorship 6 years (since December 2010)

Mr. Bovornrat Darakananda

Director

Age 53 years

Education

- Master of Science Degrees in Management and Electrical Engineering, Massachusetts Institute of Technology, U.S.A.
- Bachelor of Science Degrees 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 Companies

- April 1991 — 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.
- Present Director, Other Companies in Saha-Union Group

Other Companies

- None -

Years of Directorship 25 years 9 months (since April 1991)

Mr. Vacharaphong Darakananda

Director

Age 51 years

Education

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

IOD's Training

- Director Certification Program (DCP) Class 9/2001
- Director Accreditation Program (DAP) Class 69/2006
- Director Diploma Examination Class 19/2006
- Role of the Compensation Committee (RCC) Class 15/2012
- Chartered Director Class 7/2013

Experiences

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

Current Positions

Listed Companies

- February 1992 — Present Director, Saha-Union Public Company Limited
- April 1999 — Present Director, Union Pioneer Public Company Limited
- April 2000 — Present Director, Union Plastic Public Company Limited
- Saha-Union Group Companies
- May 2007 — Present Director, Union Stainless Steel Products Co., Ltd.
- 2007 — Present Director, Thai Rubber Enterprise Co., Ltd.
- 2007 — Present Director, Union Rubber Products Corp., Ltd.
- 2008 — Present Director, Union Nifco Co., Ltd.
- 2009 — Present Managing Director, Union Thai-Nichiban Co., Ltd.
- 2012 — Present Managing Director, Union Zojirushi Co., Ltd.
- May 2014 — Present Director, The Royal Hotel Co., Ltd.
- September 2015 — Present Acting Managing Director, Union Stainless Steel Products Co., Ltd.
- Present Director, Other Companies in Saha-Union Group

Other Companies

- None -

Years of Directorship 24 years 11 months (since February 1992)



Mr. Nanthiya Darakananda

Director

Age 48 years

Education

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

IOD's Training

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

Experiences

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

Current Positions

Listed Companies

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

Saha-Union Group Companies

- None -

Other Companies

- None -

Years of Directorship 20 years 9 months (since April 1996)

Mrs. Chadaporn Jiemsakultip

Company Secretary

Age 54 years

Education

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

Training

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

Experiences

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

Current Positions

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

Years of secretary position 3 years (Since January 2014)

Related Person	Relationship
Miss Sriwarin Jirapakkana	• Elder sister of the wife of Mr. Preecha shunhavanich
Mr. Chutindhon Darakananda	• Elder brother of Mrs. Pinijporn Darakananda Kasemsap, Mr. Bovornrat Darakananda and Mr. Vacharaphong Darakananda
Mrs. Pinijporn Darakananda Kasemsap	• Elder brother of the husband of Mrs. Chantornree Darakananda
Mr. Bovornrat Darakananda	• Younger sister of Mr. Chutindhon Darakananda
Mrs. Chantornree Darakananda	• Elder sister of Mr. Bovornrat Darakananda and Mr. Vacharaphong Darakananda
Mr. Vacharaphong Darakananda	• Younger sister of the husband of Mrs. Chantornree Darakananda
Mr. Nanthiya Darakananda	• Younger brother of Mr. Chutindhon Darakananda and Mrs. Pinijporn Darakananda Kasemsap
Mr. Preecha Shunhavanich	• Elder brother of Mr. Vacharaphong Darakananda
	• Younger brother of the husband of Mrs. Chantornree Darakananda
	• Younger sister in law of Mr. Chutindhon Darakananda
	• Elder sister in law of Mrs. Pinijporn Darakananda Kasemsap, Mr. Bovornrat Darakananda and Mr. Vacharaphong Darakananda
	• Younger brother of Mr. Chutindhon Darakananda, Mrs. Pinijporn Darakananda Kasemsap and Mr. Bovornrat Darakananda
	• Younger brother B21 of the husband of Mrs. Chantornree Darakananda
	• Cousin of Mr. Chutindhon Darakananda, Mrs. Pinijporn Darakananda Kasemsap, Mr. Bovornrat Darakananda and Mr. Vacharaphong Darakananda
	• Brother in law of Miss Sriwarin Jirapakkana

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)						
	Director Accreditation Program (DAP)	Director Certification Program (DCP)	Finance for Non-Finance Director (FN)	Audit Committee Program (ACP)	Role of the Compensation Committee (RCC)	Chartered Director	Awarded Diploma by passing the Examination of Australian IOD
	No./Year	No./Year	No./Year	No./Year	No./Year	No./Year	Year
Miss Sriwarin Jirapakkana	18/2004	-	-	-	-	-	-
Mr. Chutindhon Darakananda	17/2004	-	-	-	-	-	-
Mrs. 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	1/2001	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	69/2006	9/2001	-	-	15/2012	7/2013	2006
Mr. Nanthiya Darakananda	2/2003	212/2015	-	-	-	-	-



Board Structure and Company Executives

Board of Directors

• Miss Sriwarin	Jirapakkana	Chairman
• Mr. Chutindhon	Darakananda	Vice Chairman
• Mrs. Achara	Chandrachai	Independent Director
• Mr. Chivin	Chaipanich	Independent Director
• Miss Pakinee	Prertitumrong	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. Piniyorn Darakananda	Kasemsap	Director
• Mrs. Chantorntree	Darakananda	Director
• Mr. Bovornrat	Darakananda	Director
• Mr. Vacharaphong	Darakananda	Director
• Mr. Nanthiya	Darakananda	Director
• Mrs. Chadaporn	Jiemsakulthip	Company Secretary

Audit Committee

• Mrs. Achara	Chandrachai	Chairman of the Audit Committee
• Mr. Chivin	Chaipanich	Director
• Miss Pakinee	Prertitumrong	Director

Nomination and Remuneration Committee

• Mr. Yanyong	Tangchitkul	Chairman of the Nomination and Remuneration Committee
• Miss Pakinee	Prertitumrong	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. Piniyorn 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

Remark

1. Miss Dalad Sapthavichaikul was appointed by the Board of Directors to be a Vice Chairman, effective January 1st, 2017.
2. Mrs. Chantorntree Darakananda, was appointed by the Board of Directors to be a President, effective January 1st, 2017.
3. Miss Pakpachong Vadhanasindhu was elected to be an Independent Director and Audit Director, as the replacement of Mr. Chivin Chaipanich who retired, effective January 1st, 2017.

Direct Investment of Saha-Union in Group

Companies as at 31 December 2016

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	97.769	104.17
Energy Business	Jiashan-Union Cogeneration Co., Ltd.	USD 24,100,000	USD 14,140,000		56.929	39.82
	Shaoxing Shangyu Hangzhou-Union Cogeneration Co., Ltd. (Formerly named 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
	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 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
	48.24	38.75		10 Aug. 1972	Investment, distribution of raw materials and products manufactured by group companies and the rental of property and real estate.
452,337,284.26	21.56	21.56	258,628,801.20	20 Jun. 2003	Contract manufacture and distribution of textile products
321,180,863.41	11.16	12.80	383,093,760.00	21 Mar. 1977	Manufacture and distribution of textiles
70,344,917.52	125.26	125.26	62,621,983.36	26 Apr. 1974	Manufacture and distribution of garments
3,751,380.06	1,172.40	1,172.40	43,846,587.60	7 Mar. 1968	Distributor of Grand Slam shirts
1,250,405.30	60.79	60.79	7,599,175.53	24 Jan. 1996	Manufacture and distribution of anti-electrostatic and dust clothing
46,563,324.78	140.54	140.54	70,270,000.00	4 Jun. 1971	Manufacture and distribution of thread
53,084,046.25	52.86	67.00	246,011,940.00	8 Oct. 1973	Manufacture and distribution of elastic products
235,432,531.30	21.98	23.20	287,219,016.00	3 Jan. 1969	Contract manufacture of plastic products, manufacture and repair of molds
306,658,338.14	216.90	216.90	663,713,132.40	18 Aug. 1986	Manufacture and distribution of stainless steel vacuum bottles
52,411,447.56	243.84	243.84	95,584,792.32	16 Dec. 1988	Manufacture and distribution of stainless steel kitchenware
16,110,954.50	44.01	44.01	8,801,779.95	24 Mar. 1971	Manufacture and distribution of rubber products
17,179,605.10	151.91	151.91	24,642,536.38	9 Jul. 1970	Rubber estates
31,556,005.62	454.73	454.73	136,429,913.52	3 Nov. 1988	Manufacture and distribution of plastic parts and molds
19,317,762.42	3,323.93	3,323.93	200,858,442.04	21 Jun. 1973	Manufacture of adhesive paper, corrugated adhesive paper, clear tape and OPP tape
101,848,474.75	238.32	238.32	233,003,080.80	18 Nov. 1982	Computer dealer
320,550,432.89	56.69	56.69	456,338,059.90	15 Aug. 1994	Power generation
257,480,749.43	8.72	8.72	436,000,000.00	19 Nov. 2002	Power generation
417,270,553.54	24.66	24.66	243,233,022.24	6 Jul. 1994	Power generation
2,880,000,000.00	9.99	9.99	2,877,120,000.00	2 May 2014	Hotel
200,500,000.00	50.43	50.43	201,720,000.00	6 Mar. 2014	Hospital
1,571,303,051.88	5.02	5.02	1,656,349,000.00	18 Aug. 1972	Investment
1,572,809,060.01	48.13	48.13	2,165,850,000.00	19 Jan. 1995	Investment
218,957,706.00	32.39	32.39	215,717,400.00	22 Sep. 2009	Real estate
249,239,518.07	15.98	15.98	317,179,317.64	29 Aug. 2007	Manufacture of Phthalic anhydride & Fumaric acid and associated products
169,702,065.33	5.15	5.15	180,250,000.00	21 May 2007	Manufacture of automobile carpet
385,917.66	1.91	1.91	955,000.00	11 Dec. 2012	Real estate
1,194,478,806.88	60.33	60.33	720,629,422.02	8 Nov. 1984	Investment
44,006,626.43	72.17	72.17	39,491,640.51	29 Sep. 1988	Dormitory rental and services
29,465,812.50	6.59	6.59	18,729,109.50	10 Jul. 1970	Rental services
159,770,484.00	18.42	18.42	294,112,895.22	31 May 1989	Investment
250,021.30	7.67	7.67	766,984.66	26 Sep. 2004	Train and development skills
22,087,110.54	40.45	40.45	25,042,595.00	5 Aug. 1986	Rental services
5,281,100.00	84.24	84.24	3,998,788.56	7 Sep. 1973	Rental services
124,999,875.00	25.50	25.50	127,499,872.50	22 Apr. 2013	Investment
124,999,875.00	28.06	28.06	140,299,859.70	16 May 2013	Investment
157,499,880.00	58.27	58.27	152,958,633.46	22 Aug. 2013	Real estate
30,800,193.16	847.81	847.81	261,126,327.81	5 Nov. 1980	Investment / Agency and Service business / Distribution of textile products and other materials
20,464,690.80	102.57	102.57	20,001,150.00	22 Aug. 1972	Investment and agriculture
51,861,469.06	146.18	146.18	727,916,466.20	2 Nov. 1973	Investment
43,328,196.18	1,194.71	1,194.71	446,224,185.00	23 May 1961	Investment and real estate rental
Group Companies 11,596,520,536.63		Group Companies 14,451,834,671.02			
Other Companies 1,629,384,963.40		Other Companies 1,644,633,647.95			
Total 13,225,905,500.03		Total 16,096,468,318.97			

Business Results and Five Years Financial Status

(Unit : Million Baht)

	2016	2015	2014	2013	2012
		(Restated)			
Revenues					
Sales and service income	1,176.4	1,273.7	1,283.7	1,137.1	1,075.1
Export sales	482.5	520.9	536.4	488.1	470.4
Local sales	693.9	752.8	747.3	649.0	604.7
Dividend income	1,082.6	792.0	1,309.3	735.5	790.8
Other income	537.4	71.7	167.9	1,192.4	366.8
Total revenues	2,796.4	2,137.4	2,760.9	3,065.0	2,232.7
Expenses					
Cost of sales and services	1,158.0	1,250.6	1,265.5	1,117.3	1,061.8
Selling expenses	8.8	10.4	9.9	9.3	10.1
Administrative expenses	100.2	95.6	121.0	211.1	223.8
Other expenses	258.6	210.9	140.1	176.1	(96.4)
Total expenses	1,525.6	1,567.5	1,536.5	1,513.8	1,199.3
Profit before finance cost and income tax income (expenses)	1,270.8	569.9	1,224.4	1,551.2	1,033.4
Finance Cost	(2.2)	(1.5)	(5.9)	(12.1)	(6.4)
Profit before income tax income (expenses)	1,268.6	568.4	1,218.5	1,539.1	1,027.0
Income tax income (expenses)	(87.6)	5.8	(12.7)	(89.3)	(9.0)
Equity holders of the Company	1,181.0	574.2	1,205.8	1,449.8	1,018.0
Earnings per share (Baht)	3.94	1.91	4.02	4.83	3.39
Dividend per share (Baht)	2.00	1.50	1.75	2.00	1.50
Dividend per net profit (%)	50.80%	78.37%	43.54%	41.39%	44.20%



(Unit : Million Baht)

	2016	2015	2014	2013	2012
			(Restated)		
Assets					
Cash and cash equivalents	2,070.6	342.9	664.7	3,247.9	1,196.8
Short-term loans to related parties	2.1	363.0	211.7	303.3	306.9
Other current assets	254.4	200.6	225.0	255.5	162.1
Investment in associate held for sale	169.7	-	-	-	1,325.6
Investment in subsidiaries, joint ventures, associates and other companies	11,652.4	12,568.6	12,441.5	9,810.9	9,304.5
Investment properties	1,155.1	1,161.6	1,168.8	576.6	696.5
Property, plant and equipment	57.8	63.2	49.8	55.2	71.7
Other non-current assets	7.2	5.4	5.8	12.5	124.0
Total assets	15,369.3	14,705.3	14,767.3	14,261.9	13,188.1
Liabilities and shareholders' equity					
Deposits from related parties	664.3	865.8	836.0	900.3	747.2
Other current liabilities	145.6	82.3	84.5	160.8	94.8
Other non-current liabilities	87.3	72.8	103.2	92.1	121.7
Shareholders' equity					
Issued and fully paid	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	8,592.3	7,861.3	7,815.6	7,209.8	6,210.0
Other components of shareholders' equity	280.8	224.1	329.0	299.9	415.4
Total shareholders' equity	14,472.1	13,684.4	13,743.6	13,108.7	12,224.4
Total liabilities and shareholders' equity	15,369.3	14,705.3	14,767.3	14,261.9	13,188.1
Book Value (Baht)	48.24	45.61	45.81	43.70	40.75



Revenues Structure of the Company and Its Subsidiaries

Comparative from 2014-2016

(Unit : Million Bant)

Segment	Consolidated financial statements													
	Export				Local				Total					
	2016	%	2015	%	2014	%	2016	%	2015	%	2014	%	2015	%
Textile Business	772.1	6.31	788.9	7.00	912.0	8.42	514.8	4.21	529.1	4.69	610.8	5.64	1,286.9	10.51
Plastic, Rubber and Metal Business	4,663.4	38.09	4,219.2	37.42	3,696.2	34.14	1,938.1	15.83	2,030.6	18.01	1,917.7	17.71	6,601.5	53.93
Trading Business	33.0	0.27	2.5	0.02	33.4	0.31	2,720.1	22.22	2,370.7	21.02	2,602.9	24.04	2,753.1	22.49
Energy Business	903.5	7.38	716.8	6.36	648.2	5.99	-	-	-	-	-	-	903.5	7.38
Hotel Business	-	-	-	-	-	-	464.2	3.79	522.8	4.64	242.1	2.24	464.2	3.79
Investment Business and Others	6.8	0.06	16.1	0.14	2.8	0.03	37.2	0.30	29.7	0.26	25.2	0.23	44.0	0.36
Total	6,378.8	52.11	5,743.5	50.93	5,292.6	48.89	5,674.4	46.35	5,482.9	48.62	5,398.7	49.87	12,053.2	98.45
(Less) Related transaction	-	-	-	-	-	-	(1,113.3)	(9.09)	(1,108.8)	(9.83)	(1,005.5)	(9.29)	(1,113.3)	(9.09)
Sales and service income - net	6,378.8	52.11	5,743.5	50.93	5,292.6	48.89	4,561.1	37.26	4,374.1	38.79	4,393.2	40.58	10,939.9	89.35
Dividend Income													376.2	3.07
Rental Income													52.4	0.43
Interest Income													54.4	0.44
Other income													819.1	6.69
Total revenues													12,242.0	100.00
													11,276.2	100.00
													10,691.3	98.76
													(1,005.5)	(9.29)
													9,685.8	89.47
													230.2	2.13
													42.9	0.39
													54.2	0.50
													812.8	7.51
													10,825.9	100.00



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		Taixing Union Zond Chemicals Co., Ltd.	29.65
	Union Spinning Mills Co., Ltd.	51.99		Jiangsu Zhonglian-Union Carpet Co., Ltd.	35.00
	Union Zip Co., Ltd.	24.85		Wuhan Taicang Car Internal Decoration	35.00
	Venus Thread Co., Ltd.	24.90		Pasts Co., Ltd.	
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 Human Resources Development Co., Ltd.	99.99
Trading Business	Computer Union Co., Ltd.	97.77		Union Shoes Co., Ltd.	98.23
	Computer Union System Co., Ltd.	97.77		Union Construction Corp., Ltd.	99.88
	Soldev Co., Ltd.	61.00		Saha-Union Property Co., Ltd.	99.99
Energy Business	Jiashan-Union Cogeneration Co., Ltd.	75.96		Saha-Union Wealth Plus Co., Ltd.	99.99
	Shaoxing Shangyu Hangzhou-Union Cogeneration Co., Ltd.	50.00		Union Nakhon Co., Ltd.	77.49
	(Formerly named Shangyu Hangzhou-Union Cogeneration Co., Ltd.)			Uni-Fibre Co., Ltd.	62.35
	Yunnan Energy Luliang-Union Cogeneration Co., Ltd.	50.00		Uni-Agro Co., Ltd.	44.94
				Union Thread Industries Co., Ltd.	35.99
				Union Industries Corp., Ltd.	29.46
Hotel Business	The Royal Hotel Co., Ltd.	96.22		Union Business Management Co., Ltd.	37.54
				Venus Product Co., Ltd.	24.86
Hospital Business	Sukhumvit 62 Medical Ltd.	47.21		Union Distributor Co., Ltd.	24.73
				Union Management and Service Co., Ltd.	24.86
				Union Asset Management Co., Ltd.	24.90
				Union Enterprise Holdings Co., Ltd.	22.32
				Union Asset Holdings Co., Ltd.	35.99
				Union Capital Holdings Co., Ltd.	24.46
				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.
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 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 2016

Woven fabric was still affected by the weak economic situation among EU partner countries, which were major markets for exports. Customers' purchasing power remained unchanged and price competition was more intense. Due to the Company's attempt to promote sales, incomes from sales and services slightly increased from 2015. Exports grew while domestic sales dropped as customers' had a lot of remaining inventory. With also other incomes received and better management over cost and expenses, the performance was better than 2015.

Garment, mostly exported, suffered a decline in sales compared to 2015 due to the economic slowdown of partner countries, resulting in lower labor employment and thus lower workwear garment demands. Customers also had new policies reducing the stock size for fashionwear, and changing their purchasing method to bidding, where the Company's price range was unable to compete. This resulted in lower performance compared with 2015.

Clean Room Garment sales the goods directly and via local and overseas distributors. The overall performance was inferior to 2015.





Trends of the Industry and Competition

In 2017, the industry is expected to remain idle due to the on-going economic slowdown, especially among the EU partner countries. The business is likely to be tough for another year. The lack of labor force and expensive wage are still problematic in Thailand. Minimum wage in Thailand is the highest among competitors and labors are also lacking, especially in the garment industry where skilled workers are needed to manufacture high-quality products. Thailand's strategy needs to focus on high-end or innovative products to avoid competing with other competitors whose minimum wage is cheaper. Woven fabric market can anticipate more intense price competition. The Company's competitiveness is to maintain existing customers and raise sales volume to them, while expanding the customer base, particularly customers who seek high-end quality products, as well as improving products and services so as to constantly add value.



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," mostly used in other goods manufacturing such as diapers, garments, textiles, medical equipment, exercise equipment, physical therapy equipment, and other purposes depending on customers' type of business.

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 Metropolis 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 2016

In 2016, the overall performance of Plastic, Rubber and Metal Businesses was considered good, in spite of some businesses being affected by the economic slowdown.

Industrial plastic part manufacturing experienced a decline in sales volume due to the recession in the automobile industry as a result of the customers' decreasing purchase power and relatively severe competition in the market. However, the Company reviewed its operation plans, improved the efficiency of the production lines, reduced waste, better controlled over cost and expenses to maintain its competitiveness. This resulted in better performance than the previous year.

