

ANNUAL REPORT 2019



บริษัท สหยูเนียน จำกัด (มหาชน)
SAHA-UNION PUBLIC CO.,LTD.
และบริษัทในกลุ่ม • And Group Companies

Saha-Union Public Company Limited (SUC)

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.



Goal

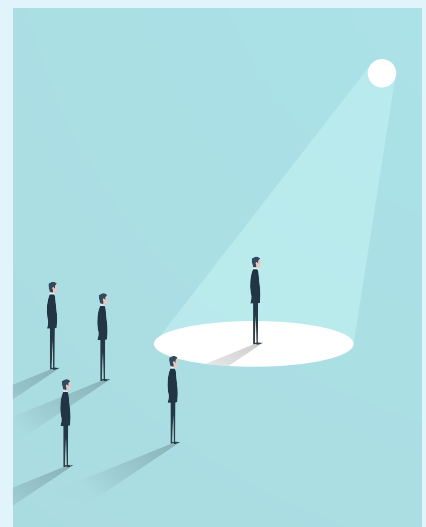
The Company's goal is to conduct business by investments in various businesses with a system of good governance, create growth and maximize the benefits to all stakeholders under the moral of integrity, quality and service.

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.

Strategy

To invest in the businesses with appropriate returns by taking into account the risks potential 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	2019	2018	2017
Total revenues	11,268.0	12,416.4	12,073.6
Revenues from sales and services income	10,150.8	10,957.0	10,689.7
Gross profit	1,370.1	1,653.0	1,426.8
Profit for equity holders of the Company	1,112.0	1,481.8	1,344.1
Total assets	25,203.6	25,891.5	25,540.8
Total liabilities	3,128.4	3,520.8	3,830.9
Total shareholders' equity	22,075.2	22,370.7	21,709.9
Earning ratio (%)	9.87%	11.93%	11.13%
Earnings per share (Baht)	3.83	5.11	4.64
Book value per share (Baht)	69.97	70.62	68.55
Net tangible assets per share (Baht)	68.17	68.82	66.75
Return on assets (%)	4.35%	5.76%	5.42%
Return on equity (%)	5.45%	7.34%	6.90%
Debt to equity ratio (Times)	0.14	0.16	0.18

Saha-Union Public Company Limited	2019	2018	2017
Total revenues	1,897.8	2,140.5	2,299.4
Sales and service income	929.3	1,220.7	1,234.5
Export sales	372.7	425.7	506.2
Local sales	556.6	795.0	728.3
Gross profit	10.2	17.6	15.3
Profit for equity holders of the Company	838.8	820.4	903.8
Earnings per share (Baht)	2.80	2.73	3.01
Dividend per share (Baht)	1.50	2.00	2.00
Book value per share (Baht)	51.66	51.26	50.56



Message from the Board of Director

In 2019, the global economical growth declines with some risk factors that may result in a long-term recession such as the China–United States trade war that has been on-going since 2018, European political situations, and the fluctuation of global financial market.

Thai economy in 2019 showed a minimal level of growth, mainly due to the decrease in productivity of industrial and an export sector which was caused by the lower demand of the global market related to the partner countries' economic situations, the pressure from the China–United States trade war, and the Thai Baht appreciation.

Year 2019 was another challenging year for the Company and Group Companies. The performance of most Group Companies in manufacturing industry, especially in textile business and plastic, rubber, and metal businesses, was not as good as expected. Domestic market became sluggish while overseas markets were suffering from economic recession. Major customers placed fewer orders, while Baht kept appreciating. Therefore, the sales volume and sales value decreased compared with those in year 2018. In addition, the labor cost in Thailand became higher than other Asian countries and is likely to be even higher in the year future. The competition is consequently tough, as prices are always one of the most decisive factors for customers.

In addition, in the first quarter of 2019, The Labor Protection Act (No. 7) B.E. 2562 was amended in parts

regarding the severance pay, increasing the amount of severance pay for employees who have worked for an uninterrupted period of 20 years or more to be eligible to receive the compensation from 300 days to 400 days of their latest wage rate. The law went into effect on 5 May 2019, resulting in an increase of long-term employee benefit liabilities, for both the Company and its subsidiaries, which was immediately recognized as employee-related expense in May 2019. The Company's income statement recorded an additional employee-related expense by THB 4 million in the separate financial statement, and an additional THB 66 million in the consolidated financial statement.

Nevertheless, Saha-Union Group continues to focus on maximizing customer satisfaction in all aspects of its products and services under the policy that aims to offer the best quality in every product and with international standards. Thus, the Company's products have been acknowledged by customers who demand higher quality through the years. During 2019, Saha-Union Group was cautious in monitoring the situations of global markets and assessing potential risks from various factors to prevent unexpected damage to the Company's businesses. The Company reviewed and adapted preemptive strategies according to the situations. The main goal was to maintain our position in the market, sales volume, profits, and competitiveness. We adopted an innovative approach to add value to existing products, while raising the level of

efficiency and standards in production and operations, such as cost control, personnel expertise, safety in workplace, environment conservation to ensure a better living and better environment, research and development for improvement in materials, production process, and products. We also collaborated with partners and customers to develop new products that could create more value for both parties.

Regarding financial status and performance of Saha-Union Public Co., Ltd. in 2019, according to the separate financial statement, the Company has assets amounted to THB 16,086.99 million, which was THB 89.70 million higher than that of previous year; liabilities amounted to THB 587.89 million, which was THB 32.76 lower than the previous year; net profit amounted to THB 838.75 million, accounted for THB 2.80 earnings per share. According to the consolidated financial statement, the Company has total assets amounted to THB 25,203.58 million, which was THB 687.96 million lower than the previous year; total liabilities amounted to THB 3,128.36 million, which was THB 392.48 lower than the previous year; profit for equity holders of the Company amounted to THB 1,111.99 million, accounted for THB 3.83 earnings per share.

Saha-Union Public Co., Ltd. dedicates to empower its existing businesses, adding value while expanding the businesses with its expertise. The Company is always evaluating its organization and adapt to the global situations with ever-changing challenges so as to achieve the highest level of business success. The Company never stops seeking for new investment opportunities that will potentially generate proper revenue. Saha-Union Public Co., Ltd. is widely regarded as a leading investing company and gains public trust. The Company operates various businesses through Group Companies including textile business, plastic, rubber and metal business, trading business, hotel business, hospital business, energy business and other businesses. For hospital business, Saha-Union has invested in two hospitals thus far: Navavej International Hospital, which is expected to open in late 2020, and Ruamjaiarak Hospital, which is expected to open in 2022.

Saha-Union Group stands the test of time and thrives as one of the leading business and industrial groups in Thailand. We are trusted by all stakeholders and internationally recognized amidst the changes in social and economic development and against all odds. All of these

are made possible with the efforts and abilities of its Board of Directors, Executives, and all employees. With our core value, "INTEGRITY, QUALITY, SERVICE", good corporate governance, business morality, anti-corruption policies, internal audits and inspection, as well as proper risk management, we have been able to operate efficiently and steadily so far.

The Company is determined to ensure our steady growth with the principles of sustainable development, under good corporate governance, while providing support to the communities, society, and environmental development. As a consequence, the Company was listed by Thaipat Institute as one of the top 100 companies with outstanding performance in environmental, social and governance (ESG100) in 2015, 2018 and 2019. In addition, Saha-Union and three more registered Group Companies were granted a very good level of good corporate governance by the Thai Institute of Directors Association (IOD). In addition, Saha-Union Group always see the importance of CSR activities in order to create the highest benefits for all stakeholders.

On behalf of Company's Board of Directors, Management Team, and all employees, I would like to express my sincerest gratitude to our shareholders, co-investors, partners, customers, business allies, and all concerned individuals for your trust and support in the Company's and Group Companies' operations. Saha-Union Group operates its business on the belief that a good business must thrive on mutual success of the organization, employees, the society, and all stakeholders. We, Saha-Union, make a pledge that our business operations will always be transparent and under good governance and morality. We will manage our investments according to the strategic plans for the achievement of Company's growth, sustainability and mutual benefit in compliance with Saha-Union's vision.

On Behalf of the Board of Directors



(Miss Dalad Saphthavichaikul)

Chairman

28 February 2020

BOARD OF DIRECTOR



Miss Dalad Saphavichaikul
Chairman



Mr. Chutindhon Darakananda
Vice Chairman /
Nomination and
Remuneration Committee



Miss Pakpachong Vadhanasindhu
Chairman of the Audit Committee/
Independent Director



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



Mrs. Suttima Jamnarnwej
Independent Director / Audit Committee



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



Mrs. Busarakham Nilavajara
Independent Director



Mrs. Chantorntree Darakananda
President



Mr. Preecha Shunhavanich
Vice President



Mr. Thitivat Suebsaeng
Director



Mr. Supakit Paungbua
Director



Mrs. Pinijporn Darakananda Kasemsap
Director



Mr. Bovornrat Darakananda
Director



Mr. Vacharaphong Darakananda
Director



Mr. Nanthiya Darakananda
Director



Mrs. Chadaporn Jiemsakultip
Company Secretary

Board of Director

Miss Dalad Saphavichaikul Chairman

Age 63 years

Education

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

IOD's Training

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

Experiences

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

Current Positions

Listed Companies

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

Saha-Union Group Companies

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

Other Companies

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

Years of Directorship **20 years (since December 1999)**

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Mr. Chutindhon Darakananda Vice Chairman / Nomination and Remuneration Committee

Age 60 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.
- 2002 - January 2018 Vice Chairman / Managing Director,
Union Thread Industries Co., Ltd.
- 2002 - January 2018 Vice Chairman / Managing Director,
Union Industries Corp., Ltd.
- 2007 - 2012 Vice Chairman (Investments in China),
Saha-Union Public Company Limited
- May 2014 - February 2017 Director, The Royal Hotel Co., Ltd.
- March 2017 - February 2018 Vice Chairman, The Royal Hotel Co., Ltd.
- 2019 Managing Director, The Royal Hotel Co., Ltd.

Current Positions

Listed Companies

- 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

- 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 Director, Venus Thread Co., Ltd.
- May 2017 - Present Director, Union Nifco Co., Ltd.
- February 2018 - Present Chairman, Union Spinning Mills Co., Ltd.
- February 2018 - Present Chairman / Managing Director,
Union Business Management Co., Ltd.
- February 2018 - Present Chairman / Managing Director,
Union Thread Industries Co., Ltd.
- February 2018 - Present Chairman / Managing Director,
Union Industries Corp., Ltd.
- March 2018 - Present Chairman, The Royal Hotel Co., Ltd.
- November 2018 - Present Chairman, Saha Union Holding Co., Ltd.
- Present Chairman, Vice Chairman and Director,
Other Companies in Saha-Union Group

Other Companies

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

Years of Directorship

29 years (since December 1990)

Miss Pakpachong Vadhanasindhu

Chairman of the Audit Committee / Independent Director

Age 69 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
- Audit Committee Forum 2018 " Learn, unlearn and relearn – Audit Committee in the Age of Disruption"

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
- 2017 - December 2018 Audit Committee / Independent Director, Saha-Union Public Company Limited

Current Positions

Listed Companies

- January 2019 - Present Chairman of the Audit Committee / Independent Director, Saha-Union Public Company Limited

Saha-Union Group Companies

- None -

Other Positions

- 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 3 years (since 1 January 2017)

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

Miss Pakinee Prerttitumrong

Audit Committee / Independent Director /
Nomination and Remuneration Committee

Age 70 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 - 2019 Audit Committee / Independent Director, Saha-Union Public Company Limited
- 2014 - 2019 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 21 years 9 months (since April 1998)

Years of Independent Directorship
15 years (since January 2005)

Mrs. Suttima Jamnarnwej

Independent Director / Audit Committee

Age 68 years

Education

- Bachelor of Accountancy (Accounting Theory),
Chulalongkorn University
- Bachelor of Business Administration (Management),
Chulalongkorn University
- Master of Business Administration (Management),
University of Georgia, USA.

IOD's Training

- Director Accreditation Program (DAP)
Class 157/2019
- Advanced Audit Committee Program (AACP)
Class 34/2019

Experiences

- 1974 - 1976 The Thai Danu Bank, Head Office.
- 1979 - 1981 Fulton Federal Savings and Loan,
Atlanta Georgia, USA.
- 1982 - 2012 Lecturer, Chulalongkorn Business School
- 2003 - 2007 Associate Dean (Administrative Affairs),
Chulalongkorn Business School
- 2008 - 2016 Assistant to the President for Accounting
and Finance, Chulalongkorn University

Current Positions

Listed Companies

- January 2019 - Present Audit Committee / Independent Director,
Saha-Union Public Company Limited

Saha-Union Group Companies

- None -

Other Positions

- 2013 - Present Part time Lecturer of Chulalongkorn
Business School, Chulalongkorn University
- 2015 - Present Member of Board of University Council,
Pacific Institute of Management Science
- 2017 - Present Treasurer of The Friend in Need (of "PA")
Volunteers Foundation, Thai Red Cross

Years of Directorship 1 year (since 1 January 2019)

Years of Independent Directorship

1 year (since 1 January 2019)

Mr. Yanyong Tangchitkul

Independent Director /
Chairman of the Nomination
and Remuneration Committee

Age 67 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

10 years 4 months
(since September 2009)

Years of Independent Directorship

10 years 4 months
(since September 2009)

Mrs. Busarakham Nilavajara

Independent Director

Age 69 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 7 years (since January 2013)

Years of Independent Directorship

7 years (since January 2013)

Mrs. Chantorntree Darakananda

President

Age 56 years

Education

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

IOD's Training

- Director Accreditation Program (DAP) Class 5/2003

Experiences

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

Current Positions

Listed Companies

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

Saha - Union Group Companies

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

Other Companies

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

Years of directorship

7 years (since January 2013)

Mr. Preecha Shunhavanich

Vice President

Age 62 years

Education

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

IOD's Training

- Director Accreditation Program (DAP) Class 62/2007

Experiences

- 1977 - 1989 Assistant Group Products Marketing Manager, Sahapathanapibul Public Co., Ltd.
- 1989 - 1995 Deputy Managing Director, PG Intertrade Co., Ltd.
- 1995 - 2003 Sales Manager, Osotsapha Co., Ltd.
- 2003 - 2004 General Manager, Unilever Bestfoods (Thailand) Ltd.
- 2004 - 2007 Director, Union Pioneer Public Co., Ltd.
- 2004 - 2007 Director, Union Plastic Public Co., Ltd.
- 2004 - 2007 Director, Union Zojirushi Co., Ltd.
- 2004 - 2007 Director, Union Thai-Nichiban Co., Ltd.
- 2007 - 2008 General Manager, Union Energy (Hong Kong) Co., Ltd.
- 2017 - October 2019 Director, Union Nakorn Co., Ltd.

Current Positions

Listed Companies

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

Saha - Union Group Companies

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

Other Positions

- 2017 - Present Committee of Trade, Investment Promotion and Business Council, The Federation of Thailand Industries
- 2018 - Present Committee, Industrial Support and Promote Department, The Federation of Thailand Industries
- 2019 - Present Thailand-China Industrial Cooperation Institute committee, The Federation of Thailand Industries

Years of Directorship

5 years (since January 2015)

Mr. Thitivat Suebsaeng

Director

Age 66 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 1992 - August 2019 Director, Union Plastic Public Company Limited
- March 2007 - April 2015 Director, Union Zojirushi Co., Ltd.
- 2007 - March 2014 Chairman, Union Thai-Nichiban Co., Ltd.
- 2007 - April 2015 Director, Union Nifco Co., Ltd.
- April 2008 - April 2014 Director, Union Universe Co., Ltd.
- August 2008 - March 2014 Director, Union Technology (2008) Public Company Limited
- March 2009 - June 2017 Director, Yunnan Energy Luliang-Union Cogeneration Co., Ltd.
- January 2012 - May 2014 Chairman, Union Plastic Public Company Limited
- September 2015 - December 2015 Acting Managing Director, Union Plastic Public Company Limited
- August 2018 - August 2019 Acting Managing Director, Union Plastic Public Company Limited

Current Positions

Listed Companies

- January 2003 - 2019 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.
- February 2017 - Present Director, The Royal Hotel Co., Ltd.
- April 2019 - Present Director, Union Zojirushi Co., Ltd.
- Present Director, Other Companies in Saha-Union Group

Other Companies

- None -

Years of Directorship

17 years (since January 2003)

Mr. Supakit Paungbua

Director

Age 59 years

Education

- Master of Business Administration (M.B.A) at National Institute of Development Administration (NIDA)
- Bachelor of Industrial in Technical Education, Technology and Vocational Education Collage (Thewet Campus)
- Bachelor of Education Program (Educational Administration) at Chandrakasem Teacher Collage

IOD's Training

- Director Accreditation Program (DAP) Class 148/2018

Experiences

- 1983 - 1991 Teacher, The Bangkok Technology School
- 1991 - 1993 Head of Education Promotion, The Bangkok Technology College
- 1993 Product Division Manager, Union Zojirushi Co., Ltd.
- 1993 - 2006 Product Department Manager, Union Zojirushi Co., Ltd.
- December 2006 – February 2007 Deputy Managing Director, Union Stainless Steel Products Co., Ltd.
- February 2007 - February 2011 Managing Director, Union Stainless Steel Products Co., Ltd.
- July 2007 - September 2007 Deputy Managing Director, Union Nifco Co., Ltd.

Current Positions

Listed Companies

- January 2018 - Present Director, Saha-Union Public Company Limited

Saha-Union Group Companies

- October 2007 - Present Managing Director, Union Nifco Co., Ltd.

