



บริษัท สหยูเนียน จำกัด (มหาชน)
SAHA-UNION PUBLIC CO., LTD.

และบริษัทในกลุ่ม • And Group Companies



ANNUAL REPORT
2017

SAHA-UNION



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.

MISSIONS

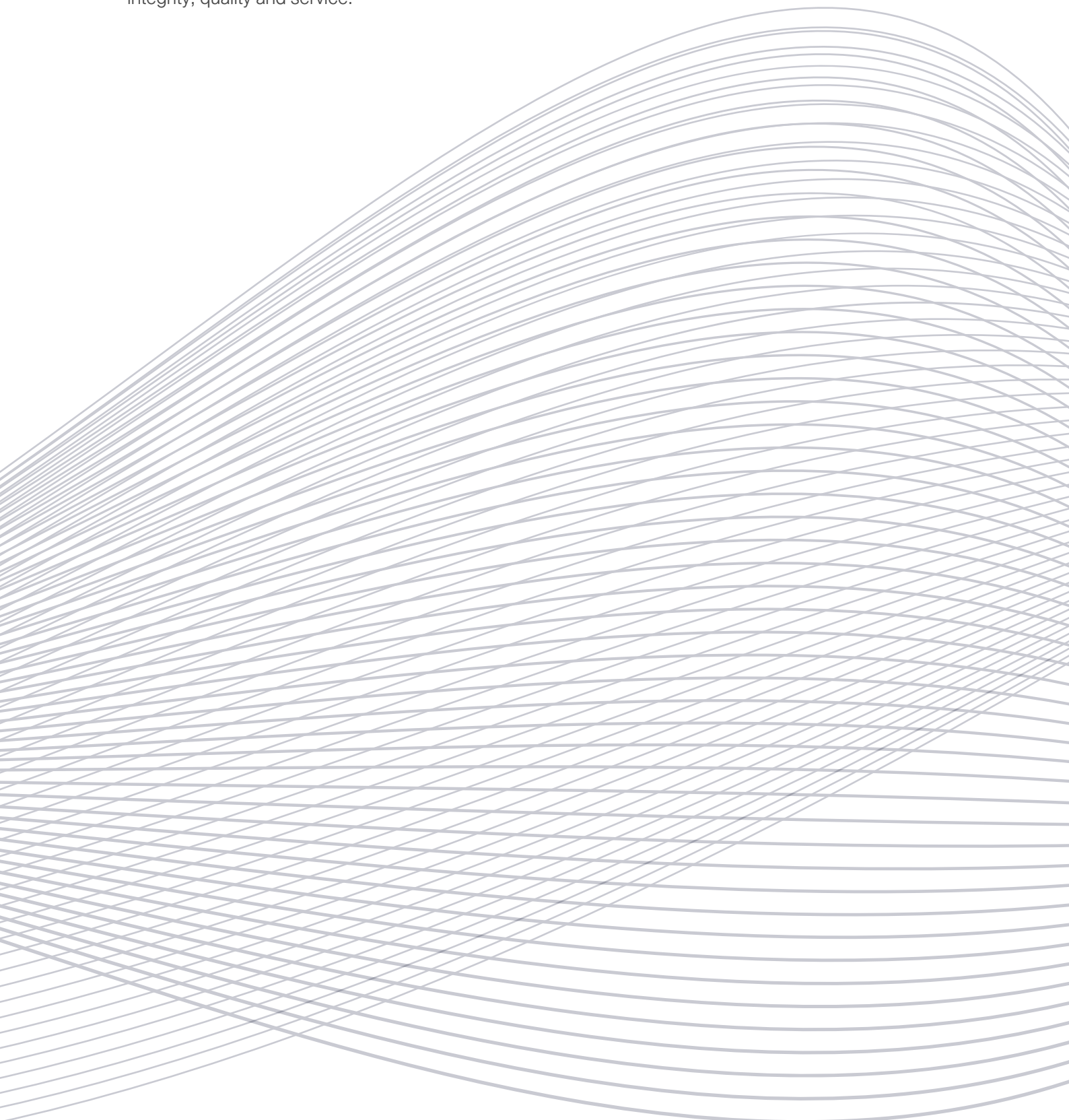
- To develop the growth and stability of existing businesses.
- To enlarge/extend the businesses that members of the Group are adept and well versed.
- To administer existing investments while exploring new opportunities offering long-term potential and sound return on investments.
- To groom new generation 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, create growth and 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 risk potentials and 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 and its subsidiaries	2017	2016	2015
Total revenues	12,073.6	12,242.0	11,276.2
Revenues from sales and services income	10,689.7	10,939.9	10,117.6
Gross profit	1,426.8	1,608.9	1,402.2
Profit for equity holders of the Company	1,344.1	1,323.0	917.3
Total assets	25,540.8	24,020.9	23,627.0
Total liabilities	3,830.9	3,075.5	3,339.3
Total shareholders' equity	21,709.9	20,945.4	20,287.7
Earning ratio (%)	11.13%	10.81%	8.13%
Earnings per share (Baht)	4.64	4.56	3.16
Book value per share (Baht)	68.55	65.76	63.76
Net tangible assets per share (Baht)	66.75	63.96	61.96
Return on assets (%)	5.42%	5.55%	4.01%
Return on equity (%)	6.90%	7.04%	5.06%
Debt to equity ratio (Times)	0.18	0.15	0.16

Saha-Union Public Company Limited	2017	2016	2015
Revenues	2,299.4	2,796.4	2,137.4
Sales and service income	1,234.5	1,176.4	1,273.7
Export sales	506.2	482.5	520.9
Local sales	728.3	693.9	752.8
Gross profit	15.3	18.4	23.1
Profit for equity holders of the Company	903.8	1,181.0	574.2
Earnings per share (Baht)	3.01	3.94	1.91
Dividend per share (Baht)	2.00	2.00	1.50
Book value per share (Baht)	50.56	48.24	45.61

Board of Director's Report 2017



“ according to the separate financial statements, the Company recorded total assets of THB 16,144.8 million, increasing from the previous year by THB 775.5 million, total liabilities of THB 976.7 million, increasing by THB 79.5 million compared to the previous year, and a total net profit amounted to THB 903.8 million or THB 3.01 per share. Regarding the consolidated financial statements, the Company recorded total assets of THB 25,540.8 million, an increase of THB 1,519.9 million from the previous year, total liabilities of THB 3,830.9 million, an increase of THB 755.3 million compared to last year and a net profit of equity shareholders of the Company accounted for THB 1,344.1 million or THB 4.64 per share. ”

(Miss Sriwarin Jirapakkana)
Chairman

In 2017, the economies of major countries such as the USA, EU, China, and Japan started to recover, resulting in global economic expansion. However, there were some possible risk factors that may interrupt the growth in a long run, such as the uncertainty of trade, financial, and economic policies of the major countries, as well as the fluctuation in financial markets, currency exchange rates, and capital flights.

Thailand's economy in 2017 showed a better sign of growth, mainly due to the expansion of export trade and tourism. The expansions of consumption and investment from private sector, however, were slower than the overall economic expansions. The major obstructive factors were the fluctuation of agricultural product prices and high domestic debts. Manufacturing industry maintained low production capacity. Manufacturing for consumables in domestic remained steady. Many export-oriented manufacturers benefited from the high demands from overseas markets, whereas some of them were faced with a fiercer price competition from China and Vietnam, such as textile and garment industries. However, export trade sector experienced some negative factors that reduced the expansion such as fluctuation of stronger Baht and the uncertainty of the global economic recovery. Tourism sector improved in almost all regions of the country due to a larger number of foreign tourists. Tourism-related businesses continuously grew. There have been many new hotels development, resulting in a fiercer price competition.

In the past year, the Company was operated under the major changes as follows:

In the first quarter, the Company disposed its investment in an associated company, Zhejiang Union Property Co., Ltd., that engaged in a real estate business in Zhejiang Province, the People's Republic of China. The Company made this decision as the properties in the project had almost been sold out, and the shareholders agreed to terminate the project. The Chinese shareholders who had no relationship with the Company proposed to buy the Company's shares, based on the estimated net asset value of the project was at a total of RMB 120 million. The Company invested in 35 percent of the total shares, thus receiving RMB 42 million. The Company gained a profit of THB 43.7 million from the deal. The transaction was approved by all relevant Chinese government authorities and the consideration was received in the first quarter of 2017. Consequently, the Company now has one fewer associated company.

In the fourth quarter, the Company took in consideration the social trends towards health consciousness and expecting long-term returns. The Company decided to acquire shares in an entity called KPN Healthcare Public Co., Ltd. (KPNHC) which had no relation with the Company. The objective of KPNHC is to engage in a hospital and related health service business. The investment was approximately THB 4,000 million with the register capital of THB 1,600 million. The proportion of this investment was 25 percent of KPNHC's register capital, or THB 400 million, at par value THB 10 each per share. There are 4 times for subscription and the last subscription is expected to be within year 2020. This deal resulted in one more associated company.

Regarding Saha-Union Public Co., Ltd.'s financial position and performance in year 2017, according to the separate financial statements, the Company recorded total assets of THB 16,144.8 million, increasing from the previous year by THB 775.5 million, total liabilities of THB 976.7 million, increasing by THB 79.5 million compared to the previous year, and a total net profit amounted to THB 903.8 million or THB 3.01 per share. Regarding the consolidated financial statements, the Company recorded total assets of THB 25,540.8 million, an increase of THB 1,519.9 million from the previous year, total liabilities of THB 3,830.9 million, an increase of THB 755.3 million compared to last year and a net profit of equity shareholders of the Company accounted for THB 1,344.1 million or THB 4.64 per share.

Regarding the performance of the Group Companies in 2017, the overall export manufacturing was affected by gradually stronger Baht during the year. The production cost for many product lines increased according to the increase in raw materials and labor costs, while it was difficult to raise the selling prices of products and services considering partners' weakening purchasing power as well as a high competition in the market. Saha-Union Group attempted to adapt and review its operation plans according to the situations, to maintain its competitiveness and profits. The key strategies included maintaining product quality and offering punctual delivery to secure existing customer, researching and developing new products as well as creating more value added to existing products and services, expanding the distribution channels and customer to boost the sale volume, reducing operation

cost by enhancing production techniques and processes for better efficiency and effectiveness to mitigate waste and loss in production process, investing in new machinery and equipments, and training the personnel.

Year 2017 was a challenging year to the Company and Group Companies. Despite the slow economic recovery and ongoing uncertainty, the Company and Group Companies managed to generate profits, under the strong foundation and financial position, thorough operation and financial risk management, as well as the hard work of Directors, Managers, and all employees.

Regarding the future plans, the Company determined to engage its businesses with good governance and sustainable development. Being responsible for all stakeholders as well as the society and environment by strengthening existing businesses and seeking new opportunities to invest in businesses with potential to generate incomes and yield proper profits. These will continuously create value to the Company.

The Company is fully aware of the risk of corruption which may pose a major threat to the development of the country. Ever since the establishment of the Company, the Company and Group Companies have shared policies, determination, and intention to practically prevent all kinds of corruption under sufficient and appropriate internal control system. "Anti-Corruption Policies and Operation Guideline" has been created to be used as a clear business guideline, covering all business activities in every country and relevant department. The Company focuses on fostering morals and good understanding in applying the policies in work and solemnly preventing corruption.

On behalf of the Company's Board of Directors, I would like to express my sincere appreciation to our shareholders, customers, partners, business allies, and stakeholders for entrusting and supporting the Company and Group Companies. More importantly, I would like to thank our Board of Directors and every employee for their endeavors and efforts that greatly contribute to our success. I assure that Saha-Union Group will stay fully focused on administering our business with efficiency and transparency under the core value, "INTEGRITY, QUALITY, SERVICE" to achieve our main goals in making the Company prosperous and generating sustainable return to all stakeholders.



(Miss Sriwarin Jirapakkana)

Chairman

Directors



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02



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01 Miss Sriwarin Jirapakkana
Chairman

02 Miss Dalad Saphavichaikul
Vice Chairman

03 Mr. Chutindhon Darakananda
Vice Chairman / Nomination and
Remuneration Committee

04 Mrs. Achara Chandrachai
Chairman of the Audit Committee /
Independent Director

05 Miss Pakpachong Vadhanasindhu
Audit Committee /
Independent Director

06 Miss Pakinee Prertitumrong
Audit Committee /
Independent Director /
Nomination and Remuneration Committee

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



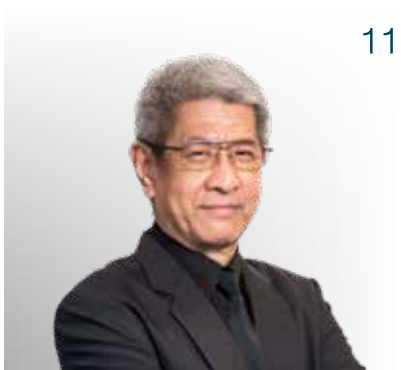
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16

08 Mrs. Busarakham Nilavajara
Independent Director

09 Mrs. Chantorntree Darakananda
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

16 Mrs. Chadaporn Jiemsakultip
Company Secretary

Directors

1

Miss Sriwarin Jirapakkana

Chairman

Age 70 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.
- 1999 - 2016 Vice Chairman, Union Industries Corp. Ltd.
- 1999 - 2016 Vice Chairman, Union Thread Industries Co., Ltd.
- 2002 - 2006 President, Union Textile Industries Public Company Limited.
- 2005 - April 2012 Director, Union Thai-Nichiban Co., Ltd.
- 2005 - March 2017 Director, Union Zojirushi 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.
- April 2012 - April 2017 Director, Union Nifco Co., Ltd.
- May 2014 - 2016 Chairman, The Royal Hotel Co., Ltd.
- August 2015 - April 2017 Director, The Sukhumvit 62 Medical Limited.

Current Positions

Listed Companies

- 2013 - 2017 Chairman, Saha-Union Public Company Limited.

Other Companies

- None -

Years of Directorship 24 years (since March 1993)

2

Miss Dalad Saphthavichaikul

Vice Chairman

Age 61 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.
- May 2014 - 2016 Director, The Royal Hotel Co., Ltd.

Current Positions

Listed Companies

- 2017 - Present Vice Chairman, Saha-Union Public Company Limited.
- May 2015 - Present Chairman, Union Textile Industries Public Company Limited.
- May 2014 - Present Chairman, Union Plastic Public Company Limited.
- June 2012 - Present Chairman, Union Pioneer Public Company Limited.
- 2012 - Present Chairman of the Risk Management Committee, Saha-Union Public Company Limited.

Saha-Union Group Companies

- 2012 - Present Chairman, Union Nifco Co., Ltd.
- 2012 - Present Chairman, Union Garment Co., Ltd.
- 2013 - Present Chairman, Union Zojirushi Co., Ltd.
- 2013 - Present Chairman, Union Micronclean Co., Ltd.
- 2013 - Present Chairman, Union Stainless Steel Products Co., Ltd.
- March 2014 - Present Chairman, Union Thai-Nichiban Co., Ltd.
- August 2015 - Present Director, The Sukhumvit 62 Medical Limited.
- 2017 - Present Chairman and President, Computer Union Co., Ltd.
- March 2017 - Present Chairman, The Royal Hotel Co., Ltd.
- December 2017 - Present Director, KPN Healthcare Public Co., Ltd.
- Present Chairman and Director, Other Companies in Saha-Union Group

Other Companies

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

Years of Directorship 18 years (since December 1999)

3

Mr. Chutindhon Darakananda

Vice Chairman / Nomination and Remuneration Committee

Age 58 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

- December 1990 - 2006 Director, Saha-Union Public Company Limited.
- 1992 - February 2017 Vice Chairman, Venus Thread Co., Ltd.
- 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.
- May 2014 - February 2017 Director, The Royal Hotel Co., Ltd.

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.
- May 2017 - Present Director, Union Pioneer Public Company Limited.

Saha-Union Group Companies

- 1992 - Present Vice Chairman, Union Spinning Mills 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.
- November 2015 - Present Director, Union Zojirushi Co., Ltd.
- March 2017 - Present Vice Chairman, The Royal Hotel Co., Ltd.
- March 2017 - Present Director, Venus Thread Co., Ltd.
- April 2017 - Present Director, The Sukhumvit 62 Medical Limited.
- May 2017 - Present Director, Union Nifco Co., Ltd.
- December 2017 - Present Director, KPN Healthcare Public Co., Ltd.
- Present Chairman, Vice Chairman and Director,
Other Companies in Saha-Union Group

Other Companies

- None -

Years of Directorship 27 years (since December 1990)

4

Mrs. Achara Chandrachai

Chairman of the Audit Committee / Independent Director

Age 69 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 Companies

- 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
- 2017 - Present Vice Chairman, Friends in Need (of"PA")
Volunteers Foundation Thai Red Cross

Years of Directorship

5 years (since January 2013)

Years of Independent Directorship

5 years (since January 2013)

5

Miss Pakpachong Vadhanasindhu

Audit Committee / Independent Director

Age 67 years

Education

- B.Com., M.Com., Faculty of Commerce and Accountancy, Chulalongkorn University
- MBA. U. of Nebraska at Omaha
- DBA. United States International University

IOD's Training

- Director Accreditation Program (DAP) Class 21/2004
- Director Certification Program (DCP) Class 58/2005
- Audit Committee Program (ACP) Class 36/2011
- Monitoring Fraud Risk Management (MFM) Class 6/2011
- Monitoring of the Quality of Financial Reporting (MFR) Class 15/2012
- Monitoring the Internal Audit Function (MIA) Class 12/2012
- Monitoring the System of Internal Control and Risk Management (MIR) Class 14/2013

Experiences

- 2003 - 2007 Head of the International Business Management Program, Faculty of Commerce and Accountancy, Chulalongkorn University
- 2004 - 2008 Director, Master of Management in International Business Program
- 2004 - 2012 Sub-committee of Indices Determination for Assessment of the State Enterprises, Ministry of Finance
- 2008 - 2010 Board Member of the Technology and Innovation Management Program, Chulalongkorn University
- March 2009 - 2016 Chairman of the Audit Committee / Independent Director, Union Plastic Public Company Limited.
- 2011 - 2013 Chairman of the Risk Management Committee and Independent Director, Cambodian Commercial Bank Ltd.
- February 2012 - 2016 Nomination and Remuneration Committee, Union Plastic Public Company Limited.

Current Positions

Listed Companies

- 2017 - Present Audit Committee / Independent Director, Saha-Union Public Company Limited.

Saha-Union Group Companies

- None -

Other Companies

- Present Lecturer on Business Ethic, Strategic Management, Entrepreneurship
- Present Business Advisor for Organization and Personnel Management, Strategic Planning, Strategic Management and Innovation.

Years of Directorship 1 year (since 1 January 2017)

Years of Independent Directorship 1 year (since 1 January 2017)

6

Miss Pakinee Prerttitumrong

Audit Committee / Independent Director /
Nomination and Remuneration Committee

Age 68 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.
- 1994 - April 2016 Director, Venus Button 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

- 1996 - Present Director, Union Button Corp., Ltd.

Other Companies

- None -

Years of Directorship 19 years 9 months (since April 1998)

Years of Independent Directorship 13 years (since January 2005)

7

Mr. Yanyong Tangchitkul

Independent Director /

Chairman of the Nomination and Remuneration Committee

Age 65 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

8 years 4 months (since September 2009)

Years of Independent Directorship

8 years 4 months (since September 2009)

8

Mrs. Busarakham Nilavajara

Independent Director

Age 66 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 -

Other Companies

- None -

Years of Directorship

5 years (since January 2013)

Years of Independent Directorship

5 years (since January 2013)

9

Mrs. Chantorntree Darakananda**President****Age** 54 years**Education**

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

IOD's Training

- Director Accreditation Program (DAP) Class 5/2003

Experiences

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

Current Positions**Listed Companies**

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

Saha-Union Group Companies

- April 2015 - Present Director, Computer Union Co., Ltd.
- April 2015 - Present Director, Union Zojirushi Co., Ltd.
- April 2015 - Present Director, Union Nifco Co., Ltd.
- April 2015 - Present Director, Union Rubber Products Corp., Ltd.
- April 2015 - Present Director, Thai Rubber Enterprise Co., Ltd.
- April 2015 - Present Director, Union Stainless Steel Products Co., Ltd.
- August 2015 - Present Executive Director, The Sukhumvit 62 Medical Limited.
- March 2016 - Present Director, Union Thai-Nichiban Co., Ltd.
- March 2017 - Present Director, Union Zip Co., Ltd.
- December 2017 - Present Director, KPN Healthcare Public Company Limited.
- Present Director, Other Companies in Saha-Union Group

Other Companies

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

Years of Directorship

5 years (since January 2013)

10

Mr. Preecha Shunhavanich**Vice President****Age** 60 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 Company Limited.
- 2004 - 2007 Director, Union Plastic Public Company Limited.
- 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**

- 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.
- 2017 - Present Director, Union Nakorn Co., Ltd.

Other Companies

- None -

Years of Directorship

3 years (since January 2015)

11

Mr. Thitivat Suebsaeng

Director

Age 64 years

Education

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

IOD's Training

- Director Accreditation Program (DAP) Class 21/2004

Experiences

- September 1993 - October 2001 Managing Director, Union Plastic Public Company Limited.
- March 2007 - March 2013 Chairman, Union Zojirushi Co., Ltd.
- March 2007 - April 2015 Director, Union Zojirushi Co., Ltd.
- 2007 - February 2013 Chairman, Union Stainless Steel Products Co., Ltd.
- 2007 - March 2014 Chairman, Union Thai-Nichiban Co., Ltd.
- 2007 - April 2015 Director, Union Nifco Co., Ltd.
- January 2008 - December 2011 President, Saha-Union Public Company Limited.
- March 2008 - April 2012 Chairman, Union Garment Co., Ltd.
- March 2008 - 2013 Director, Union Garment Co., Ltd.
- March 2008 - April 2013 Chairman, Union Micronclean Co., Ltd.
- March 2008 - December 2013 Director, Union Textile Industries Public Company Limited.
- April 2008 - April 2012 Chairman, Union Universe Co., Ltd.
- April 2008 - April 2014 Director, Union Universe Co., Ltd.
- June 2008 - March 2013 Director, TenCate-Union Protective Fabrics Asia Limited.
- August 2008 - March 2014 Director, Union Technology (2008) Public Company Limited.
- March 2009 - June 2017 Director, Yunnan Energy Luliang-Union Cogeneration Co., Ltd.
- January 2010 - December 2011 Managing Director, Union Plastic Public Company Limited.
- January 2012 - May 2014 Chairman, Union Plastic Public Company Limited.
- September 2015 - December 2015 Acting Managing Director, Union Plastic Public Company Limited.

Current Positions

Listed Companies

- September 1992 - Present Director, Union Plastic Public Company Limited.
- January 2003 - Present Director, Saha-Union Public Company Limited.