Rubber block, white crepe rubber, and smoked rubber sheet manufacturing, which relies on latex supplied by the Group Companies and purchased from outsources to manufacture special-grade products only for supplying the Group



Companies. Due to the fluctuation in rubber prices thus making it difficult to gain control over the cost. However, the rubber price became more stable at the end of 2016, in addition to the Company being able to manage its stocks eventually. The performance was better than the previous year.

Elastic products made of natural rubber showed significant growth in sales, as the sales of rubber medical equipment was growing steadily. The production cost decreased due to the declining of rubber price. The Company was able to yield more profit and performed well.

Adhesive tape products showed lower export volume due to the unrecovered economic situation of partner countries. Domestic sales rose slightly. Competition was not intense as there were only few competitors. The Company attempted to maintain its customer base and develop new products to expand business. The Company also constantly promoted sales. In addition, the prices of main materials, rubber and film, dropped significantly. As a result, the Company was able to make higher profit and deliver good performance.

Stainless steel vacuum bottle production by Union Zojirushi Co., Ltd. in 2016 marked 2 milestones for the Company. It was the Company's 30th anniversary since its foundation on 18 August 1986 and the sales volume of its stainless steel vacuum bottle reached 100 million pieces in March 2016. With world-wide recognition for good quality, the production capacity has been constantly expanded at the facility in Bangpakong District in response to the growing demands. The past year showed growth in sales and good performance. The Company will continue to focus on improving product quality, enhance production efficiency, and expand its production capacity.

Stainless tube manufacturing for household items and other continuous products delivered a similar performance compared to the last year. It was lower than expected, though. The Company will focus on designing and developing products to suit various needs, and will try to differentiate its product images from the competitors, adding values of products in order to increase the sales.

Trends of the Industry and Competition

In 2017, Thailand's economy is expected to recover, with higher purchasing power and consumption from household sector after a part of household sector will have settled their installment payment for their car bought during the First Car Policy, particularly in the second half of the year. Foreign markets will still be risky due to financial and trade policies of major countries. Price competition may be more intense. Currency exchange rate may fluctuate wildly, affecting Thailand's export, as well as industrial production. However, the Company will attempt to prevent and reduce risk by reviewing its business plans based on the situation. Key strategies involve good quality products and punctual delivery to maintain customer base, develop new products to attract new customers and promote sales, enhanced production process, reduced waste and cost as much as possible to stay in competition, regular maintenance for important machinery and molds to ensure their functionality.



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:
 - o System Software
Including operating systems like Mainframe Power (AIX) and Power (i), information management and backup services like Tivoli, and application server like WebSphere;
 - o Big Data / Business Analytics
Including data-analysis and database software like DB2, Cognos, SPSS;
 - o Cloud: Cloud management software
 - o Mobile: Mobile device software
 - o 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 CommVault (highly acclaimed Backup Software from USA)
- Authorized dealer in Hewlett Packard (HP)
- Authorized dealer in T-max Software products, a leading brand from South 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 Distributor in Wacom Business Solution Group, certified by Wacom Singapore Pte. Ltd.
- Authorized Dealer of Swisslog automated medicine dispensers
- 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.

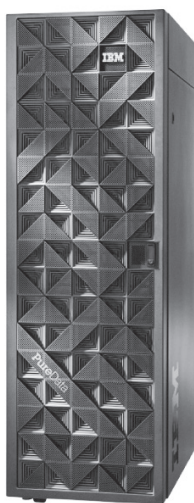
Performance in 2016

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 4th quarter as a result of the economic stimulus policy and stronger private sector. Therefore, the Company's overall performance was stronger than expected.

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 2016

In 2016, Hilton Hua Hin Resort and Spa, Prachuap Khiri Khan Province was focusing on attracting high-end customers with higher purchasing power in response to intense price competition in the market driven by many new hotels arising in the industry. The Hotel commenced its renovation and decoration in mid-2016 so as to maintain its standards and improve service quality. For this reason, the short-term returns might seem slightly inadequate.

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.



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 2016

The two plants in Zhejiang Province showed relatively good performance overall. The sales of steam was growing and showed improved gross profit owing to the decreasing coal price.

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

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 2017 can be affected by several negative factors such as China's economic slowdown, the Government attempting 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 which will cause power plants to suffer higher operation cost.

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 2016

The real estate project in Jiashan, Zhejiang Province, Phase 3 was submitted for closing as the Chinese shareholder agreed to buy the shares in the joint venture, Jiashan-Union Development Co., Ltd., which engage in real estate development, from the Company and its subsidiary called Saha-Union Investment (China) Co., Ltd. (SU-CHA) for RMB 220 Million. Compared to the initial investment of the Company and its subsidiary SU-CHA of RMB 137.2 Million, the Company and the subsidiary will receive RMB 82.8 Million according to the total capital calculation, RMB 69.5 Million of which belongs to the Company and RMB 16.9 Million belongs to the subsidiary SU-CHA. The Company and the subsidiary SU-CHA earned from disposals of investment in the joint venture called Jiashan-Union Development Co., Ltd. in the 3rd quarter of 2016.

Regarding the real estate project in Shaoxing, Zhejiang Province, operated by a joint venture Zhejiang-Union Property Co., Ltd. where the Company held 35 percent of shares, Chinese shareholders' agreed to buy the Company shares and are waiting for approval from the Chinese authority.

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. The competition is rather high as new projects arise.



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 2016

Due to the Chinese Government's elevated regulations for pollution control and reduction, as well as the slowdown of China's economy and industry, chemical plant operation was hindered. Several chemical plants had to temporarily cease their production for renovation. Some plants moved their production base or even closed down. There was better balance in demand and supply which enabled the Company to compete in the market and perform better than expected. Close observation for market trends is essential in the next phase so as to promote sales volume.

Trends of the Industry and Competition

Phthalic Anhydride (PA) is classified as an industrial chemical whose plants, according to the law, 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. 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 2016) 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

In 2016, The Company has formulated written policies for all companies of Saha-Union Group: "Anti-corruption Policy" and "Policy of corruption leads-reporting and complaint-filing" (See www.sahaunion.com). The policies have been provided to be executed as guidelines to the Company Group's work in order that its management would be efficient, transparent and verifiable, enabling every group of stakeholders to be assured and confident of the Company Group's performance.

The Company's executives and employees were informed of the policy statement through training by way of printed documents containing summary with compliance illustrations to ensure that they understand and abide by the policies. Besides, the policy statement was publicly accessible and visible to the executives and employees as well.

Moreover, to affirm and demonstrate the Company's commitment and to disseminate the anti-corruption policy, the person concerned sent both policies above-mentioned to all stakeholders. Then, they were required to acknowledge them and sign for before returning them to the Company.

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 2016, 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 2016, the Company had 72 employees in total, 7% were newly employed and 7% 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, 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 Kathin ceremony-that is offering robes to Buddhist monks or Tod Pa Paa, Buddhist Lent Festival at neighborhood temples, and donating some books as well as sports equipment to schools of the communities involved with the Company's business. 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 2016, 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 developed a an Anti-corruption Policy and Guideline Handbook separately from 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 President. This system includes integrating 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.

Corporate Social Responsibility Activities

Saha-Union Public Co., Ltd. and our subsidiaries operate our businesses with social and environmental responsibilities, based on the principles of sustainable development. We encourage people's contribution in the development of economy, community, society, and environment under good governance according to our core values "INTEGRITY, QUALITY, SERVICE," aiming to create mutual values that bring out balance to all aspects such as economy, society, cultures, natural resources, and environment. All of these is done with people at the center of the development, developing people, creating careers, giving education opportunity, training personnel, and supporting projects that benefit the whole society. We continue working in collaboration with the Government, public sector, and other organizations to improve people's quality of life, which is the key to sustainable development of economy and society. In 2016, Saha-Union Public Co., Ltd. and our subsidiaries organized events to give back to the society and the environment as follows:

Education

Thailand is going towards a society of older people. Hence, the development of services for older people and medical preparations in response to the Government policy that aims to develop Thailand to be an international medical hub emphasizing on the improvement of medical treatment standards and to be an academic hub to contribute to improving education. We, Saha-Union Public Co., Ltd., would like to play our role to create values to the society through these activities.

Saha-Union Public Co., Ltd. granted a THB 80,000 scholarship to medicine students at the Faculty of Medicine Ramathibodi Hospital, Doctor of Medicine major and Bachelor of Nursing Science major. Assi.Prof. Sirichai Hongsaguansri, Associate Dean for Student Affairs Acting Dean of the Faculty of Medicine Ramathibodi Hospital, received the grants on 8 December 2016 to provide opportunities for students with good results and behaviors, who are in need of financial support, to study in university and contribute to the society.



Society

Saha-Union Public Co., Ltd. and our subsidiaries aim to organize activities that support and empower community and the society, in collaboration with Government sector, clubs, and foundations to encourage contribution and responsibilities for the society. The Company tried to encourage the Executives and employees to be aware of sharing values through activities for every party, as follows:

- Saha-Union Public Co., Ltd. and our subsidiaries granted THB 500,000 to the Stem Cell Transplantation Project, Ramathibodi Foundation. Prof. Dr. Suradej Hongeng, Director of Ramathibodi Foundation, Head of Pediatric Hematology-Oncology Department, Faculty of Medicine Ramathibodi Hospital, Mahidol University received the grants on 8 December 2016 to provide supports to patients in need. The treatment is expensive and requires special technical expertise.



- To celebrate the 30th anniversary of our stainless steel vacuum bottle manufacturer, we donated 500 stainless steel vacuum bottles to the Princess Mother's Medical Volunteer Foundation to distribute to medical personnel and nurses operating with the mobile medical units in remote provinces.



- Saha-Union Public Co., Ltd. and our subsidiaries donated an amount of money collected by the Executives and employees as well as consumer goods to older people at Bang Khae Home Foundation 2 on 26 November 2016 so as to support welfare service for older people.



Environment

Saha-Union Public Co., Ltd. aims to make our employees aware of the values of natural resources and know how to efficiently use them, encouraging contribution to conservation of natural resources and the environment, reducing impacts upon the environment according to the law stipulation and universal standards. Saha-Union Group adopts the environment management standard ISO14001 to improve our efficiency in production. We believe a good corporate is one that is responsible for the environment of the surrounding community. With such belief, Saha-Union Group plays an important part to develop and conserve the environment along with our business operations.

- Provided proper waste-water treatment system
- Enhanced and changed electrical devices, adopting new technology to improve the efficiency to existing machinery.
- Executives and employees participated in an intertidal forest plantation event, which has been organized for 2 consecutive years in Ban Tamru Community, Bang Pu Mai Sub-District, Muang Samut Prakan District, Samut Prakan Province, to conserve the natural resources that are important to the community, society and environment.



Religion

During the year, Saha-Union Public Co., Ltd. and our subsidiaries participated in activities that instill morality and good merits in our employees as follows:



◀ Lent Candle Festival at Bamphen Nua Temple and Bamphen Tai Temple, Min Buri District, Bangkok

▶ Kathina Offering at Bang Pheng Tai on Vesak Day



▼ Executives and employees participated in food offering to the monks on the New Year's Day celebration.



▶ Offering a service for improving the electrical system at Non Samran Temple, Buri Ram Province, to facilitate the preaching hall for temple-goers.

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 31 March 2016

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	13,593,740	4.53
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			18,403,700	6.14
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. Weerapat Poonsakudomsin			9,711,234	3.24
7	The Southeast Life Insurance Public Company Limited			7,121,000	2.37
8	Mr. Sumeth Darakananda			2,976,414	0.99
9	East Fourteen Limited - Dimensional Emer Mkts Value Fund			2,840,400	0.95
10	Mr. Supachai Suthiphongchai			2,823,800	0.94
	Total			206,490,082	68.85

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 and Executive as of 31 December 2016.

No.	Name	Shareholding		
		No. of Shares held in 2016	No. of Shares held in 2015	% Change
1	Miss Sriwarin Jirapakkana	157,284	157,284	-
2	Mr. Chutindhon Darakananda	1,627,700	1,627,700	-
3	Mrs. Achara Chandrachai	-	-	-
4	Mr. Chivin Chaipanich	-	-	-
5	Miss Pakinee Prerttitumrong	1,950,624	1,950,624	-
6	Mr. Yanyong Tangchitkul **	-	-	-
7	Mrs. Busarakham Nilavajara	434,000	434,000	-
8	Miss Dalad Saphthavichaikul	13,052	13,052	-
9	Mrs. Chantornree Darakananda **	269,400	269,400	-
10	Mr. Preecha Shunhavanich **	10,000	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	-	-	-

Remark : ** Included related person

Director No. 6 held 419,000 shares / Spouse 15,000 shares

Director No. 9 held 17,500 shares / Spouse 251,900 shares

Director No. 10 Spouse held 10,000 shares

Director No. 12 held 12,000 shares / Spouse 125,000 shares

Shareholding of the Executive

No.	Name	Shareholding		
		No. of Shares held in 2016	No. of Shares held in 2015	% Change
1	Mrs. Srinual Sombatpraiwan **	602	602	-

Remark : ** Included related person

Executive No. 1 held 53 shares / Spouse 549 shares

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 2016 Shareholders' Meeting. Remunerations paid to each Director for the fiscal year 2016 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	-
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	Mrs. 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	294,000.00
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. Pinijporn 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	216,000.00
15	Mr. Nanthiya Darakananda	Director	-	-	-	-	-	-
			8,910,000.00	2,016,000.00	372,000.00	60,000.00	11,358,000.00	990,000.00

Executives' Remuneration

Total remunerations was paid to the 4 Company's Executive and Non-Executive Directors in 2016 amounted to Baht 12,525,250.- 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 2016, the Company paid an aggregate of Baht 98.81 million as remunerations (salaries and bonuses) to totally 57 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 2016 were Baht 305,100.-

Personnel

As of 31 December 2016, the company has had 72 employees. The Company's subsidiaries' total number of employees nationwide is 8,671. 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 2016 came as monthly salary, bonus pay, provident fund and social security fund with the total value of Baht 44.2 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 2017.

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 2016 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.	Mrs. 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 Directors and Executives nomination on page 59.

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. Mrs. Achara | Chandrachai |
| 2. Mr. Chivin | Chaipanich |
| 3. Miss Pakinee | Prerttiumrong |
| 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 2016, 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 2016. 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 2016 Meeting Attendances of Director

Name		No. of Meeting Attendances
1. Miss Sriwarin	Jirapakkana	12/12
2. Mr. Chutindhon	Darakananda	10/12
3. Mrs. Achara	Chandrachai	11/12
4. Mr. Chivin	Chaipanich	12/12
5. Miss Pakinee	Prerttiumrong	12/12
6. Mr. Yanyong	Tangchitkul	11/12
7. Mrs. Busarakham	Nilavajara	11/12
8. Miss Dalad	Sapthavichaikul	12/12
9. Mrs. Chantornree	Darakananda	12/12
10. Mr. Preecha	Shunhavanich	12/12
11. Mr. Thitivat	Suebsaeng	10/12

Name		No. of Meeting Attendances
12. Mrs. Pinijporn	Darakananda Kasemsap	8/12
13. Mr. Bovornrat	Darakananda	9/12 (including 8 times via VDO Conferences)
14. Mr. Vacharaphong	Darakananda	10/12
15. Mr. Nanthiya	Darakananda	8/12

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.

(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 22 October 2015, the Board of Directors passed a resolution to appoint the Audit Committee to hold

List of the Audit Committee is as follow;

Name		Position
1. Mrs. Achara	Chandrachai	Chairman of the Audit Committee
2. Mr. Chivin	Chaipanich	Director
3. Miss Pakinee	Prerttitumrong	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 2016, four meetings were organized and attended by Mrs. Achara Chandrachai, Mr. Chivin Chaipanich and Miss Pakinee Prerttitumrong. 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	Director
3. Mr. Chutindhon	Darakananda	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 2016, 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

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 2016, one 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.

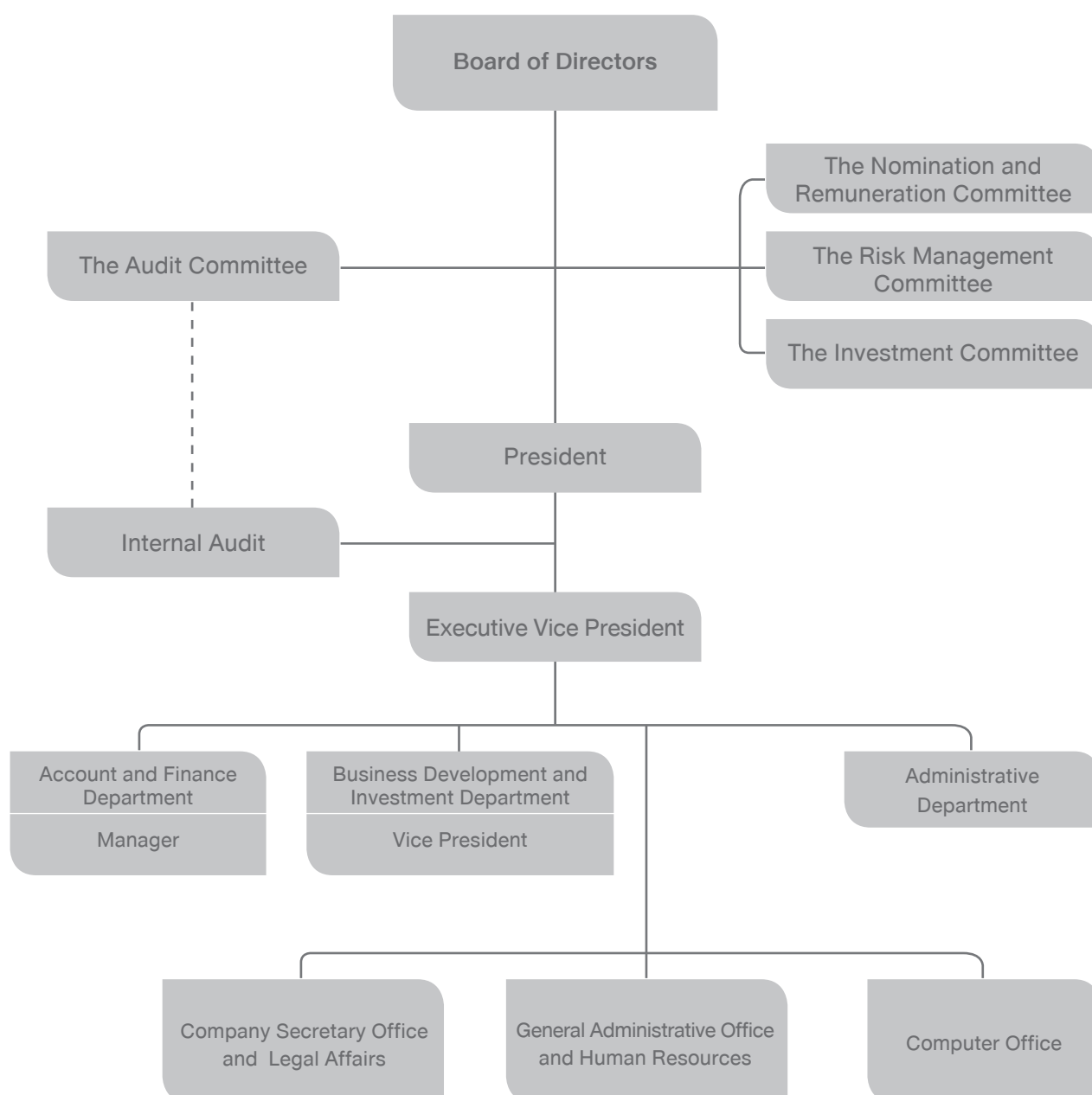
Executives

As of 31 December 2016, the Company's Executives were as follows:

Name		Position
1. Miss Dalad	Sapthavichaikul	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 2016



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 2016 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 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 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 greeted the Shareholders.
- 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

(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 (ข.) 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 2016 was regular commercial listings with general commercial conditions:

- The Related Transactions value of the year 2016 had a total gross amount of Baht 704.04 million, which is 2.93% of assets and 5.82% of total revenues.
- The Company did not have any transaction of financial aid fund for non-subsidiary 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' 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 scholarships and donating necessity materials to schools and universities.

(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 Jiemsakultrip, 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 more than one person 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.

(7.1) 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 (MD&A), 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 Jiemsakultip, Tel. No. 02-3115111 ext. 7688 or Fax. 02-311-6867. 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 2016 Audit Committee Report appeared on page 94.

(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 22 October 2015 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 2016 the Audit Committee is consisted of:

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

All 3 Audit Directors have continually been working independently. In 2016, 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 13-14.



Therefore, upon the operation of the Audit Committee of the year 2016, 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 94.