Other Companies

- None -

Years of Directorship 2 years (since January 2018)

Mrs. Pinijporn Darakananda Kasemsap

Director

Age 57 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.
- 1996 - 2005 Managing Director, Venus Kids Co., Ltd.
- 2014 - December 2018 Managing Director, The Royal Hotel 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.
- 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.
- January 2019 - Present Director, The Royal Hotel Co., Ltd.
- Present Director, Other Companies in Saha-Union Group

Other Companies

- None -

Years of Directorship 9 years (since December 2010)

Mr. Bovornrat Darakananda

Director

Age 56 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 28 years 9 months (since April 1991)

Mr. Vacharaphong Darakananda

Director

Age 54 years

Education

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

IOD's Training

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

Experiences

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

Current Positions

Listed Companies

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

Saha-Union Group Companies

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

Other Companies

- None -

Years of Directorship 27 years 11 months (since February 1992)

Mr. Nanthiya Darakananda

Director

Age 51 years

Education

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

IOD's Training

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

Experiences

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

Current Positions

Listed Companies

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

Saha-Union Group Companies

- None -

Other Companies

- None -

Years of Directorship 23 years 9 months (since April 1996)

Mrs. Chadaporn Jiemsakultip

Company Secretary

Age 57 years

Education

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

Training

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

Experiences

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

Current Position

- 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 6 years

Mrs. Srinual Sombatpraiwan

Chief Financial Officer was assigned to the highest responsibility in the line of Accounting and Finance (a) and the person who was assigned to take direct responsibility for the Accounting Control (b), by (a) and (b) was the same person

Age 66 years

Appointment Date 1 February 2004

Education

- Bachelor of Accountancy, Thammasat University (Graduated in 1975)
Major in Accounting
Minor in Economics

Training

- Trader in the Stock Exchange Class 11 (October 1978)
- Executive Development Program (Mini MBA)
123 hours (25 January - 29 April 1994)
Faculty of Commerce and Accountancy, Thammasat University
- Basics of Financial Derivatives by Mr. Philippe Carrel arranged by Association of Securities Companies Training Center and International Financial Institute (Trained and qualified) (May 19 - June 4, 1996)
- Finance for Executive, 2003 (7 October - 15 November 2003), Faculty of Commerce and Accountancy, Chulalongkorn University
- CFO Certification Program Class 8/2008 (March 2008) by Federation of Accounting Professions
- Others Accounting Standards Training 12 hours per year for Continuing Profession Development according to the criteria of Department of Business Development, Ministry of Commerce and the Federation of Accounting Professions

Experiences

- 1977 - February 1999 Union Securities Co., Ltd.
Type of Business: Financial Institution
Last position, Director and Deputy Managing Director (Approved by the Securities and Exchange Commission)
- 1995 - 1998 Subcommittee, The Stock Exchange of Thailand
- 1996 - 1999 Director and Honorary Treasurer
Foundation for the Welfare of the Crippled Under the Royal Patronage of HRH the Princess Mother (Type: Charity Organization)
- February 1999 - December 2000
Internal Audit Office Manager,
Saha-Union Public Company Limited.
- January 2001 - January 2004
Assistant to the Chief Financial Officer,
Saha-Union Public Company Limited.

Current Positions

- February 2004 - Present Chief Financial Officer,
Saha-Union Public Company Limited.
- October 2018 - Current Managing Director,
Saha-Union Holdings Co., Ltd.

Mrs. Chanpen Nopsuri

Chief Audit Executive

Age 63 years

Education

- Bachelor's Degree in Business Administration (Accounting), Ramkhamhaeng University

Training

- Writing Audit Report
- Assessment of the internal control system and risk management according to COSO
- Audit System Planning

Experiences

- 1987 - 1992 Internal Audit Officer,
Bangkok Metropolitan Bank
- 1996 - 1997 Assistant Director of Security Operation
Department, ITF Finance & Securities Ltd.
- 2002 - 2013 Internal Audit Officer, Saha-Union Public
Company Limited

Current Positions

- 2014 - Present Chief Audit Executive, Saha-Union Public
Company Limited.

Related Person	Relationship
Mr. Chutindhon Darakananda	<ul style="list-style-type: none"> - Elder brother of Mrs. Pinijporn Darakananda Kasemsap, Mr. Bovornrat Darakananda and Mr. Vacharaphong Darakananda - Elder brother of the husband of Mrs. Chantorntree Darakananda
Mrs. Chantorntree Darakananda	<ul style="list-style-type: none"> - Younger sister in law of Mr. Chutindhon Darakananda - Elder sister in law of Mrs. Pinijporn Darakananda Kasemsap, Mr. Bovornrat Darakananda and Mr. Vacharaphong Darakananda
Mrs. Pinijporn Darakananda Kasemsap	<ul style="list-style-type: none"> - Younger sister of Mr. Chutindhon Darakananda - Elder sister of Mr. Bovornrat Darakananda and Mr. Vacharaphong Darakananda - Younger sister of the husband of Mrs. Chantorntree Darakananda
Mr. Bovornrat Darakananda	<ul style="list-style-type: none"> - Younger brother of Mr. Chutindhon Darakananda and Mrs. Pinijporn Darakananda Kasemsap - Elder brother of Mr. Vacharaphong Darakananda - Younger brother of the husband of Mrs. Chantorntree Darakananda
Mr. Vacharaphong Darakananda	<ul style="list-style-type: none"> - Younger brother of Mr. Chutindhon Darakananda, Mrs. Pinijporn Darakananda Kasemsap and Mr. Bovornrat Darakananda - Younger brother of the husband of Mrs. Chantorntree Darakananda
Mr. Nanthiya Darakananda	<ul style="list-style-type: none"> - 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	Audit Committee Program	Role of the Compensation Committee	Chartered Director Class	Director Diploma Examination	Monitoring the System of Internal Control and Risk Management	Monitoring the Internal Audit Function	Monitoring of the Quality of Financial Reporting	Monitoring Fraud Risk Management	Finance for Non-Finance Director	Advanced Audit Committee Program	Ethical Leadership Program
		(DAP)	(DCP)	(ACP)	(RCC)	(CDC)		(MIR)	(MIA)	(MFR)	(MFM)	(FN)	(AACP)	(ELP)
1	Miss Dalad Saphthavichaikul	-	9/2001	10/2005	-	-	4/2001	-	-	-	-	1/2001	-	13/2018
2	Mr. Chutindhon Darakananda	17/2004	-	-	-	-	-	-	-	-	-	-	-	-
3	Miss Pakpachong Vadhanasindhu	21/2004	58/2005	36/2011	-	-	-	14/2013	12/2012	15/2012	6/2011	-	-	-
4	Miss Pakinee Prertitumrong	2/2003	-	-	-	-	-	-	-	-	-	-	-	-
*5	Mrs. Suttima Jamnamwej	*157/2019	-	-	-	-	-	-	-	-	-	-	*34/2019	
6	Mrs. Busarakham Nilavajara	100/2013	-	-	-	-	-	-	-	-	-	-	-	-
7	Mr. Yanyong Tangchitkul	79/2009	-	-	-	-	-	-	-	-	-	-	-	-
8	Mrs. Chantorntree Darakananda	5/2003	-	-	-	-	-	-	-	-	-	-	-	-
9	Mr. Preecha Shunhavanich	62/2007	-	-	-	-	-	-	-	-	-	-	-	-
10	Mr. Thitivat Suebsaeng	21/2004	-	-	-	-	-	-	-	-	-	-	-	-
11	Mr. Supakit Puangbua	148/2018	-	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-

* Remark : In 2019, Director No. 5 attended the Director Accreditation Program.

Board Structure and Company Executives

As of 31 December 2019

Board of Directors

• Miss Dalad	Sapthavichaikul	Chairman
• Mr. Chutindhon	Darakananda	Vice Chairman
• Miss Pakpachong	Vadhanasindhu	Independent Director
• Miss Pakinee	Prertitumrong	Independent Director
• Mrs. Suttima	Jamnarnwej	Independent Director
• Mr. Yanyong	Tangchitkul	Independent Director
• Mrs. Busarakham	Nilavajara	Independent Director
• Mrs. Chantorntree	Darakananda	President
• Mr. Preecha	Shunhavanich	Director
• Mr. Thitivat	Suebsaeng	Director
• Mr. Supakit	Puangbua	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

• Miss Pakpachong	Vadhanasindhu	Chairman of the Audit Committee
• Miss Pakinee	Prertitumrong	Director
• Mrs. Suttima	Jamnarnwej	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

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

Investment Committee

• Miss Dalad	Sapthavichaikul	Chairman of the Investment Committee
• Mr. Chutindhon	Darakananda	
• Mr. Thitivat	Suebsaeng	
• Mrs. Chantorntree	Darakananda	
• Mrs. Pinijporn Darakananda Kasemsap		
• 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 being a Chairman of the Risk Management Committee until July 31st , 2020.
 2. Mrs. Chantorntree Darakananda was appointed to be a Chairman of the Risk Management Committee, effective August 1st, 2020.
 3. Mr. Anon Sirisaengtaksin was elected to be a Company's Director, Independent Director, Audit Director and Nomination and Remuneration Director, as the replacement of Mr. Thitivat Suebsaeng, who resigned from the Director, effective January 1st, 2020.
 4. Mr. Pittawat Prertitumrong was elected to be a Company's Director as the replacement of Miss Pakinee Prertitumrong, who resigned from the Independent Director, effective January 1st, 2020.

Direct Investment of Saha-Union (in Group Companies) as at 31 December 2019

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	40.286	319.72	
Trading Business	Computer Union Co., Ltd.	100,000,000	100,000,000	100.00	98.486	105.16	
Energy Business	Zhejiang Jiashan-Union Cogeneration Co.,Ltd.	USD 29,700,000	USD 29,700,000		56.929	35.39	
	Shaoxing Shangyu Hangzhou-Union Cogeneration Co.,Ltd.	RMB 300,000,000	RMB 300,000,000		25.000	4.99	
	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	
	Navavej International Plc.	1,350,000,000	1,350,000,000	10.00	30.000	10.00	
	(Formerly known as KPN Healthcare Plc)						
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 27,930,000	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.	1,600,000,000	1,300,000,000	100 , 25	99.540	81.25	
	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 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	26.867	173.81	
	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	

SUC Investment at cost (Baht)	Book Value per share (Baht)	Market Value per share (Baht)	Investment Market Value (Baht)	Registration Date	Nature of Business
	51.66	43.00		10 Aug. 1972	Investment, distribution of raw materials and products manufactured by group companies
452,337,284.26	15.99	15.99	191,812,362.30	20 Jun. 2003	Contract manufacture and distribution of textile products
321,180,863.41	11.62	14.20	424,994,640.00	21 Mar. 1977	Manufacture and distribution of textiles
70,344,917.52	81.43	81.43	40,709,788.48	26 Apr. 1974	Manufacture and distribution of garments
3,751,380.06	140.27	140.27	5,245,957.73	7 Mar. 1968	Distributor of Grand Slam shirts
1,250,405.30	87.70	87.70	10,963,113.90	24 Jan. 1996	Manufacture and distribution of anti-electrostatic and dust clothing
46,563,324.78	126.46	126.46	63,230,000.00	4 Jun. 1971	Manufacture and distribution of thread
53,084,046.25	46.02	35.00	128,513,700.00	8 Oct. 1973	Manufacture and distribution of elastic products
235,432,531.30	18.26	14.20	175,797,846.00	3 Jan. 1969	Contract manufacture of plastic products, manufacture and repair of molds
306,658,338.14	181.84	181.84	556,429,672.64	18 Aug. 1986	Manufacture and distribution of vacuum stainless bottles
52,411,447.56	165.81	165.81	64,997,188.38	16 Dec. 1988	Manufacture and distribution of stainless steel kitchenware
16,110,954.50	92.43	92.43	18,485,537.85	24 Mar. 1971	Manufacture and distribution of rubber products
17,179,605.10	265.44	265.44	43,059,145.92	9 Jul. 1970	Rubber estates
31,556,005.62	480.75	480.75	144,236,538.00	3 Nov. 1988	Manufacture and distribution of plastic parts and molds
19,320,357.67	2,850.28	2,850.28	172,239,570.12	21 Jun. 1973	Manufacture of adhesive paper, corrugated adhesive paper, clear tape and OPP tape
103,571,432.35	236.94	236.94	233,351,780.64	18 Nov. 1982	Computer and accessories dealer
598,346,068.29	44.24	44.24	748,010,716.32	15 Aug. 1994	Power generation
374,415,749.43	8.12	8.12	609,000,000.00	19 Nov. 2002	Power generation
417,270,553.54	11.48	11.48	113,232,566.72	6 Jul. 1994	Power generation
2,880,000,000.00	9.97	9.97	2,871,360,000.00	2 May 2014	Hotel
200,500,000.00	50.49	50.49	201,960,000.00	6 Mar. 2014	Hospital
405,000,000.00	8.72	8.72	353,160,000.00	8 Jul. 2015	Hospital
1,907,800,576.88	4.71	4.71	1,904,959,500.00	18 Aug. 1972	Investment
1,572,809,060.01	43.66	43.66	1,964,700,000.00	19 Jan. 1995	Investment
218,957,706.00	25.90	25.90	172,494,000.00	29 Aug. 2007	Manufacture of Phthalic anhydride & Fumaric acid and associated products
249,239,518.07	8.08	8.08	160,376,025.44	21 May 2007	Manufacture of automobile carpet
385,917.66	1.98	1.98	990,000.00	8 Nov. 1984	Investment
1,294,019,006.88	54.77	54.77	872,288,708.92	14 Nov. 1989	Investment
44,006,626.43	108.83	108.83	59,552,102.49	29 Sep. 1988	Dormitory rental and services
29,465,812.50	7.44	7.44	21,144,852.00	10 Jul. 1970	Rental services
159,770,484.00	21.87	21.87	349,199,186.67	31 May 1989	Investment
22,087,110.54	42.78	42.78	26,485,098.00	5 Aug. 1986	Rental services
375,457,200.00	94.70	94.70	355,052,081.00	7 Sep. 1973	Real estate
124,999,875.00	26.01	26.01	130,049,869.95	22 Apr. 2013	Investment
124,999,875.00	32.70	32.70	163,499,836.50	16 May 2013	Investment
157,499,880.00	49.82	49.82	130,777,400.36	22 Aug. 2013	Real estate
56,037,633.16	1,025.20	1,025.20	330,525,505.20	5 Nov. 1980	Investment / Agency and Service business / Distribution of textile products and other materials
20,464,690.80	104.36	104.36	20,350,200.00	22 Aug. 1972	Investment and agriculture
51,861,469.06	158.28	158.28	788,169,505.20	2 Nov. 1973	Investment
43,328,196.18	1,519.19	1,519.19	567,417,465.00	23 May 1961	Investment and real estate rental

Total	13,059,475,903.25	Total	15,188,821,461.73
Group Companies	13,059,475,903.25	Group Companies	15,188,821,461.73
Other Companies	1,652,251,459.69	Other Companies	1,992,298,788.03
Total	<u>14,711,727,362.94</u>	Total	<u>17,181,120,249.76</u>

Business Results and Five Years Financial Status

(Unit : Million Baht)

	2019	2018	2017	2016	2015
Revenues					
Sales and service income	929.3	1,220.7	1,234.5	1,176.4	1,273.7
Export sales	372.7	425.7	506.2	482.5	520.9
Local sales	556.6	795.0	728.3	693.9	752.8
Dividend income	874.5	829.3	910.0	1,082.6	792.0
Other income	94.0	90.5	154.9	537.4	71.7
Total revenues	1,897.8	2,140.5	2,299.4	2,796.4	2,137.4
Expenses					
Cost of sales and services	919.1	1,203.1	1,219.2	1,158.0	1,250.6
Selling and distribution expenses	6.7	7.2	9.5	8.8	10.4
Administrative expenses	110.9	109.1	110.1	100.2	95.6
Other expenses	20.6	(2.7)	46.0	258.6	210.9
Total expenses	1,057.3	1,316.7	1,384.8	1,525.6	1,567.5
Profit before finance cost and income tax income (expenses)	840.5	823.8	914.6	1,270.8	569.9
Finance Cost	(2.6)	(3.3)	(5.7)	(2.2)	(1.5)
Profit before income tax income (expenses)	837.9	820.5	908.9	1,268.6	568.4
Income tax income (expenses)	0.9	(0.1)	(5.1)	(87.6)	5.8
Equity holders of the Company	838.8	820.4	903.8	1,181.0	574.2
Earnings per share (Baht)	2.80	2.73	3.01	3.94	1.91
Dividend per share (Baht)	1.50	2.00	2.00	2.00	1.50
Dividend per net profit (%)	53.65%	73.14%	66.39%	50.80%	78.37%

Business Results and Five Years Financial Status

(Unit : Million Baht)

	2019	2018	2017	2016	2015
Assets					
Cash and cash equivalents	306.2	827.7	1,466.7	2,070.6	342.9
Trade and other receivables	155.8	188.3	137.1	229.1	180.1
Short-term loans to related parties	463.0	276.4	155.5	2.1	363.0
Other current assets	1.3	40.6	33.9	25.3	20.5
Investment in associate held for sale	-	-	-	169.7	-
Investment in subsidiaries, joint ventures, associates and other companies	13,610.7	13,466.6	13,147.6	11,652.4	12,568.6
Investment properties	1,494.1	1,142.2	1,148.7	1,155.1	1,161.6
Property, plant and equipment	39.1	45.8	50.3	57.8	63.2
Other non-current assets	16.8	9.7	5.0	7.2	5.4
Total assets	16,087.0	15,997.3	16,144.8	15,369.3	14,705.3
Liabilities and shareholders' equity					
Trade and other payables	66.3	122.3	106.9	91.8	80.7
Deposits from related parties	356.7	315.4	683.8	664.3	865.8
Other current liabilities	10.9	0.9	1.2	53.8	1.6
Other non-current liabilities	154.0	182.1	184.8	87.3	72.8
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	9,358.2	9,117.8	8,896.1	8,592.3	7,861.3
Other components of shareholders' equity	541.9	659.8	673.0	280.8	224.1
Total shareholders' equity	15,499.1	15,376.6	15,168.1	14,472.1	13,684.4
Total liabilities and shareholders' equity	16,087.0	15,997.3	16,144.8	15,369.3	14,705.3
Book Value per share (Baht)	51.66	51.26	50.56	48.24	45.61

Revenues Structure of the Company and Its Subsidiaries
Comparative from 2017-2019

(Unit : Million Baht)