Saha-Union Group Companies

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

Other Companies

- None -

Years of Directorship 15 years (since January 2003)

12

Mrs. Pinijporn Darakananda Kasemsap

Director

Age 55 years

Education

- 1985 - 1991 University of California, San Francisco (Doctor of Pharmacy)
- 1981 - 1985 University of California, Davis (B.S. Chemistry)

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.
- 1995 - 2016 Director, Union Spinning Mills Co., Ltd.
- 1996 - 2005 Managing Director, Venus Kids Co., Ltd.
- 2009 - 2016 Director, Union Zip Co., Ltd.
- 2009 - 2016 Director, Venus Thread 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.
- 1996 - Present Managing Director, Uni-Agro Co., Ltd.
- 2008 - Present Deputy Managing Director, International Investment Projects, Saha-Union Investment (China) 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 - 2017 Managing Director, Union Property Co., Ltd.
- May 2014 - Present Managing Director, The Royal Hotel Co., Ltd.
- March 2017 - Present Director, Union Zojirushi Co., Ltd.
- Present Director, Other Companies in Saha-Union Group

Other Companies

- None -

Years of Directorship 7 years (since December 2010)

13

Mr. Bovornrat Darakananda**Director****Age** 54 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.
- 2001 - March 2016 Director, Venus Thread Co., Ltd.
- 2001 - March 2016 Director, Union Zip 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.
- April 2011 - Present Director, Saha Union Holding Co., Ltd.
- Present Director, Other Companies in Saha-Union Group

Other Companies

- None -

Years of Directorship 26 years 9 months (since April 1991)

14

Mr. Vacharaphong Darakananda**Director****Age** 52 years**Education**

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

IOD's Training

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

Experiences

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

Current Positions**Listed Companies**

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

Saha-Union Group Companies

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

Other Companies

- None -

Years of Directorship 25 years 11 months (since February 1992)

15

Mr. Nanthiya Darakananda

Director

Age 49 years

Education

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

IOD's Training

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

Experiences

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

Current Positions

Listed Companies

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

Saha-Union Group Companies

- None -

Other Companies

- None -

Years of Directorship 21 years 9 months (since April 1996)

16

Mrs. Chadaporn Jiemsakultip

Company Secretary

Age 55 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 4 years

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. Chantornree Darakananda	- Elder brother of the husband of Mrs. Chantornree Darakananda
	- Younger sister in law of Mr. Chutindhon Darakananda
Mr. Preecha Shunhavanich	- Elder sister in law of Mrs. Pinijporn Darakananda Kasemsap, Mr. Bovornrat Darakananda and Mr. Vacharaphong Darakananda
Mrs. Pinijporn Darakananda	- Brother in law of Miss Sriwarin Jirapakkana
Kasemsap	- Younger sister of Mr. Chutindhon Darakananda
	- Elder sister of Mr. Bovornrat Darakananda and Mr. Vacharaphong Darakananda
Mr. Bovornrat Darakananda	- Younger sister of the husband of Mrs. Chantornree Darakananda
	- Younger brother of Mr. Chutindhon Darakananda and Mrs. Pinijporn Darakananda Kasemsap
	- Elder brother of Mr. Vacharaphong Darakananda
Mr. Vacharaphong Darakananda	- Younger brother of the husband of Mrs. Chantornree Darakananda
	- Younger brother of Mr. Chutindhon Darakananda, Mrs. Pinijporn Darakananda Kasemsap and Mr. Bovornrat Darakananda
Mr. Nanthiya Darakananda	- Younger brother of the husband of Mrs. Chantornree Darakananda
	- Cousin of Mr. Chutindhon Darakananda, Mrs. Pinijporn Darakananda Kasemsap, Mr. Bovornrat Darakananda and Mr. Vacharaphong Darakananda



IOD's Accreditation and Certification Training Program of the Board of Directors

About the Responsibility and Skills of being the Director

Thai Institute of Directors Certification Programs (Thailand Institute of Directors : IOD)													
No.	Name	Surname	Director Accreditation Program	Director Certification Program	Finance for Non-Finance Director	Audit Committee Program	Role of the Compensation Committee	Chartered Director Class	Director Diploma Examination	Monitoring Fraud Risk Management	Monitoring of the Quality of Financial Reporting	Monitoring the Internal Audit Function	Monitoring the System of Internal Control and Risk Management
			(DAP)	(DCP)	(FN)	(ACP)	(RCC)				(MFM)	(MFR)	(MIA)
1	Miss Sriwarin	Jirapakkana	18/2004	-	-	-	-	-	-	-	-	-	-
2	Miss Dalad	Sapthavichaikul	-	9/2001	1/2001	10/2005	-	-	4/2001	-	-	-	-
3	Mr. Chutindhon	Darakananda	17/2004	-	-	-	-	-	-	-	-	-	-
4	Mrs. Achara	Chandrachai	-	45/2004	-	27/2009	-	-	-	-	-	-	-
5	Miss Pakpachong	Vadhanasindhu	21/2004	58/2005	-	36/2011	-	-	-	6/2011	15/2012	12/2012	14/2013
6	Miss Pakinee	Prertitumrong	2/2003	-	-	-	-	-	-	-	-	-	-
7	Mr. Yanyong	Tangchitkul	79/2009	-	-	-	-	-	-	-	-	-	-
8	Mrs. Busarakham	Nilavajara	100/2013	-	-	-	-	-	-	-	-	-	-
9	Mrs. Chantomtree	Darakananda	5/2003	-	-	-	-	-	-	-	-	-	-
10	Mr. Preecha	Shunhavanich	62/2007	-	-	-	-	-	-	-	-	-	-
11	Mr. Thitivat	Suebsaeng	21/2004	-	-	-	-	-	-	-	-	-	-
12	Mrs. Pinijporn	Darakananda Kasemsap	92/2011	-	-	-	-	-	-	-	-	-	-
13	Mr. Bovornrat	Darakananda	18/2004	-	-	-	-	-	-	-	-	-	-
14	Mr. Vacharaphong	Darakananda	2/2003	69/2006	-	-	15/2012	7/2013	19/2006	-	-	-	-
15	Mr. Nanthiya	Darakananda	2/2003	212/2015	-	-	-	-	-	-	-	-	-

Board Structure and Company Executives

As of 31 December 2017

Board of Directors

• Miss Sriwarin	Jirapakkana	Chairman
• Miss Dalad	Sapthavichaikul	Vice Chairman
• Mr. Chutindhon	Darakananda	Vice Chairman
• Mrs. Achara	Chandrachai	Independent Director
• Miss Pakpachong	Vadhanasindhu	Independent Director
• Miss Pakinee	Prertitumrong	Independent Director
• Mr. Yanyong	Tangchitkul	Independent Director
• Mrs. Busarakham	Nilavajara	Independent Director
• Mrs. Chantorntree	Darakananda	President
• Mr. Thitivat	Suebsaeng	Director
• Mr. Preecha	Shunhavanich	Director
• Mrs. Pinijporn Darakananda	Kasemsap	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
• Miss Pakpachong	Vadhanasindhu	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. Pinijporn Darakananda	Kasemsap
• Mrs. Chantorntree	Darakananda
• Mr. Bovornrat	Darakananda
• Mr. Vacharaphong	Darakananda

Executives

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

- Remark**
1. Miss Dalad Sapthavichaikul was appointed to be a Chairman, effective January 1st, 2018.
 2. Mr. Supakit Puangbua was elected to be a Director, as the replacement of Miss Sriwarin Jirapakkana, who resigned from the Chairman and Director due to retirement, effective January 1st, 2018.

Direct Investment of Saha-Union (in Group Companies)

as at 31 December 2017

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	98.086	104.61
Energy Business	Zhejiang Jiashan-Union Cogeneration Co., Ltd.	USD 24,100,000	USD 18,707,000		56.929	38.39
	Shaoxing 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
	KPN Healthcare Public Company Limited	950,000,000	950,000,000	10.00	25.000	10.00
Investment Business and Others	Saha-Union International Ltd.	HKD 404,500,000	HKD 404,500,000	100.00	99.988	4.72
	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	4.86
	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 Corp., 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.	600,000,000	600,000,000	100.00	62.487	100.14
	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
	50.56	43.50		10 Aug. 1972	Investment, distribution of raw materials and products manufactured by group companies
452,337,284.26	19.96	19.96	239,435,569.20	20 Jun. 2003	Contract manufacture and distribution of textile products
321,180,863.41	11.76	13.40	401,051,280.00	21 Mar. 1977	Manufacture and distribution of textiles
70,344,917.52	136.34	136.34	68,161,274.24	26 Apr. 1974	Manufacture and distribution of garments
3,751,380.06	1,083.85	1,083.85	40,534,906.15	7 Mar. 1968	Distributor of Grand Slam shirts
1,250,405.30	78.53	78.53	9,816,799.71	24 Jan. 1996	Manufacture and distribution of anti-electrostatic and dust clothing
46,563,324.78	138.96	138.96	69,480,000.00	4 Jun. 1971	Manufacture and distribution of thread
53,084,046.25	49.76	79.75	292,827,645.00	8 Oct. 1973	Manufacture and distribution of elastic products
235,432,531.30	21.85	27.00	334,263,510.00	3 Jan. 1969	Contract manufacture of plastic products, manufacture and repair of molds
306,658,338.14	190.57	190.57	583,143,437.72	18 Aug. 1986	Manufacture and distribution of vacuum stainless bottles
52,411,447.56	227.20	227.20	89,061,945.60	16 Dec. 1988	Manufacture and distribution of stainless steel kitchenware
16,110,954.50	78.19	78.19	15,637,609.05	24 Mar. 1971	Manufacture and distribution of rubber products
17,179,605.10	219.09	219.09	35,540,341.62	9 Jul. 1970	Rubber estates
31,556,005.62	467.55	467.55	140,276,221.20	3 Nov. 1988	Manufacture and distribution of plastic parts and molds
19,317,762.42	3,199.67	3,199.67	193,349,658.76	21 Jun. 1973	Manufacture of adhesive paper, corrugated adhesive paper, clear tape and OPP tape
102,603,882.35	241.22	241.22	236,602,084.32	18 Nov. 1982	Computer and accessories dealer
408,861,420.38	53.98	53.98	574,871,345.80	15 Aug. 1994	Power generation
257,480,749.43	9.48	9.48	474,000,000.00	19 Nov. 2002	Power generation
417,270,553.54	18.52	18.52	182,671,353.28	6 Jul. 1994	Power generation
2,880,000,000.00	9.90	9.90	2,851,200,000.00	2 May 2014	Hotel
200,500,000.00	50.57	50.57	202,280,000.00	6 Mar. 2014	Hospital
237,500,000.00	9.45	9.45	224,437,500.00	8 Jul. 2015	Hospital
1,907,800,576.88	4.87	4.87	1,969,671,500.00	18 Aug. 1972	Investment
1,572,809,060.01	48.10	48.10	2,164,500,000.00	19 Jan. 1995	Investment
218,957,706.00	35.00	35.00	233,100,000.00	29 Aug. 2007	Manufacture of Phthalic anhydride & Fumaric acid and associated products
249,239,518.07	14.01	14.01	278,077,737.18	21 May 2007	Manufacture of automobile carpet
385,917.66	2.08	2.08	1,040,000.00	8 Nov. 1984	Investment
1,194,478,806.88	65.30	65.30	779,995,048.20	14 Nov. 1989	Investment
44,006,626.43	83.48	83.48	45,680,506.44	29 Sep. 1988	Dormitory rental and services
29,465,812.50	6.88	6.88	19,553,304.00	10 Jul. 1970	Rental services
159,770,484.00	21.31	21.31	340,257,643.71	31 May 1989	Investment
250,021.30	6.96	6.96	695,986.08	26 Sep. 2004	Liquidation
22,087,110.54	44.05	44.05	27,271,355.00	5 Aug. 1986	Rental services
375,457,200.00	94.82	94.82	355,501,988.60	7 Sep. 1973	Real estate
124,999,875.00	25.65	25.65	128,249,871.75	22 Apr. 2013	Investment
124,999,875.00	31.02	31.02	155,099,844.90	16 May 2013	Investment
157,499,880.00	50.67	50.67	133,008,648.66	22 Aug. 2013	Real estate
30,800,193.16	912.80	912.80	281,143,312.80	5 Nov. 1980	Investment / Agency and Service business / Distribution of textile products and other materials
20,464,690.80	103.09	103.09	20,102,550.00	22 Aug. 1972	Investment and agriculture
51,861,469.06	146.91	146.91	731,551,566.90	2 Nov. 1973	Investment
43,328,196.18	1,217.30	1,217.30	454,661,550.00	23 May 1961	Investment and real estate rental
Group Companies 12,460,058,491.39		Group Companies	15,377,804,895.87		
Other Companies 1,641,797,863.40		Other Companies	2,145,715,986.00		
Total 14,101,856,354.79		Total	17,523,520,881.87		

Business Results and Five Years Financial Status

(Unit : Million Baht)

	2017	2016	2015	2014	2013
		(Restated)			
Revenues					
Sales and service income	1,234.5	1,176.4	1,273.7	1,283.7	1,137.1
Export sales	506.2	482.5	520.9	536.4	488.1
Local sales	728.3	693.9	752.8	747.3	649.0
Dividend income	910.0	1,082.6	792.0	1,309.3	735.5
Other income	154.9	537.4	71.7	167.9	1,192.4
Total revenues	2,299.4	2,796.4	2,137.4	2,760.9	3,065.0
Expenses					
Cost of sales and services	1,219.2	1,158.0	1,250.6	1,265.5	1,117.3
Selling expenses	9.5	8.8	10.4	9.9	9.3
Administrative expenses	93.3	100.2	95.6	121.0	211.1
Other expenses	62.8	258.6	210.9	140.1	176.1
Total expenses	1,384.8	1,525.6	1,567.5	1,536.5	1,513.8
Profit before finance cost and income tax income (expenses)	914.6	1,270.8	569.9	1,224.4	1,551.2
Finance Cost	(5.7)	(2.2)	(1.5)	(5.9)	(12.1)
Profit before income tax income (expenses)	908.9	1,268.6	568.4	1,218.5	1,539.1
Income tax income (expenses)	(5.1)	(87.6)	5.8	(12.7)	(89.3)
Equity holders of the Company	903.8	1,181.0	574.2	1,205.8	1,449.8
Earnings per share (Baht)	3.01	3.94	1.91	4.02	4.83
Dividend per share (Baht)	2.00	2.00	1.50	1.75	2.00
Dividend per net profit (%)	66.39%	50.80%	78.37%	43.54%	41.39%

(Unit : Million Baht)

	2017	2016	2015	2014	2013
		(Restated)			
Assets					
Cash and cash equivalents	1,466.7	2,070.6	342.9	664.7	3,247.9
Short-term loans to related parties	155.5	2.1	363.0	211.7	303.3
Other current assets	171.0	254.4	200.6	225.0	255.5
Investment in associate held for sale	-	169.7	-	-	-
Investment in subsidiaries, joint ventures, associates and other companies	13,147.6	11,652.4	12,568.6	12,441.5	9,810.9
Investment properties	1,148.7	1,155.1	1,161.6	1,168.8	576.6
Property, plant and equipment	50.3	57.8	63.2	49.8	55.2
Other non-current assets	5.0	7.2	5.4	5.8	12.5
Total assets	16,144.8	15,369.3	14,705.3	14,767.3	14,261.9
Liabilities and shareholders' equity					
Deposits from related parties	683.8	664.3	865.8	836.0	900.3
Other current liabilities	108.1	145.6	82.3	84.5	160.8
Other non-current liabilities	184.8	87.3	72.8	103.2	92.1
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	8,896.1	8,592.3	7,861.3	7,815.6	7,209.8
Other components of shareholders' equity	673.0	280.8	224.1	329.0	299.9
Total shareholders' equity	15,168.1	14,472.1	13,684.4	13,743.6	13,108.7
Total liabilities and shareholders' equity	16,144.8	15,369.3	14,705.3	14,767.3	14,261.9
Book Value (Baht)	50.56	48.24	45.61	45.81	43.70



Revenues Structure of the Company and Its Subsidiaries

(Unit : Million Baht)

Segment	Consolidated financial statements													
	Export							Local						
	2017	%	2016	%	2015	%	2017	%	2016	%	2015	%	2017	%
Textile Business	691.7	5.73	772.1	6.31	788.9	7.00	618.4	5.12	514.8	4.21	529.1	4.69	1,310.1	10.85
Plastic, Rubber and Metal Business	4,132.6	34.23	4,663.4	38.09	4,219.2	37.42	1,936.1	16.04	1,938.1	15.83	2,030.6	18.01	6,068.7	50.27
Trading Business	24.2	0.20	33.0	0.27	2.5	0.02	2,556.8	21.18	2,720.1	22.22	2,370.7	21.02	2,581.0	21.38
Energy Business	1,234.1	10.22	903.5	7.38	716.8	6.36	-	-	-	-	-	-	1,234.1	10.22
Hotel Business	-	-	-	-	-	-	500.1	4.14	464.2	3.79	522.8	4.64	500.1	4.14
Investment Business and Others	5.1	0.04	6.8	0.06	16.1	0.14	44.5	0.37	37.2	0.30	29.7	0.26	49.6	0.41
Total	6,087.7	50.42	6,378.8	52.11	5,743.5	50.93	5,655.9	46.85	5,674.4	46.35	5,482.9	48.62	11,743.6	97.27
(Less) Related transaction	-	-	-	-	-	-	(1,053.9)	(8.73)	(1,113.3)	(9.09)	(1,108.8)	(9.83)	(1,053.9)	(8.73)
Sales and service income - net	6,087.7	50.42	6,378.8	52.11	5,743.5	50.93	4,602.0	38.12	4,561.1	37.26	4,374.1	38.79	10,689.7	88.54
Dividend Income													315.1	2.61
Rental Income													49.9	0.41
Interest income													60.8	0.50
Other income													958.1	7.94
Total revenues													12,073.6	100.00
													12,242.0	100.00
													11,276.2	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.	99.99
	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		Jiangsu Zhonglian - Union Carpet (Teiling) Co., Ltd.	35.00
	Union Zojirushi Co., Ltd.	51.00		Zhuji - Union Real Estate Co., Ltd.	24.00
	Union Stainless Steel Products Co., Ltd.	98.00		Saha - Union International Taipei Ltd.	42.30
	Union Rubber Products Corp., Ltd.	99.99		Saha - Union Holding Co., Ltd.	99.54
	Thai Rubber Enterprise Co., Ltd.	50.69		Venus Shoes Co., Ltd.	99.99
	Union Nifco Co., Ltd.	50.00		Union Printing Corp., Ltd.	94.74
	Union Thai-Nichiban Co., Ltd.	40.29		Union Equity Co., Ltd.	99.79
Trading Business	Computer Union Co., Ltd.	98.09		Union Shoes Co., Ltd.	98.23
	Computer Union System Co., Ltd.	99.99		Union Construction Corp., Ltd.	99.99
	Soldev Co., Ltd.	61.00		Saha-Union Property Co., Ltd.	99.99
Energy Business	Zhejiang 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
	Yunnan Energy Luliang-Union Cogeneration Co., Ltd.	50.00		Uni-Fibre Co., Ltd.	62.35
				Uni-Agro Co., Ltd.	44.94
Hotel Business	The Royal Hotel Co., Ltd.	96.22		Union Thread Industries Co., Ltd.	35.99
				Union Industries Corp., Ltd.	29.46
Hospital Business	Sukhumvit 62 Medical Ltd.	47.21		Union Business Management Co., Ltd.	37.54
	KPN Healthcare Public Company Limited	25.00		Venus Product Co., Ltd.	24.86
				Union Distributor Co., Ltd.	24.73
				Union Management and Service Co., Ltd.	24.86
				Union Asset Management Co., Ltd.	24.90
				Union Enterprise Holdings Co., Ltd.	22.32
				Union Capital Holdings Co., Ltd.	24.46
				PSV Molds Co., Ltd.	25.00
				Union Human Resources Development Co., Ltd.	99.99
				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 fashionwear and 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 2017

Woven fabric was mostly manufactured for export sale and delivered a performance better than the target. However, the price competition was so fierce that the Company could only raise selling price by a small margin. Thanks to the customers' trust in quality and punctuality, along with good cost management, the Company managed to stay steady in the competition. There was thorough risk management such as the risk from main materials, cotton and polyester, and from the exchange rate. The Company closely communicated with customers about the demands to be able to efficiently manage material cost purchasing. Timely forward contracts that covered a net sale order from customers were used to mitigate the risk.

Garment, mostly exported, was affected by the economic slowdown of customer countries, resulting in lower sale orders. The competition became more intense with competitors having advantages in several aspects. Year 2017, thus, suffered a decrease in sale volume and value compared to 2016. However, the Company was determined to deliver premium quality, develop new products, and seek new markets to sell premium quality products.

Clean Room Garment sales and performance was considerably good.

Trends of the Industry and Competition

In 2018, it is likely to see the performance in textile business slowdown due to a small profit margin. The Company may struggle through another year of challenging economic situations. Labor and wage remain a pull factor, as Thailand's minimum wage is higher than those of competitors. Worker shortage is also seen in every level, especially in garment industry that requires skilled workers to manufacture premium quality products. The Company's strategy is to focus on seeking customers who demand high-end product and improve the production to deliver only high-end and innovative products that can avoid competing with competitors with lower cost of wage. Textile price is still a decisive factor for customers. The price competition is likely to be more severe, even though the Company's products have advantages in better quality and punctuality. The Company aims to maintain its competitiveness and set up marketing strategies like establishing a strong sale team, maintaining existing clientele, boosting sale volume locally and overseas, as well as expanding customer base.



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 2017

In 2017, the overall performance of Plastic, Rubber and Metal Businesses was considered good, despite some businesses being affected by the fierce price competition. Therefore, the sale volume and performance were underachieved.

The performance of plastic part production for industry and mold was not as good as in year 2016, as the production and sale of automobile industry were slow due to lower purchase power of customers and fiercer price competition in the market. To promote the future sale and stay in the competition, the Company tried to manage and control the cost, improving the efficiency and effectiveness of production by reducing production loss/waste, investing in proper machinery/equipment, making quality molds and maintain life-long quality, improving the proactive quality control procedures, as well as improving employees' skills and product packaging.

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. The production of latex varied based on the seasons, causing fluctuation in prices. In 2017, with the increasing price of rubber and the Company being able to manage its stocks more efficiently. The performance was better than the previous year.

The sale of elastic products made of natural rubber and artificial rubber was quite similar to in year 2016, while the cost increased because rubber increased in price. Additionally, the exchange rate adversely affected the performance. As a result, the performance was worse than year 2016.

Regarding adhesive tape products, the Company not only attempted to maintain its customer base and develop new products to expand the business but also constantly held the sales promotion to keep its market share. As a result, in 2017, the total sale and performance was better than the target. There were new major competitors into the market thus fiercer price competition. However, the Company had a better reputation in terms of quality products and services than other competitors.

Trading Business

Characteristics of Business

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

Type of products or services

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

- Authorized dealer for server and storage products of IBM (Thailand) such as IBM Power Systems (AIX and i05), IBM PureFlex, all products in Integrated Solution and Storage line from low to high end, as well as server-related Switch/ Network equipment;
- Authorized dealer for IBM (Thailand) software products, including every group of products such as:
 - System Software
Including operating systems like Mainframe Power (AIX) and Power (i), information management and backup services like Tivoli, and application server like WebSphere;
 - Big Data / Business Analytics
Including data-analysis and database software like DB2, Cognos, SPSS;
 - Cloud: Cloud management software
 - Mobile: Mobile device software
 - Security: IT security management software



- Authorized dealer in products of IBM (Thailand) Global Technology Services (GTS), including Maintenance Agreement (MA), system installation, GTS Implementation Services and Cloud Services;
- Authorized dealer in Lenovo (Thailand) for Intel Server, Workstation, and OEM Storage Products
- Authorized dealer in Acronis products (Backup Software from USA)
- Authorized dealer in 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 and service center for ThaiWPS Software, an Office Suite for desktop computers.
- 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 2017

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 as a result of Thailand 4.0 policy and modern businesses that rely on IT technology such as E-Commerce, online shopping, online transaction via mobile applications. Meanwhile, competition can become fiercer, especially in terms of price because there are always newcomers into the business.

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 2017

In 2017, the overall performance of hotel business expanded, driven by the constantly increasing number of local and foreign tourists and the government's tourism promotion. More and more entrepreneurs ventured into hotel business, resulting in constructions of new hotels, accommodations, and condominiums. Consequently, there was a high level of excess supply. Hotel business, thus, was faced with fierce competition, both in terms of prices and market share. To maintain the competitiveness and steady growth, the Company focused on offering premium experience to high-end customers. Since mid-year 2016, hotel room renovation has been continued to ensure a five-star standard as well as to improve service quality. 102 out of the total 296 rooms have been renovated so far. Due to these conditions, short-term returns from the hotel business might not be very good.

Trends of the Industry and Competition

Tourism business is showing an upward trend. Five-star hotel business will slightly expand according to the increasing number of foreign high-end tourists from countries like Scandinavians, Europeans, Australians, and Americans, who are likely to have a long stay and relatively high spending. With a high level of excess supply, the competition in price and market share is becoming fiercer. There is also a risk factor from the uncertainty in overseas economic situation. However, Hilton Hua Hin Resort & Spa managed to stay competitive with it being a 17-story height on an ideal location on the beach right at the center of the town, with ocean view from every room, great service, and all range of facilities. Hua Hin is also a potential tourist attraction due to convenient access, making it a popular place to visit for local and foreign tourists.



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 Shaoxing Shangyu Hangzhou-Union Cogeneration Co., Ltd. and one in Yunnan Province named Yunnan Energy Luliang-Union Power Co., Ltd., a cogeneration plant which generates and sells electricity and steam, with steam being its main product.

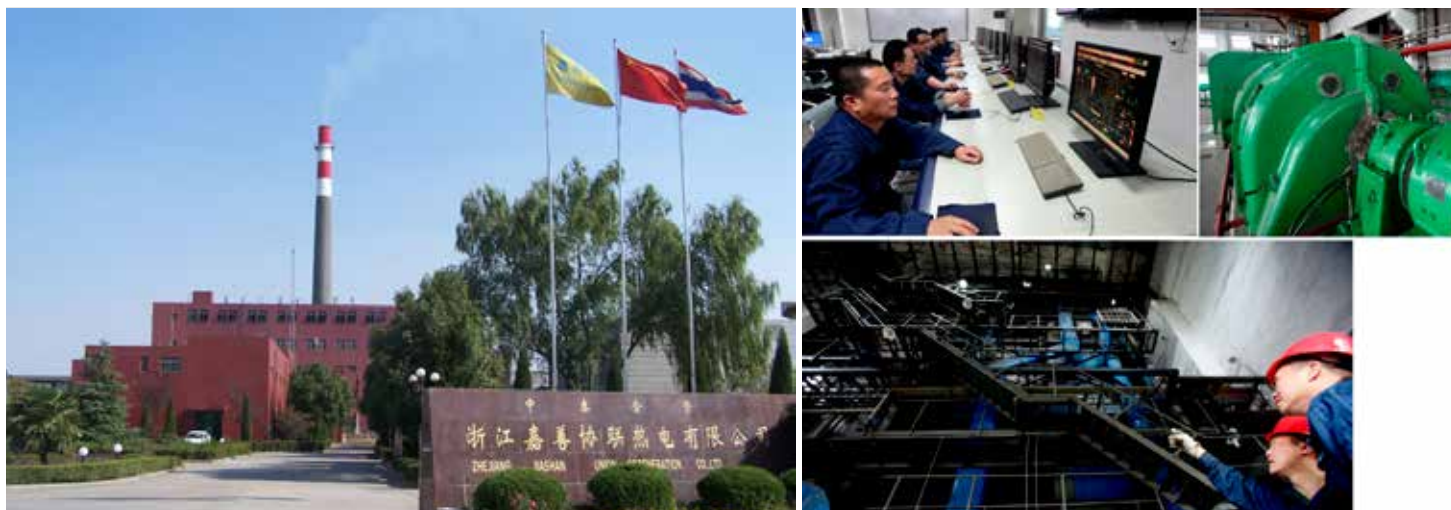
Supply of Products for Manufacturing or Services

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 2017

The two plants in Zhejiang Province showed relatively good performance overall. The demand for steam increased because of a Chinese policy to limit pollution emission and improve the efficiency of energy use that prohibited the use of factory's own boiler and have them use steam from power plants instead. This hugely benefited the powerplants. They even needed to expand steam production capacity in response to the increasing demand.