(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 71-75.

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 2016, 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 2016, 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 8 Non-Executive Directors out of 15 or 53.33% of the Board of Directors.

(25) The Board of Directors’ Responsibility for the financial report as shown on page 95.

(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 2016 hiring process, scope, responsibilities and operation in item 3: management structure.

In 2016, 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 176.

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.1/2017 on 19 January 2017 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. Khitsada Lerdwana, from EY Office Limited had performed an audit of quarterly financial statements of the year 2016 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 2016 made by the Audit Committee's Report on page 94.

Chief of the internal Audit

Mrs. Chanpen Nopsuri, the Company's Chief Audit Executive in 2016, 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 2016, the Company disposed its investment in Jiashan-Union Development, a real estate project in China, so as to reduce future risk as the business was already in the final phase. It was perfect time for the disposal in order to reflect the future expected returns on investments

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 since 2015, establishing a new hospital which takes about 3 years construction and now under process of approval for environmental impact.

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.

2.4 Risk of Damage from Corruption

The Company's core values is integrity, quality and service, with a policy to operate a business morally, rightfully, and transparently. Corruption is at all prevented since the beginning. However, this matter is a type of risk with medium estimated impact. Since it has a low chance to happen, but can cause medium impact which may ruin the reputation of the Company and the Executives, contrasting with the Company's business policies. The approach to prevent corruption is done by building morality among the Executives and employees, enforced with a strict regulation and regular monitoring.

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, raw material price, energy price, trends in consumption, 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 medium level. The Company has been carrying out yearly assessments of invested business each year. In this regard, the Company conducted assessment of this risk. At the end of 2016, the Company assessed the risk of textile business investment in China. The result suggested that there was high risk on receiving returns in the future, leading to a consideration of losses on impairment of investments which affects the consolidated financial statement in 2016, where losses on impairment of investments were recognized at THB 358 million.



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 2016, the interest rate was slightly 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 Risk of global economic changes

In 2016, the world economy has been unrecovered, especially in Europe, which affects Thai economy. As a result, the associated companies received fewer purchase orders from 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.

4.3 Risk of domestic economic changes

Thailand's economy has been changing due to politic situations, the society, and the environments. In the past 2 years, the economy has been slowed down with high competition over decreasing demand. The situation may affect the Group Companies' businesses, leading to risk of domestic economic changes. The Company consider there is high probability to occur, while the impact is only medium level. Therefore, the Company has prepared a measure to pay more attention to management and closely observe the economic situations to handle the issue accordingly. In 2016, textile and plastic businesses were affected, and needed to be handled more carefully.

Management Discussion and Analysis

During the first half of 2016, Thai economy recession which had continued since 2015. As from the third quarters of 2016, some businesses have shown an improvement; others have not picked up obviously such as automobile and textile industries. The operations of the Company's business group were still affected by such situation for example, automobile parts manufacturing, textile business, etc. However, some of the Company's business investments were extended locally and overseas in a bid to widen and balance investment risks among joint ventures, consequently yielding a return on investments in both local and overseas businesses.

1. Overview of operations and the factors in significant changes

In 2016, the performance, according to Company's separate financial statements based on cost method showed Baht 1,181.02 million of net profit, an increase of Baht 606.8 million or by 105.67%, when compared to 2015. The main factor is the receipt of more dividend income, mostly generated by energy business both in China and Thailand, an increase of Baht 137 million and Baht 88 million respectively. Besides, the Company earned gains of Baht 451.73 million on disposals of investments and dissolution of subsidiaries. Of that amount, a profit of Baht 362 million derived from disposals of investment in the Joint Venture Company, Jiashan-Union Development Co., Ltd. which is a Real Estate business operator in China, after completing 3 phases as planned, and also gained Baht 83 million from dissolution and liquidation of subsidiaries. As for its expenses, the Company reported Baht 246 million of losses on impairment of investments of the Zhejiang Saha-Union Feilun Thread Industries Co., Ltd., an increase of Baht 54 million when compared to 2015 because of high risks of return on investment.

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 2016, the Company's shareholders earned a net profit of Baht 1,323.02 million, an increase of Baht 405.76 million or by 44.24%, compared to the net profit of the Company's equity holders of Baht 917.26 million in 2015. The key causes that contributed to the changes of the above-mentioned performance were the reflections of the following factors and some significant events:

1.1 Directions and Energy Prices Trends

During the first three quarters of 2016, the price of coal, which is a main raw material of energy business in China, was lowered following directions and trends of energy prices in the world market, leading to production cost reduction. Therefore, there was an increase in profit on the operations in which the Company has invested.

1.2 Textile Business Trends

The overall textile business has been shrinking; declining demand of products, adjustments in prices with difficulty and an intense competition of overseas markets. This resulted in a decrease in the Group Company's earning and profit of textile business.

1.3 Real Estate Business Overseas Potential

Having invested in the Real Estate business in the People's Republic of China, under sufficient economic potential condition, the Company reached the last phase of the Jiashan-Union Development project and got government approval to sell investment capital to non-related parties and return it to Thailand. Therefore, in 2016, the Company earned profits from this transaction

2. The Performance and Ability to Make Profit

2.1 Sales and Services Income

In 2016, The Company's sales and service income totaled Baht 10,940 million, an increase of Baht 822 million when compared to Baht 10,117 million in 2015, generated by different industries. That is- Baht 943 million from textile business, Baht 5,992 million from plastic rubber and metal business, Baht 2,617 million from computer trading business, Baht 903 million from energy business, Baht 464 million from hotel business and Baht 21 million from investment businesses and others. The key factor is that the Group Company of plastic, rubber and metal business had increased sales volume of stainless steel vacuum bottles by expanding production capacity due to more sales orders than those of 2015. Also, types of rubber products had been increased. As for the energy business in China, the Company recorded Baht 187 million of sales volume owing to the change of machines and equipment with new technology. Consequently, the production capacity had been increased to accommodate the growing demand in Jiashan city. In addition, the Company earned more income from the computer trading business for Baht 380 million, as a result of the better economic situation in the third and the fourth quarters of the year.

2.2 Other Income

In 2016, 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 743.48 million, Baht 407.16 million from other type of income and Baht 1,150.64 million from total of other income. It was Baht 324.22 million more or 28.27% of the total income components, compared to the total of Baht 826.42 million in 2015. The key factors in changes are as following:

(1) The dividend income increased by Baht 112.06 million resulting from the return on investment of the energy business in Thailand named Ratchaburi Power Co., Ltd., for Baht 88 million, the marketable securities for Baht 14 million and other investments for Baht 10 million.

(2) The Company recorded Baht 367.3 million of gains on disposals of investments and dissolution of subsidiaries, an increase of Baht 353.07 million when compared to Baht 14.23 million in 2015. This is because in 2016 the Company gained Baht 362 million of its investment on Real Estate business, Jiashan-Union Development, in China, after reaching the last phase and being approved by the Chinese authorities to return the investment and its excess back to Thailand.

(3) In 2015, the Company was compensated Baht 125.42 million for fire damages from the insurance company after the incident occurred in 2014. The mentioned amount was recorded as additional income, not ordinary income. Therefore, in 2016, there was less other income.

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

2.3 The Cost and Expenses of Sales and Administration

In 2016, the Company and its subsidiaries generated cost of sales and services for Baht 9,330.95 million, an increase of Baht 615.57 million when compared to Baht 8,715.38 million in 2015. The rising cost of sales was in accordance with the rising of Baht 822.32 million in sales and service income. The cost of sales and service' increased rate was lower than sales and service income. In other words, in 2015, the cost of sales was by 86.14% of sales volume compared to 85.29% in 2016, which was considered better. This showed that the Company had managed to control cost with greater efficiency. The businesses that generated considerably their sales volume were Plastic, Rubber and Metal business, especially stainless steel vacuum bottles manufacturing as well as rubber products of which the Company got better control over cost, including computer trading business. Moreover, the electricity generating business in Jiashan city, the People's Republic of China, recorded the rising cost of sales which was lowered than the increasing sales volume. This is because of a drop in coal market prices, which is a main raw material, coupled with a use of newly replaced equipment and machines of more advanced technology, leading to a lower cost and greater efficiency to increase the production.

Selling Expenses.

In 2016, the selling expenses were Baht 271.07 million, a decrease of Baht 3.36 million or by 0.23% of the sales income components when compared to Baht 274.43 million in 2015. This indicated 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 2016 were Baht 753.50 million, an increase of Baht 14.47 million or by 1.26% of the total income components, compared to Baht 739.03 million in 2015. The key cause was the administrative expenses up Baht 4 million by the electricity generating business in Jiashan city, People's Republic of China, in accordance with the increasing income. Another important cause was the expenses of staff recruitment by the Plastic, Rubber and Metal business, to support manufacturing expansion of vacuum bottles.

2.4 The Ability to make Profit

Gross Profit

In 2016, the Company and its subsidiaries gained gross profit of Baht 1,608.96 million or by 14.71% which was Baht 206.75 million or by 0.85% higher than year 2015 that gained gross profit of Baht 1,402.21 million or by 13.86% of sales volume. The increasing gross profit stemmed from the Plastic, Rubber and Metal business, the Computer Trading business and the Power Plant Energy business in China as a result of rising income from sales. Anyhow, the increasing cost of sales was lower than the increasing sales, of which was aimed at enhancing efficiency as above mentioned and detailed in Note 30 to the financial statements, Segment information.

Operating Profit and Cash Flows from Operations

In 2016, according to the consolidated financial statements, the Company and its subsidiaries earned profit before share of profit (loss) from investments in joint venture and investments in associates, finance cost and income tax expenses. In other words, profit from operating activities was Baht 1,722.93 million, an increase of Baht 613.74 million or 4.12% when compared to Baht 1,109.2 million of 2015. The main factors came from the gross profit of Baht 206.74 million, the dividend income of Baht 112.06 million and the gains on disposals of investments of Baht 368 million earned by the Company and its subsidiaries as it was mentioned above. According to the consolidated financial statements, the amount of cash flow received from operating activities is Baht 1,624.42 million or 94.28% of operating profit. It means that the operating profit turned into cash flows rate was at 94.28 %, indicating very good liquidity. The profit from operating activities rate per total income was at 14.25%, 4.12% higher than 10.14% in comparison to the year 2015. Therefore, according to consolidated financial statements, the operating performance was better.

Earnings Ratio

In 2016, according to the consolidated financial statements, a net profit for equity holders of the Company accounted for Baht 1,323.02 million, an increase of Baht 405.76 million when compared to Baht 917.26 million earned in 2015. The earnings ratio of 2016 was at 10.94%, up 2.56% in comparison to those of 2015. This arises from a gross profit which increased by 0.50% of the total income, including dividend income and a profit from investments up 0.70% and 2.91% of the total income respectively. Besides, the Company recognized its share of profit from investments in joint ventures as well as associates, amounting to Baht 151.43 million in total, a decrease of Baht 180.8 million or by 1.78%. This is because following the trends by the year end of 2016, there is a slim chance that the Zhejiang Saha-Union Feilun Thread Industries Co., Ltd., textile business operator in China, would yield return on investment in such textile industry situation. Also, considering the future cash flow estimated by Executives of the above-mentioned Company, there is a high potential risk of business operation in a long term. Therefore, the Company recognized its loss from impairment of investment amounting to Baht 358 million. In this way, the earnings ratio was lower than the operating profit ratio.

Return on Equity (ROE)

In 2016, according to the Company and its subsidiaries' consolidated financial statements based on equity method according to accounting standards, with the recognition of profit share from investments in the joint ventures and the associates, the Company earned Baht 1,323.02 million of net profit for equity holders of the Company or basic earnings per share at Baht 4.56 (the Company's shareholders). Therefore the average ROE is 7.05% or 1.99% higher than ROE in 2015 which was at 5.06%.

For separate financial statements, based on cost method, the Company had a net profit of Baht 1,181.02 million or Baht 3.94 per share, an increase of Baht 606.8 million or Baht 2.03 per share in comparison to the year 2015. The key cause was a receipt of dividend from the investment in energy business, accounting Baht 290 million. Moreover, the company gained from disposals of real estate project named Jiashan-Union Development, amounting to Baht 368 million as mentioned earlier in *Overview of Operations*.

The Company holds the dividend payment policy of dividend income based on performance no lesser than 1/3 of annual net profit. This annual net profit is based on cost method of separate financial statements after deduction of retained loss (if any), depending on business liquidity and company's cash expenses. However, the Company has consistently paid dividends to its shareholders in appropriate rate. Therefore on 16 March 2017, 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 2.00 per share or 50.80% 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 (%)
2015	1.50	1.91	78.37
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

3. Financial Status and Ability to Asset Management Capability

As of December 31st 2016, according to the consolidated financial statements, the Company and its subsidiaries' asset structure of major businesses (mainly investments, productions and distribution, including hotel services) recorded total assets of Baht 24,020.93 million, an increase of Baht 393.95 million or 1.67%, compared to total assets of Baht 23,626.98 million at the end of 2015.

3.1 Compositions of Asset

The composition of assets is calculated by proportionally comparing to the total assets each year. At the end of 2016, the main components consisted of current assets 35.45%, investments in associate held for sale 0.75%, investments 26.35%, investment properties 7.61%, property, plant and equipment 26.28%, goodwill 2.17% and other non-current assets 1.40%. Compared to the changes of assets composition in 2015, the important changes were as following;

There was an increase in cash and cash equivalents amounting to Baht 1,833.62 million or by 7.45% of the asset compositions due to the Company and its subsidiaries' gains on disposals of investment in the Jiashan-Union Development which is Real estate business operator in China. After reaching the last phase of the project, the Company was given government approval to the disposals of investment accounting for Baht 1,140.43 million to be returned to Thailand. Another cause is the Company's operating profit of the year 2016.

By the end of the year 2016, the investments and investments in associate held for sale were at 27.10% of the total assets, or 5.59% lower when compared to 32.69% of the year 2015 because of two factors. The first one is the book value of the Jiashan-Union Development as of the year-end 2015, based on equity method, and showed Baht 812.83 million. Then, by the end of the year 2016, they were transformed into cash and cash equivalents amounting to Baht 1,140.43 million. Another factor is the book value of the Zhejiang Saha-Union Feilun Thread Industries Co., Ltd. as of the year-end 2015 showed Baht 413.39 million but in 2016 the Company recognized its loss from impairment of investment because of high potential risk of not receiving return on investment as noted earlier. Thus, the investment assets dropped by Baht 1,216 million.



For property, plant and equipment division whose asset compositions proportionally rose to Baht 131.47 million, most of the investment in the Plastic, Rubber and Metal business was aimed at purchasing or improving machines, plants and equipment in order to increase production capacity or improve assets.

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

As for the return rate on assets, it was at 5.55% and 25.61% for fixed assets, 0.54% and 4.90% more than those of year 2015 respectively. This is the result of the increased operating profit stemming from the return on assets.

3.2 The Asset Quality

On December 31st 2016, the total balance of trade and other receivables was Baht 1,652.83 million or 6.88% of the total assets, a decrease of Baht 412.86 million in comparison to Baht 2,065.69 million of the previous year. They were trade receivables-related parties for Baht 20.13 million and past due over 12 months under the associates' liquidating receivables for Baht 9.63 million. The Company has recorded the total of Baht 9.63 million as allowance for doubtful accounts and Baht 10.50 million were the balance of the net trade receivables-related parties. Furthermore, there were also trade receivables-non related parties for Baht 1,425.64 million which has the component of accounts past due over 12 months for Baht 34.99 million. The Company had recorded Baht 19.51 million as allowance for doubtful accounts. Therefore, the net balance of trade receivables-non related parties came to Baht 1,406.13 million. Including the all the above-mentioned receivables, the total trade receivables-net was Baht 1,416.63 million, or Baht 372.82 million less than the end of 2015 owing to the repayment from the due receivables. The rest is mostly the receivables not yet due which are less than those of the previous year. The average of accounts receivable collection period is approximately 54 days which is better than those offered last year-that is 63 days. Thus, it is considered regular credit period offered to customers.

Other receivables involving mostly input tax refundable (VAT), prepaid-corporate income tax and import duty refundable came to the total of Baht 265.56 million, which would be cleared within one year. This sum excluded Baht 29.36 million of other receivables-related parties, which is in process of liquidation account settlement and is the same as trade receivables-related parties of the above mentioned. The Company recorded Baht 29.36 million as allowance for doubtful accounts. The rest of the net outstanding balance was Baht 236.21 million of the total other receivables-net, which is expected to be paid off within one year.

The net value of past due over 12 months' receivables is Baht 73.99 million which is 4.32% of the entire receivables. Therefore, the Company has recorded Baht 58.51 million as allowance for doubtful accounts. The Company expected the rest to be fully paid 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 December 31st 2016, the inventories balance was at Baht 1,281.41 million. The subsidiaries reduced cost to reflect the net realizable value of Baht 70.03 million which brought the net inventories balance to Baht 1,211.37 million or 5.04% of total assets. The total inventories value by the end of 2016 was Baht 39.48 million up in comparison to the year-end of 2015 due to the received purchasing order in transit for customers in the beginning of January 2017. Consequently, the goods in transit had increased by Baht 186 million while the other components of inventories balance such as the finished goods and work in process had decreased when compared to the year-end of 2015. According to the inventory control system, the Company regularly 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 the fiscal year of 2016, the Company restated a cost reduction to Baht 3.29 million in order to record the book values close to the estimate prices as much as possible. The Company and its subsidiaries estimated the reduction cost of inventory, that is Baht 70.04 million, as shown on Notes to the Financial Statements No.10, was adequately set.

Investment transactions

The Company and its subsidiaries' net investments as of the year-end 2016, carried a grand total of Baht 6,508.35 million or 27.10% of the total assets or Baht 1,216.78 million lower in comparison to the year 2015, based on equity method.



This is a result of firstly the Company and its subsidiaries' gains on disposals of investment in the Jiashan-Union Development, accounting for Baht 362 million as mentioned in the Other income. According to the consolidated financial statement of the year 2015, this Joint venture Company showed the value of investment amounting to Baht 812.83 million, based on equity method, but not any more by the end of the year 2016. Another cause is by the end of the year 2016; the Company recognized its loss from impairment of investment in the Zhejiang Saha-Union Feilun Thread Industries Co., Ltd. in accordance with the accounting standard to reflect the value of return on investment which was expected not to be yielded. In comparison to the year-end 2015, based on equity method, the Company showed the value of investment accounting for Baht 413.39 million but no more value in 2016. Therefore, the investments transactions in joint venture decreased.

The mentioned net value of the joint ventures and associates indicates benefit expected return in the future.

Furthermore, the investments in associates held for sale worth Baht 180.03 million, as of December 31st 2016, came from the disposal of investment in the Zhejiang-Union Property Co., Ltd., which is in the process of getting approval by the Chinese Authorities as shown on Notes to the Financial Statements No.11.

For the other long-term investments, there was a slight change, that is to say, they increased by Baht 128 million. Of this amount, Baht 30.58 million was the additional investment in securities' market-traded value for sales. Besides, the reinstatement of securities' market-traded value for sales was at Baht 97 million by the year-end 2016. Therefore the total value of capital securities accounted for Baht 686.7 million and the market-value amounted to Baht 1,094.57 million as of December 31st 2016.

For the details of all investments categories such as name of the investments, type of business, proportion, the cost, the value based on equity method, can be found on Notes to the Financial Statement No.11-16.

Other Compositions of Asset

1) Goodwill. There was Baht 521.72 million or 2.17% of total assets acquired by the subsidiary from the purchase of Hua Hin Hotel business in 2014. The Company conducts goodwill impairment tests annually to assess rationally its realistic value in accordance with the accounting standard. If it becomes lower, the Company will report its depreciation value in financial statements. In 2016, the goodwill value remained the same.

2) Other non-current assets. These assets are shown on Notes to the Financial Statements No.20, which is mostly leasehold property worth Baht 74.43 million held by the Company's subsidiary in the People's Republic of China. 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. Another is the subsidiary's advance for purchase of assets for the Plastic, Rubber and Metal business with the aim of products manufacturing, amounting to Baht 77.95 million.

Being essential in business operations, these other assets are considered adequate.

4. Company's Liquidity and Adequacy

4.1 Sources and uses of capital

As of 31st December 2016, the Company and its subsidiaries recorded the sources and uses of capital by holding the net cash flow of Baht 1,624.42 million from operating activities which included account receivables and account payables. Baht 21.95 million was cash paid for interests. Baht 289.06 million was cash paid for income tax and Baht 29.72 million was cash from income tax refund. Therefore the net cash flow operating activities was Baht 1,343.12 million, the total of Baht 970.89 million was used in investing activities and Baht 530.55 million used in financing activities. After an increase of Baht 50.15 million in translation adjustments of foreign currency exchange, the total of net cash flow in 2016 was up Baht 1,833.62 million. But once combined with Baht 2,606.27 million of cash at the beginning of the year, the total cash flow balance at the end of the year 2016 was Baht 4,439.88 million.