Consolidated financial statements																		
Segment	Export						Local						Total					
	2019	%	2018	%	2017	%	2019	%	2018	%	2017	%	2019	%	2018	%	2017	%
Textile Business	501.4	4.45	716.3	5.77	691.7	5.73	410.9	3.65	544.0	4.38	618.4	5.12	912.3	8.10	1,260.3	10.15	1,310.1	10.85
Plastic, Rubber and Metal Business	3,329.4	29.55	4,213.7	33.94	4,132.6	34.23	1,600.9	14.21	1,890.9	15.23	1,936.1	16.04	4,930.3	43.75	6,104.6	49.17	6,068.7	50.26
Trading Business	23.0	0.20	22.4	0.18	24.2	0.20	2,836.6	25.17	2,161.0	17.40	2,556.8	21.18	2,859.6	25.38	2,183.4	17.58	2,581.0	21.38
Energy Business	1,584.6	14.06	1,769.6	14.25	1,234.1	10.22	-	-	-	-	-	-	1,584.6	14.06	1,769.6	14.25	1,234.1	10.22
Hotel Business	-	-	-	-	-	-	522.8	4.64	584.5	4.71	500.1	4.14	522.8	4.64	584.5	4.71	500.1	4.14
Investment Business and Others	4.8	0.04	10.3	0.08	5.1	0.04	42.8	0.38	43.0	0.35	44.5	0.37	47.6	0.42	53.3	0.43	49.6	0.41
Total	5,443.2	48.31	6,732.3	54.22	6,087.7	50.42	5,414.0	48.05	5,223.4	42.07	5,655.9	46.85	10,857.2	96.35	11,955.7	96.29	11,743.6	97.27
(Less) Related transaction	-	-	-	-	-	-	(706.4)	(6.27)	(998.7)	(8.04)	(1,053.9)	(8.73)	(706.4)	(6.27)	(998.7)	(8.04)	(1,053.9)	(8.73)
Sales and service income - net	5,443.2	48.31	6,732.3	54.22	6,087.7	50.42	4,707.6	41.78	4,224.7	34.03	4,602.0	38.12	10,150.8	90.09	10,957.0	88.25	10,689.7	88.54
Dividend Income													245.2	2.18	209.6	1.69	315.1	2.61
Rental Income													35.9	0.32	42.7	0.34	49.9	0.41
Interest income													50.1	0.44	66.0	0.53	60.8	0.50
Other income													786.0	6.98	1,141.1	9.19	958.1	7.94
Total revenues													11,268.0	100.00	12,416.4	100.00	12,073.6	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.	100.00
	Union Universe Co., Ltd.	49.87		Shanghai Dasity 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 Parts Co.,Ltd.	35.00
	Venus Thread Co., Ltd.	24.90		Zhonglian-Union Carpet (Foshan) Co.,Ltd.	21.00
Plastic, Rubber and Metal Business	Union Pioneer Public Company Limited	52.73		Jiangsu Zhonglian-Union Carpet (Teiling) Co.,Ltd.	35.00
	Union Plastic Public Company Limited	49.69		Zhuji-Union Real Estate Co.,Ltd.	25.00
	Union Zojirushi Co., Ltd.	51.00		Saha-Union International Taipei Ltd.	42.30
	Union Stainless Steel Products Co., Ltd.	98.00		Saha-Union Holding Co., Ltd.	99.54
	Union Rubber Products Corp., Ltd.	99.99		Venus Shoes Co., Ltd.	99.99
	Thai Rubber Enterprise Co., Ltd.	50.69		Union Printing Corp. Ltd.	94.74
	Union Nifco Co., Ltd.	50.00		Union Equity Co., Ltd.	99.79
	Union Thai-Nichiban Co., Ltd.	40.29		Union Shoes Co., Ltd.	98.23
Trading Business	Computer Union Co., Ltd.	98.49		Union Construction Corp., Ltd.	99.99
	Computer Union System Co., Ltd.	99.99		Saha-Union Property Co., Ltd.	99.99
	Soldev Co., Ltd.	61.00		Saha-Union Wealth Plus Co., Ltd.	99.99
Energy Business	Zhejiang Jiashan - Union Cogeneration Co.,Ltd.	75.96		Union Nakhon Co., Ltd.	77.49
	Shaoxing Shangyu Hangzhou-Union Cogeneration Co.,Ltd.	50.00		Uni-Fibre Co., Ltd.	62.35
	Yunnan Energy Luliang-Union Cogeneration Co., Ltd.	50.00		Uni-Agro Co., Ltd.	44.94
Hotel Business	The Royal Hotel Co., Ltd.	96.26		Union Thread Industries Co., Ltd.	35.99
				Union Industries Corp., Ltd.	29.46
				Union Business Management Co., Ltd.	37.54
Hospital Business	Sukhumvit 62 Medical Ltd.	47.21		Union Management and Service Co., Ltd.	24.87
	Navavej International Plc.	30.00		Union Asset Management Co., Ltd.	24.90
	(Formerly known as KPN Healthcare Plc.)			Union Enterprise Holdings Co., Ltd.	22.32
				Union Capital Holdings Co., Ltd.	29.46
				PSV Molds Co., Ltd.	25.00
				Tencate-Union Protective Fabrics Asia Ltd.	49.35
				Union Asset Holdings Co., Ltd.	40.27
				Union Langsuan Residence Co., Ltd.	29.40
				Union Ratchaprasong Co., Ltd.	29.46
				Union Pathumwan Co., Ltd.	35.99

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 2019

Woven fabric sales were mostly generated from export. In 2019, the revenues decreased from 2018 due to the global economic slow down that was partly caused by the prolonged trade tension between the United States of America and China, as well as Thai Baht appreciation. With low profit rate and fierce price competition in the woven fabric market, the Company could only raise selling price by a small margin which becomes an important factor that affects the company's profitability. However, the Company could still maintain the status and competitiveness. Thanks to the customers' trust in our quality and punctuality, along with efficient cost management and other revenue from assets in possession, 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 the exchange rate risk. 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 major customer countries, resulting in a decline in orders. The competition became more intense with competitors having advantages in several aspects. Year 2019, thus, suffered a decrease in sale volume and value compared to 2018.

Clean Room Garment. The Company focused on varieties of high-quality products, marketing flexibility that suits customer needs, on-time delivery, without minimum order quantity that is a common limitation in the clean room garment industry. In 2019, both sale and performance of this business grew from 2018.

Trends of the Industry and Competition

Textile business will have to struggle through hard times with several issues such as persisting labor



cost increase and other risk factors that may affect the business like the indefinite situation of trade war between the United States of America and China, fluctuation of exchange rates and oil price. Nevertheless, the outbreak of COVID-19 pandemic massively affecting many businesses like merchandise, services, and industrial sectors.

Regarding the market competition in the future, the Company is facing fierce competition from other Asian countries. Prices remain one of the decisive factors that influence customers' decision. Factors that affect the Company's competitiveness, such as, some competitors have advantage over the Company in terms of lower labor cost and their GSP privilege. Meanwhile, the Company is also suffering the lack of skilled labors, especially in garment manufacturing.

However, the Company's marketing strategy now is to secure its existing customer base and venture into new markets, strengthening sales team to promote sale and developing new products that create more value and functionality to differentiate itself from other competitors or create new product lines designed for industrial purposes.

Plastic, Rubber and Metal Business

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 produces plastic parts using plastic injection molding process. The main products consist of parts used in motorcycles and automobiles, electronic appliances, electronics, and 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 rubber industry ranging from owned rubber plantations that yield rubber latex to be 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, which are mostly used as components in manufacturing products such as garments, textiles, medical equipment, exercise equipment, physical therapy equipment, diapers and adult pants or for other purposes depending on customers' business needs.

3. **Adhesive Tape products.** The rubber blocks and smoked sheets are used in manufacturing high



made 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 2019

In 2019, the overall performance of Plastic, Rubber and Metal Businesses achieved less than expected due to the domestic economic stagnation and global economic recession, coupling with stronger Baht appreciation.

Plastic parts production for industry and molds are mainly for automotive industry such as automobiles, pick-up trucks, and motorcycles. In 2019, the Company's key businesses, automobile and motorcycle industries, experienced a lower production volumes for both domestic and export. Domestic sales of automobiles and motorcycles also suffered a decrease from 2018.

Union Nifco Co., Ltd. showed strong sales and performance with its main customers being the automotive companies. Most sales were accounted from domestic sales. Despite the fierce competition in the automotive part industry domestically and globally, the Company could manage to maintain its competitiveness by improving production efficiency and cost advantage. Moreover, the Company constantly focused on strengthening the design and engineering capacities.

Regarding Union Plastic Public Co., Ltd. in 2019, the performance was at loss due to the main reason being the underachieved sale revenues caused by the global economic recession as well as fiercer competition in the market. Meanwhile, the cost of production and service improvements was higher compared to 2018. Another reason was the recognition of reserve for employee benefit expense that increased by THB 12.5 million according to the amendment of law that stipulates an increase in severance pay which went into effect on 5 May 2019.



The company has been constantly improving its production efficiency to maximize the profits. These improvements involved production process enhancement, better cost control, waste reduction, quality improvement to meet customers' expectations, improved quality molds that ensure longer mold life, more efficient inventory control, adoption of IT system for streamlining customers' orders through delivery, occupational training for employees particularly in engineering, enhanced plastic injection techniques, molds, and designs.

Rubber block, white crepe rubber, and smoked rubber sheet manufacturing relies on rubber latex supplied from Group companies and sourced from external suppliers in order to manufacture extra quality products to supply Group companies. The Company adopted integrated agriculture to generate additional incomes. The rubber latex yields heavily rely on the seasons, resulting in price fluctuation. The overall performance in 2019 was better than that of 2018.

Production of elastic products from natural rubber and artificial rubber by Union Pioneer Co., Ltd. in 2019 were underachieved due to the economic tension trade war between the United States of America and China that caused a widespread effect to the global economy, including Thailand's. The economy became stagnant. Purchasing power and customers demand significantly decreased, while the competition level in the market remains high as

prices are the main decisive factor for customers. Another negative factor that affected the incomes from overseas market was the stronger Bath appreciation. In addition, in first quarter of 2019, The Labor Protection Act (No. 7) B.E. 2562 was amended in parts regarding the severance pay, increasing the amount of severance pay for employees who have worked for an uninterrupted period of 20 years or more to be eligible to receive the compensation from 300 days to 400 days of their latest wage rate. The law went into effect on 5 May 2019, resulting in an additional reserve for employee benefit by THB 10 million.

However, the Company has been trying to adapt and stay competitive, improving the production and internal operations to proactively maximize the efficiency and minimize the cost. The Company collaborates with customers to research and develop products in response to their needs. Marketing-wise, the Company focuses on increasing sales with existing customers while expanding the customer base both locally and overseas by offering quality products with great variety and safety standard OEKO-TEX® Standard 100 Class I: Articles for babies and toddlers, which is the strictest safety class.

Natural rubber adhesive tape products in 2019 performed as expected as a result of constant improvement on production processes. Technical Support was formed to seek alternative materials to reduce cost in the future, as well as finding new material suppliers for an option. Although there were





new competitors in the market, thus fiercer price competition, but the company still has competitive potential due to better reputation in terms of quality and services compared to other competitors. 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 and provided online sales channel to secure its market share.

Stainless steel vacuum bottle’ production by Union Zojirushi Co., Ltd. underperformed in 2019 mainly due to the gradual appreciation of Baht that severely affected the Company’s main revenues from exports. However, the Company kept improving its production capacity while reducing waste, adopting new techniques and machinery to strengthen the production, as well as improving personnel skills.

Stainless tube manufacturing in 2019 showed good sale and performance that were better than expected. The Company has improved the stainless steel pipe forming process to be more efficient and widely accepted by customers. In 2020, the Company is determined to utilize the new production technology to improve its products and reduce cost, while offering new product lines to meet all customer needs in the hope to expand its customer base and promote the sales growth.



Trends of the Industry and Competition

The year of 2020 is going to be a challenging year for automotive and overall industry sector as a result of several risk factors such as the global economic recession, Baht appreciation that affects export sector, the drought, the high level of household debts, stricter credit policies from financial institutes that will affect the sales volume of automotive market, and most importantly, the COVID-19 pandemic outbreak that is making the global economy suffer, putting most businesses in, trading and services, and industrial sectors under great pressure

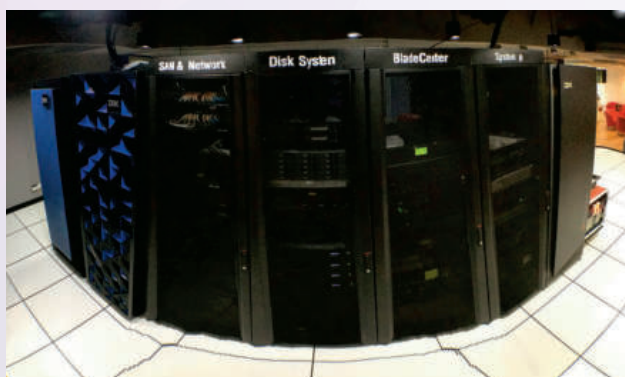
Trading Business

Characteristics of Business

Computer Union Co., Ltd., has been operating computer and Information Technology (IT) business since 1982 as one of the early IT investors in Thailand. It currently offers a wide variety of computer and IT products and services for all types of business, ranging from 'Small Office Home Office' (SOHO) to larger enterprises in Bangkok and vicinity, and across the regions of Thailand. In 2012, the Company's trading business expanded to the Lao People's Democratic Republic as a distributor for hardware and software products.

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 (a Backup Software to supervise the storage and data usage management)
- 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 Ronsyco 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

Let's look at our model line-up



- 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 equipment 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.
- Develop IT solutions for clients in industrial and manufacturing businesses.

Supply of Products for Manufacturing or Services

The Company's trading and services business involves selling products which are supplied from distributors in Thailand such as IBM Thailand Co., Ltd. Some products are also imported from IBM overseas. The Company has a policy to stay open for collaboration

with new manufacturers so as to provide a great variety of products for customers, either as an authorized dealer or project partner.

Performance in 2019

The performance was considered good, despite lower-than-expected sales due to the situation of the global economy that affected Thailand's public sector, as well as the government's stability concerns. As a result, the investments were delayed. Thanks to the on-going trends of technology adoption in response to the digital disruption, the overall performance managed to stay on the positive side.

Trends of the Industry and Competition

The business is constantly growing due to the increase in demand for IT from both government and public sectors as a result of the Government's Thailand 4.0 policy. The overall products and services provided by the Company focus on fulfilling the market demands for mobile technology and digital transformation. The Company now offers more flexible IT services in response to changes in customer behaviors, changing from asset sales to leasing that charges customers as per usage. With a reliable financial system that is highly competitive and determination to improve its personnel in skills and expertise, along with well-recognized quality of products and services, Computer-Union has been serving our valued customers and gaining their trust for over 30 years.

The competition is likely to be fiercer in the future, particularly in pricing as new players, both local and overseas, are continuously entering the market with new technologies such as cloud computing services, social media networks and platforms, as well as developing tools for computer software and mobile applications.

Hotel Business



Type of Products or Services

The Royal Hotel Co., Ltd. (RH), key investor in hotel business, located at 33 Naret Damri Road, Hua Hin Sub-District, Hua Hin District, Prachuap Khiri Khan Province, is a five-star hotel on the beachfront center of Hua Hin Town. The Hotel is 17-story high, with 296 rooms of various types. Each room offers the spectacular view of the Gulf of Thailand. The Hotel has a total of 5 conference rooms and banquet rooms capable of serving approximately 500 guests. There are a total of 7 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

The hotel is operated under the name HILTON HUA HIN RESORT & SPA.



Performance in 2019

Hotel business heavily relies on tourism industry. With tourism industry being under pressure from recession in major economies like the USA, Europe, and China, tourists in some countries were less likely to travel. In addition, Hua Hin Town had been welcoming increasing investments in hotels, resorts, other residences, as well as condominiums. The competition became much fiercer in terms of prices and market segments. However, HILTON HUA HIN RESORT & SPA managed to stay in the harsh competition by constantly improving services and rooms to maintain its status as a five-star hotel and



attract both local and foreign guests with a wide variety of facilities. Therefore, the hotel's occupancy rate and overall performance in the past year was quite good.

Trends of the Industry and Competition

Hotel and tourism industries, two key players in Thailand's economy, have been severely affected since the beginning of 2020 due to the outbreak of the Coronavirus Disease 2019 (COVID-19). As a result, the year of 2020 is going to be a big challenge to Thailand's tourism industry regarding the number of incoming tourists to Thailand as the figures show that the number of foreign tourists to Thailand is growing at the lowest rate in many years, especially for Chinese tourists. At the same time, the amount of hotel supply is increasing so rapidly that it has exceeded the demand growth, thus higher competition. This year the entrepreneurs in the hotel and tourism sector have to adapt themselves to deal with the situation further.



Hospital Business



The Company invests in 2 hospital projects:

1. Sukhumvit 62 Medical Co., Ltd., (which invests in Ruamjaiarak Hospital), has a total investment of THB 1,800 million. The Company's investment accounts for 47.21 percent. The construction commenced in early 2020 to become a 134-bed hospital.

2. Navavej International Public Co., Ltd., (formerly known as KPN Health Care Public Co., Ltd.

or KPNHC) which invests in Navavej International hospital. It has a total investment of THB 4,000 million. The hospital serves approximately 150 beds initially and is capable of expanding up to 300 beds located on Ratchada-Ramintra Road. The Company's investment accounts for 30 percent. This project is now under construction and is expected to open in the fourth quarter of 2020.



Energy Business

in the People's Republic of China



Type of Products or Services

At present, the Company has investments in energy business in the People's Republic of China in the form of cogeneration plants that produce and sell power and steam, operating 3 joint ventures with the State-Owned Chinese Enterprises: two in Zhejiang Province; Zhejiang Jiashan-Union Cogeneration Co., Ltd. and Shaoxing Shangyu Hangzhou-Union Cogeneration Co., Ltd. with the generation capacity of 33 megawatts and 60 megawatts respectively; and one in Yunnan Province named Yunnan Energy Luliang-Union Cogeneration Co., Ltd. Recorded impairment reached net investment capital in 2017.



Supply of Products for Manufacturing or Services

The cogeneration plants in Zhejiang Province, the People's Republic of China is mainly powered by coal which is mostly supplied from coal mines in the Northwestern part of the country.

Performance in 2019

The two cogeneration plants in Zhejiang Province performed quite well with continuous growth in its steam demands.

Trend of the Industry and Competition

Cogeneration plant business is regarded as the nation's utility. Its production and sales volumes depend on the country's economic growth.

In 2020, the COVID-19 outbreak has struck heavily on China's economy and manufacturing sector. The industrial groups that the Company has invested in will be inevitably affected more or less.

Regarding the business competition, all electricity generated will be sold to the local electricity authority for a fixed price. Steam is mostly sold to factories within the industrial estate at agreed prices. The steam delivery is done by piping through underground internal network systems designed and approved by the industrial estate authority. As a result, this prevents the problem of competing with overlapping steam pipelines from other power plants.

Chemical Industry Business

in the People's Republic of China



Type of Products or Services

The Company has invested in chemical industry in the People's Republic of China, in the form of a business 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 required to produce Phthalate Plasticizers, Thermoplastic Resins-Polyvinyl Chloride (PVC), etc.

Supply of Products for Manufacturing or Services

The production of Phthalic Anhydride (PA) requires Naphthalene as the main ingredient. 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 2019

In 2019, the performance was underachieved due to adverse factors such as lower demands caused by the economic slowdown, as well as the fluctuation of material prices. In addition, the Chinese Government continued to impose stricter environmental regulations. However, the Company always keeps an eye on the market situations and trends of material prices in order to secure the most profitable gap between cost and selling prices, as well as maintaining the regular customer base while expanding to promote sale.

Trends of the Industry and Competition

The competition is expected to remain fierce in the chemical industry.

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.

The Board of Directors has considered vision and mission statement and agreed on as following :

Vision

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

Mission

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

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 2019) 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 Value 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 the policy to its employees violation. All executives and employees were encouraged to use products, equipment and services real copyright.

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 Company sent the above mentioned to all stakeholders. Then, they were required to acknowledge and sign them back to the Company.