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



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 strict policy to control and reduce pollution which requires factories to improve their efficiency in energy consumption will cause power plants to suffer higher operation cost investing pollution filtration system.

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.

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

Project in Zhuji, Zhejiang Province, operated by Zhuji Union Real Estate Co., Ltd. It is a construction project of residential condominiums, shops, and parking areas, situated on a total property of 35.46 MU or 23,640 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 Shaoxing and Zhuji.

Performance in 2017

The real estate project in Shaoxing, Zhejiang Province, The Company invested in Zhejiang-Union Property Co., Ltd., The size of investment was 35% of the registered capital. As the properties had almost been sold out, the Shareholders held a meeting and concluded that the project should be terminated in order that Thai side could withdraw the investment and its deriving surplus. The Chinese Shareholders who had no any relationship with the Company therefore agreed to buy the Company's shares. The transaction was approved by all relevant Chinese government authorities and received in the first quarter of 2017. The total net worth of the sale that the Company received was RMB 42 million, whereas the profit was THB 43.7 million.

Regarding the real estate project in Zhuji, Zhejiang Province, it is operated by Zhuji Union Real Estate Co., Ltd., with the registered capital of RMB 150 million (approximately THB 750 million). The Company's subsidiary, Union Energy (Hong Kong) Co., Ltd. (where the Company hold 99 percent of its indirect shares), has an investment of 25 percent. 24 percent of shares are held by Other overseas affiliated companies. And the other 51 percent of shares are held by other Chinese entities with no relation with the Company. The project has been in its the early phase of making preparations and designs to apply for a construction license.

Trends of the Industry and Competition

Real estate business growth relies on China's economic growth. In year 2018, Chinese Government is pushing economic development, launching a policy to improve the real estate market regulations. They are encouraging trade to make it easier for people to buy residence for better quality of life. The competition is thus tough and the location of the project becomes a key factor in customer's decision to buy a real estate.

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.

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 2017

Chinese Government seriously attempted to control and reduce pollution, as well as reducing excessive production capacity. This caused several chemical factories to improve their production process, reduce capacity, relocate the factories, or even shut down. In the past year, the Company was successful in maintaining the eco-standards, keeping track of material prices, controlling cost, and generating profits. 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 constantly. However, with the existing production process, the Company managed to lower pollution and control pollution emission in conformity with the set forth standards. The competition is still high, whereas demand and supply can be unstable.



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 2017) 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 2017, 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. The Company has established Work Guidelines for Directors and Employees according to the 7 anti-corruption policies;

- Work Guidelines regarding Conflict of Interest,
- Work Guidelines regarding Stock Trade and Internal Information Use,
- Work Guidelines regarding for Receiving or Giving Assets or Other Incentives that may Influence One’s Decision,
- Work Guidelines regarding Procurement,
- Work Guidelines regarding Contact with Government Sectors,
- Work Guidelines regarding Charity Donation and Financial Support Provision,
- Work Guidelines regarding Political Issues.

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 2017, 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 2017,

the Company had 79 employees in total, 16% were newly employed and 16% 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 2017, 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 through HR Management, ensuring clear communication to Employees of all levels so that they can practically follow the guidelines.

Corporate Social Responsibility

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 2017, Saha-Union Public Co., Ltd. and our subsidiaries organized events to give back to the society and the environment as follows:

Education

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:



- A Group Company hosted a group of instructors and students from Home Economics Department, the Faculty of Science, Srinakharinwirot University, Prasarnmit Campus, for a tour of textile and garment production processes on 5 April 2017.
- A Group Company organized an educational activity providing financial support to Wat Bampennue School for purchase of computer equipments that would facilitate the education in school.
- A Group Company provided textbooks to Wat Palelei Kindergarten School, Suphan Buri Province, with a purpose to give the students a great source of knowledge.

Healthcare Service Activities to the Society

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 the following activities:



- Saha-Union Public Co., Ltd., represented by Mrs. Chantorntree Darakananda, President, granted a financial support amounted to THB 2,000,000 to Chakri Naruebodindra Medical Institute, Faculty of Medicine Ramathibodi Hospital, Mahidol University. Prof. Piyamitr Sritara, MD, FRCPT, FACP, Dean of Faculty of Medicine Ramathibodi Hospital represented the recipient on 13 November 2017. This grant aims to support public health services for people in Samut Prakan Province and its vicinity, including provinces on the eastern coasts where there are many industrial factories located. This would sustainably benefit the society and the country.
- A Group Company that manufactures elastic rubber for medical supplies gave its “tourniquet” products to several hospitals such as Siriraj Hospital, King Chulalongkorn Memorial Hospital, and Nopparat Rajathanee Hospital, on medical purposes like in blood sample collection, blood donation activities, or to stop bleeding in an accident, etc.

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.

- Encouraged efficient use of water, reserving electricity, enhanced systems' power-saving by replacing electrical equipment and light bulbs to reduce energy consumption, and encouraged employees to use power more efficiently.
- Reused paper, stationery, and folders.
- Provided water treatment before disposal.

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 Wat Tamru Temple, Bang Pu Mai District, Muang District, Samut Prakan Province, on Vesak Day
- Executives and employees participated in food offering to the monks on the New Year's Day celebration.

Society

Saha-Union Public Co., Ltd., together with Group Companies, congregated to pay heartfelt respects and honor to the late King Bhumibol Adulyadej by:

- Saha-Union Public Co., Ltd. and Group Companies made sandalwood flowers to give to the Bureau of the Royal Household on 19 September 2017 and to Mr. Chatchai Uthaiphan, Provincial Governor of Samut Prakan Province on 29 August 2017 as supplies for the Royal Cremation Ceremony of the late King Bhumibol Adulyadej on 26 October 2017.





- Group Companies' employees together cleaned the windows of buildings around Wat Bamphen Nua Temple, Min Buri District, to prepare for the sandalwood flower tribute ceremony.
- Group Companies donated drinking water for the Chachoengsao Industry Office to distribute to the people participating in the sandalwood flower tribute ceremony during the Royal Cremation Ceremony of the late King Bhumibol Adulyadej on 26 October 2017.

Group Companies also contribute to the society as follows:

- Donated money to natural disaster victims in the South via Thai Red Cross Society amounted to THB 50,000.
- Provided office supplies, computer equipment, and air conditioners to Bang Pakong District Police Station, Chachoengsao Province, to facilitate and improve the police station as well as its services to the public.

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 30 March 2017

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	6.00
1.5	Uni-Fibre Co., Ltd.	Darakananda Group	Investment	13,628,740	4.54
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			18,510,000	6.17
3	Mr. Chalermchai Mahagitsiri			14,865,400	4.96
4	Bangkok Bank Public Company Limited			12,325,000	4.11
5	DBS BANK LTD.			10,046,400	3.35
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			2,974,814	0.99
9	Mr. Supachai Suthiphongchai			2,823,800	0.94
10	East Fourteen Limited - Dimensional Emer Mkts Value Fund			2,685,500	0.90
	Total			205,974,882	68.66

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 2017.

No.	Name		Shareholding		
			No. of Shares held in 2017	No. of Shares held in 2016	% Change
1.	Miss Sriwarin	Jirapakkana	157,284	157,284	-
2.	Miss Dalad	Sapthavichaikul	13,052	13,052	-
3.	Mr. Chutindhon	Darakananda	1,627,700	1,627,700	-
4.	Mrs. Achara	Chandrachai	-	-	-
5.	Miss Pakpachong	Vadhanasindhu	-	-	-
6.	Miss Pakinee	Prertitumrong	1,950,624	1,950,624	-
7.	Mrs. Busarakham	Nilavajara	-	-	-
8.	Mr. Yanyong	Tangchitkul **	434,000	434,000	-
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	(100)
15.	Mr. Nanthiya	Darakananda	-	-	-

Remark : ** Included related person

Director No. 8 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 2017	No. of Shares held in 2016	% Change
1.	Mrs. Srinual	Sombatpraiwan **	10,602	602	1,661.13

Remark : ** Included related person

Executive No. 1 held 53 shares / Spouse 10,549 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 2017 Shareholders' Meeting.

Remunerations paid to each Director for the fiscal year 2017 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	144,000	-	-	4,734,000	-
2.	Miss Dalad Saphavichaikul	Vice Chairman	4,320,000	144,000	-	-	4,464,000	288,000
3.	Mr. Chutindhon Darakananda	Vice Chairman/ Member of the Nomination and Remuneration Committee	4,320,000	144,000	-	20,000	4,484,000	152,000
4.	Mrs. Achara Chandrachai	Chairman of the Audit Committee/ Independent Director	-	144,000	132,000	-	276,000	-
5.	Miss Pakpachong Vadhanasindhu	Member of the Audit Committee/ Independent Director	-	144,000	120,000	-	264,000	-
6.	Miss Pakinee Prertitumrong	Member of the Audit Committee/ Independent Director / Member of the Nomination and Remuneration Committee	-	144,000	120,000	20,000	284,000	-
7.	Mr. Yanyong Tangchitkul	Chairman of the Nomination and Remuneration Committee/ Independent Director	-	144,000	-	20,000	164,000	-
8.	Mrs. Busarakham Nilavajara	Independent Director	-	144,000	-	-	144,000	-
9.	Mrs. Chantornree Darakananda	President	-	144,000	-	-	144,000	294,000
10.	Mr. Preecha Shunhavanich	Vice President	-	144,000	-	-	144,000	-
11.	Mr. Thitivat Suebsaeng	Director	-	144,000	-	-	144,000	96,000
12.	Mrs. Pinijporn Darakananda Kasemsap	Director	-	144,000	-	-	144,000	32,000
13.	Mr. Bovornrat Darakananda	Director	-	144,000	-	-	144,000	-
14.	Mr. Vacharaphong Darakananda	Director	-	144,000	-	-	144,000	210,000
15.	Mr. Nanthiya Darakananda	Director	-	144,000	-	-	144,000	192,000
			13,230,000	2,160,000	372,000	60,000	15,822,000	1,264,000

Executives' Remuneration

Total remunerations was paid to the 4 Company's Executive and Non-Executive Directors in 2017 amounted to Baht 9,786,000.- 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 2017, the Company paid an aggregate of Baht 102.57 million as remunerations (salaries and bonuses) to totally 53 Executives in 10 Subsidiaries undertaking

Others Remuneration

In addition to the above salaries and bonuses, the Company paid other remunerations to 2 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 2017 were Baht 193,680.-

Personnel

As of 31 December 2017, the company has had 79 employees. The Company's subsidiaries' total number of employees nationwide is 8,689. 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 2017 came as monthly salary, bonus pay, provident fund and social security fund with the total value of Baht 43.90 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 2019.

The Company has established guidelines for the Company's Directors, Executives and Employees of all levels, as well as additional guidelines for Directors, in the Company's Codes of Conduct. Such guidelines are treated as part of "Employee's Regulations" so that each Director and Employee shall follow in order to enable the efficiency in organization management and conserve Saha-Union's Core Values: "INTEGRITY, QUALITY, SERVICE".

Structure of Management

1. Board of Directors

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 2017 with scope of their authorities.

(1) Board of Directors : There are 15 members on the Board of Directors as follows;

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

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

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

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

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

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

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

Below is a list of five Independent Directors, in other words, one-third of the Board of Directors, which comprised of 4 female Independent Directors and 1 male Independent Director.

- | | |
|---------------------------------------|---------------|
| 1. Emeritus Professor Dr. Achara | Chandrachai |
| 2. Associate Professor Dr. Pakpachong | Vadhanasindhu |
| 3. Miss Pakinee | Prertitumrong |
| 4. Mrs. Busarakham | Nilavajara |
| 5. Mr. Yanyong | Tangchitkul |

Criteria for Independent Directors Selection

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

Board of Directors' Meeting

Generally, the Company arranges a meeting to be convened at least once a month. They meet to consider the proposals made by executives, to make decisions on issues for further action as it is deemed appropriated and also to follow up performance, aiming at verifying if the business runs as planned or their objectives are attained. In some cases, corrections might be considered and carried out the solutions, personnel may be assigned for further follow-up. In 2017, 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 2017. 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 2017 Meeting Attendances of Director

Name		No. of Meeting Attendances
1. Miss Sriwarin	Jirapakkana	12/12
2. Miss Dalad	Sapthavichaikul	12/12
3. Mr. Chutindhon	Darakananda	10/12
4. Emeritus Professor Dr. Achara	Chandrachai	11/12
5. Associate Professor Dr. Pakpachong	Vadhanasindhu	12/12
6. Miss Pakinee	Prertitumrong	12/12
7. Mr. Yanyong	Tangchitkul	11/12
8. Mrs. Busarakham	Nilavajara	12/12
9. Mrs. Chantorntree	Darakananda	12/12
10. Mr. Preecha	Shunhavanich	12/12
11. Mr. Thitivat	Suebsaeng	12/12
12. Mrs. Piniiporn Darakananda	Kasemsap	12/12
13. Mr. Bovornrat	Darakananda	7/12
	(including 6 times via VDO Conferences)	
14. Mr. Vacharaphong	Darakananda	11/12
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 December 2016, the Board of Directors passed a resolution to appoint the Audit Committee to hold office for the term of three years. In this regard, all members of the Audit Committee are independent directors.

List of the Audit Committee is as follow

Name	Position
1. Emeritus Professor Dr. Achara	Chairman of the Audit Committee
2. Associate Professor Dr. Pakpachong	Director
3. Miss Pakinee	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 and Associate Professor Dr. Pakpachong Vadhanasindhu, a scholar and expert from the 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. Review self-evaluation form for the Company's anti-corruption policies, as well as the correctness of references according to the Collective Action Coalition Against Corruption (CAC).
5. Write a Committee's report, signed by the Chairman and disclosed in the Company's annual report to whom it may concerned.
6. Get management team to correct the mistakes if found and verify the correction.
7. Monitor and evaluate the operations which the Audit Committee deems as critical.
8. Evaluate the compliance with the Charter of the Audit Committee.
9. Perform other tasks as assigned by the Board of Directors.

In 2017, five meetings were organized and attended by Emeritus Professor Dr. Achara Chandrachai, Associate Professor Dr. Pakpachong Vadhanasindhu and Miss Pakinee Prertitumrong. Moreover, the Audit Committee was organized a meeting with the Risk Management Committee and another meeting with the Auditor for independently discussion regarding the Auditor's observations and opinions, by without the Company's management.

(3) The Nomination and Remuneration Committee

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

Name		Position
1. Mr. Yanyong	Tangchitkul	Chairman of the Nomination and Remuneration Committee
2. Miss Pakinee	Prertitumrong	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 2017, two meetings were organized and attended by all three Directors of the Nomination and Remuneration Committee. The Chairman of the Nomination and Remuneration Committee was not Chairman of the Company's Board of Directors.

(4) The Risk Management Committee

List of the Risk Management Committee is as follows;

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

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

In 2017, two meetings were organized to perform as the scope of duties, the Company's objectives and policy and one meeting were held with the Audit Committee.

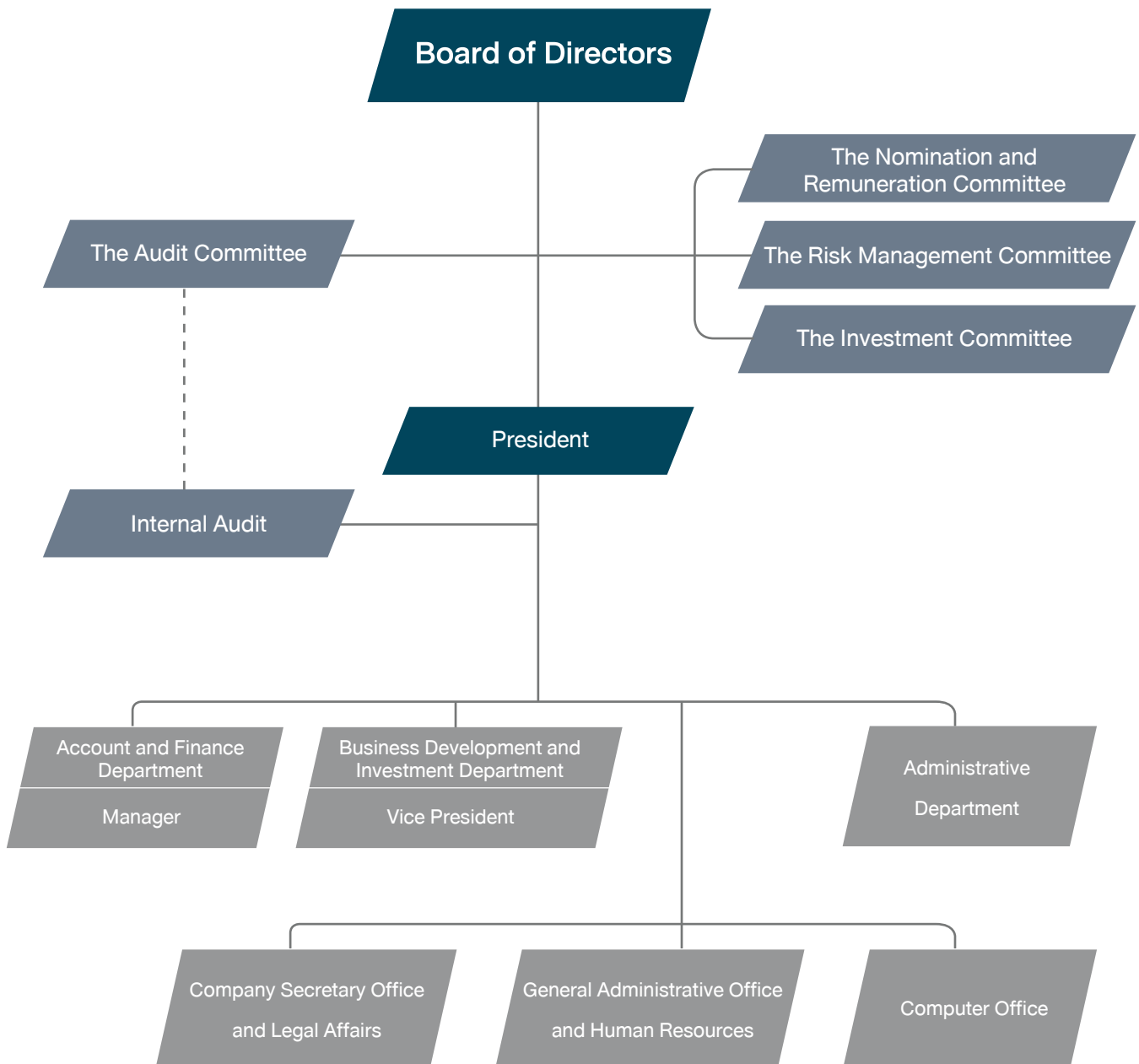
2. Executives

As of 31 December 2017, the Company's Executives were as follows:

Name		Position
1. Miss Dalad	Sapthavichaikul	Vice Chairman
2. Mrs. Chantorntree	Darakananda	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 2017



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 2017 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 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 to be appointed in the Electing Directors agenda 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 Directors and Executives individually to Shareholders. There should be present the Chairman of the Board, President, 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 Company Directors' remuneration as its agenda will be held annually.

- As for the 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 in the Minutes of the Shareholders Meeting and 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 Board of Directors 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 4 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 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 written 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 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 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 2017 was regular commercial listings with general commercial conditions:

- The Related Transactions value of the year 2017 had a total gross amount of Baht 796.58 million, which is 3.12% of assets and 6.86% 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 mission the Company has vowed to do so.

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

(2.1) The Company's policies are outlined in the Company handbook for the employees' safety and welfare.

(2.2) The Company and its subsidiaries set up a provident fund for Saha-Union Group's employees by appointing a committee to oversee, administer and collaborate with the provident fund manager. This policy will assist to create employee's long term savings. Hence, the company will contribute up to 3% of the employee's salary to this fund.

(2.3) The Company and its subsidiaries have established Employee's Savings and Credit Cooperatives of Saha-Union Group in order to collect the employees' deposits which are deducted from their salary monthly. The employee shall be eligible to withdraw the whole balance upon resignation. However, while working, each year the employee shall receive their dividend and is eligible to apply for a loan in compliance with the rules issued by the Cooperatives Promotion Department.

(2.4) The Company sets a clear policy of improving employee's knowledge and skill by using a Competency System to promote the potential employee who is capable of taking responsibility in a higher level task. Moreover, the Company has set up a department 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 policy against copyright violation and the Company's penalty measures are strongly reinforced. The Company also establishes its IT policies that will greatly benefit the Company's business efficiency, optimally utilizing IT systems. IT resources shall not be used for personal benefits or used against the good morals. The information published through IT systems shall be securely stored with high standards, in compliance with any relevant laws or regulations and not offensive to any third parties.

(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 Group 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 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 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, 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 Board of Directors sets the Code of Conduct, Corporate Governance Manual, as well as anti-corruption policy and measures, corruption report and alert, so as to ensure all the Group Companies conform 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 and Company's internal control 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, mission, strategic goal and business management policy to all departments including Executives 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 2017 Audit Committee Report appeared on page 104.

(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 missions 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 December 2016 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). In the year 2017 the Audit Committee is consisted of:

Name	Position	Number of Attendances:
1. Emeritus Professor Dr. Achara Chandrachai	Chairman of the Audit Committee / Independent Director	5/5
2. Associate Professor Dr.Pakpachong Vadhnasindhu	Audit Director / Independent Director	5/5
3. Miss Pakinee Prerttitumrong	Audit Director / Independent Director	5/5

All 3 Audit Directors have continually been working independently. In 2017, there were 5 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 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. Review self-evaluation form for the Company's anti-corruption policies, as well as the correctness of references according to the Collective Action Coalition Against Corruption (CAC).
Write a Committee's report, signed by the Chairman and disclosed in the Company's annual report to whom it may concerned.
6. Get management team to correct the mistakes if found and verify the correction.
7. Monitor and evaluate the operations which the Audit Committee deems as critical.
8. Evaluate the compliance with the Charter of the Audit Committee.
9. Perform other tasks as assigned by the Board of Directors.

The Audit Committee's qualifications, educational background and experiences are shown from page 11-12.

Therefore, upon the operation of the Audit Committee of the year 2017, 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 104.

(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 76-81.

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 2017, 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 2017, 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 105.

(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. 2 in the Structure of Management, this included the directors with knowledge and experience in auditing the financial statements of the Company was Emeritus Professor Dr. Achara Chandrachai and Associate Professor Dr. Pakpachong Vadhanasindhu, a scholar and expert from the Faculty of Commerce and Accountancy, Chulalongkorn University.

The detail of the duties is specified in item 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 2017 hiring process, scope, responsibilities and operation in item 3: management structure.

In 2017, 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 198.

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.2/2018 on 22 February 2018 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 it's 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 2017 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 2017 made by the Audit Committee's Report on page 104.

Chief of the internal Audit

Mrs. Chanpen Nopsuri, the Company's Chief Audit Executive in 2017, 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 2017, the Company disposed its investment in Zhejiang Union Property, a real estate project in China, as the properties had almost been sold out. It was appropriate time for the disposal after receiving approval from relevant Chinese authorities. This way the Company could mitigate the risk of payback period.

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. In 2017, the Company invested in a new company, KPN Healthcare (Public) Co., Ltd.

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, self-assessment, 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.

The Company had some business assets which were lands that were not in use in Si Racha District, Chon Buri Province, in Ban Chang District, Rayong Province, in Sai Noi District, Nonthaburi Province, and in Muang District, Samut Sakhon Province. The Company considered this risk low-medium and proceeded to investigate the assets to evaluate the fair price. The evaluation suggested that the assets were worth more than the accounting cost. The Management, therefore, is now seeking for a proper economic opportunity.