Before the payments of interest and corporate income tax, the Company earned Baht 1,624.42 million in cash from the operation along with the profit of Baht 1,722.93 million or 94.28% of all profit received in cash or almost all. This showed the Company's high liquidity and ability to handle the operating activities' expenses adequately.



The significant changes of the net cash from investment activities are due to the Company's overseas current investments in securities amounting to Baht 175.43 million, including other long-term investments (marketable security value) accounting for Baht 30.58 million, of which the period was worth investments. Then there was capital spending in the joint venture Company's Jiashan-Union Development in China from which the Company earned Baht 1,140.43 million as detailed on *Overview of Operations*. Moreover, the Company received an investment dividend of Baht 668.23 million which did not come from its subsidiaries, joint ventures nor associates and also interests amounting to Baht 54.20 million. Also, to respond its increasing demand, a payment totaling Baht 524 million went to acquisition of property, plant and equipment, mostly for machinery, equipment and plant purchasing by the Company's subsidiary operating stainless steel vacuum bottles business and rubber business. In 2016, the Company invested approximately Baht 100 million in buildings renovation at Hua Hin Hotel and Baht 200 million in machines and buildings factory for power plant in People's Republic of China. Consequently, the net cash from investing activities rose by Baht 970.89 million.

For financing activities, the significant transactions are the dividend payment of Baht 607.17 million to shareholders, Baht 196 million of cash receipt for long-term loans and Baht 177.2 million of repayment for long-term loans. Others transactions showed no significant changes. Therefore, the net cash used in financing activities totaled Baht 530.55 million.

Overall, this showed the Company's high liquidity and ability to handle the operating activities' expenses adequately and to pay debt due.

The Adequacy of Capital Structure

As of 31st December 2016, the Company held the investment capital structure of Baht 20,945.40 million from the shareholders and the total liabilities of Baht 3,075.53 million. As a result, it is 0.15:1 **debt-to-equity ratio between liabilities and the shareholders' equity** of which is similar to 0.16:1 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, most of the capital structures stemmed from investments and the Company 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, consisting bank overdrafts and short-term loans of Baht 428.78 million and current portion of long-term loans of Baht 232.4 million. Others were current portion of liabilities under finance lease agreements due within one year Baht 44.27 million, deposits from related parties Baht 5.25 million, income tax payables Baht 89.98 million and other current liabilities Baht 136.68 million. The grand total was Baht 937.36 million when compared to cash and cash equivalents, it was Baht 4,439.88 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 0.21:1, indicating that the Company's high ability to pay debt without affecting its operation. The company has invested in a variety of businesses. It is difficult to find a comparable industry ratio. 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 institution.

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, as of 31st December 2016, the equity attributable to owners of the Company was Baht 19,069.36 million. It was Baht 579.55 million up in comparison to the equity of Baht 18,489.81 million at the year-end 2015. The reasons of change were as following:

1) Concerning the operation in 2016, the Company's net profit grew Baht 1,323.02 million more. During the year, there were dividend payments of Baht 450 million as the resolution of the Annual General Meeting of the Shareholders resulting in an increase of shareholders' equity Baht 1,323.02 million and a decrease of Baht 450 million respectively.



2) The non-operation with recognized profit (loss) of shareholders' equity decreasing by Baht 293.47 million, was composed of;

2.1 At the end of 2016, there was a different actuarial gain occurred based on 3-year-summative assessments for Baht 1.75 million in comparison to the realized gain which differed from the assumption.

2.2 Exchange differences on translation of financial statements in foreign currency. For the consolidated financial statements, there were exchange differences on translation of financial statements between statement of financial position and income statement, including the difference of the past period. As of 31st December 2016, the difference decreased the shareholders' equity by Baht 440.05 million.

2.3 Because of an adjustment based on accounting standards involving reevaluation of securities available-for-sales based on market price at the year-end of 2016, there was a recognition of unrealized gain up to Baht 129.80 million of the shareholders' equity.

2.4 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 15.03 million was restated in addition to the shareholders' retained earnings amount.

Once summing all the above-mentioned factors, in 2016, the shareholders equity arose to Baht 579.55 million. Therefore on 31st December 2016, the Company's shareholders equities valued at Baht 19,069.36 million.

4.2 Capital Expenditure

In 2016, 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 new buildings and machinery by replacing the old machines as well as equipment related to new set of boiler that requires up-to-date technology. This is to increase the production capacity more efficiently and its supply to meet the need of the locals for more energy use. The capital expenditure of the year 2016 was approximately Baht 200 million.

2) Plastic, Rubber and Metal Business - The capital expenditure concerns the factory buildings, machinery and equipment for approximately Baht 538 million in total, with the aim of adding more molding equipment and machines in relation to rubber production process. This involves also factory building construction and machinery and equipment purchasing in accordance with production capacity expansion of stainless steel products and vacuum bottles in response to purchasing orders expected to be increased.

3) Hotel Business - The capital expenditure involves guestroom renovation and restoration of furniture and some equipment of hotel business, partly started in 2016 for approximately Baht 100 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 institutions and some portion 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 0.15 to 1, whose source came from a small loan amount but a large sum of working capital, giving rise to operating profit in cash at 94.28% or almost totally. The Company maintained the ability to repay short-term loans with its existing cash flow or equivalent in completeness, demonstrating its high liquidity. Moreover, the Company still holds an unused credit facility of approximately Baht 900 million as mentioned above. 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 3.39 to 1 and 2.90 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 1.90. In other words, the Company and its subsidiaries maintained their adequacy of liquidity.



In regard to **debtor and creditor**, the Company and its subsidiaries held the average collection period of 54 days, which is better than those of the past year (63 days). The Company had ability to make its debtor repay within the credit term given to the customers. The average payment period was 39 days which is more than those of the previous year (36 days), nevertheless within the credit term given by the creditor. As for Cash Conversion Cycle, it was 25 days per cycle, which is fewer than those of the past year (38 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 14.6 cash conversion cycles per year.

The Leverage Ratio was at 74, 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 institution is the unused short-term loans around 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 institution to approve either a medium or long-term loan type for such project.

4.5 Factors That May Affect Credit Rating

The Company's source of investment came only from the common stock shareholders; neither debenture nor bond has been issued. Thus, the Company is not ranked by a credit rating company. As the Company, in the past, did not need this information, there was 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 379.4 million from a financial institution, a long-term loan with scheduled repayments every 6 months or annually from 2012 to 2018, of which Baht 232.4 million is a current portion of long-term loans. However, under the loan agreement, there are covenants and restrictions such as 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 December 31st 2016, according to the consolidated financial statements, the Company and its subsidiaries held Baht 379.4 million of long-term loan, including Baht 428.78 million of bank overdrafts and short-term loans from the financial institution, totaling Baht 808.18 million, but Baht 4,439.88 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 as of December 31st 2016 is Baht 561.08 million. Each liability carries different repayment schedule. For example, the long-term loan requires commitments under the loan's contractual agreements whereas liabilities under finance lease agreement requires commitments of the payment plans under installment agreements and 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 (a different portion from the paid retirement fund in conformity 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. Thus, personnel will receive this amount of money from the provident fund. Instead, money from the retirement fund will be recorded by the company as non-current liabilities and the Company will distribute it among its employees when retiring according to the law.



Details on each Obligation, Off-Balance Sheet, 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 23 Long-term loans Note 24 Provision for long-term employee benefits
Tax liabilities commitments	Note 28 Income tax Liabilities (last paragraph) Deferred tax liabilities
Capital commitments	Note 33.1 Capital commitments
Operating lease commitments	Note 33.2 Operating lease commitments
Guarantees' commitments	Note 33.5 Guarantees
Other liabilities' obligations	Note 33.3 Long-term service agreements

The Company and its subsidiaries had ability to manage and no effects were expected on the business operation.

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

Most of the Company's business operations involve investments in textile, plastic, rubber and metal, computer, energy, hotel and others in China. Therefore, the main income stems 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:

6.1. The operating performance of the Company will be affected by a change in prices of raw materials like coal, cotton and rubber. For instance, concerning the power plants in China, which consume coal as main fuel, a decrease in coal price will bring about an increase in profit. On the contrary, the Company will not be able to raise its selling price in proportion with the rising price of coal, in case, causing a declining operating result. As for market price of cotton and polyester, their increasing price will have a negative impact on textile business operation while their selling price cannot be raised, if not, difficultly because of high price competition. Another change is the price of rubber, which is a main raw material for elastic products or products deriving from natural rubber. An increase in market price of rubber will give rise to production cost. In this way, customers will choose to use raw materials made out of synthetic with a cheaper cost instead of natural rubber; their purchasing orders for further production will drop. Accordingly sale volume may decline and this may have an adverse effect on business operation.

6.2. If the overall economic situation is still in recession or has no signs of full recovery, demands of a certain industry varied by economic climate are less than supplies, for example, automobile industry. This may lead to a drop in sales, then, may affect automobile parts manufacturing such as the Company Group's Plastic business of which its sale volume as well as production will be decreasing. Consequently, the unit cost will rise while the operating profit will fall. But if the economic situation improves, there will be an increase in demands by consumers, leading to a change to better business direction.

6.3. The difference of securities market price. If the security prices in the secondary market increases, the Company will make more profit by selling securities' market-traded or securities for sale investment, which are held by the Company, leading to a higher profit from its performance. On the contrary, if the securities prices decrease, it might result in an unrealized loss due to a reinstatement of investment value according to the market prices, affecting the financial position and future operating results. Anyhow, the Company is cautious about investments and has its own criteria, to reduce possible future impacts.



7. Additional Information of the Translation Adjustments

The Company's consolidated financial statements include 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		
	2016	2015	2014	2016	2015	2014
RMB	5.13670	5.53280	5.28530	5.160350	5.608413	5.294563
HKD	4.61270	4.65105	4.24360	4.543700	4.637588	4.203750
TWD	1.10950	1.09925	1.03795	1.110113	1.097938	1.058238

Having verified the Company's financial statements, the auditor expressed no conditions and provided a summary statement on the independent auditor's report.



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 2016 are shown on page 92-93.





Related Transactions of Saha-Union Public Company Limited and Parties Possibly in Conflict in 2016

Party's Name	Type of Relationship	Related Transaction			
		Type of Transaction	Amount (Million Baht)	Pricing Policy	Necessity
1. Union Thread Industries Co., Ltd.	One of 10 major related shareholders	1 Dividend Income/Payment	53.74	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	33.86	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	30.52	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	33.70	From resolution of the Shareholders' Meeting	In the ordinary course of business should have return on investment.
5. Uni-Fibre Co., Ltd.	One of 10 major related shareholders	1 Deposits 2 Dividend Income/Payment 3 Services Income 4 Income/Other expenses 5 Interest Income/Expenses	5.25 20.39 0.01 0.01 0.04	Outstanding balance as of 31 December 2016 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	9.12	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	19.87 0.03 0.07 0.12	Comparable with market price Contract price Contract price Outstanding balance as of 31 December 2016	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 Purchases/Sales of Merchandise 2 Rental Income 3 Income/Other expenses	15.86 0.13 0.73	Comparable with market price Contract price Contract price	The purchasing of raw material should be made in large quantity to generate more bargaining power.
9. Union Zip Co., Ltd.	Major shareholder holding more than 30% of shares	1 Income/Other expenses	0.07	Contract price	
10. Uni-Agro Co., Ltd.	Major shareholder holding more than 30% of shares	1 Dividend Income/Payment	0.48	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 2016

Party's Name	Type of Relationship	Related Transaction			
		Type of Transaction	Amount (Million Baht)	Pricing Policy	Necessity
11. Union Shoes Co., Ltd.	Major shareholder holding more than 30% of shares	1 Deposits	38.97	Outstanding balance as of 31 December 2016	The Companies in the Group had their surplus liquidity and deposited the money with the Company for effective financial management.
		2 Interest Receivables/ Payables	0.07	Outstanding balance as of 31 December 2016	
		3 Interest Income/Expenses	0.38	Referred to types and rates of a major commercial bank	
		4 Dividend Income/Payment	1.86	From resolution of the Shareholders' Meeting	
12. Union Textile Industries Public Company Limited	Major shareholder	1 Purchases/Sales of Merchandise	325.90	Comparable with market price	The purchasing of raw material should be made in large quantity to generate more bargaining power.
		2 Dividend Income/Payment	1.50	From resolution of the Shareholders' Meeting	
		3 Account Receivables/ Payables	55.91	Outstanding balance as of 31 December 2016	
		4 Income/Other expenses	0.36	Contract price	
13. Thai Rubber Enterprise Co., Ltd.	Major shareholder	1 Loans	2.00	Outstanding balance as of 31 December 2016	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 2016	
		3 Account Receivables/ Payables	5.90	Outstanding balance as of 31 December 2016	
		4 Rental Income	1.49	Contract price	
		5 Interest Income/Expenses	0.14	Referred to types and rates of a major commercial bank	
		6 Income/Other expenses	0.03	Contract price	
14. Union Pioneer Public Company Limited	Major shareholder	1 Purchases/Sales of Merchandise	5.77	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	17.99	From resolution of the Shareholders' Meeting	
		3 Rental Income	3.31	Contract price	
		4 Income/Other expenses	0.41	Contract price	
		5 Account Receivables/ Payables	0.84	Outstanding balance as of 31 December 2016	
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	0.04	Contract price	
		3 Dividend Income/Payment	2.72	From resolution of the Shareholders' Meeting	
16. Venus Shoes Co., Ltd.	Major shareholder	1 Deposits	13.00	Outstanding balance as of 31 December 2016	The Companies in the Group had their surplus liquidity and deposited the money with the Company for effective financial management.
		2 Interest Income/Expenses	0.08	Referred to types and rates of a major commercial bank	
		3 Income/Other expenses	0.72	Contract price	
		4 Rental Income	0.42	Contract price	
		5 Interest Receivables/ Payables	0.11	Outstanding balance as of 31 December 2016	
		6 Account Receivables/ Payables	0.10	Outstanding balance as of 31 December 2016	
Total amount of related transaction in 2016			704.04		

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 Prerttiumrong and Mr. Chivin Chaipanich. In the year 2016, 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 Prerttiumrong	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 2016 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 and the complete adequacy of information disclosure (if any). There was no related transaction in 2016.

6. Self-assessment.

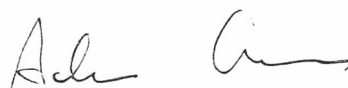
The Audit Committee conducted individually a self-assessment of persons concerned according to the Charter of the Audit Committee and the best practice guidelines of the Stock Exchange of Thailand.

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 and risk management, 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. Important information is fully disclosed in the notes to such financial statements which are adjusted in accordance with the new accounting standards. As investment is the Company's major business, the consolidated financial statements are comprised of its subsidiaries, joint ventures and associates' information. In the separated financial statements since 1 January 2007, investment accounts are recorded on cost method as if this method were used from the beginning. In the consolidated financial statements, gains and losses from investments are recognized on equity method. In addition, the Company has accommodated new accounting standards which have been effective since 2 January 2011 and the revision of accounting standards that became effective periodically until presence, including the TFRS 10 Consolidated Financial Statements which has significant 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 reasonably ensure that accounting records are correct, complete, and sufficient to safeguard Company's assets and to detect 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 94.

The Board of Directors is confident that the Company's overall internal control system is satisfactory and can reasonably ensure the credibility of the financial statements of the Company and its subsidiaries as of 31 December 2016.

On behalf of the Board of Directors

(Miss Sriwarin Jirapakkana)
Chairman

(Mrs. Chantorntree Darakananda)
President

27 February 2017

Independent Auditor's Report

To the Shareholders of Saha-Union Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Saha-Union Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2016, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Saha-Union Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Saha-Union Public Company Limited and its subsidiaries and of Saha-Union Public Company Limited as at 31 December 2016, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

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

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

Revenue recognition

The Group has sales and service income for the year ended 31 December 2016 amounting to Baht 10,940 million, which is significant to the income statement. The Group has a large number of customers and there are a variety of conditions of sale in the agreements made with these customers. In addition, the economic slowdown has directly affected businesses. There are therefore risks with respect to the amount and timing of revenue recognition.

In examining the revenue recognition of the Group I assessed and tested the internal controls of the Group with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls and with special considerations given to testing related to the accuracy and timing of revenue recognition. On a sampling basis, I also examined supporting documents for sales transactions occurring during the year, near the end of the accounting period and after the period-end. In addition, I reviewed credit notes issued by the Group after the period-end and performed analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.



Allowance for impairment of investments

As discussed in Note 13, Note 14 and Note 15 to the financial statements, as at 31 December 2016, the Company had allowances for impairment of investments in subsidiaries, joint ventures and associates totaling Baht 558 million, Baht 828 million, Baht 33 million, respectively. These balances are significant to the statements of financial position. In determining the allowance for impairment of investments, management is required to exercise judgement with respect to their projections of future operating performance of the subsidiaries, joint ventures and associates, and determination of an appropriate discount rate and key assumptions. There are therefore risks with respect to the allowance for impairment of investments in subsidiaries, joint ventures, associates.

I assessed the appropriateness of management's determination of allowance for impairment of investments in subsidiaries, joint ventures and associates by gaining an understanding of management's identification of future operations of these companies which are prepared by management. In addition, I gained an understanding of and assessed of the following:

- The assumptions applied in preparing plans and cash flow projections for subsidiaries, joint ventures and associates, based on the understanding I gained of the process by which the figures were arrived at, comparison of the assumptions with internal and external sources of information, review of the accuracy of past cash flow projections in comparison to actual operating results in order to assess the reliability of the cash flow projections, and a comparison of the long-term growth rate of each company with economic and industry forecasts.
- The discount rate, based on comparison of the average cost of capital and other data with those used by comparable organisations.

I considered the scope and probability of potential changes in the assumptions and in particular the growth rates applied in preparing the cash flow projections, and I performed a sensitivity analysis on the returns expected to be realised on these investments. In addition, I assessed the adequacy of information disclosed with respect to allowance for impairment of investments in subsidiaries, joint ventures and associates.

Goodwill

As discussed in Note 19 to the financial statements, as at 31 December 2016, the Company has goodwill amounting to Baht 522 million, which is significant to the statement of financial position. Thus, the assessment of impairment of goodwill is a significant accounting estimate requiring the subsidiary's management to exercise a high degree of judgement in identifying the cash generating units, estimating the cash inflows that are expected to be generated from that group of assets in the future, and setting an appropriate discount rate and long-term growth rate. There are thus risks with respect to the amount of goodwill.

I assessed the identification of cash generating units and the financial models selected by the subsidiary's management by gaining an understanding of decision-making process to assess whether the decisions made were consistent with how assets are utilised. In addition, I tested the significant assumptions applied by the subsidiary's management in preparing estimates of the cash flows expected to be realised from the assets, by comparing those assumptions with information from both internal and external sources and comparing past cash flow projections to actual operating results in order to evaluate the exercise of the subsidiary's management judgement in preparing the cash flow projections. I also evaluated the discount rate applied by the subsidiary's management through an analysis of the weighted average finance costs of the subsidiary and of the industry, and I tested the calculation of the realisable value of the goodwill using the selected financial models and considered the impact of changes in key assumptions on those realisable values, especially changes in the discount rate and long-term revenue growth rate. Moreover, I reviewed the disclosures made with respect to the impairment assessment for goodwill.



Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Mr. Khitsada Lerdwana

Khitsada Lerdwana

Certified Public Accountant (Thailand) No. 4958

EY Office Limited

Bangkok: 27 February 2017



Statement of financial position

Saha-Union Public Company Limited and its subsidiaries

As at 31 December 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Assets					
Current assets					
Cash and cash equivalents	6	4,439,887,598	2,606,269,170	2,070,564,097	342,890,350
Current investments	7	952,106,765	1,105,853,848	-	-
Trade and other receivables	9	1,652,832,575	2,065,698,995	229,104,690	180,102,026
Inventories	10	1,211,369,776	1,171,889,281	24,119,980	19,434,822
Short-term loans to related parties	8	161,021,875	6,916,000	2,100,000	363,022,000
Other current assets		98,306,026	97,194,890	1,163,870	1,057,499
Total current assets		8,515,524,615	7,053,822,184	2,327,052,637	906,506,697
Investment in associate held for sale	11	180,037,201	-	169,702,065	-
Non-current assets					
Restricted investments	12	33,552,648	19,303,623	-	-
Investments in subsidiaries	13	-	-	8,823,299,318	8,884,394,867
Investments in joint ventures	14	1,418,662,452	2,826,439,204	535,015,190	1,320,229,338
Investments in associates	15	3,007,799,737	3,139,503,146	649,493,181	819,195,246
Other long-term investments	16	1,868,300,826	1,739,891,178	1,644,633,648	1,544,794,382
Investment properties	17	1,828,137,408	1,879,023,714	1,155,132,262	1,161,625,807
Property, plant and equipment	18	6,311,609,705	6,180,132,683	57,755,165	63,165,528
Goodwill	19	521,724,374	521,724,374	-	-
Intangible assets - computer software		7,337,737	8,044,380	-	-
Deferred tax assets	28	94,991,012	91,384,217	2,513,809	2,430,562
Other non-current assets	20	233,252,857	167,708,985	4,676,024	2,954,455
Total non-current assets		15,325,368,756	16,573,155,504	12,872,518,597	13,798,790,185
Total assets		24,020,930,572	23,626,977,688	15,369,273,299	14,705,296,882

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 2016

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	21	428,781,924	333,870,464	-	-
Trust receipts		24,523,578	-	24,523,578	-
Trade and other payables	22	1,552,548,988	1,973,239,181	91,841,750	80,742,017
Current portion of long-term loans	23	232,400,000	177,200,000	-	-
Current portion of liabilities under finance lease agreements		44,275,075	54,642,768	-	-
Deposits from related parties	8	5,252,463	34,298,874	664,308,141	865,823,777
Income tax payable		89,980,127	66,785,743	27,593,186	-
Other current liabilities		136,683,548	130,554,216	1,578,334	1,578,334
Total current liabilities		2,514,445,703	2,770,591,246	809,844,989	948,144,128
Non-current liabilities					
Long-term loans, net of current portion	23	147,000,000	183,400,000	-	-
Liabilities under finance lease agreements, net of current portion		47,251,209	44,557,518	-	-
Provision for long-term employee benefits	24	278,055,048	270,304,523	17,151,545	16,735,311
Deferred tax liabilities	28	82,184,396	62,788,737	70,189,737	56,022,244
Other non-current liabilities		6,591,668	7,651,869	-	-
Total non-current liabilities		561,082,321	568,702,647	87,341,282	72,757,555
Total liabilities		3,075,528,024	3,339,293,893	897,186,271	1,020,901,683

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 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Shareholders' equity					
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
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
Share premium		2,599,000,000	2,599,000,000	2,599,000,000	2,599,000,000
Retained earnings					
Appropriated					
Statutory reserve	26	964,110,092	993,269,979	750,000,000	750,000,000
Other reserve		208,889,870	186,620,765	-	-
Unappropriated		11,760,126,673	10,863,424,254	7,842,328,081	7,111,306,225
Other components of shareholders' equity		537,236,305	847,491,333	280,758,947	224,088,974
Equity attributable to owners of the Company		19,069,362,940	18,489,806,331	14,472,087,028	13,684,395,199
Non-controlling interests of the subsidiaries		1,876,039,608	1,797,877,464	-	-
Total shareholders' equity		20,945,402,548	20,287,683,795	14,472,087,028	13,684,395,199
Total liabilities and shareholders' equity		24,020,930,572	23,626,977,688	15,369,273,299	14,705,296,882

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 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Revenues					
Sales and service income	30	10,939,917,314	10,117,593,509	1,176,418,977	1,273,700,629
Dividend income		376,179,239	264,115,206	1,082,590,110	791,992,582
Rental income		52,356,174	58,767,386	40,029,245	29,797,918
Interest income		54,430,851	25,036,564	21,490,514	15,112,247
Gains on disposals of investments and dissolution of subsidiaries	7, 13, 14	367,304,310	14,235,836	451,736,554	-
Gains on disposals of investment properties		966,672	20,813,284	966,672	1,975,205
Compensate for fire damage		-	125,426,010	-	-
Unrealised gains from revaluation of trading securities	7	21,104,182	-	-	-
Other income		278,306,408	318,028,228	23,224,378	24,791,207
Total revenues		12,090,565,150	10,944,016,023	2,796,456,450	2,137,369,788
Expenses					
Cost of sales and services		9,330,957,177	8,715,381,607	1,158,003,918	1,250,587,930
Selling expenses		271,070,502	274,434,227	8,822,275	10,394,768
Administrative expenses		753,502,713	739,027,380	100,236,240	95,632,291
Losses on impairment of investments		-	-	246,511,048	192,391,151
Unrealised losses from revaluation of trading securities		-	87,430,295	-	-
Expenses of withholding tax write-off		12,099,114	18,544,449	12,099,114	18,544,449
Total expenses		10,367,629,506	9,834,817,958	1,525,672,595	1,567,550,589
Profit before share of profit (loss) from investments in joint ventures and investments in associates, finance cost and income tax income (expenses)		1,722,935,644	1,109,198,065	1,270,783,855	569,819,199
Share of profit (loss) from investments in joint ventures	14	(21,220,766)	96,660,356	-	-
Share of profit from investments in associates	15	172,650,528	235,574,804	-	-
Profit before finance cost and income tax income (expenses)		1,874,365,406	1,441,433,225	1,270,783,855	569,819,199
Finance cost		(31,916,737)	(37,841,314)	(2,170,342)	(1,448,723)
Profit before income tax income (expenses)		1,842,448,669	1,403,591,911	1,268,613,513	568,370,476
Income tax income (expenses)	28	(276,793,553)	(195,012,131)	(87,591,657)	5,847,705
Profit for the year		1,565,655,116	1,208,579,780	1,181,021,856	574,218,181
Profit attributable to:					
Equity holders of the Company		1,323,023,150	917,260,446	1,181,021,856	574,218,181
Non-controlling interests of the subsidiaries		242,631,966	291,319,334		
		1,565,655,116	1,208,579,780		
Basic earnings per share (Baht)	29				
Profit attributable to equity holders of the Company		4.56	3.16	3.94	1.91

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 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Profit for the year		1,565,655,116	1,208,579,780	1,181,021,856	574,218,181
Other comprehensive income:					
<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		(453,392,860)	437,272,879	-	-
Gains (losses) on change in value of available-for-sale investments	16	162,394,283	(150,532,726)	70,837,466	(131,075,865)
Less: Income tax effect	28	(32,497,543)	30,901,410	(14,167,493)	26,215,173
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		(323,496,120)	317,641,563	56,669,973	(104,860,692)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain (loss)		2,125,195	(22,769,036)	-	(4,399,864)
Less: Income tax effect	28	(425,039)	4,588,781	-	879,973
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		1,700,156	(18,180,255)	-	(3,519,891)
Other comprehensive income for the year		(321,795,964)	299,461,308	56,669,973	(108,380,583)
Total comprehensive income for the year		1,243,859,152	1,508,041,088	1,237,691,829	465,837,598
Total comprehensive income attributable to:					
Equity holders of the Company		1,014,522,568	1,214,352,938	1,237,691,829	465,837,598
Non-controlling interests of the subsidiaries		229,336,584	293,688,150		
		1,243,859,152	1,508,041,088		

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

Statement of changes in shareholders' equity

Saha-Union Public Company Limited and its subsidiaries

For the year ended 31 December 2016

(Unit: Baht)

Consolidated financial statements												
Equity attributable to owners of the Company												
	Issued and paid-up share capital	Share premium	Retained earnings			Other components of equity				Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
			Appropriated - statutory reserve	Appropriated - other reserve	Unappropriated	Other comprehensive income		The Company's shares held by the subsidiaries (Note 25)	Total other components of shareholders' equity			
						Exchange differences on translation of financial statements in foreign currency	Surplus on changes in value of available-for-sale investments					
Balance as at 1 January 2015	3,000,000,000	2,599,000,000	992,839,445	164,829,966	10,488,897,118	402,508,976	369,242,583	(234,404,410)	537,347,149	17,782,913,678	1,530,050,607	19,312,964,285
Profit for the year	-	-	-	-	917,260,446	-	-	-	-	917,260,446	291,319,334	1,208,579,780
Other comprehensive income for the year	-	-	-	-	(13,051,692)	431,138,241	(120,994,057)	-	310,144,184	297,092,492	2,368,816	299,461,308
Total comprehensive income for the year	-	-	-	-	904,208,754	431,138,241	(120,994,057)	-	310,144,184	1,214,352,938	293,688,150	1,508,041,088
Increase in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	146,983,448	146,983,448
Dividend paid (Note 32)	-	-	-	-	(525,000,000)	-	-	-	-	(525,000,000)	(172,844,741)	(697,844,741)
Less: Dividend paid in respect of the Company's shares held by subsidiaries	-	-	-	-	17,539,715	-	-	-	-	17,539,715	-	17,539,715
Dividend paid - net	-	-	-	-	(507,460,285)	-	-	-	-	(507,460,285)	(172,844,741)	(680,305,026)
Unappropriated retained earnings transferred to statutory reserve	-	-	430,534	-	(430,534)	-	-	-	-	-	-	-
Unappropriated retained earnings transferred to other reserve	-	-	-	21,790,799	(21,790,799)	-	-	-	-	-	-	-
Balance as at 31 December 2015	3,000,000,000	2,599,000,000	993,269,979	186,620,765	10,863,424,254	833,647,217	248,248,526	(234,404,410)	847,491,333	18,489,806,331	1,797,877,464	20,287,683,795
Balance as at 1 January 2016	3,000,000,000	2,599,000,000	993,269,979	186,620,765	10,863,424,254	833,647,217	248,248,526	(234,404,410)	847,491,333	18,489,806,331	1,797,877,464	20,287,683,795
Profit for the year	-	-	-	-	1,323,023,150	-	-	-	-	1,323,023,150	242,631,966	1,565,655,116
Other comprehensive income for the year	-	-	-	-	1,754,446	(440,053,133)	129,798,105	-	(310,255,028)	(308,500,582)	(13,295,382)	(321,795,964)
Total comprehensive income for the year	-	-	-	-	-	(440,053,133)	129,798,105	-	(310,255,028)	1,014,522,568	229,336,584	1,243,859,152
Increase in non-controlling interests of the subsidiaries	-	-	-	-	1,324,777,596	(440,053,133)	129,798,105	-	(310,255,028)	-	24,652,416	24,652,416
Dividend paid (Note 32)	-	-	-	-	(450,000,000)	-	-	-	-	(450,000,000)	(175,826,856)	(625,826,856)
Less: Dividend paid in respect of the Company's shares held by subsidiaries	-	-	-	-	15,034,041	-	-	-	-	15,034,041	-	15,034,041
Dividend paid - net	-	-	-	-	(434,965,959)	-	-	-	-	(434,965,959)	(175,826,856)	(610,792,815)
Reversed statutory reserve to unappropriated retained earnings	-	-	(29,159,887)	-	29,159,887	-	-	-	-	-	-	-
Unappropriated retained earnings transferred to other reserve	-	-	-	22,269,105	(22,269,105)	-	-	-	-	-	-	-
Balance as at 31 December 2016	3,000,000,000	2,599,000,000	964,110,092	208,889,870	11,760,126,673	393,594,084	378,046,631	(234,404,410)	537,236,305	19,069,362,940	1,876,039,608	20,945,402,548

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 2016

(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	
				Surplus on changes in value of available-for-sale investments		
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
Balance as at 1 January 2016	3,000,000,000	2,599,000,000	750,000,000	7,111,306,225	224,088,974	13,684,395,199
Profit for the year	-	-	-	1,181,021,856	-	1,181,021,856
Other comprehensive income for the year	-	-	-	-	56,669,973	56,669,973
Total comprehensive income for the year	-	-	-	1,181,021,856	56,669,973	1,237,691,829
Dividend paid (Note 32)	-	-	-	(450,000,000)	-	(450,000,000)
Balance as at 31 December 2016	3,000,000,000	2,599,000,000	750,000,000	7,842,328,081	280,758,947	14,472,087,028

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 2016

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from operating activities				
Profit before tax	1,842,448,669	1,403,591,911	1,268,613,513	568,370,476
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	770,969,960	711,290,729	17,437,333	15,667,669
Allowance for doubtful accounts	12,151,408	13,006,837	-	-
Reduction of cost of inventories to net realisable value	10,294,585	5,798,029	-	-
Gains on disposals/write-off of property, plant and equipment	(8,128,370)	(10,009,761)	(789,073)	(3,525,172)
Gains on disposals of investment properties	(966,672)	(20,813,284)	(966,672)	(1,975,205)
Losses on impairment of property, plant and equipment	90,264	-	-	-
Losses on impairment of investments	-	-	246,511,048	192,391,151
Expenses of withholding tax write-off	12,099,114	18,544,449	12,099,114	18,544,449
Unrealised losses (gains) from revaluation of trading securities	(21,104,182)	87,430,295	-	-
Share of (profit) loss from investments in joint ventures	21,220,766	(96,660,356)	-	-
Share of profit from investments in associates	(172,650,528)	(235,574,804)	-	-
Gains on disposals of investments and dissolution of subsidiaries	(367,304,310)	(14,235,836)	(451,736,554)	-
Unrealised losses (gains) on exchange	3,030,237	(7,991,260)	1,583,065	189,097
Dividend received from investments	(376,179,239)	(264,115,206)	(1,082,590,110)	(791,992,582)
Provision for long-term employee benefits	47,153,216	40,889,880	1,926,520	1,677,483
Interest income	(54,430,851)	(25,036,564)	(21,490,514)	(15,112,247)
Interest expenses	21,825,250	27,849,842	2,017,836	1,320,171
Profit (loss) from operating activities before changes in operating assets and liabilities	1,740,519,317	1,633,964,901	(7,384,494)	(14,444,710)
Operating assets (increase) decrease				
Trade and other receivables	492,890,962	(215,735,260)	52,628,791	24,976,136
Inventories	(49,775,080)	(100,349,532)	(4,685,158)	1,880,071
Other current assets	(1,111,137)	(57,900,671)	(106,371)	81,460
Other non-current assets	(88,671,366)	(54,556,063)	527,970	155,999
Operating liabilities increase (decrease)				
Trade and other payables	(430,564,226)	641,310,177	11,109,524	3,952,519
Other current liabilities	6,131,052	24,707,789	-	630,769
Other non-current liabilities	(45,000,183)	(53,441,457)	(1,510,286)	(4,023,307)
Cash from operating activities	1,624,419,339	1,817,999,884	50,579,976	13,208,937
Cash paid for interest	(21,952,787)	(28,285,015)	(2,353,870)	(1,975,026)
Cash paid for income tax	(289,060,717)	(190,501,836)	(72,180,832)	(20,793,990)
Cash refund from income tax	29,717,148	42,107,519	-	-
Net cash from (used in) operating activities	1,343,122,983	1,641,320,552	(23,954,726)	(9,560,079)

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 2016

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from investing activities				
Decrease (increase) in short-term loans to related parties	(154,601,000)	-	360,922,000	(151,285,000)
Decrease (increase) in current investments	175,435,445	(576,345,097)	-	-
Increase in restricted investments	(14,249,025)	(110,026)	-	-
Acquisition of investments in subsidiaries	-	-	(69,951,326)	(153,125,468)
Acquisition of investment in joint venture	(210,000)	(200,500,000)	-	(200,500,000)
Acquisition of investments in associates	-	(135,765,689)	-	(96,982,021)
Acquisition of investments in other long-term investments	(30,583,300)	-	(29,001,800)	-
Proceeds from disposals of property, plant and equipment	9,181,168	27,177,243	789,278	5,442,591
Proceeds from disposals of investment properties	983,410	32,184,900	983,410	2,647,750
Cash receipt from disposals of investment in joint venture	1,140,431,629	-	907,384,282	-
Cash receipt from dissolution of investment in subsidiaries	-	-	214,102,248	-
Dividend received from investments	668,226,180	617,106,616	975,383,012	791,992,582
Interest income	54,202,008	25,300,437	23,352,101	14,320,102
Acquisition of investment properties	(3,341,387)	(5,888,620)	-	-
Acquisition of property, plant and equipment	(874,576,847)	(993,001,706)	(5,224,125)	(23,146,476)
Net cash from (used in) investing activities	970,898,281	(1,209,841,942)	2,378,739,080	189,364,060
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	94,911,460	(10,690,175)	-	-
Increase (decrease) in trust receipts	24,405,029	(11,229,797)	24,405,029	(6,507,827)
Increase (decrease) in deposits from related parties	(29,046,411)	(23,990,914)	(201,515,636)	29,857,564
Share capital receipt from non-controlling interests of the subsidiaries	24,727,773	152,500,701	-	-
Dividend paid	(607,176,270)	(680,305,027)	(450,000,000)	(525,000,000)
Cash receipt from long-term loans	196,000,000	-	-	-
Repayment of long-term loans	(177,200,000)	(177,200,000)	-	-
Cash paid for liabilities under finance lease agreements	(57,170,945)	(72,371,288)	-	-
Net cash used in financing activities	(530,549,364)	(823,286,500)	(627,110,607)	(501,650,263)
Increase in translation adjustments	50,146,528	126,979,198	-	-
Net increase (decrease) in cash and cash equivalents	1,833,618,428	(264,828,692)	1,727,673,747	(321,846,282)
Cash and cash equivalents at beginning of year	2,606,269,170	2,871,097,862	342,890,350	664,736,632
Cash and cash equivalents at end of year	4,439,887,598	2,606,269,170	2,070,564,097	342,890,350
Supplemental cash flows information				
Non-cash transaction				
Purchases of property, plant and equipment for which no cash has been paid	56,671,619	127,397,557	326,243	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 2016

1. General 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, Phrakonong, Bangkok.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 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	
			2016	2015
			(percent)	(percent)
Textile business				
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
Plastic, rubber and metal business				
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

Company	Nature of business	Country of incorporation	Percentage of Shareholding	
			2016	2015
			(percent)	(percent)
<i>Plastic, rubber and metal business</i>				
<i>(continued)</i>				
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 and accessories dealer	Thailand	97.77	97.57
Computer Union Systems Co., Ltd. (99.99 percent owned by Computer Union Co., Ltd.)	Computer and accessories dealer	Thailand	97.77	97.56
<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 Dacity 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
Union Energy Co., Ltd.	Investment	Thailand	-	99.40
Union Energy (China) Co., Ltd.	Investment	Thailand	-	99.99
Texport International Corp., Ltd.	Investment	Thailand	-	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	98.23
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

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

During the year, the Company and its subsidiaries have adopted the revised (revised 2015) and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which become 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, 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.

(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 financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2017. 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 management of the Company and its subsidiaries believe that the revised financial reporting standards and interpretations and new accounting treatment guidance will not have any significant impact on the financial statements when they are initially applied. However, one standard involves changes to key principles, which are summarised below.

TAS 27 (revised 2016) Separate Financial Statements

This revised standard stipulates an additional option to account for investments in subsidiaries, joint ventures and associates in separate financial statements under the equity method, as described in TAS 28 (revised 2016) Investments in Associates and Joint Ventures. However, the entity is to apply the same accounting treatment for each category of investment. If an entity elects to account for such investments using the equity method in the separate financial statements, it has to adjust the transaction retrospectively.

At present, the management of the Company and its subsidiaries is evaluating the impact of this standard to the financial statements in the year when it is adopted.



4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the 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, consisted of room rental revenues, food and beverage sales and other related services which represented with invoiced value (excluding value added tax) for delivered products and services revenues 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.

4.2 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.

4.3 Trade accounts receivable

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

4.4 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.

4.5 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 (if any).
- 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 (if any).
- g) Investment in associate held for sale in the consolidated financial statements is valued at the lower of carrying amount under the equity method until the date of investment classification and fair value less cost to sell.
- h) Investment in associate held for sale in the separate financial statements is valued at the lower of carrying amount under the cost method and fair value less cost to sell.

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.

4.6 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less 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 awaiting development	-	5, 20 years
Facilities	-	5 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 year when the asset is derecognised.

4.7 Property, plant and equipment/Depreciation

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

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	-	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
Power plants	-	5, 10, 25 years

Depreciation of machinery and equipment of a subsidiary 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.

4.8 Intangible assets - Computer software

Computer Software of subsidiaries 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 is reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

4.9 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.

4.10 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.

4.11 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.

4.12 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.

4.13 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 and 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. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

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.

4.14 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.

4.15 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.

4.16 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.

4.17 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.

5. Significant accounting judgements and estimates

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

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.

6. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash	1,568	1,662	50	128
Deposits of financial institutions	2,798,620	2,482,949	570,514	342,762
Bonds	1,639,700	121,658	1,500,000	-
Total cash and cash equivalents	4,439,888	2,606,269	2,070,564	342,890

As at 31 December 2016, bank deposits in saving accounts, fixed deposits and bonds carried interests between 0.01 and 3.05 percent per annum (2015: between 0.01 and 3.50 percent per annum).