The Company set the code of conduct as prescribed by the Board of Director. It 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 overseas Company. All the accounting reports must be done with transparency and 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 Guidelines according to the Policy

The Company has instilled high a value of integrity, quality and services 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 any corruption, all of which would go under an inspection procedure conducted by the internal auditing department. The Company has established Guidelines for Directors and Employees according to the 7 anti-corruption policies;

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

Prior to 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 2019, 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 and standards. 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 one 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. In addition to benefits offered to employees in accordance with the Company's rules and regulations not less than determined by law or more as appropriate, 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 2019, the Company had 82 employees in total, 17% were newly employed and 11% 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. The Company provided employees with hand sanitizers at various spots for employees' hygiene. 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 (Customers)

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 main business is an investment and trading with the partners who are not the end user. 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. Responsibilities to Partners

The Company offers fairness in purchasing, hiring process, including agreement with our partners, reliability in business confidentiality, solemn compliance with the promised conditions or agreements. The Company communicates with partners information about its anti-corruption policies to ensure morality, honesty, sincerity, and quality for mutual long-term benefits.

7. Environment Conservation

The Company's major business is an investment, 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.

7.1 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.

7.2 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, which in turn generate additional cost. 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.

7.3 Eco-Friendly Movement

In 2019, the Company and Group Companies encouraged all employees to quit using disposable plastic water cups and turn to using tumbler with stainless steel vacuum, our own products, instead. This movement aimed to reduce plastic waste and help relieve the global warming crisis with our high-quality tumbler with stainless steel vacuum which are reusable and long-lasting, capable of keeping temperature for either hot or cold. Employees who wish to purchase a personal tumbler would receive a privilege to buy one for the cost price, once each. Tumblers with stainless steel vacuum were provided for use at the Company's canteen, where they were washed and reused. Employees cooperated very well with this movement.

8. 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;

8.1 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.

8.2 Community Involvement

In regard of Item 8.1, 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 2019, 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.

8.3 Personnel Development Strategies

As a company whose main transactions are investments in different businesses, our employees are the key factor that streamlines the Company's activities. With that in mind, the Company focuses on developing a well-informed and skilled team, as well as emphasizing on the recruiting process to make sure that only qualified and desirable persons will join our team and will be able to adapt to our corporate cultures. They are required to understand our vision, mission, and long-term goal so as to support our operations to the fullest with unity. Therefore, the Company launched a strategy to grant scholarships to university students as a part of our CSR activities and HR procedures, which will eventually return the sustainability values to the Company. In 2019, the Company granted scholarships to a total of 15 undergraduates who were studying at Rajamangala University of Technology Phra Nakhon, worth THB 600,000; 5 undergraduates at Mae Fah Luang University, worth THB 200,000; 5 High Vocational Certificates' students at Bangna Commercial College, worth THB 100,000; and 5 at Minburi Technical College, worth THB 100,000. The scholarships granted in 2019 by the Company were totally worth THB 1 million.

9. Corruption Prevention Policy

The Company has developed 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 Group Companies operate our businesses with social and environmental responsibilities, based on the principles of sustainable development under good corporate governance according to our core values “INTEGRITY, QUALITY, SERVICE,” aiming to 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 2019, Saha-Union Public Co., Ltd. and Group Companies organized events to give back to the society and the environment as follows:

Education

Saha-Union Public Co., Ltd. and Group Companies are aware of the importance of education, the foundation of learning and development of knowledge, skills, and expertise to secure a career and create value to the society. Therefore, the Company provides support and opportunities to students who have good educational results and behaviors:



- The Company granted scholarships to bachelor's degree students in the Faculty of Business Administration and the Faculty of Engineering, Rajamangala University of Technology Phra Nakhon, a total of THB 600,000. Mrs. Chantorntree Darakananda, President and Mr. Preecha Shunhavanich, Vice President, represented the Company to grant the funds, which were received by Asst.Prof. Kasidech Sutthivanich, Vice-Dean for Student Affairs of the Faculty of Business Administration and Dr. Natworapol Rachsirivatcharabul, Dean of the Faculty of Engineering, along with representatives of faculty and students.



- The Company granted scholarships to High Voc. Cert. students in Electrician Department, Minburi Technical College, a total of THB 100,000. Mr. Pongsak Thiengviboonvong, Consultant to the President, represented the Company to grant the funds, which were received by Professor Sarana Kongkulsiri, Director of Minburi Technical College, along with faculty and students, who represented the College.



- The Company granted scholarships to bachelor's degree students in School of Sinology, School of Management, and School of Information Technology, Mae Fah Luang University, Chiang Rai Province, a total of THB 200,000. Miss Pornthippar Sunawin, Management and Human Resource Manager, represented the Company to grant the funds, which were received by Asst.Prof. Sugul Kritalukvong, along with faculty and students, who represented the University.



- The Company granted scholarships to of High Voc. Cert. students in Accounting Department, Bangna Commercial College, a total of THB 100,000, which was received by Mr. Wannayuth Jitsamut, a Deputy Director of Bangna Commercial College, along with faculty and officials, as the representatives.

- A Group Company in Bang Pu District gave away gifts, food, and snacks, to Khlongbangpu School, Wat Tamru School, and Iamsuree School in Bang Pu Mai Sub-District, Muang District, Samut Prakan Province, on the National Children's Day.

Environment

Saha-Union Public Co., Ltd. and Group Companies 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. With such policy, Saha-Union Group plays an important part to develop and conserve the environment along with our business operations:



- Encourages 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.
- Reuses paper, stationery, and folders.
- Provides water treatment before disposal.
- Saha-Union Group Companies in Bang Chan Sub-District participated in a mangrove forest plantation activity aimed to promote abundance of nature for Thai coasts.

Society

Saha-Union Public Co., Ltd. and Group Companies are determined to lead activities that support and help communities and the society in collaboration with the government sector, associations, and charity foundations, to promote sustainable contribution and social responsibilities as follows:



The Company provided safety helmet with built-in dash camera for police officers at Phra Khanong Metropolitan Police Station so as to ensure greater safety for officers on duty, which were received by Police Colonel Thinnakorn Somwangdee, Superintendent of Phra Khanong Metropolitan Police Station, along with other police officers, on 27 November 2019.



- Saha-Union Group Companies in Bang Chan Sub-District donated ventilators to Nopparat Rajathane Hospital.

Religion

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

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



- A Group Company in Bang Pu District participated in the 2019 Royal Kathina Robe Offering Ceremony with the Office of Industry of Samut Prakan Province at Wat Bowon Mongkhon, and with the Bang Pu Municipality Office at Wat Asokaram, Bang Pu Mai Sub-District, Muang District, Samut Prakan Province.

- Lent Candle Festival at Wat Pan Prasit and Wat Tamru, Bang Pu Mai Sub-District, Muang District, Samut Prakan Province.

- Annual Kathina Robe Offering Ceremony at Wat Phichaiwattanamongkol, Bang Pu Mai Sub-District, Muang District, Samut Prakan Province.

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 4 April 2019

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	29,174,000	9.72
1.3	Union Capital Co., Ltd.	Darakananda Group	Investment	27,011,240	9.00
1.4	Union Industries Corp., Ltd.	Darakananda Group	Investment	17,988,300	6.00
1.5	Saha-Union Holding Co., Ltd	Saha-Union PLC.	Investment	6,239,994	2.08
1.6	Union Multi-Capital Co., Ltd	Darakananda Group	Investment	6,082,000	2.03
1.7	Union Overseas Holdings Co., Ltd.	Darakananda Group	Investment	3,398,200	1.13
1.8	Union Unity Holdings Co., Ltd.	Darakananda Group	Investment	3,296,700	1.10
1.9	Darakananda Co., Ltd	Darakananda Group	Investment	3,000,000	1.00
1.10	Union Equity Co., Ltd	Saha-Union PLC.	Investment	2,782,700	0.93
2.	Mrs. Jarunee Chinnawongworakul			15,010,000	5.00
3.	Mr. Chalermchai Mahagitsiri			14,865,400	4.96
4.	Bangkok Bank Public Company Limited			12,325,000	4.11
5.	DBS BANK LTD.			12,141,900	4.05
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.	SS Integration Co., Ltd.			2,839,300	0.95
10.	Mr. Supachai Suthiphongchai			2,823,800	0.94
	Total			208,635,582	69.55

Dividend Payment Policy.

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 and depending on the need for investment of the business.

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 2019.

No.	Name	Shareholding		
		No. of Shares held in 2019	No. of Shares held in 2018	%Change
1.	Miss Dalad Saphthavichaikul	13,052	13,052	-
2.	Mr. Chutindhon Darakananda	3,427,700	3,427,700	-
3.	Miss Pakpachong Vadhanasindhu	-	-	-
4.	Mrs. Suttima Jamnarnwej	-	-	-
5.	Miss Pakinee Prertitumrong	1,950,624	1,950,624	-
6.	Mrs. Busarakham Nilavajara	-	-	-
7.	Mr. Yanyong Tangchitkul **	434,000	434,000	-
8.	Mrs. Chantornree Darakananda **	269,400	269,400	-
9.	Mr. Thitivat Suebsaeng	-	-	-
10.	Mr. Supakit Puangbua	-	-	-
11.	Mr. Preecha Shunhavanich **	10,000	10,000	-
12.	Mrs. Pinijporn Darakananda Kasemsap**	137,000	137,000	-
13.	Mr. Bovornrat Darakananda	-	-	-
14.	Mr. Vacharaphong Darakananda	50,000	50,000	-
15.	Mr. Nanthiya Darakananda	-	-	-

Remark : ** Included related person

Director No. 7 held 419,000 shares / Spouse 15,000 shares

Director No. 8 held 17,500 shares / Spouse 251,900 shares

Director No. 11 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 2019	No. of Shares held in 2018	%Change
1.	Mrs. Srinual Sombatpraiwan **	102	102	-

Remark : ** Included related person

Executive No. 1 held 53 shares / Spouse 49 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 2019 Shareholders' Meeting. Remunerations paid to each Director for the fiscal year 2019 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 Dalad Saphavichaikul	Chairman	4,590,000.00	144,000.00	-	-	4,734,000.00	288,000.00
2	Mr. Chutindhon Darakananda	Vice Chairman/ Member of the Nomination and Remuneration Committee	4,320,000.00	144,000.00	-	30,000.00	4,494,000.00	192,000.00
3	Miss Pakpachong Vadhanasindhu	Chairman of the Audit Committee/ Independent Director	-	144,000.00	132,000.00	-	276,000.00	-
4	Mrs. Suttima Jamnarnwej	Member of the Audit Committee/ Independent Director /	-	144,000.00	120,000.00	-	264,000.00	-
5	Miss Pakinee Prertitumrong	Member of the Audit Committee/ Independent Director / Member of the Nomination and Remuneration Committee	-	144,000.00	120,000.00	30,000.00	294,000.00	-
6	Mr. Yanyong Tangchitkul	Chairman of the Nomination and Remuneration Committee/ Independent Director	-	144,000.00	-	30,000.00	174,000.00	-
7	Mrs. Busarakham Nilavajara	Independent Director	-	144,000.00	-	-	144,000.00	-
8	Mrs. Chantornree Darakananda	President	-	144,000.00	-	-	144,000.00	300,000.00
9	Mr. Preecha Shunhavanich	Vice President	-	144,000.00	-	-	144,000.00	-
10	Mr. Thitivat Suebsaeng	Director	-	144,000.00	-	-	144,000.00	64,000.00
11	Mr. Supakit Puangbua	Director	-	144,000.00	-	-	144,000.00	-
12	Mrs. Pinijporn Darakananda Kasemsap	Director	-	144,000.00	-	-	144,000.00	-
13	Mr. Bovornrat Darakananda	Director	-	144,000.00	-	-	144,000.00	-
14	Mr. Vacharaphong Darakananda	Director	-	144,000.00	-	-	144,000.00	222,000.00
15	Mr. Nanthiya Darakananda	Director	-	144,000.00	-	-	144,000.00	192,000.00
			8,910,000.00	2,160,000.00	372,000.00	90,000.00	11,532,000.00	1,258,000.00

Executives' Remuneration

Total remunerations was paid to the 4 Company's Executive and Non-Executive Directors in 2019 amounted to Baht 10,262,000.- 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 2019, the Company paid an aggregate of Baht 105.34 million as remunerations (salaries and bonuses) to totally 57 Executives in 10 Subsidiaries undertaking

Others Remuneration

In addition to the above salaries and bonuses, the Company paid other remunerations to 1 Executive 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 2019 were Baht 115,200.-

Personnel

As of 31 December 2019, the company has had 73 employees. The Company's subsidiaries' total number of employees nationwide is 7,337. 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 2019 came as monthly salary, bonus pay, provident fund and social security fund with the total value of Baht 45.22 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 provided a guideline for the Directors, Executives, and Employees of all levels, including additional guideline for the Directors in Corporate Governance Manual and Business Ethics for Executives. Such guidelines in Business Ethics are part of "Employee's Regulations" for all Directors, Executives, and Employees to abide by, contributing to effective corporate administration under the Company's main goals to maintain its 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 2019 with scope of their authorities.

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

Name		Position
1. Miss Dalad	Sapthavichaikul	Chairman
2. Mr. Chutindhon	Darakananda	Vice Chairman
3. Associate Professor Dr. Pakpachong	Vadhanasindhu	Independent Director
4. Miss Pakinee	Prertitumrong	Independent Director
5. Associate Professor Suttima	Jamnarnwej	Independent Director
6. Mr. Yanyong	Tangchitkul	Independent Director
7. Mrs. Busarakham	Nilavajara	Independent Director
8. Mrs. Chantorntree	Darakananda	President
9. Mr. Preecha	Shunhavanich	Vice President
10. Mr. Thitivat	Suebsaeng	Director
11. Mr. Supakit	Puangbua	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 President.

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. Associate Professor Dr. Pakpachong Vadhanasindhu
2. Miss Pakinee Prerttiumrong
3. Associate Professor Suttima Jamnarnwej
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 2019, 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 2019. 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 2019 Meeting Attendances of Director

Name			No. of Meeting Attendances
1.	Miss Dalad	Sapthavichaikul	11/12
2.	Mr. Chutindhon	Darakananda	11/12
3.	Associate Professor Dr. Pakpachong	Vadhanasindhu	10/12
4.	Miss Pakinee	Prertitumrong	12/12
5.	Associate Professor Suttima	Jamnarnwej	12/12
6.	Mrs. Busarakham	Nilavajara	11/12
7.	Mr. Yanyong	Tangchitkul	11/12
8.	Mrs. Chantorntree	Darakananda	12/12
9.	Mr. Preecha	Shunhavanich	10/12
10.	Mr. Thitivat	Suebsaeng	11/12
11.	Mr. Supakit	Puangbua	11/12
12.	Mrs. Pinijporn Darakananda	Kasemsap	9/12
13.	Mr. Bovornrat	Darakananda	8/12
14.	Mr. Vacharaphong	Darakananda	11/12
15.	Mr. Nanthiya	Darakananda	9/12

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

The Company's Secretary is Mrs. Chadaporn Jiemsakulthip.

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

Duties and responsibility of Company Secretary

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

(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 20 December 2018, 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. Associate Professor Dr. Pakpachong Vadhanasindhu	Chairman of the Audit Committee
2. Miss Pakinee Prertitumrong	Director
3. Associate Professor Suttima Jamnarnwej	Director

The Audit Director who has knowledgeable about finance and experienced in auditing company financial statements was Associate Professor Dr. Pakpachong Vadhanasindhu and Associate Professor Suttima Jamnarnwej, scholar and experts from the Faculty of Commerce and Accountancy, Chulalongkorn University.

Charter of the Audit Committee shall have duties and responsibilities as follows:

- (1) Ensure the accuracy of Company's financial statement according to certified accounting standards.
- (2) Ensure the effectiveness of Company's internal control, risk management, and internal audit. Assess the independence of internal audit division and propose suggestions for appointment, transfer, or dismiss the internal audit manager.
- (3) Ensure that the Company complies with the laws related to Securities and Exchange, SET regulations, and other laws related to the Company's businesses.
- (4) Consider, qualify, propose independent person(s) to be the Company's auditor, and their remunerations. Attend the meeting with auditors by without the Management at least once a year.
- (5) Consider any related transactions or possible conflict of interest to comply with the law and SET regulations to make sure such transactions are reasonable and optimally beneficial to the Company.
- (6) Review the accuracy of references and self-assessment form regarding the Company's anti-corruption measures according to the Collective Action Coalition Against Corruption (CAC).
- (7) Prepare the Audit Committee's Report, signed by Chairman of the Audit Committee, to be disclosed in the Company's Annual Report. Such report involves opinions on the internal control and risk management, as well as other opinions about the performance of the Audit Committee.
- (8) Inform the Management of flaws discovered and urge for solution.
- (9) Monitor and assess the performance deemed necessary by the Audit Committee.
- (10) Perform other tasks assigned by the Board of Directors.

In 2019, the Audit Committee has five meetings. Associate Professor Dr. Pakpachong Vadhanasindhu, Miss Pakinee Prertitumrong and Associate Professor Suttima Jamnarnwej attended all 5 meetings. 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. Such qualifications are based on the principles of good corporate governance in terms of Board of Directors structure.
3. Consider procedures of remuneration for directors, based on their responsibilities, frame of work, performance of the Directors, the Company's performance and financial status, the overall economic situation, compared to other registered companies with similar size of business and/or in a similar industry.
4. Determine the amount and model of Director's remuneration by submitting proposals to the Board of Directors for further propose to the Shareholder meeting's approval

In 2019, three meetings were organized and attended by Mr. Yanyong Tangchitkul and Mr. Chutindhon Darakananda. Miss Pakinee Prertitumrong attended for 2 times and one time absent because of other business. 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.	Mrs. Chantornree Darakananda	Chairman of the Risk Management Committee
2.	Mr. Vacharaphong Darakananda	Director
3.	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 2019, one meeting was organized to perform as the scope of duties, the Company's objectives and policy and one meeting were held with the Audit Committee.

(5) The Investment Committee

List of the Investment Committee is as follows:

Name		Position
1.	Miss Dalad Saphavichaikul	Chairman of the Investment Committee
2.	Mr. Chutindhon Darakananda	Director
3.	Mr. Thitivat Suebsaeng	Director
4.	Mrs. Chantorntree Darakananda	Director
5.	Mrs. Pinijporn Darakananda Kasemsap	Director
6.	Mr. Bovornrat Darakananda	Director
7.	Mr. Vacharaphong Darakananda	Director

The Investment Committee shall have duties and responsibilities as follows:

1. Seek the opportunity and feasibility study of new projects investment that will bring benefits and progress to Saha-Union Group and propose to the Board of Directors.
2. Have a structure and duties according to what stipulated in the business administration policy and structure guideline approved by the Board of Directors.
3. Perform other tasks assigned by the Board of Directors.