2.4 Risk of Damage from Corruption

The Company's core values are 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 must report activity and consult with Managing Directors of the associated companies, in relation to prompt decision-makings. Additionally, the associated companies must 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. The Company also evaluated the opportunity for payback from any investments. 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 2017, the Company assessed the risk of energy business investment in Yunnan, China. The result suggested that there was high risk on receiving returns in the future, leading to a consideration of losses on impairment of remaining investments which affects the consolidated financial statement in 2017, where losses on impairment of investments were recognized at approximately THB 42 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 2017, 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 2017, the global economy started to recover, but the cost austerity was a common trend. Therefore, countries in the Americas and Europe moved their production bases and send the orders to developing countries with lower wages than Thailand's. Several industries in Thailand, including ones the Company had invested in, were adversely affected by the trend, such as textile business, automobile business, and other relevant businesses. As the risk was assessed and considered a medium level, the Company launched a measure to protect its market shares and improve product quality to stay competitive. Should these measures failed, the Company would decide to terminate the business. 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. The recovery was only seen in some businesses. Domestic demands for consumable products was not expanding significantly. Sale orders from customers only slightly increased, whereas the selling price could be raised only by a little regardless of a higher rate of the cost due to the fierce price competition in the market where most manufacturers were trying to dump the price lower than their competitors. Some of them also utilized electronic media to boost their sale opportunity. The impact to Group Companies was at medium level. Therefore, the Company has prepared a measure to pay more attention to management, expand its business channels, and closely observe the economic situations to handle the issue accordingly. In 2017, textile, garment, plastic, and computer businesses were affected. However, companies in computer business have implemented plans to catch up with the changes.

Management Discussion and Analysis

In 2017, Thailand economy was experiencing gradually growth, mainly driven by an increase of public investment. The overall private sector remained fragile, only the players in export sector and tourism and service industries could show slightly expanding, while the other industries did not see a significantly improvement. The automotive and related auto-part industries were also hurt by the vulnerable economy along the line as well as the Company's textile business that has continuously struggled with no considerable improvement. However, thanks to the Company's diversification strategy, it has diversified the investments into other fields of businesses both domestic and overseas in order to diversify risk and rebalance operational performances. Thus, the return on investment from overseas markets could support the domestic operations.

1. Operation overview and factors that influenced significant changes

In 2017, the Company's separate financial statements based on cost method reported a net profit of Baht 903.78 million, a decline of Baht 277.24 million or by 23.47%, from 2016. The key factor of the decrease was a lower dividend income from Energy business both from domestic and overseas investments by Baht 172.6 million from a year before.

In 2016, the dividend contribution from investment in Energy business was extraordinary high. Consequently, the income normalization in 2017 was declined even though the Company's energy businesses still perform as normal. Also, in 2016, the Company recorded gains of Baht 368 million from a disposal of investment in the joint-venture company, Jiashan-Union Development Co., Ltd., a property developer in China compared with its 2017's Baht 43.7 million gained on a disposal of investment in another real estate business operator in China, Zhejiang Union Property Co., Ltd.

On the expenses, the Company reported Baht 246 million of losses on impairment of investment in the Zhejiang Saha-Union Feilun Thread Industries Co., Ltd. in 2016. But in 2017, the Company had fully write-down the entire investment in a power plant in Yunnan Energy Luliang-Union Cogeneration Co., Ltd. with recording Baht 41.7 million of losses on impairment of investment such company as its recent assessment found a high risk in getting return from investment in this asset. On the balance, the losses on impairment in 2017 were down by Baht 205.7 million from the previous year.

Net profit according to the Company's separate financial statements based on cost method is different from net profit on the consolidated financial statements which based on equity method.

According to the consolidated financial statements based on equity method in 2017, the Company earned a net profit attributable to equity holders of the Company of Baht 1,344.12 million, an increase of Baht 21.10 million or by 1.59%, compared to Baht 1,323.02 million gained in 2016. The main factors of the changes were:

1.1 Trend, Outlook, Energy Demand and Energy Prices

During 2017, coal price, the primary fuel for energy business in China, rose along with the global energy prices, pushing its operating costs to hike and continuing depressing the operating results of its power plant joint-venture in Yunnan Province. However, another power plant of the Company's subsidiary in Zhejiang continued to expand its capacity to serve the growing demand, despite a higher coal price, the company survived by upgrading the production technology, resulting in a better sales and profits.

1.2 Trend of Textile and Automotive Business

While some industries within a private sector delivered growth in 2017, the textile and automotive industries did not increase as it should. The domestic demand for textile showed no considerable expansion, plus the price adjustment stemming from the fierce competition in overseas market affecting on its textile business operational performance. Besides, the automotive industry also did not grow as it should, resulting in an unfavorable performance of the Company's auto-parts business operation. As a result, these businesses delivered weaker results.

1.3 Trend of Currency Exchange

In 2017, Thai Baht steadily appreciated against US Dollar, affecting the revenue and profit of the Company's export products, which was largely US Dollar dominant. Thus, the lower exports income earned after translated into Thai baht was affecting its operating profits.

2. Operation Performance and Profitability

2.1 Sales and Service Incomes

In 2017, the Company's sales and service income totaled Baht 10,689.70 million, which was attributable to Baht 912 million from textile business, Baht 5,470 million from plastic, rubber and metal businesses, Baht 2,559 million from computer trading business, Baht 1,234 million from energy business, Baht 500 million from hotel business and Baht 49 million from investments and others.

Sales and service income decreased by Baht 250.21 million in 2017 from Baht 10,939.92 million earned in 2016. The main reason of a decline was a decrease by Baht 20 million in revenue of textiles business as it faced the tougher price competition among garment and apparel manufacturers from rival countries. Some foreign customers shifted their orders to those cheaper wages countries. In a wake of volatiles foreign currency exchange, plastic, rubber and metal business were suffered, especially the vacuum bottle product which mainly shipped to export market and earned in US dollar, the stubbornly appreciating of Thai Baht against US Dollar through 2017 had resulted in significantly lower of Thai Baht income recognition. However, energy business in China's sales increased by Baht 330 million due to its production capacity expansion and the upgrading of production technology in an aim to respond to higher demand. Currently, such expansion is in process.

2.2 Other Income

In 2017, the Company and its subsidiaries earned an income from other businesses apart from those aforementioned sales and services. Most was the return from investment activities valued Baht 506.17 million, with other income worth Baht 422.22 million, totaling Baht 928.39 million, a decrease of Baht 222.25 million or 1.53% of the total income components, compared with the other income of Baht 1,150.64 million in 2016. The key factors of changes were as following:

(1) The dividend income decreased by Baht 61.08 million resulting from a lower contribution from the Company's investment in an energy business in Thailand, Ratchaburi Power Co., Ltd.. A decline stemmed from its incurred higher maintenance expenses in the plant's machinery and equipment.

(2) In 2017, the Company recorded gains of Baht 43 million on disposals of investments in real estate business in China, Zhejiang-Union Property Co., Ltd in accordance with the previous disclosure. Also the Company's subsidiary also reported gains on disposals of temporary investments totaling Baht 6 million.

In total, the Company recorded gains on disposals of investments worth Baht 49 million compared with its gains on disposals of investments in a joint-venture real estate project in China, Jiashan-Union Development in 2016 worth Baht 368 million. As a result, the Company's gains on disposals of investments in 2017 decreased by Baht 317 million from the previous year.

(3) As the Company's subsidiaries in overseas have invested in trading securities, which required to mark to market to reflect the market prices at the end of each accounting period. As of end-2017, the Company recorded a gain from unrealized mark-to-market value of trading securities investments worth Baht 141.65 million, against the gains of Baht 21.10 million at the end of 2016. As a result, the Company's gains from unrealized mark-to-market value improved by Baht 120.54 million from the previous year.

Apart from items mentioned above, there was no significant change in other components of the other income.

2.3 Cost of Sales and Selling and Administrative Expenses

In 2017, cost of sales and service was at Baht 9,262.92 million, down Baht 68.04 million from Baht 9,330.96 million in 2016 and were by the declined sales and service income. But its reduction of costs was less than the decline of income. This was due mainly to the rise of raw materials prices such as plastic, rubber and metal. In 2017, the rising prices of rubber, a primary material of rubber products, pushed the cost of sales far higher than an increase of income, while the vacuum bottle's cost of sales declined less than a fall of sales revenue. However, the Company has set up a system and measures to handle the controllable factors to improve cost efficiency. Besides, the Company's energy business in China has demonstrated an improvement in the efficiency of the cost of sales as the rise of cost of sales was less than the rise in the sales revenue despite the increase of coal prices. The energy business in China managed to improve costs and production efficiency, despite an increase in coal price, by replacing machinery and equipment with the advance technology to serve growing demand.

Selling Expenses

In 2017, the selling expenses totaled Baht 296.14 million, an increase of Baht 25.07 million or 0.29% of total sales income components, mainly caused by a rise of exported-related expenses such as freight rates and other costs. For domestic business, sales staff expenses and license fees rose from the previous year.

Administrative Expenses

In 2017, administrative expenses were Baht 773.32 million, rose Baht 19.82 million or 0.43% of total income components, compared with Baht 753.50 million during 2016. The main reason was the personnel expenses hike in its investments activities, plastic, rubber and metal business, trading and hotel businesses, whereas more employees were required resulting in an increase in employee benefit obligation in accordance with the accounting standard.

2.4 Profitability

Gross Profit

In 2017, the Company and its subsidiaries recorded a gross profit of Baht 1,426.78 million, with a gross profit margin of 13.35%, fell by Baht 182.17 million, or 1.36% of sales and service income, compared with 2016's Baht 1,608.96 million or 14.71% respectively. The gross profit declined along with a lower sales revenue against the rising cost of sales as mentioned earlier.

Most of the cost-affected businesses were apparels, plastics, rubber and metal businesses especially the raw materials for rubber prices rose in the wake of weakening sales revenue of the vacuum bottles products in domestic market. However, the Company's energy business in China reported an improve of gross profit by Baht 47.55 million as the sales income rose more than those costs supported by an efficiency improvement mentioned earlier. The segment information shows at a Notes to the financial statements No 30.

Operating Profit and Cash Flow from Operation

According to 2017 consolidated financial statement, the Company and its subsidiaries recorded a profit before share of profit (loss) from investments in joint venture and associates, finance cost and income tax expenses, or a profit from operating activities of Baht 1,237.05 million, a decrease by Baht 485.88 million or 3.60% in terms of margin compared to operating profit of Baht 1,722.93 million in 2016. The key factors were the Company and its subsidiaries' gross profit declined by Baht 182.17 million; dividend income down by Baht 61.08 million, and its gains on disposals of investments reduced by Baht 317.88 million as mentioned earlier.

According to 2017 consolidated financial statements, cash flow received from operating activities was Baht 1,230.62 million or 99.48% of operating profit. It can translate that the Company's nearly all of operating profit turned into cash flows, indicating its solid liquidity. While, operating profit margin (excluding share of profit (loss) from investments in joint ventures and investments in associates) per total revenues was 10.65%, a fall of 3.60% from 14.25% a year earlier but that return rate was considerably appropriate.

Net Profit Margin Ratio

According to 2017 consolidated financial statements, a net profit attributable to equity holders of the Company was Baht 1,344.12 million, rose by Baht 21.10 million against Baht 1,323.02 million in 2016. Net profit margin in 2017 was 11.57%, up 1.59% from that of 2016. Apart from the operating profit, the Company also has had significant investments in joint ventures and associates. Thus, the Company could recognize its share of profits (losses) from investments in joint ventures and associates amounting Baht 313.60 million and Baht 141.86 million respectively. As a result, the Company's 2017 share of profits was totaled Baht 455.46 million, up Baht 304.04 million from the previous year.

The increase was attributable to the Company recorded lower impairment expenses by Baht 316 million than the previous year. After the deduction of finance cost of Baht 39.3 million and income tax expenses of Baht 158.87 million in accordance with the accounting standard, the 2017 net profit attributable to equity holders of the Company was Baht 1,344.12 million, resulting in a net profit margin ratio was higher than the profit from operating activities.

Return on Equity (ROE)

In 2017, according to the Company and its subsidiaries' consolidated financial statements based on equity method, the Company recorded net profit attributable to the equity holders of Baht 1,344.12 million, or basic earnings per share at Baht 4.64 apiece. An average ROE in 2017 was 6.90%, down 0.15% compared with 2016's average ROE of 7.05%.

For separate financial statements based on cost method, the Company earned a net profit of Baht 903.78 million or Baht 3.01 per share, a decrease of Baht 277.24 million or Baht 0.93 per share from the year 2016. The major factors were a lower dividend contributed by its energy business in 2017 by Baht 173 million and the lower gains from disposals of investments in real estate project by Baht 324.9 million. Corporate income

tax expenses decreased by Baht 82.46 million with losses on impairment of investment decreased by Baht 205.72 million. Also, the higher-than-usual dividend income in 2016 was a cause of lower net profit year-on-year together with each property development project would require longer than a year to work through the process from pre-sales until the project sold out.

The Company maintained the dividend policy with a payout ratio no less than one-third of annual net profit. The annual net profit is based on cost method as reported in separate financial statements after deduction of retained loss (if any), the business liquidity and any cash requirement. However, the Company has consistently paid dividends to its shareholders at appropriate rate. Therefore, on 22 March 2018, the Company's Board of Directors proposed to the shareholders meeting for approval of paying a dividend to the shareholders at Baht 2 per share or 66.39% of net profit based on cost method.

History of dividend payment compared with net profit per share based on cost method:

Year	Dividend per share	Earning per share (cost method)	Dividend payout Ratio (%)
2016	2.00	3.94	50.80
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

3. Financial Status and Asset Management Capability

As of 31 December 2017, the Company and its subsidiary's total assets (which comprised of investments, production and distribution, and hotel business) valued Baht 25,540.85 million, up Baht 1,519.92 or 6.33% when compared to Baht 24,020.93 million of assets as of end-2016.

3.1 Asset Composition

The composition of assets is calculated based on the total assets of each respective year. At the end of 2017, the main components comprised of current assets 32.49%, total investments 28.53%, investment properties 8.22%, property, plant and equipment 27.65%, goodwill 2.04% and other non-current assets 1.07%. Compared to the changes in assets composition in 2016, the major changes were as following;

Cash and cash equivalents decreased by Baht 483.51 million or by 2.99% of the asset compositions because the Company and its subsidiaries invested in 25% of the registered capital of local healthcare business, KPN Healthcare Public Company Limited, worth Baht 237.5 million. The Company's subsidiary also invested in 24% stake in a Chinese real estate project of Zhuji-Union Real Estate Co., Ltd for Thai Baht equivalent value of Baht 180.03 million, totaling Baht 417.53 million for two projects. Such investments resulted in an increase in investments in associates valued Baht 455.55 million, where the difference was accounting adjustment based on equity method.

Trade and other receivables increased by Baht 398.2 million which was a nature of business of its subsidiaries whose record higher sales in the year-end period, its increased receivables were not yet due.

Other long-term investments increased Baht 517.56 million, all of which was resulted from mark-to-market gains as the fair value of the investments at the end of 2017 were significantly higher than the market value in end-2016. The details of available-for-sales securities, the costs compared with fair values were disclosed in the Note 16 to the financial statements, Other long-term investments.

Property, plant and equipment division rose Baht 751.65 million caused by the Company's energy business in China was in the process of investing more in property, machinery and equipment. The advance technology has been adopted to improve the efficiency of operation and increase production capacity as well as the reduction of production cost to accommodate rising demand.

Other assets apart from the above-mentioned had no significant changes.

Return on Assets was 5.42%, down 0.13% from the previous year due to the higher value of fixed assets in the energy business. These were still in the initial stage of increasing sales volume. Consequently, the net profit attributable to equity holder does not materially improve from the past year, resulting in the lower return on asset ratio.

Return on fixed assets was 24.29%, down 1.32% from 2016, driven by the reason as mentioned above in return on assets discussion.

3.2 Assets Quality

As of 31 December 2017, net trade and other receivables totaled Baht 2,051.04 million, or 8.03% of total assets, an increase of Baht 398.2 million compared to the past year of Baht 1,652.83 million. There were trade and other receivables - related parties of Baht 13.33 million, which showed no risk of default, also trade and other receivables - unrelated parties of Baht 1,713.01 million; and other receivables of Baht 324.69 million.

For trade and other receivables-unrelated parties before allowance for doubtful account was Baht 1,739.91 million, comprising of receivables not yet due and less than 3 months overdue or 95.61% of the total. There were the over 12-month overdue receivables worth Baht 28.09 million, in which the Company has set aside Baht 26.9 million as an allowance for doubtful accounts. Therefore, the net balance of trade and other receivables-unrelated parties came to Baht 1,713.01 million, up Baht 306.8 million from 2016. The increase was because the Company's subsidiaries had higher sales activities than normal during the final period of the year, and those increased receivables were not yet due.

In 2017 average collection period was at 54 days same as the year 2016 and remained within the usual credit term the Company offered to customers.

Other receivables involving tax-related receivables, such as input tax refundable, import duty refundable and prepaid corporate income tax totaled Baht 324.69 million. There were other receivables - unrelated parties of overseas subsidiaries around 30% of other receivables, which was considered normal of business that expected to be paid off.

For those mentioned above over one-year receivables worth Baht 28.09 million, or 1.37% of the entire receivables, the Company set aside Baht 26.9 million as the allowance for doubtful accounts. The rest, the Company expects to be fully paid, thus, the Company and subsidiaries believe that such provision for doubtful accounts was appropriate and sufficient in the current situation. Therefore, it is considered a good quality asset according to the consolidated financial statements.

Inventories

As of 31 December 2017, the Company and its subsidiaries recorded inventories value based on cost of Baht 1,089.52 million as the subsidiaries reduced cost of inventories by Baht 21 million to reflect the net realizable value. Therefore, the net balance inventories valued Baht 1,013.52 million, or 3.97% of total assets, decreasing by Baht 197.85 million when compared to those of the end of 2016. This was because the Company managed to deliver goods to customers before year-end. Regarding the inventory control system, the Company regularly performs internal control systems, doing inventory count checks and reports the age of inventory analysis for inventory management, including evaluating relative market value assessment of the inventories with the net book value or the utilization ages of manufacturing spare parts and supplies. If the market value is lower than book value or economic value of parts and supplies is lower than the book value, the Company shall record the impairment of the assets value in the allowance for inventory impairment account.

In the fiscal year 2017, the Company's inventory impairment increased Baht 5.9 million from the previous year to adjust book value to reflect an expected economic value of inventories. The Company and its subsidiaries estimated impairment of inventory worth Baht 76 million, as shown in Note to the Financial Statements No 10, was considered appropriate.

Investment Transactions

As of 31 December 2017, the Company and its subsidiaries' net investments reported a total of Baht 7,287.57 million or 28.53% of the total assets, a net increase of Baht 779.22 million compared to the year 2016, based on equity method. The increase was because the Company acquired 25% of registered capital of hospital and healthcare service business, KPN Healthcare Public Company Limited, worth Baht 237.5 million and its subsidiary also invested in a Chinese real estate project, Zhuji-Union Real Estate Co., Ltd by acquiring 24% of its registered capital worth Baht 180.03 million, making its investments values of Baht 417.53 million in total.

Other changes included the completion of disposal of investment in associate held for sale, Zhejiang-Union Property Co., Ltd., which its sale and purchase contracts were fully effective, resulting in a reduction of investments value by Baht 180 million. This transaction resulted in gains from disposals of investments came to Baht 43 million. The rest was a difference occurred after the company recognized the value of investments by the fair value, which was higher than the book value, such as the other long-term investments recorded surplus over its book value amounting Baht 519.09 million compared to the previous year.

For the component of investments, there was the future economic value of investments estimation, if the future economic value is expected to be lower than the book value, the Company will consider an investment impairment as appropriate, details of which are disclosed in the Notes No 13.1, 14.1, 15.1 and No 16 in financial statements. The net value of investments in joint ventures and associates reflected the future economic value expected to be received.

The details of investments such as the name of investment, nature of the business, shareholding percentage, cost of investment and carrying value based on equity method can be found on Notes to the financial statement No.11-16.

Investment Properties

As of the end-2017, there was investment properties worth Baht 2,098.72 million, or 8.22% of total assets; most were land and land improvement for development net value of Baht 1,677.8 million. As of 31 December 2017, the fair value of such land and land improvement for development was estimated at Baht 3,617.68 million. Thus, it is considered good quality assets.

Property, Plant and Equipment

As of the end-2017, property, plant and equipment was valued at Baht 7,063.26 million, or 27.65% of total assets. The entire amount of major assets that are used in business operation comprising of land, land improvement and leasehold, buildings and facilities, machinery and equipment, power plants and other assets, total worth Baht 14,968.6 million. After a deduction of accumulated depreciation of Baht 7,899.34 million, the net balance accounting value came to Baht 7,063.26 million. Besides, there were fully-depreciated assets but are still in use valued Baht 5,268 million as of end 2017, details as disclosed in the Note No 18 to the financial statement.

Other Compositions of Asset

(1) **Goodwill.** There was Baht 521.72 million or 2.04% of total assets stemming from the Hotel Business in Hua Hin acquired by its subsidiary in 2014, which came up with the business opportunity as it was ready to operate immediately after acquiring date. The Company conducts goodwill impairment tests annually to assess its intrinsic value by the accounting standard. If it becomes lower, the Company will recognize its depreciation value on the financial statement. In 2017, the value was considered no depreciation.

(2) **Other non-current assets.** According to details shown in Note to the financial statement No.20, which was mostly leasehold - net from accumulated amortization worth of Baht 69.83 million held by its subsidiary in China. According to the law of the People's Republic of China, the subsidiary must lease the property from Chinese government for business operation. Besides, there was a withholding tax refundable from the revenue department, and other prepaid expenses such as insurance policy payment following the accounting standard.

These were essential in business operations, thus were considered good quality assets.

4. The Company's Liquidity and Capital Adequacy

4.1 Sources and uses of capital

As of 31 December 2017, the Company and its subsidiaries recorded the sources and uses of capital by holding the net cash flow from operating activities of Baht 1,230.62 million, which included account receivables and account payables. Of which Baht 28.30 million was cash paid for interests, income tax paid of Baht 244.12 million and income tax refund of Baht 27.87 million. Therefore, the net cash flow from operating activities came to Baht 986.06 million. The total cash flows of Baht 1,229.55 million was used in investment activities and Baht 96.62 million used in financing activities. After a reduction of Baht 143.39 million in translation adjustments of foreign currency exchange, the net cash flow was lower by Baht 483.51 million. After it combined cash from the beginning of the year of Baht 4,439.88 million, total cash balance at the end of 2017 came to Baht 3,956.38 million.

Before the payments of interest and corporate income tax, the Company earned Baht 1,230.62 million in cash from the operations along with the operating profits of Baht 1,237.05 million or 99.48% of all profits received in cash or nearly all. This showed the Company's high liquidity and ability to manage the operating activities' expenses adequately.

The significant changes of the net cash from investment activities in 2017 were as follows:

- (1) Cash gained from disposal of investment in real estate business, Zhejiang Union Property Co., Ltd., amounted Baht 213.49 million,
- (2) Dividend gained from investments that are neither subsidiary, joint venture nor associate amounted Baht 695.38 million,
- (3) Interest income amounted Baht 60.62 million,
- (4) Spending for the acquisition of investments in two new associates, KPN Healthcare Public Company Limited and Zhuji-Union Real Estate Co., Ltd., as mentioned above worth Baht 417.53 million in total,
- (5) The Company's subsidiary acquired investment properties or land for development amounting Baht 345.9 million, and
- (6) Capital expenditure to acquire property, machinery and equipment, which were mostly invested in expanding production capacity of power plant business and upgrading technology to enhance efficiency. Also, it has invested in expanding new production lines of plastic, rubber and metal business as well as renovating facilities of the hotel in Hua Hin and others. Total capital expenditure for this part was Baht 1,449.05 million.

These resulted in the net cash spending for investing activities of Baht 1,229.55 million.

For the financing activities, the notable items were a dividend paid to shareholders of Baht 806.18 million; Baht 955.44 million of cash receipt for long-term loans; and Baht 232.40 million of repayment for long-term loans. There was no significant change in other activities. Therefore, the net balance of cash used in financing activities totaled Baht 96.62 million. Overall, the Company showed high liquidity and sufficient cash flows for business operation and to pay the debt due.

The Adequacy of Capital Structure

As of 31 December 2017, the Company held the investment capital structure of 21,709.95 from total shareholders and the total liabilities of Baht 3,830.90 million. As a result, the Company's debt-to-equity ratio was at 0.18:1, rose from 0.16:1 a year earlier. However, the liabilities remained proportionately low compared to the shareholders' equity; thus, its lenders' risk was considered low.

In summary, most of the capital structures funded by the shareholders' equity, thus, it can increase liabilities from loans in the future with ease.

Debt service coverage ratio (DSCR)

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 450.91 million and current portion of long-term loans of Baht 154 million. There also were the current portion of liabilities under finance lease agreements due within one year of Baht 53.77 million, deposits from related parties of Baht 11.26 million, an income tax payable of Baht 54.34 million and other current liabilities of Baht 112.64 million. The grand total of short-term debts was Baht 836.92 million.