7. Current investments

As at 31 December 2016 and 2015, the balances of subsidiaries' current investments are as follow:

(Unit: Thousand Baht)

	Consolidated financial statements			
	2016		2015	
	Cost/ Book value	Fair value	Cost/ Book value	Fair value
Trading securities				
Overseas marketable equity securities	725,426	673,138	703,846	627,976
Allowance for change in value of investments	(54,193)		(75,297)	
Translation adjustments	1,905		(573)	
Total trading securities - net	673,138		627,976	
Debt securities held to maturity - current portion				
Bonds	53,629		5,960	
Total debt securities held to maturity - current portion	53,629		5,960	
Fixed bank deposits with an original maturity within one year				
Fixed deposits of commercial bank	225,340		471,918	
Total fixed bank deposits with an original maturity within one year	225,340		471,918	
Current investments - net	952,107		1,105,854	

As at 31 December 2016, bonds and the fixed bank deposits with an original maturity within one year carried interests between 0.41 and 1.65 percent per annum (2015: between 0.25 and 5.00 percent per annum).

During the year 2016, the subsidiaries have gains on disposals of current investments amounting to Baht 5 million (2015: gains, Baht 14 million) and have dividend income amounting to Baht 34 million (2015: Baht 19 million).

8. 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
	2016	2015	
<u>Transactions with joint ventures</u>			
Sales of merchandise	16	18	Cost plus margin
Service income	1	1	Contract price
Rental income	7	7	Contract price
Purchases of merchandise	24	25	Resale price reduced by a margin
Lendings (weighted average from outstanding balances at month end)	13	7	Interest rate with reference to the loan interest rate of local commercial bank in Thailand and China
<u>Transactions with associates</u>			
Sales of merchandise	106	98	Cost plus margin
Service income	3	3	Contract price
Rental income	4	4	Contract price
Purchases of merchandise	492	518	Resale price reduced by a margin
Deposits (weighted average from outstanding balances at month end)	9	30	Interest rate with reference to the deposit interest rate of local commercial bank
<u>Transactions with related companies</u>			
Sales of merchandise	10	3	Cost plus margin
Service income	4	4	Contract price
Rental income	1	1	Contract price
Purchases of merchandise	1	2	Resale price reduced by a margin



Separate financial statements

(Unit: Million Baht)

	For the years ended 31 December		Pricing policy
	2016	2015	
<u>Transactions with subsidiaries</u>			
Sales of merchandise	658	735	Cost plus margin
Service income	6	6	Contract price
Rental income	30	20	Contract price
Lendings (weighted average from outstanding balances at month end)	162	137	Interest rate with reference to the loan interest rate of local commercial bank
Interest income	10	8	Interest rate with reference to the loan interest rate of local commercial bank
Deposits (weighted average from outstanding balances at month end)	791	811	Interest rate with reference to the deposit interest rate of local commercial bank
Interest expenses	7	9	Interest rate with reference to the deposit interest rate of local commercial bank
<u>Transactions with joint ventures</u>	3	3	Contract price
Rental income			
<u>Transactions with associates</u>			
Sales of merchandise	36	18	Cost plus margin
Purchases of merchandise	472	506	Resale price reduced by a margin
Deposits (weighted average from outstanding balances at month end)	9	30	Interest rate with reference to the deposit interest rate of local commercial bank
<u>Transactions with related companies</u>			
Service income	3	4	Contract price
Rental income	1	1	Contract price



As at 31 December 2016 and 2015, 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	
	2016	2015	2016	2015
<u>Trade and other receivables - related parties (Note 9)</u>				
<i>Trade receivables</i>				
Subsidiaries	-	-	98,182	150,443
Joint ventures	2,444	2,578	-	-
Associates	16,365	17,201	118	2,611
Related companies (related by shareholding)	1,326	412	-	-
Total	20,135	20,191	98,300	153,054
Less: Allowance for doubtful accounts	(9,635)	(9,635)	-	-
Total trade and other receivables - related parties, net	10,500	10,556	98,300	153,054
<i>Other receivables</i>				
Subsidiaries	-	-	4,342	-
Joint ventures	101,454	-	101,454	-
Associate	29,360	29,360	-	-
Related companies (related by shareholding)	19	-	-	-
Total	130,833	29,360	105,796	-
Less: Allowance for doubtful accounts	(29,360)	(29,360)	-	-
Total other receivables - related parties, net	101,473	-	105,796	-
Total trade and other receivables - related parties, net	111,973	10,556	204,096	153,054
<u>Trade payables - related parties (Note 22)</u>				
Joint ventures	4,075	3,895	-	-
Associates	23,204	13,227	20,670	11,718
Related companies (related by shareholding)	93	196	-	-
Total trade payables - related parties	27,372	17,318	20,670	11,718
<u>Deposits from related parties</u>				
Subsidiaries	-	-	659,056	831,525
Associates	5,252	34,299	5,252	34,299
Total deposits from related parties	5,252	34,299	664,308	865,824



Short-term loans to related parties

As at 31 December 2016 and 2015, 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 2015	Increase during the year	Translation adjustments	Balance as at 31 December 2016
<u>Short-term loans to related parties</u>				
<i>Joint ventures</i>				
Shaoxing Shangyu Hangzhou-Union Cogeneration Co., Ltd. (formerly known as "Shangyu Hangzhou-Union Cogeneration Co., Ltd.")	-	154,101	-	154,101
Yunnan Energy Luliang-Union Cogeneration Co., Ltd.	6,916	-	(495)	6,421
Soldev Co., Ltd. (2016: changed status from associate to joint venture)	-	500	-	500
Total short-term loans to related parties	6,916	154,601	(495)	161,022

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at 31 December 2015	Increase during the year	Decrease during the year	Balance as at 31 December 2016
<u>Short-term loans to related parties</u>				
<i>Subsidiaries</i>				
Computer Union Co., Ltd.	360,922	1,031,000	(1,391,922)	-
Union Construction Corp., Ltd.	13,100	-	-	13,100
Thai Rubber Enterprise Co., Ltd.	2,000	-	-	2,000
Total	376,022	1,031,000	(1,391,922)	15,100
Less: Allowance for doubtful accounts	(13,000)	-	-	(13,000)
Total short-term loans to related parties - net	363,022	1,031,000	(1,391,922)	2,100



Directors and management's benefits

During the years ended 31 December 2016 and 2015, 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	
	2016	2015	2016	2015
Short-term employee benefits	130	128	24	24
Post-employment benefits	-	1	-	-
Total	130	129	24	24

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.



9. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	10,376	2,672	98,300	153,054
Past due				
Up to 3 months	124	7,882	-	-
3 - 6 months	-	2	-	-
Over 12 months	9,635	9,635	-	-
Total	20,135	20,191	98,300	153,054
Less: Allowance for doubtful accounts	(9,635)	(9,635)	-	-
Total trade receivables - related parties, net	10,500	10,556	98,300	153,054
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	1,231,355	1,581,816	9,270	4,932
Past due				
Up to 3 months	111,980	142,578	-	-
3 - 6 months	30,909	16,898	-	-
6 - 12 months	16,400	37,501	-	-
Over 12 months	34,995	7,526	1,410	1,410
Total	1,425,639	1,786,319	10,680	6,342
Less: Allowance for doubtful accounts	(19,511)	(7,427)	(1,410)	(1,410)
Total trade receivables - unrelated parties, net	1,406,128	1,778,892	9,270	4,932
Total trade receivables - net	1,416,628	1,789,448	107,570	157,986
<u>Other receivables</u>				
Dividend receivables - related parties	101,473	-	105,796	-
Other receivables - related party	29,360	29,360	-	-
Other receivables - unrelated party	-	55,328	-	-
Input tax refundable	67,467	70,162	5,729	4,214
Import duty refundable	10,701	26,074	-	-
Accrued income	13,994	49,505	9,764	14,304
Prepaid corporate income tax	21,642	28,828	-	2,250
Others	20,928	46,354	246	1,348
Total	265,565	305,611	121,535	22,116
Less: Allowance for doubtful accounts	(29,360)	(29,360)	-	-
Total other receivables - net	236,205	276,251	121,535	22,116
Total trade and other receivables - net	1,652,833	2,065,699	229,105	180,102

10. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories – net	
	2016	2015	2016	2015	2016	2015
Finished goods	238,699	317,197	(21,335)	(25,360)	217,364	291,837
Semi products	13,784	11,644	(514)	(444)	13,270	11,200
Work in process	108,576	137,397	(4,867)	(1,329)	103,709	136,068
Raw materials	408,643	464,987	(9,791)	(7,776)	398,852	457,211
Packing materials	26,674	38,251	(2,392)	(4,655)	24,282	33,596
Spare parts and factory supplies	171,991	142,225	(31,139)	(27,180)	140,852	115,045
Goods in transit	313,041	126,932	-	-	313,041	126,932
Total	1,281,408	1,238,633	(70,038)	(66,744)	1,211,370	1,171,889

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories – net	
	2016	2015	2016	2015	2016	2015
Goods in transit	24,120	19,435	-	-	24,120	19,435
Total	24,120	19,435	-	-	24,120	19,435

During the current year, the subsidiaries reduced cost of inventories by Baht 43 million (2015: Baht 36 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 39 million (2015: Baht 37 million) and reduced the amount of inventories recognised as expenses during the year.



11. Investment in associate held for sale

In the fourth quarter of 2016, the Company entered into an agreement to sell its investment in Zhejiang-Union Property Co., Ltd., which is principally engaged in investment in real estate and domiciled in China, to a non-related party in China at a contact price of RMB 42 million or Baht 213 million (using the exchange rate as at 31 December 2016 of Baht 5.0831 per RMB), which exceeds the carrying amount.

At present, the disposal of the investment is in the process of being approved by the related regulators and the agreement will be effective when approval is granted.

The Company therefore classified this associate as “Investment in associate held for sale”, to be stated at the carrying amount under the equity method until the date that it was reclassified in the consolidated statement of financial position as at 31 December 2016, and at the carrying amount under the cost method in the separate statement of financial position as at 31 December 2016. In this regard, when the agreement is effective, the Company will record the disposal transaction by writing off the investment in associate held for sale from the accounts and recognising the gains on disposal of investment.

Details of investment in associate held for sale are as follow:

(Unit: Thousand Baht)

Associate	Percentage of shareholding (%)	Consolidated financial statements	Separate financial statements
		Carrying amount based on equity method until the date of investment classification	Carrying amount based on cost method
Zhejiang-Union Property Co., Ltd.	35.00	180,037	169,702
Total		180,037	169,702

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	
	2016	2015	2016	2015	2016	2015	2016	2015
	(Million Baht)	(Million Baht)	(%)	(%)				
Textile business								
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	23,997	12,748
					391,526	391,526	23,997	12,748
Plastic, rubber and metal business								
Union Pioneer Plc.	75	75	52.73	52.73	53,084	53,084	17,992	12,300
Union Plastic Plc.	250	250	49.69	49.69	235,433	235,433	13,742	23,151
Union Zojirushi Co., Ltd.	600	600	51.00	51.00	306,659	306,659	110,925	107,100
Union Stainless Steel Products Co., Ltd.	40	40	98.00	98.00	52,411	52,411	30,772	32,928
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	-	-
					680,877	680,877	173,431	175,479
Trading business								
Computer Union Co., Ltd.	100	100	97.77	97.57	101,848	101,488	104,399	91,715
					101,848	101,488	104,399	91,715
Energy business								
Jlathan-Union Cogeneration Co., Ltd.	14	11	75.96	75.96	320,550	251,073	81,696	77,477
		(Million USD)			320,550	251,073	81,696	77,477
Hotel business								
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	
	2016	2015	2016	2015	2016	2015	2016	2015
	(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	-	-
	(Million HKD)							
Saha-Union Investment (China) Co., Ltd.	45	45	100.00	100.00	1,572,809	1,572,809	-	-
	(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	-	99.99	-	100,000	-	-
Union Energy Co., Ltd.	-	3	-	99.40	-	3,176	-	-
Union Energy (China) Co., Ltd.	-	15	-	99.99	-	15,399	-	-
Texport International Corp., Ltd.	-	13	-	85.20	-	12,358	213	-
Union Human Resources Development Co., Ltd.	0.25	0.25	99.99	99.99	250	250	-	-
Union Shoes Co., Ltd.	24	24	98.23	98.23	22,087	22,087	1,857	-
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	-	-
Total					5,006,952	5,137,885	2,070	-
Less: Allowance for impairment of investments in subsidiaries					9,381,753	9,442,849	385,593	357,419
Total investments in subsidiaries – net					(558,454)	(558,454)		
					8,823,299	8,884,395		

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	
	2016	2015	2016	2015	2016	2015	2016	2015
Union Textile Industries Plc.	(%) 48.58	(%) 48.58	63	56	7	3	-	-
Union Pioneer Plc.	47.27	47.27	138	130	25	17	17	12
Union Plastic Plc.	50.31	50.31	72	69	17	14	14	24
Union Zojirushi Co., Ltd.	49.00	49.00	344	302	149	146	107	103
Jiashan-Union Cogeneration Co., Ltd.	24.04	24.04	89	92	45	39	35	32

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.	
2016	2015	2016	2015	2016	2015	2016	2015
402	336	402	379	398	365	886	986
590	602	106	106	305	336	1,566	1,358
94	80	69	57	102	105	988	1,035
43	43	43	48	42	42	162	93
						231	185
						861	793
						290	288
						-	-

Current assets

Non-current assets

Current liabilities

Non-current liabilities

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.	
	2016	2015	2016	2015	2016	2015	2016	2015
Revenue	792	776	611	599	727	796	4,257	3,863
Profit	36	29	53	37	34	28	303	297
Other comprehensive income	5	(7)	-	(1)	-	(5)	-	(6)
Total comprehensive income	41	22	53	36	34	23	303	291
							921	743
							188	163
							(55)	30
							133	193

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.	
	2016	2015	2016	2015	2016	2015	2016	2015
Cash flow from operating activities	108	11	94	94	41	70	589	593
Cash flow from (used in) investing activities	(14)	(9)	(66)	(23)	17	(40)	(622)	(602)
Cash flow from (used in) financing activities	-	(14)	(37)	(25)	(28)	(47)	32	8
Net increase (decrease) in cash and cash equivalents	94	(12)	(9)	46	30	(17)	(1)	(1)
							(17)	29



During the current year, there were the following significant changes in the investments in subsidiaries accounts.

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
Jiashan-Union Cogeneration Co., Ltd.	The meeting of Board of Directors	26 September 2016	30 September 2016	11 (Million USD)	14 (Million USD)	29,340	(69,477)
Total						29,340	(69,477)

Dissolution

(Unit: Thousand Baht)

Company	Description	Effects in consolidated financial statements	Effects in separate financial statements	Net cash return (paid) from dissolution	
				Consolidated financial statement	Separate financial statement
4 subsidiaries as following - Union Technology Co., Ltd - Union Energy Co., Ltd. - Union Energy (China) Co., Ltd - Texport International Corp., Ltd	The Extraordinary General Meeting of Shareholders on 14 September 2016, passed a resolution for dissolution. They registered their dissolution and liquidation with the Ministry of Commerce on 26 September 2016 and completed the process of share capital return to shareholders.	- None	- Decreased in 4 subsidiaries - The Company recorded gain on dissolution of subsidiaries under the cost method amounting to Baht 83 million.	(4,213)	214,102
Total				(4,213)	214,102

14. Investments in joint ventures

14.1 Details of investments in joint ventures:

Investments in joint ventures represent investments in entities which are jointly controlled by the Company and other companies. Details of these investments 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	
			2016	2015	2016	2015	2016	2015
			(%)	(%)				
Textile business								
Zhejiang Saha-Union Feilun Thread Industries Co., Ltd.	Contract manufacture and distribution of textile products	China	57.57	57.57	640,940	640,940	-	413,399
Union Universe Co., Ltd.	Distributor of Grand Slam shirts	Thailand	49.87	49.87	3,751	3,751	30,300	33,686
					644,691	644,691	30,300	447,085
Plastic, rubber and metal business								
Union Nilco Co., Ltd.	Manufacture and distribution of plastic parts and molds	Thailand	50.00	50.00	51,559	51,559	227,370	223,734
					51,559	51,559	227,370	223,734
Energy business								
Shaoxing Shangyu Hangzhou-Union Cogeneration Co., Ltd.	Power generation	China	50.00	50.00	514,653	514,653	868,382	1,037,776
(formerly known as "Shangyu Hangzhou-Union Cogeneration Co., Ltd.")								
Yunnan Energy Luliang-Union Cogeneration Co., Ltd.	Power generation	China	50.00	50.00	445,914	445,914	92,648	105,015
					960,567	960,567	961,030	1,142,791

(Unit: Thousand Baht)

Company	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method	
			2016	2015	2016	2015	2016	2015
			(%)	(%)				
Hospital business								
Sukhumvit 62 Medical Ltd.	Hospital	Thailand	47.21	47.21	200,500	200,500	199,846	200,000
					200,500	200,500	199,846	200,000
Investment and others business								
Jiashan-Union Development Co., Ltd.	Real estate	China	-	49.00	-	676,832	-	812,829
Soldev Co., Ltd.	Develop and distribution of computer software	Thailand	61.00	-	2,210	-	116	-
(2016: changed status from associate to joint venture)								
(2016: 61.00 percent owned by Computer Union Co., Ltd.)								
					2,210	676,832	116	812,829
Total investments in joint ventures					1,859,527	2,534,149	1,418,662	2,826,439

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	
			2016	2015	2016	2015	2016	2015	2016	2015
			(%)	(%)						
Textile business										
Zhejiang Saha-Union Feilun Thread Industries Co., Ltd.	Contract manufacture and distribution a of textile products	China	39.59	39.59	452,337	452,337	(452,337)	(205,826)	-	246,511
Union Universe Co., Ltd.	Distributor of Grand Slam shirts	Thailand	49.87	49.87	3,751	3,751	-	-	3,751	3,751
					456,088	456,088	(452,337)	(205,826)	3,751	250,262
Plastic, rubber and metal business										
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
Energy business										
Shaoxing Shangyu Hangzhou-Union Cogeneration Co., Ltd.	Power generation	China	25.00	25.00	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	(375,544)	(375,544)	41,727	41,727
					674,752	674,752	(375,544)	(375,544)	299,208	299,208
Hospital business										
Sukhumvit 62 Medical Ltd.	Hospital	Thailand	47.21	47.21	200,500	200,500	-	-	200,500	200,500
					200,500	200,500	-	-	200,500	200,500
Investment and other business										
Jiashan-Union Development Co., Ltd.	Real estate	China	-	39.00	-	538,703	-	-	-	538,703
					-	538,703	-	-	-	538,703
Total investments in joint ventures - net					1,362,896	1,901,599	(827,881)	(581,370)	535,015	1,320,229



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	
	2016	2015		2016	2015
Textile business					
Zhejiang Saha-Union Feilun Thread Industries Co., Ltd.	(383,358)	(66,485)	(30,041)	-	7,042
Union Universe Co., Ltd.	(6,474)	(4,996)	3,088	-	561
	(389,832)	(71,481)	(26,953)	-	7,603
Plastic, rubber and metal business					
Union Nifco Co., Ltd.	70,498	74,436	3,137	42,004	39,003
	70,498	74,436	3,137	42,004	39,003
Energy business					
Shaoxing Shangyu Hangzhou-Union Cogeneration Co., Ltd.	252,504	259,523	(71,163)	235,254	97,554
Yunnan Energy Luliang-Union Cogeneration Co., Ltd.	11,774	(133,011)	(24,140)	-	-
	264,278	126,512	(95,303)	235,254	97,554
Hospital business					
Sukhumvit 62 Medical Ltd.	(154)	(500)	-	-	-
	(154)	(500)	-	-	-
Investment and other business					
Jiashan-Union Development Co., Ltd.	34,630	(32,307)	(76,147)	-	-
Soldev Co., Ltd.	(641)	-	-	-	-
	33,989	(32,307)	(76,147)	-	-
Total	(21,221)	96,660	(195,266)	277,258	144,160

14.3 Summarised financial information about material joint ventures

Summarised information about financial position

(Unit: Million Baht)

Financial position	Zhejiang Saha-Union Feilun Thread Industries Co., Ltd.		Union Universe Co., Ltd.		Union Nifco Co., Ltd.		Shaoxing Shangyu - Hangzhou - Union Cogeneration Co., Ltd.		Yunnan Energy Luliang-Union Cogeneration Co., Ltd.		Sukhumvit 62 Medical Ltd.		Jiashan-Union Development Co., Ltd.		Soldev Co., Ltd.	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Current assets	275	335	78	59	502	456	1,153	1,130	231	201	114	116	-	4,976	4	-
Non-current assets	577	663	20	13	169	186	2,650	2,972	580	701	316	311	-	263	-	-
Current liabilities	199	249	10	4	205	191	2,058	1,600	273	425	3	-	-	3,580	-	-
Non-current liabilities	-	-	2	-	12	3	-	537	122	37	-	-	-	-	2	-
Net assets	653	749	86	68	454	448	1,745	1,965	416	440	427	427	-	1,659	2	-
Shareholding percentage (%)	57.57	57.57	49.87	49.87	50.00	50.00	50.00	50.00	50.00	50.00	47.21	47.21	-	49.00	61.00	-
Share of net assets	376	431	43	34	227	224	872	983	208	220	202	202	-	813	1	-
Elimination entries/Allowance for impairment of investments	(376)	(18)	(13)	-	-	-	(4)	55	(115)	(115)	(2)	(2)	-	-	(1)	-
Carrying amounts of joint ventures based on equity method	-	413	30	34	227	224	868	1,038	93	105	200	200	-	813	-	-

Summarised information about comprehensive income

(Unit: Million Baht)

Comprehensive income	Zhejiang Saha-Union Feilun Thread Industries Co., Ltd.		Union Universe Co., Ltd.		Union Nifco Co., Ltd.		Shaoxing Shangyu - Hangzhou - Union Cogeneration Co., Ltd.		Yunnan Energy Lulliang-Union Cogeneration Co., Ltd.		Sukhumvit 62 Medical Ltd.		Jiashan-Union Development Co., Ltd.		Soldev Co., Ltd.	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	422 (43) (52) (95)	468 (113) 39 (74)	27 (13) 6 (7)	22 (10) (6) (16)	979 141 6 147	1,011 149 (1) 148	2,824 504 (142) 362	2,575 517 88 605	610 23 (48) (25)	551 (74) 29 (45)	- - - -	- (1) - (1)	- - - -	173 (66) 76 10	6 (1) - (1)	- - - -
Revenue																
Profit (loss)																
Other comprehensive income																
Total comprehensive income																

During the current year, there were the following significant changes in the investments in joint venture accounts.