2. Executives

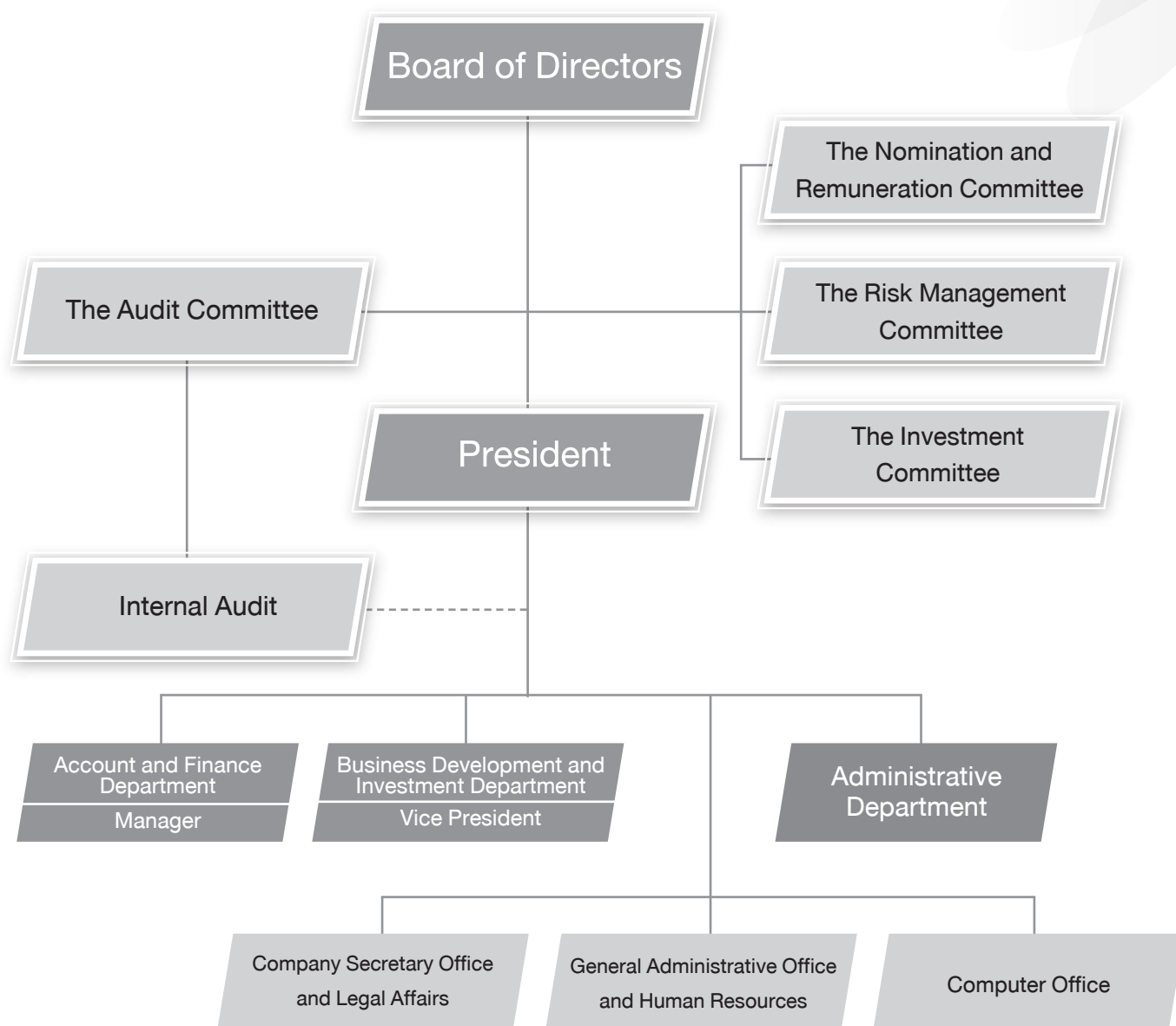
As of 31 December 2019, the Company's Executives were as follows:

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

The Company's organization chart was as follows:

Organization Chart

Dated 1 January 2019 – 31 December 2019



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 2018 Annual General Meeting of Shareholders in the electing directors' agenda.

Corporate Governance

The Board of Directors provides the good corporate governance to support sustainable growth with sharing value among the society and environment, operations and the expectation of stakeholders including customers, partners, employees, shareholders and government agencies.

The company has operated an optimal and sustainable business structure that build confidence among shareholders, government and private agencies, as well as the capital market and the general public.

The Board of Directors has always been committed to corporate governance around principles of virtue, ethics, honesty, prudence and responsibility that cascades down through all employees, resulting in a strong corporate culture.

Over the past 30 years, all employees have adhered to the corporate core value; “Integrity, Quality and Service” as an operational guidepost.

The Company has executed a corporate governance policy with the following key matters.

1. Corporate Governance Policy

The Company regularly reviews its Corporate Governance Policy with the latest edition approved by the Board of Directors on 22 November 2018. The edition was revised to cover the Corporate Governance Code for listed companies 2017 issued by the Securities and Exchange Commission. The policy also included topics on business ethics, anti-corruption and whistle-blowing policy, of which can be viewed on the corporate website at www.sahaunion.com. The details of the policy are summarized as follows.

2. Sub-committee

2.1 The structure of the Board of Directors consists of the Board and four sub-committees, the details of management structure are in the section which comprised of the list of members of the sub-committee and the scope of duty and authority of each committee.

2.2 The Audit Committee according to the details of sub-committee listed above and the Structure of Management section on No 1 (2), in which included the respectable and experienced directors in auditing the financial statements of the Company namely Associate Professor Dr. Pakpachong Vadhanasindhu and Associate Professor Suttima Jamnarnwej, scholar and experts from the Faculty of Commerce and Accountancy, Chulalongkorn University.

The detail of the duties of the Audit Committee is specified in No. 7 under a sub-item 7.6.2 under the Responsibility of the Board of Directors, which also indicates the duties and responsibilities of the Audit Committee as well.

3. Nomination and appointment of Directors and Top Executives

(1) Independent Director

The Company's Nomination and Remuneration Committee had specified the selection process, the scope of duties, responsibilities and operation in section 1(3) structure of management.

In 2019, the Independent Director had no business relationship and any professional services.

(2) Nomination of Directors and Top Executives

Through the Nomination and Remuneration Committee mentioned above, in 2019, the Annual General Meeting of the Shareholders has passed the resolution for selecting persons to be appointed as director under the guidelines for the Company's Director's appointment under the Corporate Governance section at item 8.1 regarding the Rights of Shareholder and 8.2 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 has supervised the subsidiaries, joint ventures and monitored the associated companies through the following methods;

(1) Company's Board of Directors supervises the management and operation of subsidiaries following its objective. Regarding representatives in subsidiaries, the Company assigns the representatives to act as directors or executives to control management and be responsible for the subsidiaries' operation.

Such representatives must be appointed by the Company's Board of Directors. Representatives are sent to the joint ventures and associates to perform their duties as directors of those entities, to provide helpful comments, to acknowledge business trends and operation results of joint ventures and associates in line with the proportion of its shareholding. There will be regular Board of Directors meeting for subsidiaries, joint ventures and associates.

The number of the Directors seat in the subsidiaries, joint ventures and associates must be at least in proportion with the Company's shareholding.

The Company's representative who performed their duties as the directors or executives of the subsidiaries, joint ventures and associates have duties and responsibilities as stated in the management guide, which includes the participation in determining key operating policy for such businesses.

Regarding the supervision of subsidiaries, the Company has done through the Board meeting which regularly holds almost every month to inform the Board on the financial position and operating results or to seek approval on any significant transactions following the relevant mandatory rules.

The Company has determined that its subsidiaries have appropriate and adequate internal audit procedures. The Company has incorporated internal control into 2 steps.

Firstly, the subsidiaries will assess the adequacy of the internal audit by itself. Secondly, the Company's internal audit will randomly inspect the subsidiaries' internal systems through the subsidiaries' internal audit department.

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

5. Insider Information Control

From the beginning, the Company has always prudently operated with the ethical code of conducts for the Company's directors, executives and employees to follow. The Company's core value is emphasizing Integrity, Quality and Service.

Besides, there are other related rules as follows:

- Prohibit the use of either self-authority or other's authority for personal benefit or illegally assisting others.
- 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 disciplinary actions against wrongdoers. If there is any violation of the above mentioned, penalty measures clearly stated in the Company's rules.

Moreover, the Company prohibits and prevents the use of insider information and insider trading practice to avoid an unequal investment opportunity to the public.

The Company's Board of Directors has resolved every year that the executives and Board of Directors must avoid trading the Company's shares 14 days prior to the disclosure date of the Company's annual 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 throughout the year for all directors during the Board of Directors' meeting.

6. Auditor's Remuneration

Audit fee

The auditor of the Company and its subsidiaries for the year 2019 was Mr. Khitsada Lerdwana, Certified Public Accountant No. 4958 (the 3rd year auditor) or Mrs. Poonnard Paocharoen, Certified Public Accountant No. 5238 or Ms. Vilailak Laohasrisakul, Certified Public Accountant No. 6140 of EY Office Ltd.

These auditors were independent, had no relationship, and/or conflict of interest with the Company, its subsidiaries, executive, major shareholder, directors or person related to the stated persons. These auditors were certified auditor obtaining approval from the Securities and Exchange Commission (SEC).

At the Annual General Meeting of Shareholders, the Company nominated at least 3 auditors from the same office for consideration. The nominated auditors were qualified entirely according to the Securities and Exchange Commission's requirements and have declared their independence as indicated above for shareholders' consideration.

In the fiscal year 2019, the Company and its subsidiaries paid the audit fee to EY Office Ltd., which is the audit firm the auditor working for totally Baht 11,130,000. The Company and its subsidiaries did not pay audit fee to the auditor directly, any person or business related to the auditor, or other audit firms where the auditor was working for. The Company also did not pay audit fee to the company that owns the audit firm or one owned by the audit firm, or the related company under the common control as the audit firm, whether directly or indirectly.

Non-audit Fee

In the fiscal year 2019, the Company did not pay any non-audit fee to EY Office Ltd. or related companies under common control and there were no other remaining services 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.

7. Application of Corporate Governance Code for Listed Companies 2017

Once a year, the Board of Directors appropriately reviews and applies Corporate Governance Code for Listed Companies 2017 with the Company's core business, which is the investment business. On the latest edition, the Board of Directors reviewed, improved and passed the Board resolution on 22 November 2018 as disclosed on the Company's website at www.sahaunion.com.

The Corporate Governance (CG) information disclosed by the Company comprises of the structure of the Company's Board of Directors, sub-committees, roles and responsibilities of the Board of Directors based on 8 Principles of CG Code and other relevant matters. The CG best practice details can be summarized as follow.

7.1 Roles and Responsibilities of the Board of Directors as the organization's leader to achieve sustainable value creation.

- The Board demonstrates a thorough understanding of its leadership role whose responsibilities are to ensure the Company operating with good governance. The objectives, goals, strategy and operating policies are defined under the strong ethical practice, with concerning over the potential impact on society and environment. As well, the Board monitors, evaluates and assesses the performance reports.
- The Board has ethically governed the Company to formulate and drive corporate culture under the core value "Integrity, Quality and Service" over the past 30 years.
- In supervising the financial performance, the Board takes into account the changing environment to ensure the Company remains competitive. The Board targets the strong operating results with taking long-term effects into account and being adjustable amid the variable factors.

- The Board prepared the Company's Corporate Governance Manual with written underlying principles and operating guidelines.

The Board prepared the Code of Conduct Manual, which disclosed on the Company's as indicated above.

The Company has declared the Corporate Governance Manual and Code of Conduct Manual to directors, executives and employees to acknowledge and sign as the operational guideline. Moreover, there are operational monitor procedures through the self-evaluation of all executives and employees and further audit by the internal audit department.

- The Board will ensure that all directors and executives perform duties responsibly, prudently and honestly as well as prudently comply with entire related laws under the Company's regulation, the Board's resolution, as well as the shareholders' resolution. All actions must be carried out for the best interest of the Company, based on adequate information and without any conflict of interest. All related transactions, asset acquisition or disposal, and dividend payment decisions must be carried out in accordance with the relevant laws.
- The Company prepared Director Manual for every director. The manual ensures a better understanding of roles and responsibilities of the Board of Directors and sub-committees, roles and responsibilities of Chairman, with clearly distinguishing the roles between the Board of Directors, Chairman of the Board, President and management. Director Manual has been reviewed yearly to align with the Company's objectives and directions.
- Governance policy indicated the characteristics, scope of duties and responsibilities of Directors in the Board of Directors such as determining the corporate mission, key business objectives, nomination and remuneration, evaluating directors, create the corporate culture to prudently operate ethically or any other critical issues on the policy planning level. Besides, the governance policy is assigned to be duties and responsibilities of the President or the management to operate business and propose key issue to the Board, such as annual budget approval, ensure adequate risk management and internal audit, provide credible, accurate, complete and timely information disclosure, both financial and non-financial, follow up on operation progress, or other issues that significantly affect operation.
- The Board shall not intervene or take ownership of the responsibility of management, shall not interfere management decision unless deem necessary, nor violate any relevant law and regulation, such as approving the transaction with conflict of interest.

7.2 Define Objectives and Goals that Promote Sustainable Value Creation

The Board defined objectives or goals that appropriately support the Company's business model, of which the core business is the investment in textile, plastic, rubber, metal, computer, energy, hotel, other business in overseas as well as any business that could be value-accretive for the Company, stakeholders and general public. To determine the business that could create such value, the Company take into consideration the ecosystem, changing factors, requirements of customers and stakeholders, as well as the Company's competitiveness over time. The Company applies innovative technology to serve the changing elements including modernizing information technology system, upgrading the production system of the subsidiaries to improve efficiency, reduce the negative impact on society and environment, and to support longer-term operational growth, which all lead to value creation for all stakeholder in the long run.

The Company determine key objectives, visions, missions and strategies under Corporate Governance Manual as disclosed on the Company's website at www.sahaunion.com on page 4/33 and 5/33, of which are communicated in documents to the Board, executives and all employees under the core value, "Integrity, Quality and Service." These core values have been practiced throughout every level of the organization, resulting in consistent corporate culture over the past 30 years.

The Company and subsidiaries which operate the core business formulate strategies and medium-term plans and annual business plans by taking into account environmental factor, market competition, and their competencies to anticipate and analyze any potential risks. Sometimes, strategies and plans might be reviewed or amended to suit the current situation to ensure long-term competitiveness, while still in line with the Company's key objectives.

The Company provides the particular channel of communication between stakeholders and the Company to obtain accurate information, issues and requirements of each group of stakeholders. For the internal stakeholders, a suggestion box on the 6th floor of the Company's head office is provided. For the external stakeholders, they can communicate via post mail addressing Chairman of the Audit Committee and/or President, Saha-Union Public Co., Ltd. 1828 Sukhumvit Road, Phra Khanong Tai, Phra Khanong, Bangkok 10260, or the corporate website. When the Company receives the issues or expectations from any stakeholders, it will identify and prioritize them based on the level of importance and impact then addresses the issues that could create co-value with such stakeholder.

Everyone in the organization, as well as related persons, well acknowledge that the Company will only perform legally and ethically.

The Company conducts the follow-up and monitoring practices to ensure that the implementation of the company's strategies and plans are consistent with the plan. The Company must provide the responsible person to report to the Board every month of the subsidiary or affiliate's status.

7.3 Strengthen Board Effectiveness

7.3.1 The structure of the Board of Directors comprises of 15 members including both independent directors and executive directors, which is suitable for the Company's operation that invests in various businesses, both domestic and overseas.

- The Board comprises of directors with diversified skills, experience, abilities and character traits, such as marketing, plastic auto-part, logistics, metal, textile and sewing equipment industry, commerce, accountancy, and so forth. Two non-executive directors have expertise in the core businesses that the Company is currently investing in.
- There are seven non-executive directors out of a total of 15 directors, or 46.67 per cent or around half of the Board members. There are eight executive directors to oversee and represent business investments. The balanced proportion between executive directors and non-executive directors provide support for proper checks and balances.
- The portion of the non-executive directors around half of the total executive directors enables the former to exercise objective and independent judgement on the executive actions.
- There are five independent directors out of a total of 15 directors, or one-third of the Board members. All of which are qualified with all applicable legal requirements stipulated by the Securities and Exchange Commission and the Stock Exchange of Thailand. The independent directors and the entire board can collaborate and fulfil their role and responsibilities efficiently and in the best interest of the company while exercising objective and independent judgement.
- The Company determined that the Board of Directors must be comprised of persons with knowledge, skills and experience applicable to the Company's core businesses and investments with no gender discrimination. Every director must be qualified with all applicable legal requirements stipulated by relevant regulators. Details of the Board, such as directors' age, gender, education, experience, shareholding percentage, years of service as a director, and director position in other listed company, are disclosed under the section Structure of Management.

7.3.2 Chairman of the Board, the Board's composition and independent judgement

- Chairman is independent and non-executive director
- Chairman is a different individual from President and has different roles and responsibilities. There are clearly defined roles and responsibilities of both positions.
- The Chairman is responsible for leading the Board with duties as followed:



1. Oversee, monitor, and ensure that the Board efficiently carries out its responsibilities to achieve the Company's objectives and goals.

2. Ensure that all directors contribute to the company's ethical culture and good corporate governance.

3. Call for the Board meeting by sending the invitation and related documents to all directors at least 7 days before the meeting.

4. Set the Board meeting agenda by discussing with the President which essential matters should be included.

5. Preside over the Board meeting and allocate sufficient time for management to propose topics and for directors to debate essential issues thoroughly. Encourage directors to exercise independent judgement in the best interest of the company. Conclude the Board meeting's resolution.

6. Promote a good and constructive relationship between the executive and non-executive directors, and between the Board and management.

7. Preside over the shareholders' meeting to ensure that it is conducted according to the Company and relevant laws and regulations. Allocate sufficient time for shareholders to make the inquiry or provide feedback fairly. Ensure that shareholder's inquiry is appropriately and transparently responded.

- The Company does not establish the policy that the tenure of an independent director should not exceed a cumulative term of nine years from the first day of service since the Company deems independent directors are sufficiently independent and exercise objective and independent judgement that benefit the Company's operation.
- The Company set up sub-committees to prescreen the issues before bringing such matter to the consideration of the Board, such as related transactions, assessment of internal audit and risk management, and to recommend action for Board's approval.
- The Board oversees the information disclosure about the roles and responsibilities of the Board and the sub-committees, the number of meetings and the number of meetings attendants in meetings throughout the previous year, and other relevant information as disclosed under the section 1 and the Board of Directors and the sub-committee performance item 7.3.3 and 7.3.4. The Board must approve this information before being disclosed in the Annual Report.

7.3.3 The selection and nomination of directors and directors' remuneration

The Company has a clear and transparent policy and procedures for the selection and nomination of directors resulting in the desired composition of the Board. The Company proposes the directors' remuneration for shareholders' approval. The Company forms the Nomination Committee and the Remuneration Committee as one committee. Most members of the committee accounting 66 percent, are independent directors, including the Chairman are an 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. Conduct the meeting to set up guidelines for nominating the Company's director, as well as the selection process.

2. Select the qualified persons suitable to be nominated for new directors, according to the requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand, as well as the Corporate Governance Principles regarding Board of Directors. Upon proposal to and approval by the Board of a candidate, the candidate is nominated to the shareholders' meeting for election and appointment as a director.

3. Review the guidelines of the director's remuneration every year. Benchmark the remuneration with listed companies of similar size and taking into account the responsibilities, experience, Company's performance and economic circumstance.