In 2017, there was interest payment of Baht 28.30 million and depreciation and amortization of Baht 771.63 million. Therefore, its earnings before interest and tax was Baht 1,237.05 million, plus non-cash depreciation and amortization along with current portion of liabilities under finance lease agreements totaled Baht 2,062.45

million, compared with the total short-term debts of Baht 836.92 million plus interest payment of Baht 28.30 million (totally Baht 865.22 million), the Company's debt service coverage ratio would be 2.39 times. The ratio indicated the Company's high ability to pay the entire short-term debt and interest without affecting its operation. Apart from the debts from the external lenders shown on the financial statement, there was also off-balance sheet financing source which is its unused credit facility from financial institutions about Baht 900 million.

During 2017, the Company held no change in capital structure. There were neither occurrences of increase nor decrease of investment capitals. Its subsidiaries raised debt funding from creditors as details disclosed on Note to financial statement No 23.

Composition of the Shareholders' Equity

According to the consolidated financial statement as of 31 December 2017, the equity attributable to owners of the Company was Baht 19,878.68 million, an increase of Baht 809.32 million when compared to end-2016 equity of Baht 19,069.36 million. The reasons for changes were as following;

(1) Concerning the operation in 2017, the Company reported a net profit of Baht 1,344.12 million. During the year, there was dividend payment of Baht 600 million as the resolution of the Annual General Meeting of Shareholders, resulting in an increase of shareholder equity of Baht 1,344.12 million and a decrease of Baht 600 million, respectively.

(2) For the increasing of non-operation with a recognized profit of shareholders' equity of Baht 65.20 million, was consisted of;

(2.1) An adjustment on accounting standard involving reappraised of available-for-sale investments based on market price at the end of 2017, there was a recognition of the unrealized gain of Baht 415.19 million on the shareholders' equity.

(2.2) According to the accounting standard, the dividend paid by a parent company to subsidiaries that held the Company's shares would not be counted as dividend payment. Therefore, Baht 20.04 million was restated in addition to the shareholders' retained earnings.

(2.3) Exchange differences from the translation of financial statements in foreign currency. There were differences in translation of financial statements between the statement of financial position and income statement, including the accumulated differences of the past period. As of end-2017, the difference decreased the shareholders' equity by Baht 292.92 million.

(2.4) Share of other comprehensive income derived from joint ventures and associates decreased the shareholders' equity by Baht 77.11 million.

Once summing all the above-mentioned factors, the shareholders' equity increased by Baht 809.32 million. Therefore, as of end-2017, the shareholders' equity was totalled Baht 19,878.68 million, indicating adequate shareholders' equity.

4.2 Capital Expenditure

During the year 2017, there were significant capital expenditures as following;

(1) Energy Business - The cogeneration plant in the People's Republic of China continued to invest in new buildings, machinery and equipment which were replaced by modern technological machinery. The move was aimed at efficiently increasing the production capacity to serve rising local demand. The capital expenditure in 2017 was approximately Baht 815 million.

(2) Plastic, Rubber and Metal Businesses - Baht 448 million capital expenditure was spent on factory buildings, machinery and equipment to add moulding equipment and machinery for rubber products manufacturing and expand vacuum bottle production lines in responding to the orders from customers.

(3) Hotel Business - The capital expenditure was spent mainly on the renovation of hotel rooms, furniture and related equipment totaling Baht 115 million.

The source of fund of (1) partly came from a reinvesting of dividend income and the rest from loans from the local bank. For item (2) came from each subsidiary's working capital and loans from local banks. For item (3) came from subsidiary's working capital itself. The Company is expected to be able to completely follow the loan agreements.

4.3 Adequacy of Liquidity

As mentioned earlier, nearly all or 99.48% of the operating profit was turned into cash. The Company held the ability to repay one-year due debt and interest expenses by 2.39 times, indicating its high liquidity. Also, the Company's capital structure carries the ratio between the loan and shareholders' equity at 0.18 to 1, showing that only a small amount of fund came from the loan. Moreover, the Company still holds an unused credit facility of approximately Baht 900 million from the financial institution, which is available on call. The credit facility is three-month loans with interest rate subjected to prevailing short-term money market rate at the time of drawing. In summary, the Company has adequate liquidity for business operation.

Liquidity ratios as following;

- **Current Ratio** was at 3.55 to 1, and Quick Ratio was at 3.12 to 1, indicating its ability to turn liquid assets into cash to not only for immediately repaying the entire current liabilities but also leaving excess liquidity. This showed that the Company and its subsidiaries maintained adequate liquidity.

- **Receivables and Payables**

The Company and its subsidiaries had average collection period of 54 days similar to the past year. The Company can collect money from debtors within the credit term given to the customers. Average payment period was 41 days, which is better than those 39 days in the previous year. As for the Cash Conversion Cycle, it was 21 days per cycle, which was fewer than those 25 days of the past year, starting from the time raw materials was purchased until the collection of accounts receivable generated from the sale of the final product. In other word, the Company and its subsidiaries were holding 17 cash conversion cycles per year.

- **Interest coverage ratio** was at 43.48 times, indicating that the Company and its subsidiaries generate sufficient cash flow to pay interests to their creditors.

4.4 Ability to Secure Additional Funding

There is an unused credit facility approximately Baht 900 million issued by the financial institution that the Company can obtain as an additional funding source if required. It is comprised of three-month promissory note and available-on-call loan. Should the Company require project funding, the Company is expected to be able to contact the financial institutions to approve either medium or long-term loan facility for such project.

4.5 Factors that May Affect Credit Rating

The Company's source of capital came entirely from the common stock equity, and neither debenture nor bond ever issued. The Company is not ranked by a credit rating agency as it does not need this information, therefore, there is no factor affecting the Company's credit rating.

4.6 Ability to Repay and Comply with the Covenant and Restriction of Loan

There was a borrowing worth Baht 1,102.44 million by its subsidiary from a financial institution, which was a long-term loan with scheduled repayments every 6 or 12 months from 2014 to 2022, of which Baht 154 million is a current portion due within one year. However, under the loan agreement, there are debt covenants and restrictions such as the maintenance of debt to equity ratio, negative pledges on certain assets that are essential for the subsidiary's operations, etc. The Company is confident that the subsidiary can completely follow all the covenant and restriction.

As for the Debt Serviceability, as mentioned earlier under division 4.1, its ability to repay debt that due within one year (DSCR) was 2.39 times, indicating its high ability to pay the entire short-term debt. The Company and its subsidiaries held a long-term loan of Baht 1,102.44 million and bank overdrafts and short-term loans from the financial institution of Baht 450.91 million, totaling Baht 1,553.35 million compared to the cash and cash equivalents of Baht 3,956.38 million. Therefore, they had adequate liquidity to pay off the entire amount of debt. There are neither factors expected to interrupt the loan agreements nor effects on dividend payment.

5. Contractual Obligations and Off-Balance Sheet Arrangements

The Company and its subsidiaries held liabilities included current portion due within one year such as trade payables, which are paid by current assets as part of the normal business operation. The Company also held non-current liabilities of Baht 1,495.2 million as of 31 December 2017. Each liability carries different repayment schedule. For instance, the long-term loan requires commitments of the periodic payment as stipulated in the loan's contractual agreement. For the finance lease agreement requires commitments of the payment plans under instalment agreements, and for provision for long-term employee benefits requires the obligation to pay the employee upon employee's resignation or retirement in conformity with law and regulations. As for the commitments of the payment obligation to the employee for a resignation before retirement, in other word, the financial aid for resignation (a different portion from commitment - retirement fund in conformity with law and regulations), the Company provides provisions for this part 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 upon resignation. While the contribution from retirement fund will be recorded by the Company as non-current liabilities, and the Company will distribute money among its employees when retiring according to the law.

Details on off-balance sheet obligations were disclosed in the Notes to the Financial Statements as follows:

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 could manage, and no effects were expected on business operation.

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

Most of the Company's business operations involved investments in textile, plastic, rubber and metal, computer, energy, hotel and other businesses in China. Therefore, the main income came from local and overseas investments dividends. The factors and influences that may significantly affect the Company's operations or financial position in the future are as follows:

6.1 Currency exchange rate volatility

Half of the Company's sales income stemmed from the export sales. Once Thai Baht appreciates against US Dollar, its export sales receipt in Thai Baht term will be reduced, while most of the raw materials are sourced locally and paid in Baht term, consequently, the stronger baht caused weaker results. However, the Company has been attempting to seek measures to limit the foreign exchange rate risk exposure.

6.2 The changing of raw materials' market price

The Company's manufacturing and distribution businesses may be affected by the rise raw material prices, mainly in coal, cotton, polyester or rubber prices for the power plant, textile and rubber business, respectively. In the wake of increasing prices of raw materials, the manufacturer was unable to pass entire rising costs to its customers, that might be an effect of the intense competition in the overseas market or the customers might shift to cheaper costs countries. These factors can affect the business operations.

6.3 Uneven economic recovery

Despite the growth of Thai economy in 2017, there were some industries that were not yet recovered as it should, for instance, the automotive industry. The Company's auto-parts business operation remained faced weaker purchasing orders than usual, resulting in a rise of cost per unit and lower operating profits. If automotive industry recovers and customers' demand improves the Company's operating results will turn to be positive.

7. Additional Information of the Translation Adjustments

The Company's consolidated financial statements included the overseas subsidiaries reporting in foreign currency. The Company has to translate those financial statements into Thai Baht for consolidation purpose. The table below shows the exchange rates used in the translation of consolidated financial statements over the past 3 years.

Currency	The exchange rate applied in					
	Statement of financial position			Income statement		
	2017	2016	2015	2017	2016	2015
RMB	5.00090	5.13670	5.53280	4.979713	5.160350	5.608413
HKD	4.17385	4.61270	4.65105	4.214825	4.543700	4.637588
TWD	1.09575	1.10950	1.09925	1.095225	1.110113	1.097938

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 2017 are shown on page 102-103.



Related Transactions of Saha-Union Public Company Limited and Parties Possibly in Conflict in 2017

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	68.66	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	45.15	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	40.69	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	42.70	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	11.26	Outstanding balance as at 31 December 2017	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.
		2 Interest Receivables/Payables	0.01	Outstanding balance as at 31 December 2017	
		3 Account Receivables/Payables	0.05	Outstanding balance as at 31 December 2017	
		4 Dividend Income/Payment	27.26	From resolution of the Shareholders' Meeting	
		5 Services Income	0.01	Contract price	
		6 Income/Other expenses	0.01	Contract price	
		7 Interest Income/Expenses	0.08	Referred to types and rates of a major commercial bank	
6. Union Multi-Capital Co., Ltd.	Major shareholder holding more than 30% of shares	1 Dividend Income/Payment	12.16	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	10.91	Comparable with market price	The purchasing of raw material should be made in large quantity to generate more bargaining power.
		2 Rental Income	0.02	Contract price	
		3 Income/Other expenses	0.07	Contract price	
		4 Account Receivables/Payables	0.15	Outstanding balance as at 31 December 2017	
8. Union Spinning Mills Co., Ltd.	Major shareholder holding more than 30% of shares	1 Purchases/Sales of Merchandise	3.88	Comparable with market price	The purchasing of raw material should be made in large quantity to generate more bargaining power.
		2 Rental Income	0.10	Contract price	
		3 Dividend Income/Payment	2.50	From resolution of the Shareholders' Meeting	
		4 Income/Other expenses	0.07	Contract price	
		5 Account Receivables/Payables	0.07	Outstanding balance as at 31 December 2017	
9. Union Zip Co., Ltd.	Major shareholder holding more than 30% of shares	1 Income/Other expenses	0.15	Contract price	

Party's Name	Type of Relationship	Related Transaction			
		Type of Transaction	Amount (Million Baht)	Pricing Policy	Necessity
10. Uni-Agro Co., Ltd.	Major shareholder holding more than 30% of shares	1 Dividend Income/Payment	0.64	From resolution of the Shareholders' Meeting	In the ordinary course of business should have return on investment.
	Major shareholder holding more than 30% of shares	1 Deposits	42.19	Outstanding balance as at 31 December 2017	The Companies in the Group had their surplus liquidity and deposited the money with the Company for effective financial management.
		2 Interest Receivables/Payables	0.34	Outstanding balance as at 31 December 2017	
12. Union Textile Industries Public Company Limited	Major shareholder	3 Interest Income/Expenses	0.49	Referred to types and rates of a major commercial bank	The purchasing of raw material should be made in large quantity to generate more bargaining power.
		1 Purchases/Sales of Merchandise	390.94	Comparable with market price	
		2 Dividend Income/Payment	2.00	From resolution of the Shareholders' Meeting	
		3 Account Receivables/Payables	20.59	Outstanding balance as at 31 December 2017	
13. Thai Rubber Enterprise Co., Ltd.	Major shareholder	4 Income/Other expenses	0.39	Contract price	To develop and make use of its vacant plots of land by rental of property for rubber plantation.
		1 Account Receivables/Payables	5.40	Outstanding balance as at 31 December 2017	
		2 Rental Income	1.49	Contract price	
		3 Interest Income/Expenses	0.04	Referred to types and rates of a major commercial bank	
		4 Income/Other expenses	0.03	Contract price	
14. Union Pioneer Public Company Limited	Major shareholder	5 Dividend Income/Payment	0.97	From resolution of the Shareholders' Meeting	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.
		1 Purchases/Sales of Merchandise	5.52	Comparable with market price	
		2 Dividend Income/Payment	26.07	From resolution of the Shareholders' Meeting	
		3 Rental Income	3.31	Contract price	
		4 Income/Other expenses	0.39	Contract price	
15. Union Button Corp., Ltd.	Directors and related person holding more than 10% of shares	5 Account Receivables/Payables	0.34	Outstanding balance as at 31 December 2017	In the ordinary course of business should have return on investment.
		1 Rental Income	0.01	Contract price	
		2 Income/Other expenses	0.04	Contract price	
16. Venus Shoes Co., Ltd.	Major shareholder	3 Dividend Income/Payment	1.98	From resolution of the Shareholders' Meeting	The Companies in the Group had their surplus liquidity and deposited the money with the Company for effective financial management
		1 Deposits	26.00	Outstanding balance as at 31 December 2017	
		2 Interest Income/Expenses	0.17	Referred to types and rates of a major commercial bank	
		3 Income/Other expenses	0.69	Contract price	
		4 Rental Income	0.42	Contract price	
		5 Interest Receivables/Payables	0.07	Outstanding balance as at 31 December 2017	
6 Account Receivables/Payables	0.10	Outstanding balance as at 31 December 2017			
Total amount of related transaction in 2017			796.58		

Audit Committee's Report

To Shareholders,

In the year 2017, the Audit Committee is comprised of three independent directors, namely Emeritus Professor Dr. Achara Chandrachai as Chairman, Associate Professor Dr. Pakpachong Vadhanasindhu and Miss Pakinee Prertitumrong. Five meetings were organized and attended by all members of the Audit Committee as below:

	<u>Number of Attendances</u>
- Emeritus Professor Dr. Achara Chandrachai	5/5
- Associate Professor Dr. Pakpachong Vadhanasindhu	5/5
- Miss Pakinee Prertitumrong	5/5

Participated in the meetings were the Company's Executives, internal auditors and the 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 2017 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. In addition, the Company emphasized on the key audit matters of the Group Companies for disclosing additional information in accordance with the auditing standards in the auditor's report.

2. Review of corporate governance.

The Audit Committee oversaw the Company's rules and regulations to ensure they are compliant with the Company's Code of Conduct and Regulations, without any legal violations. The Committee also established good awareness of anti-corruption measures and prevention among Directors and Employees.

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.

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 consistently prepared in accordance with generally accepted accounting standards 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 have been adopted with the new effective accounting standard revision and guidance. As investment is the Company's major business, therefore, the consolidated financial statements are comprised of its subsidiaries, joint venture and associates' information. In the separated financial statements, investment accounts are recorded on cost method. 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 present, 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 as appeared in the Annual Report on page 104.

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 2017.

On behalf of the Board of Directors



(Miss Dalad Sapthavichaikul)

Chairman



(Mrs. Chantornree Darakananda)

President

27 February 2018

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 2017, 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 2017, 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 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 2017 amounting to Baht 10,690 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. 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 IT system and 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 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.

Goodwill

As discussed in Note 19 to the financial statements, as at 31 December 2017, the Group 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.

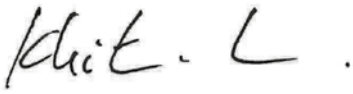
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material 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.

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



Khitsada Lerdwana

Certified Public Accountant (Thailand) No. 4958

EY Office Limited

Bangkok: 28 February 2018

Statement of financial position

Saha-Union Public Company Limited and its subsidiaries

As at 31 December 2017

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Assets					
Current assets					
Cash and cash equivalents	6	3,956,378,838	4,439,887,598	1,466,655,197	2,070,564,097
Current investments	7	1,053,472,574	952,106,765	-	-
Trade and other receivables	9	2,051,039,618	1,652,832,575	137,062,741	229,104,690
Inventories	10	1,013,522,063	1,211,369,776	32,892,978	24,119,980
Short-term loans to related parties	8	125,522,500	161,021,875	155,521,000	2,100,000
Other current assets		97,106,568	98,306,026	1,043,032	1,163,870
Total current assets		8,297,042,161	8,515,524,615	1,793,174,948	2,327,052,637
Investment in associate held for sale	11	-	180,037,201	-	169,702,065
Non-current assets					
Restricted investments	12	32,887,874	33,552,648	-	-
Investments in subsidiaries	13	-	-	9,621,639,389	8,823,299,318
Investments in joint ventures	14	1,405,463,098	1,418,662,452	493,288,135	535,015,190
Investments in associates	15	3,463,354,214	3,007,799,737	886,993,181	649,493,181
Other long-term investments	16	2,385,862,195	1,868,300,826	2,145,715,986	1,644,633,648
Investment properties	17	2,098,721,242	1,828,137,408	1,148,655,455	1,155,132,262
Property, plant and equipment	18	7,063,263,345	6,311,609,705	50,271,966	57,755,165
Goodwill	19	521,724,374	521,724,374	-	-
Intangible assets - computer software		5,558,448	7,337,737	-	-
Deferred tax assets	28	93,522,495	94,991,012	2,915,330	2,513,809
Other non-current assets	20	173,447,595	233,252,857	2,165,227	4,676,024
Total non-current assets		17,243,804,880	15,325,368,756	14,351,644,669	12,872,518,597
Total assets		25,540,847,041	24,020,930,572	16,144,819,617	15,369,273,299

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 2017

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	21	450,910,328	428,781,924	-	-
Trust receipts		-	24,523,578	-	24,523,578
Trade and other payables	22	1,498,762,884	1,552,548,988	106,886,533	91,841,750
Current portion of long-term loans	23	154,000,000	232,400,000	-	-
Current portion of liabilities under					
finance lease agreements		53,771,351	44,275,075	-	-
Deposits from related parties	8	11,258,164	5,252,463	683,778,918	664,308,141
Income tax payable		54,343,066	89,980,127	-	27,593,186
Other current liabilities		112,644,685	136,683,548	1,195,000	1,578,334
Total current liabilities		2,335,690,478	2,514,445,703	791,860,451	809,844,989
Non-current liabilities					
Long-term loans, net of current portion	23	948,440,477	147,000,000	-	-
Liabilities under finance lease agreements,					
net of current portion		53,597,092	47,251,209	-	-
Provision for long-term employee benefits	24	289,526,232	278,055,048	16,563,192	17,151,545
Deferred tax liabilities	28	185,962,788	82,184,396	168,257,383	70,189,737
Other non-current liabilities		17,681,620	6,591,668	-	-
Total non-current liabilities		1,495,208,209	561,082,321	184,820,575	87,341,282
Total liabilities		3,830,898,687	3,075,528,024	976,681,026	897,186,271

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 2017

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
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	972,033,328	964,110,092	750,000,000	750,000,000
Other reserve		233,593,146	208,889,870	-	-
Unappropriated		12,491,670,797	11,760,126,673	8,146,109,058	7,842,328,081
Other components of shareholders' equity		582,384,394	537,236,305	673,029,533	280,758,947
Equity attributable to owners of the Company		19,878,681,665	19,069,362,940	15,168,138,591	14,472,087,028
Non-controlling interests of the subsidiaries		1,831,266,689	1,876,039,608	-	-
Total shareholders' equity		21,709,948,354	20,945,402,548	15,168,138,591	14,472,087,028
Total liabilities and shareholders' equity		25,540,847,041	24,020,930,572	16,144,819,617	15,369,273,299

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 2017

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Revenues					
Sales and service income	30	10,689,703,800	10,939,917,314	1,234,485,132	1,176,418,977
Dividend income	7, 13, 14, 15, 16	315,098,347	376,179,239	909,990,245	1,082,590,110
Rental income		49,880,241	52,356,174	46,112,340	40,029,245
Interest income		60,768,753	54,430,851	36,740,979	21,490,514
Gains on disposals of investments	7, 11	49,426,102	367,214,887	43,784,111	368,681,182
Gains on dissolution of subsidiaries		-	89,423	-	83,055,372
Unrealised gains from revaluation of trading securities	7	141,651,299	21,104,182	-	-
Other income		311,573,638	279,273,080	28,324,982	24,191,050
Total revenues		11,618,102,180	12,090,565,150	2,299,437,789	2,796,456,450
Expenses					
Cost of sales and services		9,262,916,556	9,330,957,177	1,219,247,628	1,158,003,918
Selling expenses		296,138,904	271,070,502	9,512,329	8,822,275
Administrative expenses		773,324,074	753,502,713	93,269,826	100,236,240
Losses on impairment of investments		1,668,794	-	40,795,798	246,511,048
Losses on impairment of investment properties	17	25,000,000	-	-	-
Expenses of withholding tax write-off		22,004,197	12,099,114	22,004,197	12,099,114
Total expenses		10,381,052,525	10,367,629,506	1,384,829,778	1,525,672,595
Profit before share of profit (loss) from investments in joint ventures and investments in associates, finance cost and income tax expenses		1,237,049,655	1,722,935,644	914,608,011	1,270,783,855
Share of profit (loss) from investments in joint ventures	14	313,602,943	(21,220,766)	-	-
Share of profit from investments in associates	15	141,863,140	172,650,528	-	-
Profit before finance cost and income tax expenses		1,692,515,738	1,874,365,406	914,608,011	1,270,783,855
Finance cost		(39,306,254)	(31,916,737)	(5,696,155)	(2,170,342)
Profit before income tax expenses		1,653,209,484	1,842,448,669	908,911,856	1,268,613,513
Income tax expenses	28	(158,871,281)	(276,793,553)	(5,130,879)	(87,591,657)
Profit for the year		1,494,338,203	1,565,655,116	903,780,977	1,181,021,856
Profit attributable to					
Equity holders of the Company		1,344,125,248	1,323,023,150	903,780,977	1,181,021,856
Non-controlling interests of the subsidiaries		150,212,955	242,631,966		
		1,494,338,203	1,565,655,116		
Basic earnings per share (Baht)	29				
Profit attributable to equity holders of the Company		4.64	4.56	3.01	3.94

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 2017

(Unit: Baht)

	<u>Note</u>	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Profit for the year		1,494,338,203	1,565,655,116	903,780,977	1,181,021,856
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		(365,289,180)	(453,392,860)	-	-
Gains on change in value of available-for-sale investments	16	506,646,806	162,394,283	490,338,232	70,837,466
Less: Income tax effect	28	(101,328,950)	(32,497,543)	(98,067,646)	(14,167,493)
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		40,028,676	(323,496,120)	392,270,586	56,669,973
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain		-	2,125,195	-	-
Less: Income tax effect	28	-	(425,039)	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		-	1,700,156	-	-
Other comprehensive income for the year		40,028,676	(321,795,964)	392,270,586	56,669,973
Total comprehensive income for the year		1,534,366,879	1,243,859,152	1,296,051,563	1,237,691,829
Total comprehensive income attributable to					
Equity holders of the Company		1,389,273,337	1,014,522,568	1,296,051,563	1,237,691,829
Non-controlling interests of the subsidiaries		145,093,542	229,336,584		
		1,534,366,879	1,243,859,152		

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 2017

(Unit : Baht)