Disposals and changes in status of investment

(Unit: Thousand Baht)

Company	Description	Effects in consolidated financial statements	Effects in separate financial statements	Net cash received	
				Consolidated financial statements	Separate financial statements
Saha-Union Plc. and Saha-Union Investment (China) Co., Ltd. (subsidiary)	Disposed of investment in Jiashan-Union Development Co., Ltd.	- Jiashan-Union Development Co., Ltd. changed the status to non-related party. - The Company and its subsidiary recorded a gain amounting to Baht 362 million on the disposals of investment under the equity method.	- Jiashan-Union Development Co., Ltd. changed the status to non-related party. - The Company recorded a gain amounting to Baht 369 million on the disposals of investment under the cost method.	1,140,432	907,384
Total				1,140,432	907,384

Additional purchase of investment and changes in status of investment

In November 2016, Computer Union Co., Ltd. (a subsidiary) additional invested in Soldev Co., Ltd. (an associate) with totaling amount Baht 0.2 million from one of former shareholders. As a result, the percentage of shareholding was increased from 40.00 percent to 61.00 percent. As a result of this additional investment, Soldev Co., Ltd. changed the status from associate to joint venture.

The recoverable amount of the investment in Zhejiang Saha-Union Feilun Thread Industries Co., Ltd. have been considered based on value in use calculation using cash flow projections from financial budgets approved by the management covering a five-year period.

Key assumptions used in value in use calculation are summarised below:

(Unit: percent per annum)	
Growth rates	3 - 5
Discount rates	10

The Group's managements determined growth rates based on historical operation results and expected market growth and discount rates is the rate that reflects the risks specific to this joint venture.

Based on the management's consideration, during the year 2016, 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 2016, the Company recorded allowance for impairment of investments in joint ventures totaling Baht 828 million in order to reflect the future expected return on investments.

Share of loss from investment in two joint ventures accounted for under the equity method amounting to approximately Baht 7 million, as included in the income statement for the year ended 31 December 2016 (2015: one joint venture, the share of loss Baht 5 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 the financial statements had been audited by the joint ventures' auditors.

15. Investments in associates

15.1 Details of material associates:

Consolidated financial statements

(Unit: Thousand Baht)

Company	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method	
			2016	2015	2016	2015	2016	2015
			(%)	(%)				
Textile business								
Union Spinning Mills Co., Ltd.	Manufacture and distribution of thread	Thailand	51.99	51.99	46,563	46,563	92,150	86,451
Others (3 companies)					2,550	2,550	69,850	71,958
					49,113	49,113	162,000	158,409
Plastic, rubber and metal business								
Union Thai - Nichiban Co., Ltd.	Manufacture of adhesive paper, corrugated adhesive paper, clear tape and OPP tape	Thailand	40.29	40.29	19,318	19,318	200,873	190,739
					19,318	19,318	200,873	190,739
Investment and others business								
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	268,171	275,754
Jiangsu Zhonglian-Union Carpet Co., Ltd.	Manufacture of automotive carpets	China	35.00	35.00	353,054	353,912	445,991	495,411
Uni - Fibre Co., Ltd.	Investment / Agency and service business / Distribution of textile products and other materials	Thailand	62.35	62.35	55,800	55,800	462,094	448,140
Union Thread Industries Co., Ltd.	Investment	Thailand	35.99	35.99	51,861	51,861	820,190	795,362
Union Industries Corp., Ltd.	Investment and real estate rental	Thailand	29.46	29.46	43,328	43,328	428,254	395,963



(Unit: Thousand Baht)

Company	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method	
			2016	2015	2016	2015	2016	2015
<i>Investment and others business (continued)</i> Union Business Management Co., Ltd. (51.10 percent owned by Union Thread Industries Co., Ltd., 18.99 percent by Union Textile Industries Plc. and 0.50 percent by Union Industries Corp., Ltd.) Others (14 companies)	Investment	Thailand	(%)	(%)				
			37.54	41.93	94,999	94,999	170,719	154,117
					210,851	382,553	49,508	225,608
					1,082,922	1,255,482	2,644,927	2,790,355
					1,151,353	1,323,913	3,007,800	3,139,503
Total investments in associates								



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	
			2016	2015	2016	2015	2016	2015	2016	2015
Textile business			(%)	(%)						
Union Micronclean Co., Ltd.	Manufacture and distribution of anti-electrostatic and dust clothing	Thailand	25.00	25.00	1,251	1,251	-	-	1,251	1,251
Union Spinning Mills Co., Ltd.	Manufacture and distribution of thread	Thailand	25.00	25.00	46,563	46,563	-	-	46,563	46,563
					47,814	47,814	-	-	47,814	47,814
Plastic, rubber and metal business										
Union Thai-Nichiban Co., Ltd.	Manufacture of adhesive paper, corrugated adhesive paper, clear tape and OPP tape	Thailand	40.29	40.29	19,318	19,318	-	-	19,318	19,318
					19,318	19,318	-	-	19,318	19,318
Investment and other business										
Taixing Union Zond Chemicals Co., Ltd.	Manufacture of Phthalic anhydride and Fumaric acid and associated products	China	23.85	23.85	218,958	218,958	(32,129)	(32,129)	186,829	186,829
Jiangsu Zhonglian-Union Carpet Co., Ltd.	Manufacture of automotive carpets	China	25.00	25.00	249,239	249,239	-	-	249,239	249,239
Uni-Fibre Co., Ltd.	Investment/Agency and service business /Distribution of textile products and other materials	Thailand	25.67	25.67	30,800	30,800	-	-	30,800	30,800
					51,861	51,861	-	-	51,861	51,861
Union Thread Industries Co., Ltd.	Investment	Thailand	24.90	24.90	43,328	43,328	-	-	43,328	43,328
Union Industries Corp., Ltd.	Investment and real estate rental	Thailand	24.90	24.90	20,851	190,553	(547)	(547)	20,304	190,006
Others (3 companies)					615,037	784,739	(32,676)	(32,676)	582,361	752,063
Total investments in associates - net					682,169	851,871	(32,676)	(32,676)	649,493	819,195

15.2 Share of comprehensive income and dividend received in material associates

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	
	2016	2015	2016	2015	2016	2015
Textile business						
Union Spinning Mills Co., Ltd.	5,692	3,989	-	553	-	-
Others (3 companies)	19,275	20,176	-	90	5,001	2,500
	24,967	24,165	-	643	5,001	2,500
Plastic, rubber and metal business						
Union Thai-Nichiban Co., Ltd.	55,757	46,959	-	(1,297)	45,623	28,695
	55,757	46,959	-	(1,297)	45,623	28,695
Investment and others business						
Taixing Union Zond Chemicals Co., Ltd.	12,412	35,621	(19,995)	10,991	-	-
Jiangsu Zhonglian-Union Carpet Co., Ltd.	12,317	15,398	(35,499)	26,144	18,120	6,507
Uni-Fibre Co., Ltd.	12,576	70,451	1,811	(238)	-	-
Union Thread Industries Co., Ltd.	16,531	19,702	18,982	(344)	8,963	8,963
Union Industries Corp., Ltd.	10,107	12,323	15,541	(18)	6,723	6,723
Union Business Management Co., Ltd.	4,827	16,751	11,775	-	-	-
Others (14 companies)	23,157	(5,795)	(21,414)	12,172	-	-
	91,927	164,451	(28,799)	48,707	33,806	22,193
Total	172,651	235,575	(28,799)	48,053	84,430	53,388

15.3 Summarised financial information of material 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	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Textile business																		
Union Spinning Mills Co., Ltd.	268	248	56	63	28	27	15	14	281	270	51.99	51.99	146	140	(54)	(54)	92	86
Others (3 companies)	674	699	212	192	101	108	136	140	649	643	-	-	170	171	(100)	(100)	70	71
Plastic, rubber and metal business																		
Union Thai-Nichiban Co., Ltd.	547	521	72	53	92	71	28	30	499	473	40.29	40.29	201	191	-	-	201	191
Investment and other business																		
Taixing Union Zond Chemicals Co., Ltd.	684	599	1,038	1,198	818	867	-	-	904	930	29.65	29.65	268	276	-	-	268	276
Jiangsu Zhonglian-Union Carpet Co., Ltd.	1,035	1,134	828	859	594	585	-	-	1,269	1,408	35.00	35.00	444	493	2	2	446	495
Uni-Fibre Co., Ltd.	7	35	823	770	2	1	63	59	765	745	62.35	62.35	477	465	(15)	(17)	462	448
Union Thread Industries Co., Ltd.	19	36	2,239	2,157	63	3	9	8	2,186	2,182	35.99	35.99	787	785	33	10	820	795
Union Industries Corp., Ltd.	27	54	1,298	1,225	1	1	1	1	1,323	1,277	29.46	29.46	390	376	38	20	428	396
Union Business Management Co., Ltd.	19	10	700	681	-	-	-	-	719	691	37.54	41.93	270	290	(99)	(136)	171	154
Others (14 companies)	952	1,012	546	294	231	255	3	10	1,264	1,041	-	-	220	344	(170)	(118)	50	226

Summarised information about comprehensive income

(Unit: Million Baht)

Company	Revenue		Profit (loss)		Other comprehensive income		Total comprehensive income	
	2016	2015	2016	2015	2016	2015	2016	2015
Textile business								
Union Spinning Mills Co., Ltd.	446	510	11	8	-	1	11	9
Others (3 companies)	840	930	70	66	-	(1)	70	65
Plastic, rubber and metal business								
Union Thai-Nichiban Co., Ltd.	898	918	138	116	-	(3)	138	113
Investment and other business								
Taixing Union Zond Chemicals Co., Ltd.	1,846	2,271	42	120	(67)	37	(25)	157
Jiangsu Zhonglian-Union Carpet Co., Ltd.	1,528	1,293	35	44	(101)	75	(66)	119
Uni-Fibre Co., Ltd.	32	33	20	23	-	(1)	20	22
Union Thread Industries Co., Ltd.	72	80	41	47	-	(1)	41	46
Union Industries Corp., Ltd.	94	87	73	69	-	-	73	69
Union Business Management Co., Ltd.	34	40	29	34	-	-	29	34
Others (14 companies)	665	1,066	68	(17)	(66)	35	2	18

During the current year, there were significant changes of associates as the following:

Incorporation of new associates

(Unit: Thousand Baht)

Associates	Description of new companies	Shareholding percentage	Registered share capital	Registered and paid-up share capital
Union Business Management Co., Ltd.	Invested in Union Enterprise Holdings Co., Ltd.	(%) 100.00	120,000	30,000
Union Thread Industries Co., Ltd.	Invested in Union Asset Holdings Co., Ltd.	100.00	120,000	30,000
Union Industries Corp., Ltd.	Invested in Union Capital Holdings Co., Ltd.	100.00	120,000	30,000

Share of profit from investments in four associates accounted for under the equity method amounting to approximately Baht 16 million, as included in the income statement for the year ended 31 December 2016 (2015: four associates, the share of profit Baht 12 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	
	2016	2015	2016	2015
	(%)	(%)		
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			(328,301)	(328,157)
Total investments in ordinary shares-net			773,730	773,874

Investments in available-for-sale securities

(Unit: Thousand Baht)

Company	Cost		Surplus (deficit) on changes in value of investments		Fair value	
	2016	2015	2016	2015	2016	2015
Saha Pathana Inter-Holding Plc.	27,508	27,508	260,591	191,358	288,099	218,866
Bangkok Bank Plc.	239,415	230,096	226,046	206,942	465,461	437,038
Electricity Generating Plc.	30,514	30,514	25,463	12,209	55,977	42,723
Ratchaburi Electricity Generating Holding Plc.	33,001	32,024	6,999	4,831	40,000	36,855
Banyan Tree Indochina Hospitality Fund, L.P.	271,882	271,882	(130,654)	(112,899)	141,228	158,983
Bualuang Thanatavee Fixed Income Fund	21,080	21,080	422	203	21,502	21,283
Buakaew Open-end Fund	20,000	-	1,605	-	21,605	-
Others	43,336	43,049	17,363	7,220	60,699	50,269
Total investments in available-for-sale securities	686,736	656,153	407,835	309,864	1,094,571	966,017
Total other long-term investments - net					1,868,301	1,739,891



Separate financial statements

Investments in ordinary shares

(Unit: Thousand Baht)

Company	Shareholding percentage		Cost method	
	2016	2015	2016	2015
	(%)	(%)		
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	
	2016	2015	2016	2015	2016	2015
Saha Pathana Inter-Holding Plc.	27,508	27,508	260,591	191,358	288,099	218,866
Bangkok Bank Plc.	212,427	204,402	221,394	203,662	433,821	408,064
Banyan Tree Indochina Hospitality Fund, L.P.	271,882	271,882	(130,654)	(112,899)	141,228	158,983
Buakaew Open-end Fund	20,000	-	1,605	-	21,605	-
Others	2,987	2,010	(1,987)	(2,010)	1,000	-
Total investments in available-for-sale securities	534,804	505,802	350,949	280,111	885,753	785,913
Total other long-term investments - net					1,644,634	1,544,794

During the current year, the Company and its subsidiaries received dividends from their investments in ordinary shares and available-for-sale securities totaling Baht 342 million (2015: Baht 245 million), with the Company receiving Baht 335 million (2015: Baht 237 million).



17. Investment properties

The net book value of investment properties as at 31 December 2016 and 2015 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
As at 31 December 2016							
Cost	1,391,630	2,664,954	87,963	4,144,547	1,186,689	1,794,721	2,981,410
<u>Less</u> Accumulated depreciation	(49,141)	(2,108,048)	-	(2,157,189)	(38,515)	(1,644,643)	(1,683,158)
<u>Less</u> Allowance for impairment loss	(4,413)	(154,808)	-	(159,221)	(4,413)	(138,707)	(143,120)
Net book value	1,338,076	402,098	87,963	1,828,137	1,143,761	11,371	1,155,132
As at 31 December 2015							
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

A reconciliation of the net book value of investment properties for the years 2016 and 2015 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Net book value at beginning of year	1,879,024	1,858,109	1,161,626	1,168,775
Acquisition of assets	3,341	5,889	-	-
Disposals/write-off - net book value	(17)	(11,371)	(17)	(672)
Transferred from property, plant and equipment - net book value	-	37,809	-	-
Depreciation for the year	(33,493)	(32,961)	(6,477)	(6,477)
Translation adjustments	(20,718)	21,549	-	-
Net book value at end of year	1,828,137	1,879,024	1,155,132	1,161,626



The fair value of the investment properties as at 31 December 2016 and 2015 stated below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Land and land improvement awaiting development	3,272,089	3,272,089	2,213,120	2,213,120
Factory and office building for rent	1,131,201	1,147,249	29,964	29,964

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. 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 improvement, buildings and facilities	Machinery and equipment	Power plants	Others	Total
Cost							
As at 1 January 2015	1,896,985	20,058	2,958,903	5,512,895	845,682	1,080,798	12,315,321
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
As at 31 December 2015	1,896,985	20,058	3,131,373	5,735,149	1,103,554	1,238,409	13,125,528
Additions	-	30	10,559	195,865	196,153	528,641	931,248
Disposals/write-off	-	-	(8,660)	(127,894)	(2,294)	(116,447)	(255,295)
Transfers	-	-	89,595	243,910	-	(333,505)	-
Translation adjustments	-	-	(41,935)	-	(79,004)	(2,106)	(123,045)
As at 31 December 2016	1,896,985	20,088	3,180,932	6,047,030	1,218,409	1,314,992	13,678,436



(Unit: Thousand Baht)

Consolidated financial statements (continued)							
	Land	Land improvement	Leasehold improvement, buildings and facilities	Machinery and equipment	Power plants	Others	Total
Accumulated depreciation							
As at 1 January 2015	-	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
As at 31 December 2015	-	4,084	1,200,006	4,573,836	409,958	751,543	6,939,427
Depreciation for the year	-	1,275	185,829	348,518	63,756	118,202	717,580
Depreciation on disposals/write-off	-	-	(8,657)	(127,185)	(2,065)	(116,273)	(254,180)
Translation adjustments	-	-	(8,930)	-	(31,363)	(1,704)	(41,997)
As at 31 December 2016	-	5,359	1,368,248	4,795,169	440,286	751,768	7,360,830



(Unit: Thousand Baht)

Consolidated financial statements (continued)						
	Land	Land improvement	Leasehold improvement, buildings and facilities	Machinery and equipment	Power plants	Others
	-	-	-	1,074	-	4,926
	-	-	-	(30)	-	(2)
	-	-	-	1,044	-	4,924
	-	-	-	90	-	-
	-	-	-	(62)	-	-
	-	-	-	1,072	-	4,924
	1,896,985	15,974	1,931,367	1,160,269	693,596	481,942
	1,896,985	14,729	1,812,684	1,250,789	778,123	558,300

Allowance for impairment loss

As at 1 January 2015

Decrease from disposals

As at 31 December 2015

Increase during the year

Decrease from disposals

As at 31 December 2016

Net book value

As at 31 December 2015

As at 31 December 2016

Depreciation for the year

2015 (Baht 603 million included in manufacturing cost, and the balance in selling and administrative expenses)

2016 (Baht 655 million included in manufacturing cost, and the balance in selling and administrative expenses)

668,406

717,580

(Unit: Thousand Baht)

Separate financial statements					
	Land	Buildings and facilities	Machinery and equipment	Others	Total
Cost					
As at 1 January 2015	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
Additions	-	-	-	5,550	5,550
Disposals/write-off	-	(4,742)	(706)	(7,867)	(13,315)
Transfers	-	613	-	(613)	-
As at 31 December 2016	18,550	142,218	84,584	295,752	541,104
Accumulated depreciation					
As at 1 January 2015	-	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
Depreciation for the year	-	2,684	-	8,276	10,960
Depreciation on disposals/write-off	-	(4,742)	(706)	(7,866)	(13,314)
As at 31 December 2016	-	130,784	84,118	263,060	477,962



(Unit: Thousand Baht)

Separate financial statements (continued)				
Land	Buildings and facilities	Machinery and equipment	Others	Total
-	-	495	4,925	5,420
-	-	(31)	(2)	(33)
-	-	464	4,923	5,387
-	-	464	4,923	5,387
18,550	13,505	2	31,109	63,166
18,550	11,434	2	27,769	57,755

Allowance for impairment loss

As at 1 January 2015

Decrease from disposals

As at 31 December 2015

As at 31 December 2016

Net book value

As at 31 December 2015

As at 31 December 2016

Depreciation for the year

2015 (included in administrative expenses)

2016 (included in administrative expenses)

8,099

10,960

As at 31 December 2016, the subsidiary had equipment under finance lease agreements with net book values amounting to Baht 86 million (2015: Baht 91 million).

As at 31 December 2016, 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 4,569 million (2015: Baht 4,332 million) and the Company only Baht 436 million (2015: Baht 445 million).

19. Goodwill

Goodwill of the Royal Hotel Co., Ltd. (a subsidiary) ("The Royal Hotel") from business acquisition amounting to Baht 522 million consisted of the business opportunity provided by the acquisition of a five star hotel (Hilton Hua Hin Resort and Spa) ready to operate immediately from the acquisition date, as well as various physical features are viewed as significant distinctive point of The Royal Hotel when compares with the business competitors in Hua Hin.