4. Set the value and form of remuneration for the director. Upon proposal to and approval by the Board, the remuneration plan is presented to the shareholders' approval.

In 2019, the committee conducted three meetings for considering the relevant matters with members' full attendance on 21 March 2019, 21 November 2019 and 17 December 2019. Further details could be seen in the Annual Registration Statement (Form 56-1).

- The Board of Directors has engaged a professional search firm to recruit the new directors.
- Each director's remuneration from the Company and/or subsidiary (if any) has been disclosed in the table under the section Structure of Management.

7.3.4 Nomination of Audit Committee and related responsibilities

The Board appoints Audit Committee which comprised exclusively of independent directors who are qualified following the requirements of relevant regulators. The Audit Committee has a scope of responsibilities and other details as mentioned in section 7.6.2.

7.3.5 Director's responsibility in allocating sufficient time to perform their duties effectively.

- Every director understands his or her duties very well. The Board sets the dates of the meetings in advance for the whole year to ensure that directors can attend all sessions. Every director usually attends every meeting unless in the event of unforeseen, such as crucial overseas engagement, accident or sickness. The attendance record of every director is listed individually under the section Structure of Management.
- The Company does not set any criteria limiting the number of director positions directors can hold simultaneously in other companies because there are many subsidiaries and affiliates that the Company is investing in across many industries. The directors are representing those companies to monitor and ensure operations are consistent with the Company's objectives. Therefore, multiple director positions in these affiliated companies are benefiting the Company. In the meantime, the number of listed companies each director holds directorship position does not exceed five companies.
- The Company secretary collected information about directors holding positions at other companies every year. Such information is publicly disclosed as part of Directors profile in both the Annual Registration Statement (Form 56-1) and Annual Report.
- The Company establishes an information security measures and procedures with the information retention system. For the information that should be publicly disclosed, such as market-sensitive information, related transaction, asset acquisition or divestment, dividend payment, and so forth, the Board will discuss the matters in the Board meeting and disclose through the Electronic Company Information Disclosure (ELCID) system of the Stock Exchange of Thailand to all shareholders and investors within the same day.
- Every director attended at least 75 per cent of the total number of Board meetings held during the year; attendance information is disclosed under the section Structure of Management.

7.3.6 The investment in subsidiaries and other businesses supervision framework

The core business of the Company is the investment in subsidiaries, joint ventures and affiliates. The Company, therefore, has to define operating guidelines for executives, management and authorized persons in subsidiaries to oversee and monitor businesses in which the Company has a significant investment in, which could be summarized as follow:

- To determine written policies governing subsidiaries and communicate those policies to directors or managements supervising such businesses.

- To appoint subsidiary directors, executives, or others with governing power to the business in which the Company has a significant investment.
- Defines duties and responsibilities of the Company's representatives, subsidiary's senior executives, finance and accounting manager, and so forth to perform following the prescribed authority with emphasizing in the subsidiary's best interest and consistent with the governance framework and policies of the Company in the same time.
- Ensures subsidiary's internal control systems are effective and that all transactions comply with relevant law and regulations. Subsidiary must complete self-evaluation regarding its internal audit for the parent Company every year and will be subjected to periodically audited by the Company's internal audit.
- Requires subsidiary and business in which the Company has a significant investment in to disclose financial information, related-party transactions, acquisition and disposition of assets and other important transactions to the Company at least every quarter and financial information every quarter.
- For the business in which the Company has a significant investment in, the Company ensures that written shareholder agreements are in place to enable the company's performance monitoring and participation in the businesses' management, including for approval of significant transactions and decisions. This is also used as the information for the Board meeting discussion and shareholders' resolution, of which the information and financial statements have complied with relevant rules and regulations.

7.3.7 Annual performance evaluation of the Board

The Company requires that the Board's operational self-evaluation be conducted once a year according to the 2019 assessment criteria and form of the Stock Exchange of Thailand. The evaluation form was sent to the Board of Directors and the Nomination and Remuneration Committee on 24 October 2019 and was collected on 2 January 2020. The Company Secretary reported the evaluation result to the Board on 23 January 2020.

- The evaluation method applied to both collective and individual director level.
- For the entire Board's evaluation, the Board of Directors collectively assesses and provides the score. The Company Secretary then summarizes the evaluation result and present to the Board for further discussion. The Board then make the suggestion on the matter requires attention, improvement and development to enhance the Board's effectiveness further.
- 2019 Self-evaluation result for the Board of Directors' performance was at 95.83/100, the individual director at 93.48/100 and Nomination and Remuneration Committee at 99.02/100. The Board acknowledged, reviewed and examined each self-evaluation topic of the Board, sub-committees and individual director to improve the Board's effectiveness in relevant matters further.

7.3.8 Training and development of Board of Directors' roles and responsibilities

The Company has constantly ensured that every individual director is provided adequate knowledge and better understanding to perform duties and responsibilities. The Company supports and encourages the director to receive essential and sufficient training and development from external institutes, such as in the area of relevant rules and regulations, laws, financial and so forth.

- For the information regarding the business operation, environment, internal and external changing factors, operating performance and other relevant matters, the Board regularly receives up-to-date information from the Company to enable the Board better understand and perform.
- The newly appointed director will receive a formal and proper induction and all information relevant to their responsibilities and performing their duties, including details about the company's objectives, vision, missions, core value, the nature of the business, and other relevant company's operations from the Company's management (New director's orientation). Besides, the new director will be provided training about director's duties from the Thai Institute of Directors (IOD), for instance, DAP and DCP programs or DAP and ACP programs for Audit Committee.
- The training and knowledge development of the Board are disclosed in the section Structure of Management in both the Annual Registration Statement (Form 56-1) and Annual Report.

7.3.9 Duties of the Board and the Company Secretary


- The Company set up the Board's meeting schedule in advance for the whole year. The Company Secretary proposes the schedule to the Board's meeting; hence, each director should receive sufficient notice to ensure attendance.
- The Board's meeting invitation letter, agenda and relevant documents are sent to every director at least five working days prior to the Board's meeting.
- The Company holds Board's meeting monthly, in which executive or management reporting operation and relevant information for the Board's acknowledgement, consideration and/or approval. The Board has monitored the operations to ensure the Company's strategies be applied. If the result of activities were found that it failed to achieve the Company's target, the Company would consider adjusting the strategic plan in line with the situation at that time.
- Before issuing the Board's meeting invitation, every director and executive can propose the inclusion of relevant items on the meeting agenda.
- The Board encourages the President to invite key executives to attend board meetings to provide further details of the meeting agenda that they are directly responsible for.

- The Board can access further accurate, relevant, timely and clear information required for their respective roles from the President, other executives or the Company Secretary within the scope of policies. If necessary, the Board may seek independent professional advice at the company's expense.
- Non-executive directors can hold the meeting, as necessary, among themselves without the management team. In this case, they will report the outcome of their meeting to the Company's President.
- The Board appoints Company Secretary with the necessary qualifications, knowledge, skills, and experience for performing his/her duties, including providing advice on corporate governance, legal, regulatory and administrative requirements for the Board, preparing board meetings and other relevant documents, record the meeting minutes, and coordinating the implementation of board resolutions. The Company Secretary is responsible for duties prescribed in the Securities and Exchange Act, 4th edition (B.E.2551), Section 89/15, Section 89/16, Section 89/17 and Section 89/23.
- The Company Secretary has been received ongoing training and education relevant to his/her duties, including Company Secretary Program (CSP) 27/2008, Effective Minute Taking Program (EMT) 11/2008 from the Thai Institute of Directors (IOD) Fundamental Practice for Corporate Secretary Program (FPCS 28) from Thai Listed Companies Association, and Smart Disclosure Program (SDP) from the Stock Exchange of Thailand.
- The qualifications and experience of the Company Secretary are disclosed following to the director's background under the section Board of Directors.

7.4 Ensure Effective Executive and People Management

7.4.1 The Company deems that capable executives that possess the wealth of knowledge, skills, experience, and characteristics are necessary for the Company to achieve objectives. Therefore, **the Board has prescribed effective executive management process** with the following guidelines:

- The Board assigns the Nomination and Remuneration Committee to establish, the criteria and procedures for nomination and appointment of the President. Over the past two years, the Company's recently appointed President was nominated through such selection process and was approved by the Board of the Directors.
- The Board ensures that the President appoints knowledgeable, skilled, and experienced key executives and approved the appointment of the key executives nominated by the Board and the Company's President.
- To ensure business continuity, the Board develops and succession plan for the President and key executive positions. The succession plan is presented to the Board every year, particularly about the executives of the Company, subsidiaries and significant joint-ventures.

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- The Board promotes continuous development and education of the President and key executives that is relevant and beneficial to their roles and responsibilities.
 - The Board sets clear criteria and guidelines for the President and key executives serving as a director in other companies. Such instruction indicates the type of position and authority but does not limit the number of director positions he/she can hold simultaneously in other companies due to the most of those directorship positions is the Company's affiliates.

7.4.2 Compensation structure and performance evaluation

7.4.2.1 The Company offers attractive compensation structure to incentivize the President, key executives and employees at all levels of the organization to encourage them to perform in support the company's key objectives and values and fosters long-term benefit for the Company's operation through:

- The appropriate combination of salary and other short-term compensation such as bonus, and long-term benefit such as provident fund contribution which it only paid to the employee upon departure under the labour law, plus the retirement pay (in the case of retirement).
- Ensures individual total compensation takes into account industry standards and company performance, and
- Ensures the employees at all level acknowledge the Company's performance evaluation criteria.

7.4.2.2 Non-executive directors have a role in determining the total compensation and performance evaluation criteria of the President. The non-executive directors should:

- Approve the performance evaluation criteria of the President. The appropriate standards could incentivize the President to perform his/her duties under the Company's objectives and for the long-term benefits. The President already acknowledged the evaluation criteria.
- The Company conducted a performance evaluation of the President every year. A senior director will communicate the evaluation result as well as suggesting a key area of improvement to the President. The performance evaluation takes financial performance and other relevant factors into consideration.
- Approve total annual compensation of the President, taking into account the evaluation above.

7.4.2.3 The Board establishes the performance evaluation criteria and overall compensation structure of senior management. Besides, the Board also ensures that the President would evaluate the performance of the senior management in line with the criteria.

7.4.2.4 The Board ensures that clear and predetermined performance evaluation criteria are in place for all employees.

7.4.3 The Company's shareholder structure and relationships, which may affect the management

- The Board acknowledges and understands the Company's shareholder structure and relationships that the major shareholders are the Company's business partners. Such structure provides it with strategic bargaining power and mutually benefits all parties over the past 40 years in which each major shareholder focus on his/her own business.
- Over time, the shareholder structure does not affect the performance and execution of the Board of Directors.
- The Company has no agreement nor conditions among shareholders that might have any impact on the management control over the Company.

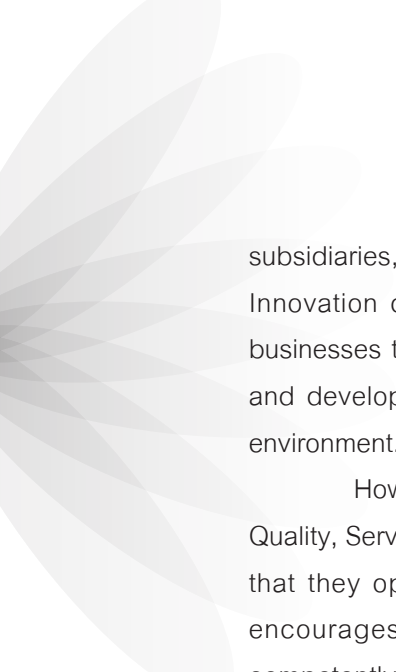
7.4.4 Human resources management and development

The Board pays much attention to the development of human resources management and people.

- The Company ensures that the human resources management is aligning with the company's objectives and strategies with an appropriate number of employees. Also, the Company ensures employees have possessed adequate knowledge and competencies to perform assigned task, fairly-compensated and treatment, as well as the well-being in the workplace to retain capable employees to remain with the Company.
- The Company provides two long-term saving plans for the employee in the event of departure or retirement, including; 1. monthly saving to the Employee Savings and Credit Cooperatives of Saha-Union Group of which the withdrawal is only allowed upon departure, and 2. Provident fund contribution, of which the Company also co-contributes to the employee's fund. Both saving is deducted from employees' monthly salary. For the provident fund, there are employee representatives to participate in the fund committee and choose relatively low-risk investment which is suitable for the majority of employees for the sake of their long-term financial security.

7.5 Nurture Innovation and Responsible Business

7.5.1 Since the Company's core business is the investment in various industries including industrial or service sectors. The economic benefit usually comes from the dividend income from the invested companies, which translates into the return to shareholders. The key contributors to enable the Company to achieve its key objectives are subsidiaries, joint-venture and affiliates who operate the core businesses. Most of the Company's business activities are of those subsidiaries. Therefore, any critical innovation that would transform the business will also be engaged by those



subsidiaries, which will indirectly create value for the Company's stakeholders and related parties. Innovation could be implemented throughout the supply chain and working processes of the businesses that the Company has invested in; from product design, product development, research and development, efficiency enhancement and the reduction of negative impact on society and environment.

However, the Board emphasizes on creating a corporate culture and the core value "Integrity, Quality, Service" to be implemented by employees across the Company and all subsidiaries to ensure that they operate ethically, compete effectively, and treat all employees fairly. The Company encourages training and development for employees to be knowledgeable and capable to competently engage in the innovation transformation to improve work efficiency, maintain a good relationship with joint-venture partners, customers, suppliers, relevant regulators, communities and related stakeholders as well as any follow up action.

7.5.2 The Board ensures management to adopt responsible operations to society and environment, and incorporate them into the company's operational plan. The Company applies ethical operating guidelines to grow the organization sustainably, which covers various aspects including employee, customer, supplier, community, environment, fair competition and anti-corruption, as disclosed under the section Corporate Social Responsibility (CSR).

7.5.3 The Board has a thorough understanding of the company's resource needs

- Monetary resource: Utilizing appropriate resource to support its business model as necessary.
- Human resource: Provide sufficient and qualified employees, as well as support training and development to enhance employees' skill and effectiveness in related fields.
- Social resources and relations: Organize CSR activities, collaborate with relevant government agencies and create healthy and legally relationships with them.
- Environmental resource: Efficiently utilize power and water consumption, improve the efficiency of energy consumption to reduce the impact on the environment indirectly.

7.5.4 The Company has the policy to manage the information technology resource to cope with the changing environment effectively and to allocate IT resources for business operation sufficiently.

- The Company has operated the IT risks with a clear policy announcing to comply with cyber law strictly. The Company prohibits any software piracy, intellectual property violation, and any violations of relevant Information Technology laws and regulations.
- The Company establishes a cyber security policy and measures, with the monitoring system, put in place by the internal audit department. As well, the accounting auditor also audits the IT matter, for instance, the IT working system, the risk management, the information security, right of information usage, information access, the contingency plan and so forth.

7.6 The Board of Directors' effectively strengthen the risk management and internal control

7.6.1 The Board has focused on risk management and internal control system to comply with the regulations and relevant standards. The risk management guidelines are summarized as follow:

- The Board assigns Risk Management Committee to consider and review risk management policy, risk factor, possibility, potential impact and mitigation measures. The Company also identifies the internal and external risks, prioritizes them and the solutions that are suitable for business operation.
- Various risk factors are listed in the section "Risk Factors". The Risk Management Committee has reviewed the risk management policy annually and regularly informed any findings and recommendations to the Audit Committee and the Board of Directors.
- The Board aware and understand the significant risk and approves the risk appetite of the Company. The Company sets risk management policies for everyone across the organization to abide.
- The Board ensures that all business operations and activities comply with applicable laws and regulation as well as relevant national and international standards.
- The Company summarizes the result of self-assessment, internal control, and risk management of the Company's subsidiaries and affiliates that the Company has a significant investment in (the shareholding between 20 percent to 50 percent of total). The summary report is presented to the Audit Committee for further consideration.
- The Company already disclosed details about risk management practices under the section "Internal Control and Risk Management".

7.6.2 The Board set up the Audit Committee that can act effectively and independently.

- The Audit Committee comprises of three members who are all independent director. They possess all necessary qualifications and duties under the rules set forth by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). At the meeting held on 20 December 2019, the Board of Directors passed a resolution to appoint the Audit Committee to hold office for the term of three years. List of the Audit Committee is as follows.

Name	Position	No. of Meeting Attendances
1. Associate Professor Dr. Pakpachong Vadhanasindhu	Chairman of the Audit Committee/ Independent Director	5/5
2. Miss Pakinee Prerttitumrong	Director / Independent Director	5/5
3. Associate Professor Suttima Jamnarnwej	Director / Independent Director	5/5

All three Audit Committee Directors have continued to perform duties independently. During 2019, there were five Audit Committee meetings. The number of meeting attendances are indicated above. The Audit Committee reported its operations and findings to the Board quarterly. During 2019, the Audit Committee has fulfilled every duties and responsibility as defined in written of the Charter of the Audit Committee as follows:

1. Review the Company's financial reports for accuracy, completeness and to be in accordance with the General Accounting Standards.

2. Review internal control, risk management system and internal audit procedures to ensure they are appropriate and effective. Also, the Company reviews the independence of the internal audit as well as approving the appointment or termination of the Chief Audit Executive.

3. Review the Company's operations to ensure the compliance with the Securities and Exchange Act, requirements of the Stock Exchange of Thailand, and all relevant and applicable law and standards.

4. Review, select, and recommend to the Board for nomination and shareholder approval an independent person to be the Company's external auditor, consider the auditor's remuneration as well as hold a meeting with the external auditor without the presence of management at least once a year.

5. Review related transactions and other transactions that may have a conflict of interest, to ensure that they comply with applicable law, are reasonable and carried out in the best interest of the Company.

6. Review the Company's compliance with the private sector's anti-corruption and certification programs, including the Collective Action Coalition Against Corruption's Self-Evaluation Tool.

7. Prepare the report of the Audit Committee and disclosed in the Annual Report. Such report has been signed by the Chairman of the Audit Committee, providing comments about the adequacy of the internal control system, risk management system, along with other significant issues concerning the duties of Audit Committee.

8. Ensure the management to address any issues found and push them to solve the issues quickly.

9. Monitor and evaluate the operations which the Audit Committee deems crucial.

10. Perform other tasks as assigned by the Board of Directors.

- The Audit Committee has full access to any information necessary to perform its duties, including summoning related person for inquiry, discussing with external auditor without the presence of the management, or seeking independent advice from external professional advisers.
- The Board establishes an independent internal audit with the responsible task in reviewing and improving the efficiency of the risk management and internal control systems, and reporting the review results to the Audit Committee. The report of the Audit Committee is disclosed in the Annual Report.
- The Audit Committee provides its opinion on the adequacy of the Company's internal control and risk management systems which is disclosed in the Annual Report.