Consolidated financial statements														
Equity attributable to owners of the Company														
	Other components of equity													
	Issued and paid-up share capital	Share premium	Retained earnings			Other comprehensive income				Other change by the owners		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	Exchange differences on translation of financial statements in foreign currency	Surplus on changes in value of investments available-for-sale	Share of other comprehensive income from joint ventures and associates	The Company's shares held by the subsidiaries (Note 25)	Total other components of shareholders' equity				
Balance as at 1 January 2016	3,000,000,000	2,599,000,000	983,269,979	186,620,765	10,863,424,254	274,126,004	247,735,194	560,034,545	(234,404,410)	847,491,333	18,489,806,331	1,797,877,484	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	(161,386,392)	78,277,468	(227,146,104)	-	(310,255,028)	(308,500,582)	(13,295,382)	(321,795,964)	
Total comprehensive income for the year	-	-	-	-	-	(161,386,392)	78,277,468	(227,146,104)	-	(310,255,028)	1,014,522,568	229,336,584	1,243,859,152	
Increase in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	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	112,739,612	326,012,662	332,888,441	(234,404,410)	537,236,305	19,069,362,940	1,876,039,608	20,945,402,548	
Balance as at 1 January 2017	3,000,000,000	2,599,000,000	964,110,092	208,889,870	11,760,126,673	112,739,612	326,012,662	332,888,441	(234,404,410)	537,236,305	19,069,362,940	1,876,039,608	20,945,402,548	
Profit for the year	-	-	-	-	1,344,125,248	-	-	-	-	-	1,344,125,248	150,212,955	1,494,338,203	
Other comprehensive income for the year	-	-	-	-	-	(292,926,252)	415,188,864	(77,114,523)	-	45,148,089	45,148,089	(5,119,413)	40,028,676	
Total comprehensive income for the year	-	-	-	-	-	(292,926,252)	415,188,864	(77,114,523)	-	45,148,089	1,389,273,337	145,093,542	1,534,366,879	
Increase in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	36,359,506	36,359,506	
Dividend paid (Note 32)	-	-	-	-	(600,000,000)	-	-	-	-	-	(600,000,000)	(226,225,967)	(826,225,967)	
Less: Dividend paid in respect of the Company's shares held by subsidiaries	-	-	-	-	20,045,388	-	-	-	-	-	20,045,388	-	20,045,388	
Dividend paid - net	-	-	-	-	(579,954,612)	-	-	-	-	-	(579,954,612)	(226,225,967)	(806,180,579)	
Unappropriated retained earnings transferred to statutory reserve	-	-	7,923,236	-	(7,923,236)	-	-	-	-	-	-	-	-	
Unappropriated retained earnings transferred to other reserve	-	-	-	24,703,276	(24,703,276)	-	-	-	-	-	-	-	-	
Balance as at 31 December 2017	3,000,000,000	2,599,000,000	972,033,328	233,593,146	12,491,670,797	(180,186,640)	741,201,526	255,773,918	(234,404,410)	582,384,394	19,878,681,665	1,831,266,689	21,709,948,354	

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 2017

(Unit: Baht)

	Separate financial statements					
	Issued and paid-up share capital	Share premium	Retained earnings		Other component of equity	
					Other comprehensive income	Total shareholders' equity
			Appropriated - statutory reserve	Unappropriated		
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
Balance as at 1 January 2017	3,000,000,000	2,599,000,000	750,000,000	7,842,328,081	280,758,947	14,472,087,028
Profit for the year	-	-	-	903,780,977	-	903,780,977
Other comprehensive income for the year	-	-	-	-	392,270,586	392,270,586
Total comprehensive income for the year	-	-	-	903,780,977	392,270,586	1,296,051,563
Dividend paid (Note 32)	-	-	-	(600,000,000)	-	(600,000,000)
Balance as at 31 December 2017	3,000,000,000	2,599,000,000	750,000,000	8,146,109,058	673,029,533	15,168,138,591

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 2017

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from operating activities				
Profit before tax	1,653,209,484	1,842,448,669	908,911,856	1,268,613,513
Adjustments to reconcile profit before tax to				
net cash provided by (paid from) operating activities				
Depreciation and amortisation	771,631,242	770,969,960	16,674,771	17,437,333
Allowance for doubtful accounts (reversal)	14,554,203	12,151,408	(16,779,556)	-
Reduction of cost of inventories to net realisable value	9,103,308	10,294,585	-	-
Gains on disposals/write-off of property, plant and equipment	(1,912,844)	(8,128,370)	(400,115)	(789,073)
Gains on disposals of investment properties	(17,535,390)	(966,672)	-	(966,672)
Losses on impairment of property, plant and equipment	-	90,264	-	-
Losses on impairment of investment properties	25,000,000	-	-	-
Losses on impairment of investments	1,668,794	-	40,795,798	246,511,048
Expenses of withholding tax write-off	22,004,197	12,099,114	22,004,197	12,099,114
Unrealised gains from revaluation of trading securities	(141,651,299)	(21,104,182)	-	-
Share of (profit) loss from investments in joint ventures	(313,602,943)	21,220,766	-	-
Share of profit from investments in associates	(141,863,140)	(172,650,528)	-	-
Gains on disposals of investments	(49,426,102)	(367,214,887)	(43,784,111)	(368,681,182)
Gains on dissolution of subsidiaries	-	(89,423)	-	(83,055,372)
Unrealised losses (gains) on exchange	1,479,720	3,030,237	(74,353)	1,583,065
Dividend received from investments	(315,098,347)	(376,179,239)	(909,990,245)	(1,082,590,110)
Provision for long-term employee benefits	23,622,464	18,365,304	2,753,534	416,234
Interest income	(60,768,753)	(54,430,851)	(36,740,979)	(21,490,514)
Interest expenses	28,971,996	21,825,250	5,502,348	2,017,836
Profit (loss) from operating activities before changes in				
operating assets and liabilities	1,509,386,590	1,711,731,405	(11,126,855)	(8,894,780)
Operating assets (increase) decrease				
Trade and other receivables	(400,133,355)	492,890,962	92,978,697	52,628,791
Inventories	188,744,405	(49,775,080)	(8,772,998)	(4,685,158)
Other current assets	1,199,458	(1,111,137)	120,838	(106,371)
Other non-current assets	39,083,965	(88,671,366)	(43,509)	527,970
Operating liabilities increase (decrease)				
Trade and other payables	(75,185,360)	(430,564,226)	12,307,977	11,109,524
Other current liabilities	(24,001,341)	6,131,052	(383,334)	-
Payment of provision for long-term employee benefits	(12,151,280)	(10,614,779)	(3,341,887)	-
Other non-current liabilities	3,682,750	(5,597,492)	-	-
Cash from operating activities	1,230,625,832	1,624,419,339	81,738,929	50,579,976
Cash paid for interest	(28,305,523)	(21,952,787)	(2,765,542)	(2,353,870)
Cash paid for income tax	(244,122,788)	(289,060,717)	(55,129,783)	(72,180,832)
Cash refund from income tax	27,868,137	29,717,148	2,554,306	-
Net cash from (used in) operating activities	986,065,658	1,343,122,983	26,397,910	(23,954,726)

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 2017

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from investing activities				
Decrease (increase) in short-term loans to related parties	25,112,000	(154,601,000)	(140,421,000)	360,922,000
Decrease (increase) in current investments	(32,935,300)	175,435,445	-	-
Decrease (increase) in restricted investments	664,774	(14,249,025)	-	-
Acquisition of investments in subsidiaries	-	-	(795,740,020)	(69,951,326)
Acquisition of investment in joint venture	-	(210,000)	-	-
Acquisition of investments in associates	(417,532,400)	-	(237,500,000)	-
Acquisition of investments in other long-term investments	(12,412,900)	(30,583,300)	(12,412,900)	(29,001,800)
Proceeds from disposals of property, plant and equipment	3,689,922	9,181,168	400,450	789,278
Proceeds from disposals of investment properties	29,365,754	983,410	-	983,410
Cash receipt from disposals of investment in associate held for sale	213,486,176	-	213,486,176	-
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	695,385,630	668,226,180	909,886,552	975,383,012
Interest income	60,620,105	54,202,008	39,761,833	23,352,101
Acquisition of investment properties	(345,944,265)	(3,341,387)	-	-
Acquisition of property, plant and equipment	(1,449,055,311)	(874,576,847)	(2,715,100)	(5,224,125)
Net cash from (used in) investing activities	(1,229,555,815)	970,898,281	(25,254,009)	2,378,739,080
Cash flows from financing activities				
Increase in bank overdrafts and short-term loans from financial institutions	22,128,404	94,911,460	-	-
Increase (decrease) in trust receipts	(24,523,578)	24,405,029	(24,523,578)	24,405,029
Increase (decrease) in deposits from related parties	6,005,701	(29,046,411)	19,470,777	(201,515,636)
Share capital receipt from non-controlling interests of the subsidiaries	36,359,506	24,727,773	-	-
Dividend paid	(806,180,577)	(607,176,270)	(600,000,000)	(450,000,000)
Cash receipt from long-term loans	955,440,477	196,000,000	-	-
Repayment of long-term loans	(232,400,000)	(177,200,000)	-	-
Cash paid for liabilities under finance lease agreements	(53,451,569)	(57,170,945)	-	-
Net cash used in financing activities	(96,621,636)	(530,549,364)	(605,052,801)	(627,110,607)
Increase (decrease) in translation adjustments	(143,396,967)	50,146,528	-	-
Net increase (decrease) in cash and cash equivalents	(483,508,760)	1,833,618,428	(603,908,900)	1,727,673,747
Cash and cash equivalents at beginning of year	4,439,887,598	2,606,269,170	2,070,564,097	342,890,350
Cash and cash equivalents at end of year	3,956,378,838	4,439,887,598	1,466,655,197	2,070,564,097
Supplemental cash flows information				
Non-cash transaction				
Purchases of property, plant and equipment for which no cash has been paid	89,886,794	56,671,619	-	326,243

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 2017

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, Phrakonong Tai, 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 11 October 2016, issued under the Accounting Act B.E. 2543.

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

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

2.2 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	
			<u>2017</u> (percent)	<u>2016</u> (percent)
<i>Textile business</i>				
Union Textile Industries Plc.	Manufacture and distribution of textiles	Thailand	51.42	51.42
Union Garment Co., Ltd.	Manufacture and distribution of garments	Thailand	99.99	99.99
<i>Plastic, rubber and metal business</i>				
Union Pioneer Plc.	Manufacture and distribution of elastic products	Thailand	52.73	52.73

Company	Nature of business	Country of incorporation	Percentage of Shareholding	
			<u>2017</u> (percent)	<u>2016</u> (percent)
Plastic, rubber and metal business (continued)				
Union Plastic Plc.	Contract manufacture of plastic products, manufacture and repair of molds	Thailand	49.69	49.69
Union Zojirushi Co., Ltd.	Manufacture and distribution of vacuum stainless bottles	Thailand	51.00	51.00
Union Stainless Steel Products Co., Ltd.	Manufacture and distribution of stainless steel kitchenware	Thailand	98.00	98.00
Union Rubber Products Corp., Ltd.	Manufacture and distribution of rubber products	Thailand	99.99	99.99
Thai Rubber Enterprise Co., Ltd.	Rubber estates	Thailand	50.69	50.69
Trading business				
Computer Union Co., Ltd.	Computer and accessories dealer	Thailand	98.09	97.77
Computer Union Systems Co., Ltd. (99.99 percent owned by Computer Union Co., Ltd.)	Computer and accessories dealer	Thailand	99.99	97.77
Energy business				
Jiashan-Union Cogeneration Co., Ltd.	Power generation	China	75.96	75.96
Hotel business				
The Royal Hotel Co., Ltd.	Hotel	Thailand	96.22	96.22
Investment and others business				
Saha-Union International Ltd.	Investment and other	Hong Kong	99.99	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

Company	Nature of business	Country of incorporation	Percentage of Shareholding	
			<u>2017</u> (percent)	<u>2016</u> (percent)
<i>Investment and others business (continued)</i>				
Union Shoes Co., Ltd.	Rental services	Thailand	98.23	98.23
Union Construction Corp., Ltd.	Investment	Thailand	99.99	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
<i>Liquidation</i>				
Union Human Resources Development Co., Ltd.	-	Thailand	99.99	99.99

- 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 financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are 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 adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

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

During the current year, the Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements.

The management of the Company and its subsidiaries believe that the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied.

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 and leasehold 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 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	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cash	1,344	1,568	50	50
Bank deposits	2,583,181	2,798,620	216,605	570,514
Bonds	1,371,854	1,639,700	1,250,000	1,500,000
Total cash and cash equivalents	3,956,379	4,439,888	1,466,655	2,070,564

As at 31 December 2017, bank deposits in saving accounts, fixed deposits and bonds carried interests between 0.01 and 4.10 percent per annum (2016: between 0.01 and 3.05 percent per annum).

7. Current investments

As at 31 December 2017 and 2016, the balances of subsidiaries' current investments are as follow:

(Unit: Thousand Baht)

	Consolidated financial statements			
	2017		2016	
	Cost/ Book value	Fair value	Cost/ Book value	Fair value
Trading securities				
Overseas marketable equity securities	682,908	771,326	725,426	673,138
Unrealised gains (losses) from revaluation of investments	87,458		(54,193)	
Translation adjustments	960		1,905	
Total trading securities - net	771,326		673,138	
Debt securities held to maturity - current portion				
Bonds	44,776		53,629	
Total debt securities held to maturity - current portion	44,776		53,629	
Fixed bank deposits with an original maturity within one year				
Fixed deposits of commercial bank	237,371		225,340	
Total fixed bank deposits with an original maturity within one year	237,371		225,340	
Current investments - net	1,053,473		952,107	

As at 31 December 2017, bonds and the fixed bank deposits with an original maturity within one year carried interests between 0.63 and 1.55 percent per annum (2016: between 0.41 and 1.65 percent per annum).

During the year 2017, the subsidiaries have gains on disposals of current investments amounting to Baht 6 million (2016: gains, Baht 5 million) and have dividend income amounting to Baht 36 million (2016: Baht 34 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
	<u>2017</u>	<u>2016</u>	
<u>Transactions with joint ventures</u>			
Sales of merchandise	21	16	Cost plus margin
Service income	1	1	Contract price
Rental income	3	7	Contract price
Purchases of merchandise	23	24	Resale price reduced by a margin
Lendings (weighted average from outstanding balances at month end)	176	13	Interest rate with reference to the loan interest rate of local commercial bank and China
Interest income	10	-	Interest rate with reference to the loan interest rate of local commercial bank and China
<u>Transactions with associates</u>			
Sales of merchandise	112	106	Cost plus margin
Service income	3	3	Contract price
Rental income	4	4	Contract price
Purchases of merchandise	510	492	Resale price reduced by a margin
Deposits (weighted average from outstanding balances at month end)	22	9	Interest rate with reference to the deposit interest rate of local commercial bank
<u>Transactions with related companies</u>			
Sales of merchandise	5	10	Cost plus margin
Service income	4	4	Contract price
Rental income	1	1	Contract price
Purchases of merchandise	1	1	Resale price reduced by a margin

Separate financial statements

(Unit: Million Baht)

	For the years ended		Pricing policy
	31 December		
	<u>2017</u>	<u>2016</u>	
<u>Transactions with subsidiaries</u>			
Sales of merchandise	714	658	Cost plus margin
Service income	6	6	Contract price
Rental income	36	30	Contract price
Lendings (weighted average from outstanding balances at month end)	134	162	Interest rate with reference to the loan interest rate of local commercial bank
Interest income	16	10	Interest rate with reference to the loan interest rate of local commercial bank
Deposits (weighted average from outstanding balances at month end)	659	791	Interest rate with reference to the deposit interest rate of local commercial bank
Interest expenses	7	7	Interest rate with reference to the deposit interest rate of local commercial bank
<u>Transactions with joint ventures</u>			
Rental income	3	3	Contract price
<u>Transactions with associates</u>			
Sales of merchandise	15	36	Cost plus margin
Purchases of merchandise	498	472	Resale price reduced by a margin
Deposits (weighted average from outstanding balances at month end)	22	9	Interest rate with reference to the deposit interest rate of local commercial bank
<u>Transactions with related companies</u>			
Service income	3	3	Contract price
Rental income	1	1	Contract price

The balances of the accounts as at 31 December 2017 and 2016 between the Company, its subsidiaries and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<u>Trade and other receivables - related parties (Note 9)</u>				
<i>Trade receivables</i>				
Subsidiaries	-	-	104,758	98,182
Joint ventures	3,333	2,444	-	-
Associates	9,765	6,730	-	118
Related companies (related by shareholding)	238	1,326	-	-
Total trade receivables - related parties	<u>13,336</u>	<u>10,500</u>	<u>104,758</u>	<u>98,300</u>
<i>Other receivables</i>				
Subsidiaries	-	-	103	4,342
Joint ventures	-	101,454	-	101,454
Related companies (related by shareholding)	-	19	-	-
Total other receivables - related parties	<u>-</u>	<u>101,473</u>	<u>103</u>	<u>105,796</u>
Total trade and other receivables - related parties	<u>13,336</u>	<u>111,973</u>	<u>104,861</u>	<u>204,096</u>
<u>Trade payables - related parties (Note 22)</u>				
Joint ventures	2,813	4,075	-	-
Associates	27,942	23,204	24,864	20,670
Related companies (related by shareholding)	70	93	-	-
Total trade payables - related parties	<u>30,825</u>	<u>27,372</u>	<u>24,864</u>	<u>20,670</u>
<u>Deposits from related parties</u>				
Subsidiaries	-	-	672,521	659,056
Associates	11,258	5,252	11,258	5,252
Total deposits from related parties	<u>11,258</u>	<u>5,252</u>	<u>683,779</u>	<u>664,308</u>

Short-term loans to related parties

As at 31 December 2017 and 2016, 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				Balance
	as at	Increase	Decrease	Translation	as at
	31 December 2016	during the year	during the year	adjustments	31 December 2017
<u>Short-term loans to related parties</u>					
<i>Joint ventures</i>					
Shaoxing Shangyu Hangzhou-Union Cogeneration Co., Ltd.	154,101	124,915	(150,027)	(3,966)	125,023
Yunnan Energy Luliang- Union Cogeneration Co., Ltd.	6,421	-	-	(170)	6,251
Soldev Co., Ltd.	500	-	-	-	500
Total	161,022	124,915	(150,027)	(4,136)	131,774
Less: Allowance for doubtful accounts	-	(6,421)	-	170	(6,251)
Total short-term loans to related parties - net	161,022	118,494	(150,027)	(3,966)	125,523

(Unit: Thousand Baht)

	Separate financial statements			
	Balance			Balance
	as at	Increase	Decrease	as at
	31 December 2016	during the year	during the year	31 December 2017
<u>Short-term loans to related parties</u>				
<i>Subsidiaries</i>				
Computer Union Co., Ltd.	-	1,260,000	(1,104,479)	155,521
Union Construction Corp., Ltd.	13,100	5,800	(18,900)	-
Thai Rubber Enterprise Co., Ltd.	2,000	-	(2,000)	-
Total	15,100	1,265,800	(1,125,379)	155,521
Less: Allowance for doubtful accounts	(13,000)	-	13,000	-
Total short-term loans to related parties - net	2,100	1,265,800	(1,112,379)	155,521

Directors and management's benefits

During the years ended 31 December 2017 and 2016, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Short-term employee benefits	132	130	24	24
Post-employment benefits	2	-	-	-
Total	<u>134</u>	<u>130</u>	<u>24</u>	<u>24</u>

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		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	13,095	10,376	104,758	98,300
Past due				
Up to 3 months	241	124	-	-
Total trade receivables - related parties	13,336	10,500	104,758	98,300
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	1,454,734	1,231,355	11,501	9,270
Past due				
Up to 3 months	208,797	111,980	-	-
3 - 6 months	22,452	30,909	-	-
6 - 12 months	25,837	16,400	-	-
Over 12 months	28,088	34,995	1,410	1,410
Total	1,739,908	1,425,639	12,911	10,680
Less: Allowance for doubtful accounts	(26,898)	(19,511)	(1,410)	(1,410)
Total trade receivables - unrelated parties, net	1,713,010	1,406,128	11,501	9,270
Total trade receivables - net	1,726,346	1,416,628	116,259	107,570
<u>Other receivables</u>				
Dividend receivables - related parties	-	101,473	103	105,796
Input tax refundable	130,404	67,467	10,673	5,729
Import duty refundable	2,497	10,701	-	-
Accrued income	25,062	13,994	9,277	9,764
Prepaid corporate income tax	29,247	21,642	-	-
Other receivables - unrelated party	100,018	-	-	-
Others	37,466	20,928	751	246
Total other receivables	324,694	236,205	20,804	121,535
Total trade and other receivables - net	2,051,040	1,652,833	137,063	229,105

10. Inventories

(Unit: Thousand Baht)

Consolidated financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Finished goods	228,629	238,699	(19,123)	(21,335)	209,506	217,364
Semi products	13,768	13,784	(342)	(514)	13,426	13,270
Work in process	100,716	108,576	(3,305)	(4,867)	97,411	103,709
Raw materials	455,305	408,643	(11,267)	(9,791)	444,038	398,852
Packing materials	28,262	26,674	(979)	(2,392)	27,283	24,282
Spare parts and factory supplies	175,497	171,991	(40,987)	(31,139)	134,510	140,852
Goods in transit	87,348	313,041	-	-	87,348	313,041
Total	<u>1,089,525</u>	<u>1,281,408</u>	<u>(76,003)</u>	<u>(70,038)</u>	<u>1,013,522</u>	<u>1,211,370</u>

(Unit: Thousand Baht)

Separate financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Goods in transit	32,893	24,120	-	-	32,893	24,120
Total	<u>32,893</u>	<u>24,120</u>	<u>-</u>	<u>-</u>	<u>32,893</u>	<u>24,120</u>

During the current year, the subsidiaries reduced cost of inventories by Baht 21 million (2016: Baht 43 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 15 million (2016: Baht 39 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 domiciled in China and principally engaged in investment in real estate, to a non-related party in China at a contract price of RMB 42 million. As a result, the Company classified this investment as “Investment in associate held for sale” in the statement of financial position as at 31 December 2016.

Subsequently, during the current year, the disposal of the investment was approved by the related regulators and the agreement is thus effective. The Company therefore recorded the disposal transaction by writing off the investment in associate held for sale from the accounts and recognised gain on disposal of investment in the income statements for the year ended 31 December 2017 under the cost method in the separate financial statements amounting to Baht 44 million and under the equity method in the consolidated financial statements amounting to Baht 43 million.

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:

Company	Paid-up capital		Shareholding percentage		Cost		(Unit: Thousand Baht) Dividend received during the years
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	
	(Million Baht)	(Million Baht)	(%)	(%)			
	(Except for other specified currencies)						
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
					391,526	391,526	23,997
Plastic, rubber and metal business							
Union Pioneer Plc.	75	75	52.73	52.73	53,084	53,084	17,992
Union Plastic Plc.	250	250	49.69	49.69	235,433	235,433	13,742
Union Zojirushi Co., Ltd.	600	600	51.00	51.00	306,659	306,659	110,925
Union Stainless Steel Products Co., Ltd.	40	40	98.00	98.00	52,411	52,411	30,772
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	973
					680,877	680,877	173,431
Trading business							
Computer Union Co., Ltd.	100	100	98.09	97.77	102,603	101,848	104,399
					102,603	101,848	104,399

Company	Paid-up capital		Shareholding percentage		Cost		(Unit: Thousand Baht)	
	2017	2016	2017	2016	2017	2016	2017	2016
	(Million Baht)	(Million Baht)	(%)	(%)			Dividend received during the years	
Energy business								
Jiashan-Union Cogeneration Co., Ltd.	19	14	75.96	75.96	408,861	320,550	93,557	81,696
	(Million USD)				408,861	320,550	93,557	81,696
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	-	-
Investment and others business								
Saha-Union International Ltd.	405	330	99.99	99.98	1,907,801	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	-	-
Texport international Corp., Ltd.	-	-	-	-	-	-	-	213
(2016: Dissolution)								



Company	Paid-up capital		Shareholding percentage		Cost		(Unit: Thousand Baht) Dividend received during the years	
	<u>2017</u> (Million Baht)	<u>2016</u> (Million Baht)	<u>2017</u> (%)	<u>2016</u> (%)	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<i>Investment and others business (continued)</i>								
Union Shoes Co., Ltd.	24	24	98.23	98.23	22,087	22,087	-	1,857
Union Construction Corp., Ltd.	600	200	99.99	99.88	375,457	5,281	-	-
Saha-Union Property Co., Ltd.	125	125	99.99	99.99	125,000	125,000	-	-
Saha-Union Wealth Plus Co., Ltd.	125	125	99.99	99.99	125,000	125,000	-	-
Union Nakhon Co., Ltd.	210	210	77.49	77.49	157,499	157,499	-	-
					5,713,376	5,006,702	-	2,070
<i>Liquidation</i>								
Union Human Resources Development Co., Ltd.	0.25	0.25	99.99	99.99	250	250	-	-
					250	250	-	-
Total					10,177,493	9,381,753	417,889	385,593
Less: Allowance for impairment of investments in subsidiaries								
					(555,854)	(558,454)		
Total investments in subsidiaries - net					9,621,639	8,823,299		

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	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	(%)	(%)						
Union Textile Industries Plc.	48.58	48.58	69	63	6	7	-	-
Union Pioneer Plc.	47.27	47.27	126	138	14	25	25	17
Union Plastic Plc.	50.31	50.31	54	72	(1)	17	17	14
Union Zojirushi Co., Ltd.	49.00	49.00	266	344	64	149	141	107
Jiashan-Union Cogeneration Co., Ltd.	24.04	24.04	102	89	58	45	40	35



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

	As at 31 December								(Unit: Million Baht)	
	Union Textile Industries Plc.		Union Pioneer Plc.		Union Plastic Plc.		Union Zojirushi Co., Ltd.		Jiashan-Union Cogeneration Co., Ltd.	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current assets	425	402	384	402	401	398	894	886	410	231
Non-current assets	585	590	96	106	296	305	1,632	1,566	1,603	861
Current liabilities	56	94	65	69	98	102	923	988	451	290
Non-current liabilities	42	43	42	43	44	42	459	162	551	-

Summarised information about comprehensive income

	For the years ended 31 December								(Unit: Million Baht)	
	Union Textile Industries Plc.		Union Pioneer Plc.		Union Plastic Plc.		Union Zojirushi Co., Ltd.		Jiashan-Union Cogeneration Co., Ltd.	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenue	815	792	615	611	721	727	3,697	4,257	1,268	921
Profit	43	36	30	53	29	34	130	303	239	188
Other comprehensive income	15	5	-	-	-	-	-	-	(22)	(55)
Total comprehensive income	58	41	30	53	29	34	130	303	217	133

Summarised information about cash flow

	For the years ended 31 December								(Unit: Million Baht)
	Union Textile Industries Plc.		Union Pioneer Plc.		Union Plastic Plc.		Union Zojirushi Co., Ltd.		Jiashan-Union Cogeneration Co., Ltd.
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2016</u>
Cash flow from (used in) operating activities	(24)	108	8	94	52	41	477	499	220
Cash flow from (used in) investing activities	(1)	(14)	14	(66)	(14)	17	(387)	(532)	(219)
Cash flow from (used in) financing activities	-	-	(53)	(37)	(34)	(28)	(88)	32	(18)
Net increase (decrease) in cash and cash equivalents	(25)	94	(31)	(9)	4	30	2	(1)	(17)

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

Increase in registered shares capital

Company	Approved by	Approved date	Registration date	Registered and paid-up share capital before increase	Registered and paid-up share capital after increase	(Unit: Thousand Baht)	
						Net cash receipt (paid) for capital increase	Separate financial statement
Saha-Union International Ltd.	The Extraordinary General Meeting of Shareholders No. 1/2017	16 February 2017	6 March 2017	330 (Million HKD)	405 (Million HKD)	-	(336,498)
Union Construction Corp., Ltd.	The Extraordinary General Meeting of Shareholders No. 1/2017	7 April 2017	21 April 2017	200,000	600,000	(176)	(370,176)
Jiashan-Union Cogeneration Co., Ltd.	The meeting of Board of Directors (gradual payment during 2016 - 2018)	26 September 2016	30 September 2016	14 (Million USD)	19 (Million USD)	37,291	(88,311)
Total						37,115	(794,985)

Dissolution

On 15 September 2017, the Extraordinary General Meeting of Shareholders of Union Human Resource Development Co., Ltd. (subsidiary), passed a resolution for dissolution. They registered their dissolution and liquidation with the Ministry of Commerce on 21 September 2017.