The recoverable amount of the CGUs have been determined based on value in use calculation using cash flow projections from financial budgets approved by the subsidiary's management covering a five-year period.

Key assumptions used in value in use calculation are summarised below:

(Unit: percent per annum)	
	The Royal Hotel
Growth rates	3 - 6
Discount rates	10

The subsidiary's management determined growth rates based on historical operation results and expected market growth and discount rates is the rate that reflects the risks specific to each CGU.

The management believes that there is no impairment loss for goodwill.

20. Other non-current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Withholding tax	28,348	32,917	2,574	672
Leasehold - net of accumulated amortisation	74,428	83,081	-	-
Advance for purchase of fixed assets	77,954	16,690	-	-
Others	52,523	35,021	2,102	2,282
Total other non-current assets	233,253	167,709	4,676	2,954

21. Bank overdrafts and short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate (percent per annum)	Consolidated financial statements	
		2016	2015
Bank overdrafts	MOR minus discount rate as defined in contract	3,943	7,383
Short-term loans from financial institutions	MLR minus discount rate as defined in contract	424,839	326,487
Total bank overdrafts and short-term loans from financial institutions		428,782	333,870

22. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Trade payables - related parties	27,372	17,318	20,670	11,718
Trade payables - unrelated parties	1,070,500	896,328	52,706	50,637
Other payables	102,463	207,859	329	429
Advance received	-	497,952	-	-
Accrued expenses	289,483	293,148	16,167	16,656
Others	62,731	60,634	1,970	1,302
Total trade and other payables	1,552,549	1,973,239	91,842	80,742

23. Long-term loans

(Unit: Thousand Baht)

Loan	Interest rate (%)	Repayment schedule	Consolidated financial statements	
			2016	2015
1. Loan from local bank	Based on MLR	Six-month installments from 2012 to 2017	15,000	35,000
2. Loan from local bank	Based on MLR	Six-month installments from 2014 to 2017	224,400	85,600
3. Loan from local bank	Based on MLR	Annual installments from 2015 to 2018	140,000	240,000
Total			379,400	360,600
Less: Current portion			(232,400)	(177,200)
Long-term loans, net of current portion			147,000	183,400

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 2016, the long-term credit facilities of the subsidiary which have not yet been drawn down amounted to Baht 60 million (2015: Baht 60 million).

24. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents the cash which will be paid to employees after they retire as at 31 December 2016 and 2015, were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Present value of defined benefit obligation	440,450	414,644	30,897	28,970
Fair value of plan assets	(162,395)	(144,339)	(13,745)	(12,235)
Net defined benefit liability	278,055	270,305	17,152	16,735

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	
	2016	2015	2016	2015
Defined benefit obligation at beginning of year	414,644	393,498	28,970	27,269
Current service cost	36,161	28,215	1,277	938
Interest cost	10,992	12,675	650	739
Reversal during the year	-	(1,253)	-	(1,253)
Transferred from related companies	1,302	-	-	-
Actuarial (gain) loss arising from				
Demographic assumptions changes	(135)	(1,065)	-	(25)
Financial assumptions changes	1,132	26,621	-	1,215
Experience adjustments	799	(5,298)	-	3,210
Benefits paid during the year	(24,445)	(38,749)	-	(3,123)
Defined benefit obligation at end of year	440,450	414,644	30,897	28,970
Fair value of plan assets at beginning of year	144,339	134,704	12,235	12,588
Change in fair value	3,892	923	526	122
Transferred from related companies	492	-	-	-
Contribution by the Company and its subsidiaries	26,201	21,434	1,003	985
Benefits paid during the year	(12,529)	(12,722)	(19)	(1,460)
Fair value of plan assets at end of year	162,395	144,339	13,745	12,235

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	
	2016	2015	2016	2015
Cost of sales	32,300	23,968	-	-
Selling and administrative expenses	14,853	16,922	1,927	1,677
Total expenses recognised in profit or loss	47,153	40,890	1,927	1,677

The Company and its subsidiaries expect to pay Baht 45 million (2015: Baht 44 million) of long-term employee benefits during the next year and the Company only amounting to Baht 7 million (2015: Baht 7 million).

As at 31 December 2016, the weighted average duration of the liabilities for long-term employee benefit is 12 years (2015: 12 years) and the Company only is 12 years (2015: 12 years).

Key actuarial assumptions used for the valuation are as follows:

(Unit: percent per annum)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Discount rate	2.8	2.8	2.8	2.8
Future salary increase rate	3.5 - 6.5	3.5 - 6.5	3.5 - 6.5	3.5 - 6.5

(depending on age of employees)

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2016 are summarised below:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(31)	34	(1)	1
Future salary increase rate	38	(35)	2	(1)

(depending on age of employees)

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	
	2016	2015	2016	2015
Salary and wages and other employee benefits	1,852,505	1,737,609	56,031	54,717
Depreciation and amortisation expenses	770,970	711,291	17,437	15,668
Rental expenses from operating lease agreements	35,725	30,251	18	-
Transportation expenses	30,228	30,173	2,195	1,766
Raw materials and consumables used	3,015,574	3,036,824	-	-
Purchase of finished goods and raw materials for sales	3,519,561	3,204,712	1,162,689	1,248,708
Changes in inventories of finished goods and work in process	(112,464)	(63,832)	(4,685)	1,880
Unrealised losses from revaluation of trading securities	-	87,430	-	-
Losses on impairment of investments	-	-	246,511	192,391
Expenses of withholding tax write-off	12,099	18,544	12,099	18,544



28. Income tax

Income tax expenses for the years ended 31 December 2016 and 2015 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Current income tax:				
Current income tax charge	280,240	186,972	87,675	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(3,446)	8,040	(83)	(5,848)
Income tax expenses (income) reported in the income statements	276,794	195,012	87,592	(5,848)

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2016 and 2015 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Deferred tax on exchange differences from translating foreign currency financial statements	-	1,375	-	-
Deferred tax on actuarial gain (loss)	(425)	4,589	-	880
Deferred tax on gains (losses) from the change in value of available-for-sale investments	(32,498)	29,526	(14,167)	26,215
Total	(32,923)	35,490	(14,167)	27,095



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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Accounting profit before tax	1,842,449	1,403,592	1,268,614	568,370
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	(149)	(6)	-	-
Applicable tax rate 10.0 percent	527	744	-	-
Applicable tax rate 16.5 percent	111,240	(5,299)	-	-
Applicable tax rate 20.0 percent	1,320,038	1,116,167	1,268,614	568,370
Applicable tax rate 25.0 percent	410,793	291,986	-	-
Accounting profit before tax multiplied by income tax rate	385,113	295,430	253,723	113,674
Effects of:				
Tax exempt dividend revenue	(72,104)	(33,624)	(216,518)	(158,395)
Share of (profit) loss from investments in joint ventures	4,244	(19,332)	-	-
Share of profit from investments in associates	(34,530)	(47,115)	-	-
Additional expense deductions allowed	(26,602)	(15,878)	(2,465)	(5,397)
Non-deductible expenses	22,046	11,891	52,187	4,090
Losses on impairment of assets (reversal)	3	(90)	(25)	38,375
Gains (losses) on disposals of investments under equity method	35,461	(3,544)	-	-
Unrecognised deferred tax on deductible temporary differences and unused tax losses	(25,636)	16,775	-	1,469
Others	(11,201)	(9,501)	690	336
Total	(108,319)	(100,418)	(166,131)	(119,522)
Income tax expenses (income) reported in the income statements	276,794	195,012	87,592	(5,848)



The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Deferred tax assets				
Allowance for diminution in value of inventories	9,903	8,838	-	-
Accumulated depreciation - Plant and equipment	9,213	9,803	-	-
Provision for long-term employee benefits	54,398	51,693	2,514	2,431
Unused tax loss	3,065	-	-	-
Deferred income	16,264	17,923	-	-
Others	2,148	3,127	-	-
Total	94,991	91,384	2,514	2,431
Deferred tax liabilities				
Gain on re-measuring available-for-sale investments	81,567	62,557	70,189	56,022
Others	617	232	-	-
Total	82,184	62,789	70,189	56,022

As at 31 December 2016, the subsidiaries have deductible temporary differences and unused tax losses totaling Baht 277 million (2015: Baht 304 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 2020.

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	
	2016	2015	2016	2015
Profit attributable to equity holders of the Company (Baht)	1,323,023,150	917,260,446	1,181,021,856	574,218,181
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)	4.56	3.16	3.94	1.91

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 2016 and 2015, 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		Consolidated financial statements	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Revenues																
Revenue from external customers	943	970	5,992	5,554	2,617	2,325	903	717	464	523	21	29	-	-	10,940	10,118
Inter-segment revenues	7	11	-	-	3	1	-	-	-	-	22	16	(32)	(28)	-	-
Total revenues	950	981	5,992	5,554	2,620	2,326	903	717	464	523	43	45	(32)	(28)	10,940	10,118
Segment operating profit	101	129	768	574	255	235	302	257	159	191	24	16	-	-	1,609	1,402
Unallocated income and expenses:																
Dividend income															376	264
Rental income															52	59
Interest income															54	25
Other income															668	478
Selling expenses															(271)	(274)
Administrative expenses															(765)	(846)
Share of profit (loss) from investments in joint ventures															(21)	97
Share of profit from investments in associates															173	236
Finance cost															(32)	(38)
Profit before income tax expenses															1,843	1,403
Income tax expenses															(277)	(195)
Non-controlling interests of the subsidiaries															(243)	(291)
Profit for the year - equity holders of the Company															1,323	917

Below is the segment assets of the Company and its subsidiaries' operating segment as at 31 December 2016 and 2015.

(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		Consolidated financial statements		
2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	
-	25	184	136	-	-	-	-	-	-	768	945	-	-	952	1,106	
204	201	660	687	488	961	152	92	23	46	126	78	-	-	1,653	2,065	
161	185	639	730	371	224	14	11	2	3	24	19	-	-	1,211	1,172	
-	-	-	-	-	-	-	-	-	-	180	-	-	-	180	-	
-	-	-	-	-	-	-	-	-	-	5,684	5,491	(5,684)	(5,491)	-	-	
-	-	90	89	-	-	-	-	-	-	1,329	2,737	-	-	1,419	2,826	
302	423	-	-	-	1	-	-	-	-	2,706	2,716	-	-	3,008	3,140	
2	2	12	12	-	-	-	-	-	-	1,854	1,726	-	-	1,868	1,740	
41	41	4	4	-	-	-	-	-	-	1,783	1,834	-	-	1,828	1,879	
203	229	1,863	1,736	95	96	778	694	2,716	2,704	657	721	-	-	6,312	6,180	
149	57	469	396	285	128	146	181	612	656	3,929	2,101	-	-	5,590	3,519	
1,062	1,163	3,921	3,790	1,239	1,410	1,090	978	3,353	3,409	19,040	18,368	(5,684)	(5,491)	24,021	23,627	

Transfer prices between business segments are set out in Note 8 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	
	2016	2015
Revenue from external customers		
Thailand	4,561	4,374
Japan	4,371	3,960
China	910	733
United Kingdom	257	318
Others	841	733
Total	10,940	10,118

Major customer

For the year 2016, a subsidiary has revenue from one major customer in amount of Baht 3,817 million, arising from sales by the plastic, rubber and metal segment (2015: Baht 3,362 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 2016 amounting to Baht 1 million (2015: Baht 1 million).

32. Dividends

(Unit: Baht)

Dividends	Approved by	Total dividends	Dividend per share
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
Final dividends for 2015	Annual General Meeting of the shareholders on 21 April 2016	450,000,000	1.50
Total for 2016		450,000,000	1.50

33. Commitments and contingent liabilities

33.1 Capital commitments

As at 31 December 2016, the Company and its subsidiaries had capital commitments of Baht 122 million (2015: Baht 97 million) and the Company only amounting to Baht 0.3 million (2015: Baht 1 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	
	2016	2015
Payable:		
In up to 1 year	30	24
In over 1 and up to 5 years	16	9
In over 5 years	9	10

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 2016 still has approximately 4 years left to run.

33.4 Commitment to purchase raw materials

33.4.1 As at 31 December 2016, the Company had commitments to purchase raw materials with overseas companies amounting to 3,100 Metric tons (2015: 1,710 Metric tons) with reference to contract prices. Deliveries of raw materials will occur within January to May 2017.

33.4.2 As at 31 December 2016, a subsidiary had commitments to purchase raw materials with overseas companies amounting to 81 Metric tons (2015: 210 Metric tons) with reference to contract prices. Deliveries of raw materials will occur during January to March 2017.

33.5 Guarantees

33.5.1 As at 31 December 2016, there were outstanding bank guarantees amounting to Baht 178 million (2015: Baht 230 million) issued by banks on behalf of the Company and its subsidiaries and the Company only amounting to Baht 2 million (2015: 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 143 million (2015: Baht 191 million) to guarantee contractual performance, Baht 16 million (2015: Baht 30 million) to guarantee electricity use and Baht 19 million (2015: Baht 9 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 2016 were Baht 115 million (2015: 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 percent of the loan guarantee amount. The outstanding loan guarantee as at 31 December 2016 was Baht 140 million (2015: Baht 290 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 Shaoxing Shangyu Hangzhou-Union Cogeneration Co., Ltd. (joint venture), amounting to RMB 170 million (2015: RMB 170 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 2016 and 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				
As at 31 December 2016				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Held for trade investments				
Equity instruments	673	-	-	673
Available-for-sale investments				
Equity instruments	1,095	-	-	1,095
Assets for which fair value are disclosed				
Investment properties	-	-	4,403	4,403

(Unit: Million Baht)

Consolidated financial statement				
As at 31 December 2015				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Held for trade investments				
Equity instruments	628	-	-	628
Available-for-sale investments				
Equity instruments	966	-	-	966
Assets for which fair value are disclosed				
Investment properties	-	-	4,419	4,419



(Unit: Million Baht)

Separate financial statement				
As at 31 December 2016				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Held for trade investments				
Equity instruments	886	-	-	886
Assets for which fair value are disclosed				
Investment properties	-	-	2,243	2,243

(Unit: Million Baht)

Separate financial statement				
As at 31 December 2015				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Held for trade investments				
Equity instruments	786	-	-	786
Assets for which fair value are disclosed				
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 2016					
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total
	Within 1 year	1-5 years			
Financial assets					
Cash and cash equivalents	898	-	3,540	2	4,440
Current investments	-	-	952	-	952
Trade and other receivables	-	-	-	1,653	1,653
Short-term loans to related parties	-	-	161	-	161
Restricted investments	-	34	-	-	34
	898	34	4,653	1,655	7,240
Financial liabilities					
Bank overdrafts and short-term loans from financial institutions	-	-	429	-	429
Trust receipts	-	-	25	-	25
Trade and other payables	-	-	-	1,553	1,553
Deposits from related parties	-	-	5	-	5
Liabilities under finance lease agreements	44	47	-	-	91
Long-term loans	-	-	379	-	379
	44	47	838	1,553	2,482



(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			
Financial assets					
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
Financial liabilities					
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)

Separate financial statements			
As at 31 December 2016			
	Floating interest rate	Non-interest bearing	Total
Financial assets			
Cash and cash equivalents	2,071	-	2,071
Trade and other receivables	-	229	229
Short-term loans to related parties	2	-	2
	2,073	229	2,302
Financial liabilities			
Trust receipts	25	-	25
Trade and other payables	-	92	92
Deposits from related parties	664	-	664
	689	92	781

(Unit: Million Baht)

Separate financial statements			
As at 31 December 2015			
	Floating interest rate	Non-interest bearing	Total
Financial assets			
Cash and cash equivalents	343	-	343
Trade and other receivables	-	180	180
Short-term loans to related parties	363	-	363
	706	180	886
Financial liabilities			
Trade and other payables	-	81	81
Deposits from related parties	866	-	866
	866	81	947



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	
	2016	2015	2016	2015	2016	2015
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	30	29	5	4	35.8307	36.0886
Japanese yen	2	4	36	57	0.3080	0.2996
HK dollar	2	2	-	-	4.6217	4.6579
Euro	2	2	-	-	37.7577	39.4388

Foreign exchange contracts outstanding are summarised below.

As at 31 December 2016					
Foreign currency	Bought amount	Sold amount	Contractual exchange rate		Contractual maturity date
			Bought	Sold	
	(Million)	(Million)	(Baht per 1 foreign currency unit)		
US dollar	2	6	35.0500 - 36.0817	34.5700 - 36.0400	February 2017 - June 2017
Euro	-	2	-	37.8000 - 40.7000	February 2017 - June 2017

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



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 2016, the Group's debt-to-equity ratio was 0.15:1 (2015: 0.16:1) and the Company's was 0.06:1 (2015: 0.07:1).

37. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised director on 27 February 2017.



Auditor's Remuneration

Audit fee

The auditors of the Company and its subsidiaries in the year 2016 were Mr. Khitsada Lerdwana, Certified Public Accountant No. 4958 (1st year auditor replacing the previous certified public accountant who has completed his five yearly consecutive terms as a certified auditor) or Miss Thipawan Nananuwat, Certified Public Accountant No. 3459 or Mrs. Ponnard Paocharoen, Certified Public Accountant No. 5238 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 2016, the Company and its subsidiaries have paid the audit fee to EY Office Ltd., totaled Baht 10,785,000.- 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 2016, 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 60-62)

- 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 62-63)

- 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 63-64)

- 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

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 or the Company's website at 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 9000

Fax : (66-2) 009 9991

SET Contact center: 0-2009-9999

Website: <http://www.set.or.th/tsd>

E-mail: SETContactCenter@set.or.th

Auditors

Mr. Khitsada Lertwana, who was a Certified Public Accountant approved from the Securities and Exchange Commission.

EY Office Limited

33rd Floor, Lake Rajada Office Complex

193/136-137 Rajadapisek Road, Klongtoey, Bangkok 10110

Tel : (66-2) 264-0777

Fax : (66-2) 264-0789

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 22-23.

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.**
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 Chareonkroong 41 Alley, Chareonkroong Road, Seephraya, 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) 323-0565
Fax : (66-2) 710-7793
- **Union Spinning Mills Co., Ltd**
142 Latphrao 80 Alley (Chantima), Latphrao Road, Wangthonglang, Bangkok 10310
Tel : (66-2) 530-0511
Fax : (66-2) 538-4247

Plastic, Rubber and Metal Business

- **Union Pioneer Public Company Limited**
No. 1, Serithai 62 Alley, 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 Serithai 62 Alley, Minburi, Bangkok 10510
Tel : (66-2) 517-0109-14
Fax : (66-2) 517-0529
- **Union Zojirushi Co., Ltd.**
11/3 Serithai 62 Alley, 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 Serithai 62 Alley, Minburi, Bangkok 10510
Tel : (66-2) 919-8996-8
Fax : (66-2) 517-8167
- **Union Rubber Products Corp., Ltd.**
11/1 Serithai 62 Alley, 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 Serithai 62 Alley, 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.**

12 Serithai 62 Alley, 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 Latphrao 80 Alley (Chantima), Latphrao 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

- **Shaoxing Shangyu Hangzhou-Union Cogeneration Co., Ltd.**

No. 7, Wei Jiu Road, Shangyu Economic and Technological Development Zone, Hangzhou Bay, Zhejiang Province, China

- **Yunnan Energy Luliang-Union Cogeneration 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 Sukhumvit 62 Alley, 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
12th 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.**
15th 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 Human Resources Development Co., Ltd**
1828 Sukhumvit Road, Bangchak, Phrakonong,
Bangkok 10260
Tel : (66-2) 311-5111-9
Fax : (66-2) 331-5668
- **Union Shoes Co., Ltd.**
1828 Sukhumvit Road, Bangchak, Phrakonong,
Bangkok 10260
Branch : 99 Moo 5 Bangna-Trad Road (Km. 38),
Bangsamak, Bangpakong, Chachoengsao 24180
Tel : (66-2) 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, Phraknong,
Bangkok 10260
Tel : (66-2) 311-5111-9
Fax : (66-2) 331-5668
- **Union Nakorn Co., Ltd.**
899 I-biz Village, Pattanakarn Khu Kwang Road,
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.**
1828 Sukhumvit Road, Bangchak, Phraknong,
Bangkok 10260
Tel : (66-2) 311-5111-9
Fax : (66-2) 331-5668
- **Uni-Agro Co., Ltd.**
142 Latphrao 80 Alley (Chantima), Latphrao Road,
Wangthonglang, Bangkok 10310
Tel : (66-2) 514-7555, 530-0511-24
Fax : (66-2) 538-3292
- **Union Thread Industries Co., Ltd.**
142 Latphrao 80 Alley (Chantima), Latphrao Road,
Wangthonglang, Bangkok 10310
Tel : (66-2) 514-7555, 530-0511-24
Fax : (66-2) 539-6153
- **Union Industries Corp., Ltd.**
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Integrity

Quality

Service



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