7.6.3 Monitoring and managing potential conflicts of interest

The Board monitors and manages conflicts of interest that might occur between the Company and management, directors, and shareholders. The Company also has a procedure to prevent inappropriate use of corporate assets, information, and opportunities, including improper transactions with related parties.

- The Board establishes an information security system, including policies and procedures, to protect confidentiality and integrity of business information, as well as the market-sensitive information. The Board regularly monitors that directors, executives and employees comply with the information security policies as indicated in the Corporate Governance Manual. The policies also apply to the external relevant parties, such as legal or financial advisors, by signing the compliance agreement.

The Board manages and monitors any transactions that potentially cause the conflict of interest, such as related transactions. The Company establishes clear guidelines and procedures for operation and information disclosure according to the relevant regulations for the best interest of the Company and shareholders. Any related parties who have interests in such transaction have no involvement in neither meeting nor the decision-making.

The Board has set the corporate governance requirements concerning the policies and guidelines for considering and executing the connected transaction or the cross-transaction. Prior to the consideration of the matter in the Board's meeting, there must be a report on conflicts of interest recorded in the minutes of the meeting. The Board also ensures that all directors who have a conflict of interest concerning an agenda item abstain from being present for the discussion of or voting on such agenda.

7.6.4 The Board sets up clear anti-corruption policies and practices, in which pass onto all employees across organization and external parties to ensure consistent practices. The Company also prepares the manual providing to the internal and external parties, which can get further details at the Company's website, www.sahaunion.com.

The Company has arranged the anti-corruption promotion campaigns. Over the past year, the Company donated THB 1 million to Thailand's Private Sector Collective Action Coalition Against Corruption (CAC). The Company also initiates multiple campaigns through various communication outlets to raise awareness and educate employees about anti-corruption practices, legal practices, and relevant regulations. The Company also communicate to partners about its anti-corruption policy and require the strict application of the policy from the external parties as well.

7.6.5 Whistle-blowing and complaints

The Board establishes a mechanism for handling complaints and whistleblowing. In the case of whistle-blowing, the Company provides a convenient and safe channel with a protection measure for the whistleblower to ensure his/her identity be concealed. The Company has disclosed multiple channels for filing complaints on the Company's website or the Annual Report, as follow:

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1. Mail to Chairman of the Audit Committee and/or President,
Saha-Union Public Co., Ltd. 1828 Sukhumvit Road, Phra Khanong Tai, Phra Khanong,
Bangkok 10260,
 2. Suggestion box in the Company's head office, or
 3. The corporate website at www.sahaunion.com.
 - The Company has an investigation process, action taking and a report to the Board.
 - The Company ensures that whistleblower and informant's identity remain confidential and be protected, as well as the matter consideration process and the result of the investigation informing practice in accordance with the policy. For more information, visit the Company's website section Suggestions/Complaints.

7.7 Ensure Disclosure and Financial Integrity

7.7.1 The Board pays much attention in the integrity of the company's financial reporting system and the accuracy, timeliness, adequacy and credibility of the information disclosure and line with the applicable law and related requirements. The guidelines of which can be summarized as followed.

- The Board ensures that any person involved in the preparation and disclosure of any information of the company has relevant knowledge, skills and experience, and sufficient staffs to perform regarding duties and responsibility. The Company appointed the top executives in accounting and finance, Chief Financial Officer (CFO), accountant, internal auditor, Company Secretary, and investor relations.
- The Board thoroughly considers all relevant factors when approving information disclosures. For example, the periodic financial statement disclosure, the Board must also consider following factors.
 - (1) The results of the adequacy of the internal control system assessment.
 - (2) The external auditor's note on financial reporting, observations on the internal control system, and any other observations (if any).
 - (3) The Audit Committee's opinions.
 - (4) The information's consistency with the Company's objectives, goals, strategies and policies.
- The information disclosures (including financial statements, annual reports, and Form 56-1) can reflect the adequacy disclose of Company's financial status and performance. The Board promotes the inclusion of the Management Discussion and Analysis (MD&A) along with quarterly financial release in the event of significant change in financial performance, such as the change of more than 20 per cent in revenue or net profits, to provide investors information and better understanding in the cause of such changes.
- For any disclosure related to any individual director, such director would be responsible for the accuracy and completeness of the disclosed information.

7.7.2 The Company's sufficient financial liquidity and debt service capability

- The Board assigns management to regularly monitors, evaluates and reports on the Company's financial status monthly. Should there be any sign of liquidity problem, the Board and management will cooperate to promptly address and remedy, for instance, the issue regarding inventory, accounts receivable, or free cash flow requirement from subsidiaries in which almost wholly-owned by the Company.
- Upon any Board resolution or agenda for the shareholders' approval, the Board is confident that such resolve will not affect the business continuity, financial cash flow, or ability to repay debt.

7.7.3 Appropriate information disclosure, the Company discloses operating information in the Form 56-1 and Annual Report according to the relevant regulations. The Company discloses Code of Business Conduct, Employee and Stakeholder Fair Treatment Policy, Anti-Corruption Policy, and Corporate Governance Policy in the Company's website at www.sahaunion.com. The Company also discloses Fair Treatment and Human Right Policy under the section Responsibilities towards Society and Environment. All disclosed information are the Company's key policies, which lead to sustainable business value creation.

7.7.4 Investor Relations

The Board assigns management to appoint the investor relations function responsible for timely, effective and fair communication with shareholders and other stakeholders such as analysts and potential investors.

- The Company establishes a communication and disclosure policy while protecting the company's classified information and securities price-sensitive information by providing clear communication to all employees regarding such a disclosure policy.
- The Board appoints personnel responsible for providing information to external parties. The company's designated Investor Relations is suitable for the role and have a thorough understanding of the Company's business, objectives, core values and can communicate with the capital market well. The Board assigns the duty of investor relations to Chief Financial officer (CFO) and the Company Secretary to disseminate information effectively.

7.7.5 Effective use of information technology in disseminating information

The Company discloses information according to the required regulation through the Electronic Company Information Disclosure (ELCID) system of the Stock Exchange of Thailand. The Company also uses the information technology for disclosing further information through the Company's website at www.sahaunion.com where would have an update of information regularly. The information comprises of the financial statement, Board of Directors and executives, Form 56-1, Annual Report, and related information, for instance, Corporate Governance Manual, Code of Conduct Manual, Anti-Corruption Policies, Whistle-blowing and complaints handling policies.

7.8 Ensure Engagement and Communication with Shareholders

7.8.1 The Board has the policy to abide by the Corporate Governance Code and any relevant regulation thus assuring that shareholders have the opportunity to participate in decision-making regarding significant corporate matters.

- In the shareholders' meeting agenda, there are agendas according to the regulatory requirement and agendas that could affect business operation (if any) for shareholders' consideration and approval.
- The Board supports the participation of shareholders and allows minority shareholders to propose agenda items for shareholders' meetings prior to the meeting. The Board considers shareholders' proposals to be included in the agenda. Besides, the Board arranges the submission notifications and criteria through Electronic Company Information Disclosure (ELCID) system of the Stock Exchange of Thailand at least five months prior to the shareholders' meeting or three months before the end of accounting period.
- The notice of the shareholders' meeting is accurate, complete, and sufficient for the shareholders to exercise their rights.
- The notice of the shareholders' meeting and related documents must be sent to shareholders at least 14 days prior to the shareholders' meeting and posted on the company's website at least 30 days prior to the meeting.
- The notice of the shareholders' meeting and related papers must be fully prepared in both Thai and English languages, both of which are distributed at the same time.

Other relevant details are disclosed in the section Other Corporate Governance Principles.

7.8.2 The Board ensures that the shareholders' meetings are held as scheduled and conducted properly, with transparency and efficiency, and ensures inclusive and equitable treatment of all shareholders and their ability to exercise their rights.

- The Board sets the date and time for shareholders' meeting on working day. The Board sets and allocates sufficient meeting time for debate. The venue is at the Company's meeting room, which is located by the main road and is accessible by car and sky train.
- The Board does not limit attendance by or place an undue burden on shareholders. For shareholder or proxy identification, the Company only requires minimal identification requirements applicable to legal and regulatory requirements.
- The Company promotes the use of information technology to facilitate the shareholders' meetings, from the registration and vote counting on each agenda that yields fast, accurate and complete results.
- The Chairman of the Board acts as the Chairman of the shareholders' meeting with responsibility for compliance with applicable legal requirements and the company's articles of association, allocating sufficient time for consideration and debate of agenda items, and providing opportunity to all shareholders who wish to share their opinions or ask questions related to the company.

- Directors, as the shareholders' meeting participant and as a shareholder, should NOT add items to the meeting agenda that have not been duly notified in advance nor support such action, especially that agenda that requires extensive information for decision making to allow shareholders to participate in decision making.
- All directors and relevant executives should attend the meeting to answer questions from shareholders on company-related matters, unless in the event of unforeseen, such as sudden sickness.
- Prior to the start of the shareholders' meeting, the Chairman would inform the number and the proportion of shareholders and shares represented at the meeting in person and through proxies, the meeting method, and the voting and vote counting methods.
- If there are any agendas that require multiple voting, the Chairman will unbundle the agenda for shareholders to vote separately on each item, such as the election of the Company's directors or Director's remuneration.
- The Board supports the use of ballots for voting on all resolutions proposed at the shareholders' meeting and designates an independent party to count or to audit the voting results for each resolution in the meeting, and to disclose such voting results at the meeting by identifying the number of "agree", "against" and "abstain" votes. The voting results for each proposed resolution are included in the minutes of the meeting.

7.8.3 The Board ensures accurate, timely and complete disclosure of shareholder resolutions and preparation of the minutes of the shareholders' meetings.

- The Board ensures that the company discloses the results of voting on proposed resolutions at the shareholders' meeting through the designated Stock Exchange of Thailand channels and the company's website by the next business day.
- The Board ensures that minutes of the shareholders' meeting is submitted to the Stock Exchange of Thailand within 14 days from the shareholders' meeting date.
- The Board ensures that the company promptly prepares the minutes of the shareholders' meeting, including the following information;
 - (1) Date, time and venue of the shareholders' meeting,
 - (2) The list of attending directors, executives, and the proportion of participating directors and the non-attendance.
 - (3) Voting and vote counting methods, a summary of the resolutions the Chairman or director proposed to the shareholders, and the meeting resolutions.
 - (4) Voting results ("agree", "against", and "abstain") for each proposed agenda.
 - (5) Questions asked and answered during the meeting, including the identity of the persons asking and answering the questions.

Other relevant information is disclosed in the section Other Corporate Governance Principles.

7.9 Board of Directors' Responsibility for the Financial Report was shown on page 126.

8. Other Corporate Governance Principles

Apart from the Corporate Governance Code as disclosed in section 7 as mentioned above, there are other Corporate Governance Principles as follows:

8.1 The Rights of Shareholders

(1) Apart from the voting rights, the shareholders are eligible for a return on investments in the form of equal dividend payments. The minority shareholders are entitled to the right to receive the dividend at the same rate as those of major shareholders or related parties (if any).

- The Company has allowed shareholders to propose a meeting agenda or submit any questions related to the Company five months prior to the shareholders' meeting or three months prior to the end of the accounting period. The Company provides the opportunity for shareholders to propose the meeting agenda with informing the criteria of this procedure in advance. The criteria comprised of qualification of the person who proposes the agenda, procedures to propose the agenda, details of the information and including criteria and process to consider the proposal via the Company's website: www.sahaunion.com or by mail.

(2) Shareholders' Meeting Invitation

The Company will send out meeting invitations letter, which specifies each agenda and related documents to the shareholders at least 14 days prior to the meeting date for review. Also included in the documents are:

- Date, time and venue of the shareholders' meeting
- 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 objectives, rationales and Board of Directors' opinions for each agenda.
- The agenda of the Director, the director's election and remuneration agendas were separated.
- Information of the director nomination in the Director Election agenda including name, last name, age, their educational backgrounds, working experiences and director categories, all of which have been selected and nominated by the Nomination Committee based on the standard criteria and methods. In case, any returning Director is nominated, the information of his previous year's meeting attendance and the number of years of service the person has been serving in the Board of Directors will be provided.
- The information of the auditors including name, last name, the audit firm he/she represents, work experience and the service fee including verification of the auditor's declaration of independence, number of years for service, all of which have been reviewed by Audit Committee as part of the appointment of the Company's independent auditors' agenda.

- The dividend payment policy, its rate and the rationale for the dividend payment agenda is included.
- The Company prepares invitation in both Thai and English version to cater to foreign shareholders, which is to be distributed at the same time with the Thai version. The invitation was also published on 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 case.
- 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 one hour prior to the scheduled meeting.
- The meeting shall be located at a convenient location, close to a main street or sky train station. Snacks and beverages shall be served for 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 the 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 an 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 be re-elected. 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, 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 Office of Securities and Exchange Commission. 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 proposed for shareholders' approval.
- 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 completely and accurately recorded in the minutes of the meeting.
- Every agenda resolution, names of attended directors and management, shall be recorded clearly in the Minutes of the Shareholders Meeting and showing number of votes on each agenda. In each agenda, the minutes have to show the number of shareholders that vote for, against and abstain. 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 item 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 40 years which has no objective to set up the prevention of business takeovers but on cross-holding. 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. In the past, there were some corrections on the crossholding structure to avoid the connected transactions.
- The Company's Board of Directors shall not be allowed to hold more than 25 per cent of the Company's issued and paid-up shares.
- The Company reported over 40 per cent of issued stocks as free float. This will give shareholders trading liquidity in both the secondary market or the Stock Exchange of Thailand.

8.2 Equality among Shareholders

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

- According to the Company's voting rules, one share equals one vote regardless of being major or minority shareholders or foreign shareholders.

- The Board of Directors shall answer every question raised by minority shareholders and foreign shareholders in the meeting.
- Prior to the meeting date, the Company shall provide the opportunity for shareholders to submit any agenda, inquiry or information to be included in the meeting agenda and discussed in shareholders' meeting. The submission can be made through the Company's website in the period of three months before the end of the Company's fiscal year or five months before the 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 has appeared on Form Kor along with the shareholders meeting invitation letter. The Company shall propose the independent director as a proxy alternative for shareholders.
- The shareholders' meeting invitation letter 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 the shareholders' meeting invitation letter and related documents such as Proxy Letter, meeting minutes, annual report, and financial statements to the shareholders at least 14 days before the meeting date. All shareholders will have sufficient time to study the information and agendas to make informed decisions during the meeting.
- The Company shall use its website to communicate on the meeting plans and agendas to all shareholders before sending out the official invitation letter. All details regarding the meeting shall be included and should be posted on the website for viewing at least 30 days prior to the 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 rule 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 the company's stocks. It will be 14 days before and 24 hours after the Company's fiscal or quarterly report disclosure. All Directors and executives must acknowledge and comply with this policy.

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

(4) For any connected transaction that required disclosure or shareholders' approval, the Company will execute the transaction thoroughly in compliance with the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission, propose for the Board's approval and accurately and completely disclose it through Stock Exchange of Thailand's Electronic Company Information Disclosure (ELCID) system. The transaction disclosure will include 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 shareholders' approval is required, the Company will fully comply with all relevant regulations.

(5) Holding company and cross-holding share structure. Due to the status of being a holding company, the Company invests in different kinds of businesses and producing various products, and are independent of each other for operational flexibility. However, for the business benefit and collective negotiation power, the Company sometimes requires connected transactions. All connected transactions during the year 2018 were regular commercial transactions which were conducted on arm's length basis.

- Total related transactions during the year 2019 were valued at Baht 1,016.35 million, which is 4.03 percent of total assets and 9.46 percent of total revenues.
- The Company did not provide any financial aids for a non-subsidiary company.
- In the previous year, the Company did not violate or fail to follow the policy of connected transactions according to regulations of the Stock Exchange of Thailand and the SEC.
- In the past year, the Company did not violate or fail to abide by the rules about asset acquisition or disposal according to regulations of the Stock Exchange of Thailand and the SEC.

8.3 Consideration of the Stakeholders' Roles

The Company emphasizes the rights of the Company's stakeholders based on either basic legal rights or the mutual agreement contract. The Company treats all stakeholders based on integrity, quality and service to create good relationship and collaboration between the Company and all stakeholders to accomplish the goal and sustainable growth. The role between the Company and various stakeholders are as follow:

(1) The Company shall conduct the business with a sense of responsibility towards society. It is one of the Company's mission. The Company also prepares a sustainable report.

(2) Regarding employees, the Company has a clear policy to offer appropriate compensation and welfare to its employees. The employee handbook is available in the Human Resources Department and is acknowledged by the Company's employees.

(2.1) The Company sets policies and the handbook about employees' health and safety.

(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 in creating an employee's long-term savings. Hence, the company will contribute up to 3 per cent 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 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 training and development policy for its employees using a Competency System to select a strong candidate with the good potential to get promoted.

During 2019, the Company sent employees for both free training, such as the training provided by the Stock Exchange of Thailand in 2019 totaled five courses for 16 employees and five courses at the Revenue Department for 35 employees and paid training included;

- The new accounting standard training that took into effect since January 1, 2020 for nine employees over three days amounted to THB 54,675 at the Federation of Accounting Professions under the Royals Patronage of H.M. the King.
- The one-day training course conducted by the Faculty of Commerce and Accountancy of Thammasat University for two employees amounted to 4,400 baht.
- The one-day internal audit course conducted by the training institute of a private company for an employee amounted to 2,000 baht.

Besides, there were director-level training for the independent director and an audit director of DAP Class 157/2019 and AACCP-Advance Audit Committee Program for five days total amounted to THB 78,000. There was also a director-level hosted by the Thai Institute of Directors. Total training and development expenses in 2019 were THB 143,275.

(3) The Company has a policy to not violate human rights.

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

(5) On 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 the unfavorable result for the Company.

(7) On account of creditors, the Company sets a policy of fair treatment and responsibility towards creditor. The Company will oblige to the conditions such as making term payment or debt repayment on schedule. The Company will perform according to all guarantee conditions (if any).

(8) On intellectual property, the Company sets a policy against copyright violation, such as software piracy, and the Company's penalty measures are strongly enforced. The Company also establishes its IT policies that will benefit the Company's business efficiency, optimally utilizing IT systems. IT resources shall not be used for personal benefits or used against good moral conducts. 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 an anti-corruption policy and anti-bribery which has been vigorously practiced for over the past 30 years.

(10) On social responsibility, the Company and its subsidiaries set a policy to take part in the community's responsibility and social welfare. The Company avoids any disturbance to the surrounding community. On the contrary, the Company will contribute to its community and society, to give jobs and provide welfare. Moreover, the Company will regulate noise pollution and treat water before releasing back into the community. The Company also supports community outreach activities including scholarships and donating necessity materials to schools and universities.

(11) On environmental policy, the Company will strictly abide by the law to reduce pollution by installing a water treatment system and controlling toxic emissions. Other manufacturing subsidiaries have also followed these standard environmental control guidelines and have been certified by related regulators.

(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 work practices.