Subsequently, in January 2018, this subsidiary completed the liquidation process and return the capital to its shareholders.

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

Company	Nature of business	Country of incorporation	Shareholding percentage		Cost		(Unit: Thousand Baht) Carrying amounts based on equity method	
			<u>2017</u> (%)	<u>2016</u> (%)	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
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	-	-
Union Universe Co., Ltd.	Distributor of Grand Slam shirts	Thailand	49.87	49.87	3,751	3,751	27,025	30,300
					644,691	644,691	27,025	30,300
Plastic, rubber and metal business								
Union Nifco Co., Ltd.	Manufacture and distribution of plastic parts and molds	Thailand	50.00	50.00	51,559	51,559	233,778	227,370
					51,559	51,559	233,778	227,370
Energy business								
Shaoxing Shangyu Hangzhou-Union Cogeneration Co., Ltd.	Power generation	China	50.00	50.00	514,653	514,653	944,252	868,382
Yunnan Energy Luliang-Union Cogeneration Co., Ltd.	Power generation	China	50.00	50.00	445,914	445,914	-	92,648
					960,567	960,567	944,252	961,030





Company	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method	
			<u>2017</u> (%)	<u>2016</u> (%)	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Hospital business								
Sukhumvit 62 Medical Ltd.	Hospital	Thailand	47.21	47.21	200,500	200,500	200,408	199,846
					200,500	200,500	200,408	199,846
Investment and others business								
Soldev Co., Ltd.	Develop and distribution of computer software	Thailand	61.00	61.00	2,210	2,210	-	116
					2,210	2,210	-	116
Total investments in joint ventures					1,859,527	1,859,527	1,405,463	1,418,662

Separate financial statements

Company	Nature of business	Country of incorporation	Shareholding percentage		Cost		Allowance for impairment of investments		(Unit: Thousand Baht) Carrying amounts based on cost method - net	
			2017 (%)	2016 (%)	2017	2016	2017	2016	2017	2016
Textile business										
Zhejiang Saha-Union Feilun Thread Industries Co., Ltd.	Contract manufacture and distribution of textile products	China	39.59	39.59	452,337	452,337	(452,337)	(452,337)	-	-
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)	(452,337)	3,751	3,751
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	(417,271)	(375,544)	-	41,727
					674,752	674,752	(417,271)	(375,544)	257,481	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
Total investments in joint ventures - net					1,362,896	1,362,896	(869,608)	(827,881)	493,288	535,015

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:

Company	Consolidated financial statements			Separate financial statements	
	Share of profit/loss from investments in joint ventures during the years	2017	2016	Share of other comprehensive income from investments in joint ventures during the years	Dividend received during the years
		2017	2016	2017	2016
Textile business					
Zhejiang Saha-Union Feilun Thread Industries Co., Ltd.	-	-	(383,358)	-	(30,041)
Union Universe Co., Ltd.	(7,914)	(7,914)	(6,474)	4,640	3,088
		(7,914)	(389,832)	4,640	(26,953)
Plastic, rubber and metal business					
Union Nifco Co., Ltd.	83,408	83,408	70,498	-	3,137
		83,408	70,498	-	3,137
Energy business					
Shaoxing Shangyu Hangzhou-Union Cogeneration Co., Ltd.	323,098	323,098	252,504	(26,565)	(71,163)
Yunnan Energy Luliang-Union Cogeneration Co., Ltd.	(84,679)	(84,679)	11,774	(7,970)	(24,140)
	238,419	238,419	264,278	(34,535)	(95,303)
Hospital business					
Sukhumvit 62 Medical Ltd.	561	561	(154)	-	-
		561	(154)	-	-
Investment and other business					
Jiashan-Union Development Co., Ltd.	-	-	34,630	-	(76,147)
(changed status from joint venture to unrelated party in the first quarter of 2016)					
Soldev Co., Ltd.	(871)	(871)	(641)	-	-
		(871)	33,989	-	(76,147)
Total	313,603	313,603	(21,221)	(29,895)	156,594
					277,258



14.3 Summarised financial information about material joint ventures

Summarised information about financial position

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.		Soldev Co., Ltd.	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Current assets	219	275	71	78	514	502	683	1,153	177	231	114	114	4	4
Non-current assets	520	577	25	20	167	169	2,552	2,650	468	580	317	316	-	-
Current liabilities	134	199	7	10	199	205	1,339	2,058	274	273	3	3	2	-
Non-current liabilities	-	-	2	2	15	12	-	-	141	122	-	-	2	2
Net assets	605	653	87	86	467	454	1,896	1,745	230	416	428	427	-	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	61.00	61.00
Share of net assets	348	376	43	43	234	227	948	872	115	208	202	202	-	1
Elimination entries/Allowance for impairment of investments	(348)	(376)	(16)	(13)	-	-	(4)	(4)	(115)	(115)	(2)	(2)	-	(1)
Carrying amounts of joint ventures based on equity method	-	-	27	30	234	227	944	868	-	93	200	200	-	-

(Unit: Million Baht)



Summarised information about comprehensive income

(Unit: Million Baht)

Comprehensive income	Zhejiang Saha-Union Feilun Thread Industries Co., Ltd.		Union Universe Co., Ltd.		Union Nitco Co., Ltd.		Shaoxing Shangyu Hangzhou-Union Cogeneration Co., Ltd.		Yunnan Energy Luliang-Union Cogeneration Co., Ltd.		Sukhumvit 62 Medical Ltd.		Soldev Co., Ltd.	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Revenue	413	422	16	27	1,001	979	3,398	2,824	408	610	1	-	4	6
Profit (loss)	(32)	(43)	(16)	(13)	167	141	646	504	(135)	23	1	-	(1)	(1)
Other comprehensive income	(17)	(52)	9	6	-	6	(53)	(142)	(16)	(48)	-	-	-	-
Total comprehensive income	(49)	(95)	(7)	(7)	167	147	593	362	(151)	(25)	1	-	(1)	(1)

Based on the management's consideration, during the year 2017, the Company set up additional allowance for impairment of investments in Yunnan Energy Luliang-Union Cogeneration Co., Ltd. amounting to Baht 42 million. As a result, as at 31 December 2017, the Company recorded allowance for impairment of investments in joint ventures totaling Baht 870 million in order to reflect the future expected return on investments.

Share of loss from investment in 2 joint ventures accounted for under the equity method amounting to approximately Baht 9 million, as included in the income statement for the year ended 31 December 2017 (2016: 2 joint ventures, the share of loss Baht 7 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

Company	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method	
			2017 (%)	2016 (%)	2017	2016	2017	2016
Textile business								
Union Spinning Mills Co., Ltd.	Manufacture and distribution of thread	Thailand	51.99	51.99	46,563	46,563	90,511	92,150
Others (3 companies)					2,550	2,550	69,459	69,850
					49,113	49,113	159,970	162,000
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	193,350	200,873
Hospital business								
KPN Healthcare Plc.	Hospital	Thailand	25.00	-	237,500	-	225,947	-
					237,500	-	225,947	-
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	289,838	268,171
Jiangsu Zhonglian-Union Carpet Co., Ltd.	Manufacture of automotive carpets	China	35.00	35.00	353,054	353,054	391,192	445,991
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	489,592	462,094
Union Thread Industries Co., Ltd.	Investment	Thailand	35.99	35.99	51,861	51,861	839,555	820,190
Union Industries Corp., Ltd.	Investment and real estate rental	Thailand	29.46	29.46	43,328	43,328	446,339	428,254

Company	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method	
			<u>2017</u> (%)	<u>2016</u> (%)	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<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.)	Investment	Thailand	37.54	37.54	94,999	94,999	185,792	170,719
Zhuji-Union Real Estate Co., Ltd. Others (13 companies) (2016: 14 companies)	Investment	China	24.00	-	180,032	-	180,032	-
					213,352	210,851	61,747	49,508
					1,265,455	1,082,922	2,884,087	2,644,927
					1,571,386	1,151,353	3,463,354	3,007,800
Total investments in associates								



Separate financial statements

Company	Nature of business	Country of incorporation	Shareholding percentage		Cost		Allowance for impairment of investments		Carrying amounts based on cost method - net	
			2017 (%)	2016 (%)	2017	2016	2017	2016	2017	2016
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
Hospital Business										
KPN Healthcare Plc.	Hospital	Thailand	25.00	-	237,500	-	-	-	237,500	-
					237,500	-	-	-	237,500	-
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
Union Thread Industries Co., Ltd.	Investment	Thailand	24.90	24.90	51,861	51,861	-	-	51,861	51,861
Union Industries Corp., Ltd.	Investment and real estate rental	Thailand	24.90	24.90	43,328	43,328	-	-	43,328	43,328
Others (2 companies)					20,851	20,851	(547)	(547)	20,304	20,304
					615,037	615,037	(32,676)	(32,676)	582,361	582,361
Total investments in associates - net					919,669	682,169	(32,676)	(32,676)	886,993	649,493

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:

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	
	2017	2016	2017	2016	2017	2016
Textile business						
Union Spinning Mills Co., Ltd.	3,482	5,692	-	-	2,500	-
Others (3 companies)	17,018	19,275	-	-	-	5,001
	20,500	24,967	-	-	2,500	5,001
Plastic, rubber and metal business						
Union Thai-Nichiban Co., Ltd.	48,192	55,757	-	-	55,715	45,623
	48,192	55,757	-	-	55,715	45,623
Hospital business						
KPN Healthcare Plc.	(11,553)	-	-	-	-	-
	(11,553)	-	-	-	-	-
Investment and others business						
Taixing Union Zond Chemicals Co., Ltd.	29,053	12,412	(7,386)	(19,995)	-	-
Jiangsu Zhonglian-Union Carpet Co., Ltd.	(34,058)	12,317	(12,017)	(35,499)	6,233	18,120
Uni-Fibre Co., Ltd.	27,692	12,576	(200)	1,811	-	-
Union Thread Industries Co., Ltd.	26,960	16,531	(5,963)	18,982	8,963	8,963
Union Industries Corp., Ltd.	16,969	10,107	(4,882)	15,541	6,723	6,723



Company	Consolidated financial statements				(Unit: Thousand Baht)	
	Share of profit/loss from investments in associates during the years		Share of other comprehensive income from investments in associates during the years		Separate financial statements	
	2017	2016	2017	2016	2017	2016
Investment and other business (continued)						
Union Business Management Co., Ltd.	18,772	4,827	(3,699)	11,775	-	-
Zhuji-Union Real Estate Co., Ltd.	-	-	-	-	-	-
Others (13 companies)	(664)	23,157	(13,073)	(21,414)	-	-
(2016: 14 companies)						
Total	84,724	91,927	(47,220)	(28,799)	21,919	33,806
	141,863	172,651	(47,220)	(28,799)	80,134	84,430

15.3 Summarised financial information of material associates

Summarised information about financial position

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		(Unit: Million Baht) Carrying amounts of associates based on equity method	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Textile business																		
Union Spinning Mills Co., Ltd.	237	268	78	56	20	28	17	15	278	281	51.99	51.99	145	146	(54)	(54)	91	92
Others (3 companies)	687	674	168	212	85	101	133	136	637	649	-	-	169	170	(100)	(100)	69	70
Plastic, rubber and metal business																		
Union Thai-Nichiban Co., Ltd.	483	547	93	72	70	92	26	28	480	499	40.29	40.29	193	201	-	-	193	201
Hospital business																		
KPN Healthcare Plc.	275	-	1,405	-	10	-	800	-	870	-	25.00	-	218	-	8	-	226	-
Investment and other business																		
Taixing Union Zond Chemicals Co., Ltd.	588	684	960	1,038	570	818	-	-	978	904	29.65	29.65	290	268	-	-	290	268
Jiangsu Zhonglian-Union Carpet Co., Ltd.	973	1,035	900	828	761	594	-	-	1,112	1,269	35.00	35.00	389	444	2	2	391	446
Uni-Fibre Co., Ltd.	14	7	856	823	2	2	76	63	792	765	62.35	62.35	494	477	(4)	(15)	490	462
Union Thread Industries Co., Ltd.	17	19	2,444	2,239	33	63	191	9	2,237	2,186	35.99	35.99	805	787	35	33	840	820
Union Industries Corp., Ltd.	60	27	1,434	1,298	1	1	112	1	1,381	1,323	29.46	29.46	407	390	39	38	446	428
Union Business Management Co., Ltd.	8	19	908	700	-	-	158	-	758	719	37.54	37.54	285	270	(99)	(99)	186	171
Zhuji-Union Real Estate Co., Ltd.	750	-	-	-	-	-	-	-	750	-	24.00	-	180	-	-	-	180	-
Others (13 companies)	736	952	476	546	295	231	11	3	906	1,264	-	-	272	220	(210)	(170)	62	50
(2016: 14 companies)																		





Summarised information about comprehensive income

Company	Revenue		Profit (loss)		Other comprehensive income		Total comprehensive income		(Unit: Million Baht)
	2017	2016	2017	2016	2017	2016	2017	2016	
Textile business									
Union Spinning Mills Co., Ltd.	444	446	7	11	-	-	7	11	
Others (3 companies)	798	840	59	70	-	-	59	70	
Plastic, rubber and metal business									
Union Thai-Nichiban Co., Ltd.	917	898	120	138	-	-	120	138	
Hospital business									
KPN Healthcare Plc.	9	-	(46)	-	-	-	(46)	-	
Investment and other business									
Taixing Union Zond Chemicals Co., Ltd.	2,155	1,846	98	42	(25)	(67)	73	(25)	
Jiangsu Zhonglian-Union Carpet Co., Ltd.	1,505	1,528	(97)	35	(34)	(101)	(131)	(66)	
Uni-Fibre Co., Ltd.	36	32	26	20	-	-	26	20	
Union Thread Industries Co., Ltd.	121	72	86	41	-	-	86	41	
Union Industries Corp., Ltd.	106	94	85	73	-	-	85	73	
Union Business Management Co., Ltd.	45	34	39	29	-	-	39	29	
Zhuji-Union Real Estate Co., Ltd.	-	-	-	-	-	-	-	-	
Others (13 companies)	752	665	(8)	68	(12)	(66)	(20)	2	
(2016: 14 companies)									

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

Incorporation of new associates

Company	Description of new companies	Shareholding percentage	Registered share capital	Registered and paid-up share capital	(Unit: Thousand Baht)	
					Net cash paid	Separate financial statement
		(%)			Consolidated financial statement	
Saha-Union Plc.	Invested in KPN Healthcare Plc.	25.00	950,000	950,000	(237,500)	(237,500)
Union Energy (Hong Kong) Co., Ltd. (Subsidiary)	Invested in Zhuji-Union Real Estate Co., Ltd.	24.00	150,000 (Thousand RMB)	150,000 (Thousand RMB)	(180,032)	-
Total					(417,532)	(237,500)



Share of loss from investments in 8 associates accounted for under the equity method amounting to approximately Baht 25 million, as included in the income statement for the year ended 31 December 2017 (2016: 4 associates, the share of profit Baht 16 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

Company	Shareholding percentage		(Unit: Thousand Baht)	
	Cost method			
	2017	2016	2017	2016
	(%)	(%)		
Ratchaburi Power Co., Ltd.	10.00	10.00	732,500	732,500
Value Creation Inc.	0.18	0.18	328,280	328,280
Others			38,757	50,914
Total investments in ordinary shares			1,099,537	1,111,694
Less: Allowance for impairment of investments			(339,753)	(337,964)
Total investments in ordinary shares - net			759,784	773,730

Investments in available-for-sale securities

Company	Cost		Surplus (deficit)		(Unit: Thousand Baht)	
			on changes in value of			
	2017	2016	2017	2016	2017	2016
			investments		Fair value	
Saha Pathana Inter-Holding Plc.	27,508	27,508	638,021	260,591	665,529	288,099
Bangkok Bank Plc.	239,415	239,415	348,999	226,046	588,414	465,461
Electricity Generating Plc.	30,514	30,514	30,116	25,463	60,630	55,977
Ratchaburi Electricity Generating Holding Plc.	33,001	33,001	10,399	6,999	43,400	40,000
Banyan Tree Indochina Hospitality Fund, L.P.	271,882	271,882	(134,805)	(130,654)	137,077	141,228
Bualuang Thanatavee Fixed Income Fund	21,080	21,080	635	422	21,715	21,502
Buakaew Open-end Fund	20,000	20,000	3,985	1,605	23,985	21,605
Others	55,744	43,336	29,584	17,363	85,328	60,699
Total investments in available-for-sale securities	699,144	686,736	926,934	407,835	1,626,078	1,094,571
Total other long-term investments - net					2,385,862	1,868,301

Separate financial statements

Investments in ordinary shares

Company	Shareholding percentage		Cost method	
	2017	2016	2017	2016
	(%)	(%)		
Ratchaburi Power Co., Ltd.	10.00	10.00	732,500	732,500
Value Creation Inc.	0.18	0.18	328,280	328,280
Others			33,806	33,801
Total investments in ordinary shares			1,094,586	1,094,581
Less: Allowance for impairment of investments			(337,369)	(335,700)
Total investments in ordinary shares - net			757,217	758,881

Investments in available-for-sale securities

Company	Cost		Surplus (deficit) on changes in value of investments		Fair value	
	2017	2016	2017	2016	2017	2016
Saha Pathana Inter-Holding Plc.	27,508	27,508	638,022	260,591	665,530	288,099
Bangkok Bank Plc.	212,427	212,427	335,988	221,394	548,415	433,821
Banyan Tree Indochina Hospitality Fund, L.P.	271,882	271,882	(134,806)	(130,654)	137,076	141,228
Buakaew Open-end Fund	20,000	20,000	3,985	1,605	23,985	21,605
Others	15,395	2,987	(1,902)	(1,987)	13,493	1,000
Total investments in available-for-sale securities	547,212	534,804	841,287	350,949	1,388,499	885,753
Total other long-term investments - net					2,145,716	1,644,634

During the current year, the Company and its subsidiaries received dividends from their investments in ordinary shares and available-for-sale securities totaling Baht 279 million (2016: Baht 342 million), with the Company receiving Baht 255 million (2016: Baht 335 million).

17. Investment properties

The net book value of investment properties as at 31 December 2017 and 2016 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 2017							
Cost	1,737,221	2,638,710	87,963	4,463,894	1,186,689	1,794,721	2,981,410
<u>Less</u> Accumulated depreciation	(55,008)	(2,125,944)	-	(2,180,952)	(44,382)	(1,645,253)	(1,689,635)
<u>Less</u> Allowance for impairment loss	(4,413)	(154,808)	(25,000)	(184,221)	(4,413)	(138,707)	(143,120)
Net book value	<u>1,677,800</u>	<u>357,958</u>	<u>62,963</u>	<u>2,098,721</u>	<u>1,137,894</u>	<u>10,761</u>	<u>1,148,655</u>
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	<u>1,338,076</u>	<u>402,098</u>	<u>87,963</u>	<u>1,828,137</u>	<u>1,143,761</u>	<u>11,371</u>	<u>1,155,132</u>

A reconciliation of the net book value of investment properties for the years 2017 and 2016 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Net book value at beginning of year	1,828,137	1,879,024	1,155,132	1,161,626
Acquisition of assets	345,944	3,341	-	-
Disposals/write-off - net book value	(11,830)	(17)	-	(17)
Transferred from property, plant and equipment - net book value	9,740	-	-	-
Depreciation for the year	(32,080)	(33,493)	(6,477)	(6,477)
Increase in allowance for impairment loss during the year	(25,000)	-	-	-
Translation adjustments	(16,190)	(20,718)	-	-
Net book value at end of year	<u>2,098,721</u>	<u>1,828,137</u>	<u>1,148,655</u>	<u>1,155,132</u>

The fair value of the investment properties as at 31 December 2017 and 2016 stated below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Land and land improvement awaiting development	3,617,679	3,272,089	2,213,120	2,213,120
Factory and office building for rent	1,432,906	1,131,201	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

	Consolidated financial statements						(Unit: Thousand Baht)
	Land	Land and leasehold improvement	Leasehold improvement, buildings and facilities	Machinery and equipment	Power plants	Others	Total
Cost							
As at 1 January 2016	1,896,985	20,088	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
Additions	-	-	25,841	127,110	814,912	571,079	1,538,942
Disposals/write-off	-	-	(1,941)	(95,617)	(2,450)	(62,788)	(162,796)
Transfers	-	-	258,242	243,636	-	(501,878)	-
Transferred from (transfers to) investment properties account	-	-	(12,576)	-	-	106	(12,470)
Translation adjustments	-	-	(38,953)	-	(32,211)	(2,343)	(73,507)
As at 31 December 2017	1,896,985	20,088	3,411,545	6,322,159	1,998,660	1,319,168	14,968,605

	Consolidated financial statements (continued)						(Unit: Thousand Baht)
	Land	Land and leasehold improvement	Leasehold improvement, buildings and facilities	Machinery and equipment	Power plants	Others	Total
Accumulated depreciation							
As at 1 January 2016	-	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
Depreciation for the year	-	1,235	185,094	337,133	58,616	143,166	725,244
Depreciation on disposals/write-off	-	-	(1,798)	(95,408)	(2,205)	(61,607)	(161,018)
Transferred from (transfers to) investment properties account	-	-	(2,735)	-	-	5	(2,730)
Translation adjustments	-	-	(9,006)	-	(11,795)	(2,178)	(22,979)
As at 31 December 2017	-	6,594	1,539,803	5,036,894	484,902	831,154	7,899,347



(Unit: Thousand Baht)

	Consolidated financial statements (continued)					
	Land	Land and leasehold improvement	Leasehold improvement, buildings and facilities	Machinery and equipment	Power plants	Others
						Total
Allowance for impairment loss						
As at 1 January 2016	-	-	-	1,044	-	4,924
Increase during the year	-	-	-	90	-	-
Decrease from disposals	-	-	-	(62)	-	-
As at 31 December 2016	-	-	-	1,072	-	4,924
Decrease from disposals	-	-	-	-	-	(1)
As at 31 December 2017	-	-	-	1,072	-	4,923
Net book value						
As at 31 December 2016	1,896,985	14,729	1,812,684	1,250,789	778,123	558,300
As at 31 December 2017	1,896,985	13,494	1,871,742	1,284,193	1,513,758	483,091
Depreciation for the year						
2016 (Baht 655 million included in manufacturing cost, and the balance in selling and administrative expenses)						717,580
2017 (Baht 665 million included in manufacturing cost, and the balance in selling and administrative expenses)						725,244

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	Separate financial statements (continued)				(Unit: Thousand Baht)
	Land	Buildings and facilities	Machinery and equipment	Others	Total
Allowance for impairment loss					
As at 1 January 2016	-	-	464	4,923	5,387
As at 31 December 2016	-	-	464	4,923	5,387
Decrease from disposals	-	-	-	(1)	(1)
As at 31 December 2017	-	-	464	4,922	5,386
Net book value					
As at 31 December 2016	18,550	11,434	2	27,769	57,755
As at 31 December 2017	18,550	8,796	2	22,924	50,272
Depreciation for the year					
2016 (included in administrative expenses)					10,960
2017 (included in administrative expenses)					10,198

As at 31 December 2017, the subsidiary had equipment under finance lease agreements with net book values amounting to Baht 97 million (2016: Baht 86 million).

As at 31 December 2017, 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 5,268 million (2016: Baht 4,569 million) and the Company only Baht 443 million (2016: Baht 436 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 Hotel) 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%
Discount rates	9%

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		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Withholding tax	21,684	28,348	-	2,574
Leasehold - net of accumulated amortisation	69,826	74,428	-	-
Advance for purchase of fixed assets	13,256	77,954	-	-
Others	68,682	52,523	2,165	2,102
Total other non-current assets	<u>173,448</u>	<u>233,253</u>	<u>2,165</u>	<u>4,676</u>

The balances of other non-current assets in the consolidated financial statements above include account receivables, Ten Cate-Union Protective Fabrics Asia Ltd. ("TCUA"), amounting to Baht 39 million. There is uncertainty about the recoverable amount of this receivable because TCUA has filed for deregistration with the Ministry of Commerce and is in the process of liquidation. At present, it still not finalised the net asset value. For prudent reasons, the allowance for doubtful debts for this receivable is fully set aside

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

	Interest rate (percent per annum)	(Unit: Thousand Baht)	
		Consolidated	
		financial statements	
		<u>2017</u>	<u>2016</u>
Bank overdrafts	MOR minus discount rate as defined in contract	-	3,943
Short-term loans from local financial institutions	MLR minus discount rate as defined in contract	338,638	424,839
Short-term loans from financial institutions in China	Reference from interest rate of bank in China	112,272	-
Total bank overdrafts and short-term loans from financial institutions		<u>450,910</u>	<u>428,782</u>

22. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Trade payables - related parties	30,825	27,372	24,864	20,670
Trade payables - unrelated parties	979,021	1,070,500	60,052	52,706
Other payables	142,300	141,115	635	329
Accrued expenses	331,014	289,483	19,730	16,167
Others	15,603	24,079	1,606	1,970
Total trade and other payables	<u>1,498,763</u>	<u>1,552,549</u>	<u>106,887</u>	<u>91,842</u>

23. Long-term loans

(Unit: Thousand Baht)				
			Consolidated	
			financial statements	
Loan	Interest rate (%)	Repayment schedule	2017	2016
1. Loan from local bank	Based on MLR	Six-month installments from 2012 to 2017	-	15,000
2. Loan from local bank	Based on MLR	Six-month installments from 2014 to 2021	311,000	224,400
3. Loan from local bank	Based on MLR	Annual installments from 2015 to 2018	40,000	140,000
4. Loan from local bank	Market rate minus discount rate as defined in contract	Six-month installments from 2019 to 2022	200,000	-
5. Loan from local bank in China	Reference from interest rate of bank in china	Six-month installments from 2019 to 2022	551,440	-
Total			1,102,440	379,400
Less: Current portion			(154,000)	(232,400)
Long-term loans, net of current portion			<u>948,440</u>	<u>147,000</u>

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 2017, the long-term credit facilities of the subsidiary which have not yet been drawn down amounted to Baht 60 million (2016: 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 2017 and 2016, were as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Present value of defined benefit obligation	461,051	440,450	27,734	30,897
Fair value of plan assets	(171,525)	(162,395)	(11,171)	(13,745)
Net defined benefit liability	<u>289,526</u>	<u>278,055</u>	<u>16,563</u>	<u>17,152</u>

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Defined benefit obligation at beginning of year	440,450	414,644	30,897	28,970
Current service cost	38,009	36,161	973	1,277
Interest cost	11,128	10,992	548	650
Transferred from related companies	-	1,302	460	-
Actuarial (gain) loss arising from				
Demographic assumptions changes	-	(135)	-	-
Financial assumptions changes	-	1,132	-	-
Experience adjustments	-	799	-	-
Benefits paid during the year	(28,536)	(24,445)	(5,144)	-
Defined benefit obligation at end of year	<u>461,051</u>	<u>440,450</u>	<u>27,734</u>	<u>30,897</u>
Fair value of plan assets at beginning of year	162,395	144,339	13,745	12,235
Change in fair value	(1,037)	3,891	(2,185)	526
Transferred from related companies	-	492	-	-
Contribution by the Company and its subsidiaries	26,552	26,201	953	1,003
Benefits paid during the year	(16,385)	(12,528)	(1,342)	(19)
Fair value of plan assets at end of year	<u>171,525</u>	<u>162,395</u>	<u>11,171</u>	<u>13,745</u>

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:

	Consolidated		(Unit: Thousand Baht)	
			Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cost of sales	33,747	32,300	-	-
Selling and administrative expenses	15,391	14,853	1,521	1,927
Total expenses recognised in profit or loss	49,138	47,153	1,521	1,927

The Company and its subsidiaries expect to pay Baht 36 million (2016: Baht 45 million) of long-term employee benefits during the next year and the Company only amounting to Baht 4 million (2016: Baht 7 million).

As at 31 December 2017, the weighted average duration of the liabilities for long-term employee benefit is 12 years (2016: 12 years) and the Company only is 12 years (2016: 12 years).

Key actuarial assumptions used for the valuation are as follows:

	Consolidated financial statements		(Unit: percent per annum)	
			Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
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 2017 are summarised below:

	Consolidated		(Unit: Million Baht)	
			Separate	
	financial statement		financial statement	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(32)	34	(1)	1
Future salary increase rate	43	(38)	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		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Salary and wages and other employee benefits	1,890,856	1,852,505	62,498	56,031
Depreciation and amortisation expenses	771,631	770,970	16,675	17,437
Rental expenses from operating lease agreements	32,526	35,725	5	18
Transportation expenses	32,476	30,228	2,806	2,195
Raw materials and consumables used	2,874,803	3,015,574	-	-
Purchase of finished goods and raw materials for sales	2,968,514	3,519,561	1,228,021	1,162,689
Changes in inventories of finished goods and work in process	254,712	(112,464)	(8,773)	(4,685)
Losses on impairment of investments	1,669	-	40,796	246,511
Losses on impairment of investment properties	25,000	-	-	-
Expenses of withholding tax write-off	22,004	12,099	22,004	12,099

28. Income tax

Income tax expenses for the years ended 31 December 2017 and 2016 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current income tax:				
Current income tax charge	157,444	280,240	5,532	87,675
Deferred tax:				
Relating to origination and reversal of temporary differences	1,427	(3,446)	(401)	(83)
Income tax expenses reported in the income statements	<u>158,871</u>	<u>276,794</u>	<u>5,131</u>	<u>87,592</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2017 and 2016 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Deferred tax on actuarial gain	-	(425)	-	-
Deferred tax on gains from the change in value of available-for-sale investments	(101,329)	(32,498)	(98,068)	(14,167)
Total	<u>(101,329)</u>	<u>(32,923)</u>	<u>(98,068)</u>	<u>(14,167)</u>

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Accounting profit before tax	1,653,209	1,842,449	908,912	1,268,614
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	(72)	(149)	-	-
Applicable tax rate 10.0 percent	260	527	-	-
Applicable tax rate 16.5 percent	246,490	111,240	-	-
Applicable tax rate 20.0 percent	1,020,174	1,320,038	908,912	1,268,614
Applicable tax rate 25.0 percent	386,357	410,793	-	-
Accounting profit before tax multiplied by income tax rate	341,321	385,113	181,782	253,723
Effects of:				
Tax exempt dividend revenue	(57,680)	(72,104)	(181,923)	(216,518)
Share of (profit) loss from investments in joint ventures	(62,721)	4,244	-	-
Share of profit from investments in associates	(28,373)	(34,530)	-	-
Additional expense deductions allowed	(38,855)	(26,602)	(4,423)	(2,465)
Non-deductible expenses	25,436	22,046	4,745	2,885
Losses on impairment of assets	5,344	3	8,159	49,277
Gains on disposals of investments under equity method	135	35,461	-	-
Unrecognised deferred tax on deductible temporary differences and unused tax losses	(9,802)	(25,636)	-	-
Others	(15,934)	(11,201)	(3,209)	690
Total	(182,450)	(108,319)	(176,651)	(166,131)
Income tax expenses reported in the income statements	158,871	276,794	5,131	87,592

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

	Consolidated statements of		Separate statements of	
	financial position		financial position	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Deferred tax assets				
Allowance for diminution in value of inventories	11,231	9,903	-	-
Accumulated depreciation - Plant and equipment	8,488	9,213	-	-
Provision for long-term employee benefits	57,635	54,398	2,915	2,514
Unused tax loss	4,205	3,065	-	-
Deferred income	9,996	16,264	-	-
Others	1,967	2,148	-	-
Total	<u>93,522</u>	<u>94,991</u>	<u>2,915</u>	<u>2,514</u>
Deferred tax liabilities				
Gain on re-measuring available-for-sale investments	185,387	81,567	168,257	70,189
Others	576	617	-	-
Total	<u>185,963</u>	<u>82,184</u>	<u>168,257</u>	<u>70,189</u>

As at 31 December 2017, the subsidiaries have deductible temporary differences and unused tax losses totaling Baht 136 million (2016: Baht 277 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 2022.

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		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Profit attributable to equity holders of the Company (Baht)	1,344,125,248	1,323,023,150	903,780,977	1,181,021,856
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)	4.64	4.56	3.01	3.94

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 and equipment 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 2017 and 2016, respectively.

	For the years ended 31 December												(Unit: Million Baht)			
	Textile segment		Plastic, rubber and metal segment		Trading segment		Energy segment		Hotel segment		Investment and others segment		Elimination of inter-segment		Consolidated financial statements	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Revenues																
Revenue from external customers	905	943	5,470	5,992	2,558	2,617	1,234	903	500	464	23	21	-	-	10,690	10,940
Inter-segment revenues	7	7	-	-	1	3	-	-	-	-	26	22	(34)	(32)	-	-
Total revenues	912	950	5,470	5,992	2,559	2,620	1,234	903	500	464	49	43	(34)	(32)	10,690	10,940
Segment operating profit	90	101	551	768	256	255	350	302	150	159	29	24	-	-	1,426	1,609
Unallocated income and expenses:																
Dividend income															315	376
Rental income															50	52
Interest income															61	54
Other income															502	668
Selling expenses															(296)	(271)
Administrative expenses															(822)	(765)
Share of profit (loss) from investments in joint ventures															314	(21)
Share of profit from investments in associates															142	173
Finance cost															(39)	(32)
Profit before income tax expenses															1,653	1,843
Income tax expenses															(159)	(277)
Non-controlling interests of the subsidiaries															(150)	(243)
Profit for the year - equity holders of the Company															1,344	1,323

Below is the segment assets of the Company and its subsidiaries' operating segment as at 31 December 2017 and 2016.

As at 31 December													(Unit: Million Baht)			
	Textile segment		Plastic, rubber and metal segment		Trading segment		Energy segment		Hotel segment		Investment and others segment		Elimination of inter-segment		Consolidated financial statements	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Current investments	-	-	195	184	-	-	-	-	-	-	859	768	-	-	1,054	952
Trade and other receivables	190	204	643	660	828	488	238	152	21	23	250	243	(119)	(117)	2,051	1,653
Inventories	182	161	685	639	104	371	7	14	3	2	33	24	-	-	1,014	1,211
Investments in associates held for sale	-	-	-	-	-	-	-	-	-	-	-	180	-	-	-	180
Investments in subsidiaries	-	-	-	-	-	-	-	-	-	-	5,797	5,684	(5,797)	(5,684)	-	-
Investments in joint ventures	-	-	93	90	-	-	-	-	-	-	1,312	1,329	-	-	1,405	1,419
Investments in associates	321	302	11	-	-	-	-	-	-	-	3,131	2,706	-	-	3,463	3,008
Other long-term investments	2	2	-	12	-	-	-	-	-	-	2,384	1,854	-	-	2,386	1,868
Investment properties	41	41	4	4	-	-	-	-	-	-	2,054	1,783	-	-	2,099	1,828
Property, plant and equipment	169	203	1,948	1,863	119	95	1,514	778	2,733	2,716	580	657	-	-	7,063	6,312
Unallocated assets	168	149	400	469	200	285	253	147	556	612	3,790	4,141	(361)	(213)	5,006	5,590
Total assets	1,073	1,062	3,979	3,921	1,251	1,239	2,012	1,091	3,313	3,353	20,190	19,369	(6,277)	(6,014)	25,541	24,021

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	
	<u>2017</u>	<u>2016</u>
Revenue from external customers		
Thailand	4,602	4,561
Japan	3,845	4,371
China	1,239	910
United Kingdom	215	257
Others	789	841
Total	<u>10,690</u>	<u>10,940</u>

Major customer

For the year 2017, a subsidiary has revenue from one major customer in amount of Baht 3,275 million, arising from sales by the plastic, rubber and metal segment (2016: Baht 3,817 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. The Company contributes to the fund monthly at the rate of 3 percent of basic salary while the employees contribute to the fund monthly at the rate of 3-15 percent of basic salary (2016: Both the Company and employees 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 2017 amounting to Baht 1 million (2016: Baht 1 million).

32. Dividends

(Unit: Baht)			
Dividends	Approved by	Total dividends	Dividend per share
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
Final dividends for 2016	Annual General Meeting of the shareholders on 20 April 2017	600,000,000	2.00
Total for 2017		600,000,000	2.00

33. Commitments and contingent liabilities**33.1 Capital commitments**

As at 31 December 2017, the Company and its subsidiaries had capital commitments of Baht 56 million (2016: Baht 122 million) and the Company only amounting to Baht 2 million (2016: Baht 0.3 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		
	2017	2016
Payable:		
In up to 1 year	34	30
In over 1 and up to 5 years	22	16
In over 5 years	7	9

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 2017 still has approximately 3 years left to run.

33.4 Commitment to purchase raw materials

33.4.1 As at 31 December 2017, the Company had commitments to purchase raw materials with overseas companies amounting to 1,200 Metric tons (2016: 3,100 Metric tons) with reference to contract prices. Deliveries of raw materials will occur within March 2018.

33.4.2 As at 31 December 2017, a subsidiary had commitments to purchase raw materials with overseas companies amounting to 214 Metric tons (2016: 81 Metric tons) with reference to contract prices. Deliveries of raw materials will occur during March 2018.

33.5 Guarantees

33.5.1 As at 31 December 2017, there were outstanding bank guarantees amounting to Baht 160 million (2016: Baht 178 million) issued by banks on behalf of the Company and its subsidiaries and the Company only amounting to Baht 2 million (2016: 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 134 million (2016: Baht 143 million) to guarantee contractual performance, Baht 16 million (2016: Baht 16 million) to guarantee electricity use and Baht 10 million (2016: Baht 19 million) to guarantee others.

33.5.2 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 2017 was Baht 40 million (2016: Baht 140 million).

33.5.3 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 25 million (2016: RMB 170 million).

33.5.4 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 2017 and 2016, 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 2017			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Held for trade investments				
Equity instruments	771	-	-	771
Available-for-sale investments				
Equity instruments	1,626	-	-	1,626
Assets for which fair value are disclosed				
Investment properties	-	-	5,051	5,051

	(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)

Separate financial statement

As at 31 December 2017

	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Available-for-sale investments				
Equity instruments	1,388	-	-	1,388
Assets for which fair value are disclosed				
Investment properties	-	-	2,243	2,243

(Unit: Million Baht)

Separate financial statement

As at 31 December 2016

	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Available-for-sale investments				
Equity instruments	886	-	-	886
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 2017

	Fixed interest rates				Total
	Within 1 year	1-5 years	Floating interest rate	Non-interest bearing	
Financial assets					
Cash and cash equivalents	837	-	3,118	1	3,956
Current investments	-	-	1,053	-	1,053
Trade and other receivables	-	-	-	2,051	2,051
Short-term loans to related parties	-	-	126	-	126
Restricted investments	-	33	-	-	33
	837	33	4,297	2,052	7,219
Financial liabilities					
Bank overdrafts and short-term loans from financial institutions	-	-	451	-	451
Trade and other payables	-	-	-	1,499	1,499
Deposits from related parties	-	-	11	-	11
Liabilities under finance lease agreements	54	53	-	-	107
Long-term loans	-	200	902	-	1,102
	54	253	1,364	1,499	3,170

(Unit: Million Baht)

Consolidated financial statements					
As at 31 December 2016					
	Fixed interest rates				Total
	Within 1 year	1-5 years	Floating interest rate	Non-interest bearing	
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)

Separate financial statements			
As at 31 December 2017			
	Floating interest rate	Non-interest bearing	Total
Financial assets			
Cash and cash equivalents	1,467	-	1,467
Trade and other receivables	-	137	137
Short-term loans to related parties	156	-	156
	<u>1,623</u>	<u>137</u>	<u>1,760</u>
Financial liabilities			
Trade and other payables	-	107	107
Deposits from related parties	684	-	684
	<u>684</u>	<u>107</u>	<u>791</u>

(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
	<u>2,073</u>	<u>229</u>	<u>2,302</u>
Financial liabilities			
Trust receipts	25	-	25
Trade and other payables	-	92	92
Deposits from related parties	664	-	664
	<u>689</u>	<u>92</u>	<u>781</u>

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		Financial liabilities		Average exchange rate	
	as at 31 December		as at 31 December		as at 31 December	
	2017	2016	2017	2016	2017	2016
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	32	30	3	5	32.6809	35.8307
Japanese yen	4	2	91	36	0.2898	0.3080
HK dollar	-	2	-	-	-	4.6217
Euro	2	2	-	-	39.0273	37.7577

Foreign exchange contracts outstanding are summarised below.

As at 31 December 2017					
Foreign currency	Bought amount	Sold amount	Contractual exchange rate		Contractual maturity date
			Bought	Sold	
			(Baht per 1 foreign currency unit)		
US dollar	1	29	32.6150 - 32.8400	32.2682 - 35.3123	February 2018 - December 2018
Euro	-	3	-	38.8000 - 39.9500	February 2018 - December 2018
Japanese yen	-	5	-	0.2868	June 2018

As at 31 December 2016					
Foreign currency	Bought amount	Sold amount	Contractual exchange rate		Contractual maturity date
			Bought	Sold	
			(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

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 2017, the Group's debt-to-equity ratio was 0.18:1 (2016: 0.15:1) and the Company's was 0.06:1 (2016: 0.06:1).

37. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised director on 28 February 2018.

Auditor's Remuneration

Audit fee

The auditors of the Company and its subsidiaries in the year 2017 were Mr. Khitsada Lerdwana, Certified Public Accountant No. 4958 (the 2nd year auditor) or Miss Thipawan Nananuwat, Certified Public Accountant No. 3459 or Mrs. Poonnard 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 2017, the Company and its subsidiaries have paid the audit fee to EY Office Ltd., totaled Baht 10,890,000.- 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 2017, 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 63–65)

- 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 65–66)

- 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 66–68)

- 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 68-69)

- 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 69-75)

- 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, Phra Khanong Tai, Phra Khanong, 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 20-21.

Textile Business

- **Zhejiang Saha-Union Feilun Thread Industries Co., Ltd.**
No. 7, Hengshan Road, Jiashan County,
Economic Development Area, Zhejiang Province,
China
- **Union Textile Industries Public Company Limited**
205 Moo 4 Sukhumvit Road Km. 39.5, Bangpoo Mai,
Samut Prakan Province 10280
Tel : (66-2) 323-1085-7
Fax : (66-2) 710-8808
- **Union Garment Co., Ltd.**
1828 Sukhumvit Road, Phra Khanong Tai,
Phra Khanong, Bangkok 10260
Tel : (66-2) 311-5111-9
Fax : (66-2) 331-5668
Branch (1) : 205 Moo 4 Sukhumvit Road Km.39.5,
Bangpoo Mai, Samut Prakan Province 10280
Tel : (66-2) 323-9285-6
Fax : (66-2) 323-9181
- **Union Universe Co., Ltd.**
52/16-17 Chareonkrung 41 Alley, Chareonkrung Road,
Si Phraya, Bang Rak, Bangkok 10500
Tel : (66-2) 266-2976-80
Fax : (66-2) 237-6468
- **Union Micronclean Co., Ltd.**
1828 Sukhumvit Road, Phra Khanong Tai,
Phra Khanong, Bangkok 10260
Branch (1) : 205 Moo 4 Sukhumvit Road,
Bangpoo Mai, Samut Prakan Province 10280
Tel : (66-2) 710-7693, 323-0565
Fax : (66-2) 710-7793
- **Union Spinning Mills Co., Ltd**
142 Lat Phrao 80 Alley (Chantima), Lat Phrao Road,
Wang Thonglang, Bangkok 10310
Tel : (66-2) 514-7555
Fax : (66-2) 538-4247

Plastic, Rubber and Metal Business

- **Union Pioneer Public Company Limited**
No. 1, Serithai 62 Alley, Min Buri, 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,
Trat Province
Branch (2) : 99 Moo 5 Bangna-Trat Km. 38,
Bang Samak, Bang Pakong,
Chachoengsao Province 24180
- **Union Plastic Public Company Limited**
11/1 Serithai 62 Alley, Min Buri, Bangkok 10510
Tel : (66-2) 517-0109-14
Fax : (66-2) 517-0529
- **Union Zojirushi Co., Ltd.**
11/3 Serithai 62 Alley, Min Buri, Bangkok 10510
Tel : (66-2) 919-8893-5
Fax : (66-2) 517-1863
Branch (1) : 99 Moo 5 Bangna-Trat Km. 38,
Bang Samak, Bang Pakong,
Chachoengsao Province 24180
- **Union Stainless Steel Products Co., Ltd.**
11/2 Serithai 62 Alley, Min Buri, Bangkok 10510
Tel : (66-2) 919-8996-8
Fax : (66-2) 517-8167
- **Union Rubber Products Corp., Ltd.**
11/1 Serithai 62 Alley, Min Buri, Bangkok 10510
Tel : (66-2) 919-9930
Fax : (66-2) 919-9931
Branch (1) : 70/1 Moo 1, Saantung, Khao Saming,
Trat Province
Tel : (66-39) 696-421

- **Thai Rubber Enterprise Co., Ltd.**
11/1 Serithai 62 Alley, Min Buri, 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, Trat Province
Tel : (66-39) 696-423
- **Union Nifco Co., Ltd.**
99/11 Moo 5 Bangna-Trat Road, Bang Samak, Bang Pakong, Chachoengsao Province 24180
Tel : (66-38) 842-130-5
Fax : (66-38) 842-129
- **Union Thai-Nichiban Co., Ltd.**
12 Serithai 62 Alley, Min Buri, Bangkok 10510
Tel : (66-2) 517-0100-3
Fax : (66-2) 517-0104

Trading Business

- **Computer Union Co., Ltd.**
1828 Sukhumvit Road, Phra Khanong Tai, Phra Khanong, Bangkok 10260
Tel : (66-2) 311-5111-9, 311-6881-2
Fax : (66-2) 311-6889 (Server)
(66-2) 311-6869 (Purchasing)
Branch (1) : 142/1-2 Lat Phrao 80 Alley (Chantima), Lat Phrao Road, Wang Thonglang, 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, Phra Khanong Tai, Phra Khanong, 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 Province 70130
Tel : (66-32) 719-300 # 1000
Fax : (66-32) 719-300 #1090

Hotel Business

- **The Royal Hotel Co., Ltd.**
1828 Sukhumvit Road, Phra Khanong Tai, Phra Khanong, Bangkok 10260
Tel : (66-2) 311-5111-9
Fax : (66-2) 331-5668
Branch (1) : No. 33, Naresdamri Road, Hua Hin, Prachuap Khiri Khan Province 77110
Branch (2) : No. 142, Lat Phrao 80 Alley (Chantima), Lat Phrao Road, Wang Thonglang, Bangkok 10310

Hospital Business

- **Sukhumvit 62 Medical Ltd.**
77 Sukhumvit 62 Alley, Phra Khanong Tai,
Phra Khanong, Bangkok 10260
Tel : (66-2) 311-0823
- **KPN Healthcare Public Company Limited**
719 KPN Tower, Rama 9 Road, Bang Kapi,
Huai Khwang, Bangkok 10310

Investment Business and Others

- **Saha-Union International Ltd.**
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.**
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- **Jiangsu Zhonglian-Union Carpet Co., Ltd.**
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- **Processing Center Co., Ltd.**
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