(13) The Company and its subsidiaries support the efficient use of resources by setting a policy to optimize work processes including replacing newer and more energy-efficient equipment.

(14) The Company provides channels for any Stakeholders to contact or report any concerns that may cause damages via a mail addressing Chairman of the Audit Committee or President or the corporate website at www.sahaunion.com. 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 and the whistleblower.

Furthermore, investor and shareholder can contact the Investor Relations Mrs. Srinual Sombatpraiwan or Mrs. Chadaporn Jiemsakultip, Tel. No. 02-311-5111 ext. 7688 or Fax. 02-311-6867 for any further proceedings in relating issues.

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. To ensure integrity of the management, the Company's Board of Directors attaches much importance to overseeing progress and procedures on the internal control process which involves 5 issues: control environment, risk assessment, control activity, information and communication and monitoring activity. The adequacy assessment of internal control and risk management in 2019 was performed by the audit team and the Board of Directors on 27 February 2020. The results 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 processes. 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 by nominating appropriate personnel with qualified attributes. The Company has a succession plan for important ranks. The Company provides training support to employees so as to improve their relevant skills, hires expert consultants, and establishes a mentoring system.
- 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 the 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, the Audit Committee has verified and inquired each year about potentialities of corruption and its preventive or corrective actions, including the risk management. Moreover, the Company has ensured that its policies and internal control strategic plans are understood and also applied by the personnel staff in order to prevent or reduce the risks.
- 2.4 The Company is able to identify and assess any changes that may have an impact on the internal control process, arising from external factors such as incidence of world economic change, including influence of foreign exchange and interest rates. The responsive measures to such changes have been sufficiently provided.
- Furthermore, the responsive measures have been sufficiently provided for the assessment of change in the types of business that may affect business performance, the internal control process and the financial reports related to the Company such as addition of new type of business.
- Also, the responsive measures have been sufficiently provided for the assessment of change in the organization's leader that may have an impact on the internal control process, that is to say; when the leader reaches his or her term.

3. Control Activities

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

- 3.1 The internal control system of the Company is suitable for its risks and its characteristic in terms of the complexity and nature of tasks, investment specification such as follow-up control system of information and financial reporting of all invested companies, usage of cross check data system for the consolidated financial statements presentation, including management of risk arising from the foreign exchange that may affect the operations, etc.
- 3.2 The Company has provided an appropriate internal control process covering various measures in the form of written instructions by setting policies, regulations and procedures in regard to financial operations, purchasing and general management. There is also a handbook stating explicitly and concisely scopes of powers and duties including hierarchical command of approval of the executives at each level, aiming at preventing fraud, by limiting a ceiling and approval authorization span, providing approval procedures of investment projects, purchasing procedures, supplier selection criteria and procedures of tools requisition. There are also other operational processes as following;
 - 3.2.1 Collect as well as update records of related 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 the 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 the 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 the 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 processes 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 provide efficient and effective support for 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 the Company in a safe manner about suspected fraudulent activities occurring 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 staff 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. The channel for reporting this matter is provided on the Company's website: www.sahaunion.com.

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 staff 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 the 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 reports 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 subsequently submit 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 2019 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 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 2019 made by the Audit Committee's Report on page 127.

Chief of the internal Audit

Mrs. Chanpen Nopsuri, the Company's Chief Audit Executive in 2019, takes responsibility for operational monitoring of the internal audit process. Being experienced in the 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. The qualification of the Chief Audit Executive was shown on page 16.

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 a time frame. Due to economic and political situations and changes 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 when anticipated returns are not according to plan. 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 dividend lowering 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. After the strategic plans and goals were proposed late 2018, in 2019 the operations were thoroughly monitored and assessed to adjust the strategies in certain areas where the goals were not achieved according to the plans.

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 new hospitals which take about 3 years of construction. Now the constructions are in progress with one of the hospitals expected to be ready for operation in late 2020.

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 processes 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 things.

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 for 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 Sriracha District, Chonburi Province, in Baan 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 has been 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 relatively high as exports account for a major proportion of revenues generated by Group companies. A high fluctuation of exchange rate for Thai baht and US dollars, can have an impact on the foreign currency-denominated expenses and earnings from product sales, when converted to Thai baht. Substantially, this risk factor plays an important role. The Company takes action by assigning a person 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-making. Additionally, the associated companies must report the impact of foreign currency exchange rate, including the 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 personnel 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, and consumption trends, may influence some business types in which the Company is investing. 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 the Company's investment, it is necessary to record the impact on low-value of investment which has been done in the last few years. 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.

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 operating capital of some subsidiaries is partly from loan. Therefore, the increasing interest rate may result in higher financial costs for such companies. This factor is outside the control scope of the company. In 2019, the interest rate was lowered in comparison

to the previous year. However, the Company and its subsidiaries only have a small sum of capital that was from loans. Thus, the risk and its possible impacts are considered at a low level. However, so as to prevent damage from a turn of events, the Company has prepared a policy to mitigate the risk by maintaining a proper proportion of the structure between debts and funds accordingly in a bid to generate a higher return on investment than the financial cost of the Company.

4.2 Risk of global economic changes

In 2019, the growth of the global economy was stagnant, significantly affecting Thai economy. Overseas customer orders decreased. Some customers turn to buy from other 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 related 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 fail, 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 situations 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 political situations, the society, and the environments. Domestic demands for consumable products decreased. Sale orders from customers did not increase as much as expected, 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 sales 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 2019, businesses that were adversely affected included the garment business and the plastic, rubber, and metal business which are now undergoing the revision process.

Management Discussion and Analysis

During 2019, the global economy experienced growth slowdown, mainly due to the uncertainty over trade policy that was affecting Thailand's economy. Thai gross domestic products (GDP) grew only 2.4%, driven mostly by accelerated government spending and investment, amid the weak domestic consumption and private investment. International trade decelerated with net exports declined 4.9% from the prior year. The Company was affected by such slowdown, especially in textile, plastic, rubber and steel businesses. Moreover, continued Baht appreciation affected the Company's operation resulting in steeply lower export revenue.

1. Operation overview and factors that influenced significant changes

During 2019, the Company's separate financial statements based on cost method reported a net profit of Baht 838.75 million, an increase of Baht 18.37 million or by 2.24%, from 2018. An increase of net profit was attributable to the higher dividend income from Energy business in China by Baht 38 million due to the increased capacity and the improvement in efficiency by using new technology. Moreover, the domestic Energy business also yielded higher dividend income by Baht 28 million. On the expense side, the Company recorded an additional long-term employee benefit liabilities of Baht 4 million due to The Labor Protection Act (No. 7) BE 2562 which was announced in the Royal Gazette on 5 April 2019. The law was effective from 5 May 2019. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The change is considered a post-employment benefits plan amendment and the Company and its subsidiaries have additional long-term employee benefit liabilities of (separate financial statements) Baht 4 million as a result. The Company and its subsidiaries reflected the effect of the change by recognizing past service costs as expenses in the income statement of the current period.

Other than those items, the Company did not record reverse losses from the impairment of investment during 2019, while there was in 2018 at amount of Baht 17 million. There is no other significant change in other items.

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

For the operating result according to the consolidated financial statements based on equity method in 2019, the Company reported a consolidated net profit for the Company's shareholders of Baht 1,111.99 million, a decrease of Baht 369.79 million or by 24.96%, compared with the Company's 2018 consolidated net profit of Baht 1,481.78 million. The key factors and events contributed to the change of the result are:

1.1 Economic slowdown

Thai economy was affected by the declining global economy, trade protectionism dispute between the US and China, and the Thai economy's GDP growth was slower than anticipated. These factors resulted in lower demand for the Company's products and customers deferring orders, which mainly affect the Company's textile and automobile businesses revenue.

1.2 Currency Exchange Trend and Thai Baht

During 2019, the US Federal Reserve adjusted its monetary policy by reducing Fed Fund Rate, resulting in weaker US Dollar and appreciated Thai Baht in relative to the US Dollar. With the nation's high current account surplus, Thai Baht appreciated against US Dollar by 5% when compared to the exchange rate during 2018. About half of the Company's sales and service revenues are export-related and mostly relied on US Dollar for the transaction. Therefore, when Thai Baht significantly appreciated against US Dollar currency, the Company's export revenue and profits are affected.

1.3 The Amendment of Labor Protection Act (No. 7) BE 2562

On 5 April 2019, the Labor Protection Act (No. 7) BE 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law was effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Company and its subsidiaries have additional long-term employee benefit liabilities of Baht 66 million, resulting in lower net profits.

2. Operation Performance and Profitability

2.1 Sales and Service Income

In 2019, the Company's sales and service income totalled Baht 10,150.75 million, mainly contributed by Baht 608 million from textile business, Baht 4,565 million from plastic, rubber and metal business. Also, there were contributions Baht 2,847 million from computer trading business, Baht 1,585 million from the energy business, Baht 523 million from the hotel business and Baht 23 million from investment businesses and others. 2019 sales and service income decreased Baht 806.22 million when compared to 2018 sales and service income of Baht 10,956.97 million.

The main reason for the decline in sales and service income was due to the decrease in textile business revenue by Baht 267 million. As a result of the economic slowdown, customer deferring orders and export revenue felt the pinch of Brexit, the tougher export market competition and Baht appreciation. Plastic, rubber and metal business revenue declined by Baht 958 million due to a sluggish automotive industry. The Company's plastic business was reliance on an automotive industry thus was affected significantly. The Company's metal business was mainly export sales of stainless-steel vacuum bottles, which was adversely affected by Baht appreciation resulting in lower revenue in Thai baht after the conversion from foreign currencies paid by the overseas customers.

Computer trading business reported sales and service revenue growth of Baht 669 million as the Company got more orders from both the private and public sectors. For the energy business, which is the business operating in a foreign country, the revenue in originating currency was marginally different between 2018 and 2019. However, as Thai Baht appreciated significantly against RMB, thus 2019 consolidated revenue in Thai Baht term seemed to lower by Baht 185 million from the previous year.

Hotel business sales and service revenue decreased by Baht 61 million from the previous year due to renovation in certain areas of the hotel to modernize and preservation of the building.

2.2 Other Income

During 2019, the Company and its subsidiaries earned other income other than the aforementioned sales and service. Most other incomes were the dividend income from the investment of Baht 245.20 million, interest income of Baht 50.11 million and unrealized gains from revaluation of available-for-sales investment of Baht 28.01 million. Also, other incomes such as discount received, sales of scrap, exchange gains, and gains on disposal of investment, rental income totalling Baht 594.69 million.

It was a decline of Baht 125.04 million or 0.63% less in term of the total income components, compared with the other income of Baht 719.74 million in 2018. The key factors for changes are as follow:

- (1) The dividend income increased by Baht 35.59 million, mostly resulted from an increased return from available-for-sales overseas investment
- (2) During 2019, the Company recorded gains of Baht 2.13 million from selling the investment, down Baht 147.81 million compared with gains of Baht 149.95 million recorded during 2018. The transaction that occurred during 2018 did not repeat in 2019. There were small gains of Baht 2.13 million from investment in other business units.
- (3) Unrealized gains from marking to market of the available-for-sales investment. The Company marked to market its investment value to reflect the market price of the investment at the end of 2019. The Company incurred unrealized gains of Baht 28.01 million, which was in contrary to the unrealized losses of Baht 97.82 million at the end of 2018. As a result, the Company's unrealized, mark to market gains improved Baht 125.83 million from the previous year.
- (4) Interest income declined from Baht 66.02 million to Baht 50.11 million in 2019, representing a decline of Baht 15.91 million, due to the falling deposit rate. Moreover, the investment in fixed income instruments also declined as the Company spent that fund in the investment and financed the working capital of subsidiaries.

There was no significant change in other components of the Other Income.

2.3 Cost of Sales and Selling and Administrative Expenses

In 2019, the cost of sales and service was at Baht 8,780.62 million, down Baht 523.37 million compared with Baht 9,303.99 million in 2018 following the declined sales and service income. But the cost of sales and service declined was slower than sales and service income as every business had some fixed costs, such as wages. Moreover, there were additional employee benefit liabilities according to the change in the Labor Protection Act, as mentioned above. Therefore, the employee benefit related to the employee in the production line was recorded as part of the cost of sales and service during 2019.

As a result, 2019 cost of sales was 86.50% of sales and service income, compared to 84.91% of total sales during 2018, representing an increase of 1.59%.

For the domestic business breakdown, the textile business's raw material cost didn't decrease. Thus, it needed to set a provision for impairment of inventories. While wage and overhead expenses were already at the lowest level without compromising on product quality, resulting in the business operating losses.

The plastic, rubber and metal businesses were significantly affected by the economic slowdown. The lower overseas orders and employee benefit liabilities resulted in the higher cost of plastic and rubber businesses as sales declined disproportionately. The metal business, which

comprised mostly of stainless-steel vacuum bottle, saw lower orders from overseas customers following the reasons as mentioned earlier, resulted in lower profits. But the computer trading business saw the cost of sales increased less than sales and service income growth, resulted in good cost ratio due to cost efficiency improvement.

Hotel business' cost of service declined less than a decrease in revenue, as part of the operating cost remained stable. Besides, the Company's energy business subsidiaries reported lower costs of sales due to the lower price of coal, its primary raw material and the slight drop of sales in line with the dominant currency in the financial statement.

However, Thai Baht appreciation during 2019 resulted in a significant cost difference from 2018 cost of sales.

In summary, 2019 cost of sales and service accounted for 86.50% of sales, an increase of 1.59% compared to the 2018 ratio, partly due to the uncontrollable legal factor.

Selling Expenses

In 2019, the selling expenses, which comprised mainly of export fee, sales commission fees, transportation fees, etc., were at Baht 279.43 million, a decrease of Baht 6.38 million from 2018. This was in line with the decline in sales and service income. 2019 selling expenses accounted for 2.75% of sales and service revenue, marginally changed from 2.61% during 2018. This is an average selling expense level of the Company and subsidiaries.

Administrative Expenses

In 2019, administrative expenses were Baht 808.51 million, a decrease of Baht 28.76 million or by 0.35% of sales and service income, compared with Baht 837.27 million during 2018. The key factors were due to:

- (1) During 2018, a power plant subsidiary in China wrote down Baht 38.7 million of obsolete machinery and equipment as a result of technology advancement. However, during 2019, the Company impaired obsolete assets worth Baht 18 million, resulting in Baht 20 million lower expense.
- (2) During 2018, a subsidiary paid professional consultant fee of Baht 17.63 million to improve operation efficiency, which did not recur into 2019, resulting in lower expense.
- (3) During 2019, sales of copyright merchandise were lower, resulting in the lower variable expenses of Baht 3 million related to the copyright payment.
- (4) During 2019, trading fee expense reduced by Baht 6 million as the Company paid such trading fee according to the contract, but such transaction did not recur in 2019.
- (5) During 2019, the personnel expense increased by Baht 22 million due to the change in The Labor Protection Act (No. 7) BE 2562 as mentioned above. As a result, administration expense increased by Baht 22 million

Travel and other expenses marginally reduced from the previous year.

2.4 Profitability

Gross Profit

In 2019, the Company and its subsidiaries recorded a gross profit of Baht 1,370.13 million, representing a gross profit margin of 13.50%. The gross profit was down Baht 282.84 million, or by 1.59% of sales and service income, compared to 2018 gross profit of Baht 1,652.97 million or 15.09%.

Multiple factors contributed to the gross profit decline. The textile business recorded lower gross profit as the cost of sales did not reduce as much as the decline of sales. Plastic, rubber and steel business reported losses as the effect of the shrinking of the automotive industry, low demand and high fixed costs, of which the Company's subsidiary has worked on addressing the challenge.

But the computer trading business subsidiary reported a higher gross profit during 2019 as the management had achieved the business target.

Hotel and Energy businesses reported lower gross profits of Baht 13.55 million and Baht 25.55 million, respectively, compared to the previous year as reasons already mentioned above. In total, the gross profit margin was reduced by 1.59% with detailed segment profitability can be found in Note 29 to the financial statements, Segment Information.

Operating Profit and Cash Flow from Operation

According to 2019 consolidated financial statement, the Company and its subsidiaries recorded a profit before share of profit (loss) from investments in the joint venture and investment in associates, financial cost and income tax expenses, deducting income or expenses unrelated to business operation, such as unrealized gains (losses), impairment of assets on investment or allowance for the doubtful account, etc. or an operating profit of Baht 848.88 million, a decrease of Baht 400.75 million compared with 2018 operating profit of Baht 1,249.63 million. The decline was mainly due to the disproportionate reduction in sales and services income and cost of sales and services, where the cost of sales and services declined less than the income and other reasons as mentioned in the Other Income topic.

When compared to operating profit of Baht 848.88 million, the Company recorded cash flow received from operating activities of Baht 1,415.06 million. It implied that all of the Company and subsidiaries' operating profit was converted into cash flows, indicating strong liquidity.

Operating Profit Margin

2019 operating profit margin was at 7.83%, down 2.92% compared to the previous year with reasons indicated earlier. The Company deemed such operating margin was an appropriate level given the present circumstance (operating profit excluded share of profit (loss) from investments in investment in associates and joint ventures).

Net Profit and Net Profit Margin

According to 2019 consolidated financial statements, a net profit attributable to equity holders of the Company was at Baht 1,111.99 million, a decline of Baht 369.79 million when compared with 2018 net profit of Baht 1,481.78 million.

Net profit margin was at 9.87% in 2019, down 2.06% in comparison to 2018 net profit margin of 11.93%. Net profit was higher than operating profit due to the fact that an operating profit (Baht 841.10 million) did not include the share of profit (loss) from investments in the joint venture and investment in associates (Baht 522.53 million).

After including them and adding or deducting non-operating items, income (expense) and income tax totalling Baht 188.66 million. Thus, the net profit for the year was Baht 1,174.98 million including non-controlling interest of Baht 62.99 million. 2019 net profit margin ratio at 9.87% is deemed appropriate, given the sluggish economy and other prevailing circumstance.

Return of Equity (ROE)

In 2019, according to the Company and its subsidiaries' consolidated financial statements based on equity method, the Company recorded a net profit attributable to the equity holders of Baht 1,111.99 million, or basic earnings per share at Baht 3.83. 2019 average ROE was 5.45%, down 1.89% compared to 2018 average ROE of 7.34%, as a result of various factors mentioned above.

For separate financial statements, based on the cost method, the Company reported a net profit of Baht 838.75 million or Baht 2.80 per share. Net profit increased by Baht 18.37 million or Baht 0.07 per share in comparison to the year 2018. The main factor for the increase was due to the rise in dividend income from the energy business, both domestic and overseas.

The Company maintained the dividend policy with a payout ratio no less than one-third of annual net profit based on cost method as reported in separate financial statements after deduction of retained loss (if any). The Company would also consider business liquidity and any cash requirement. The Company has consistently paid dividends to its shareholders at an appropriate rate. On 19 March 2020, the Company's Board of Directors considered to propose to the shareholders meeting for approval of paying dividend to the shareholders at the rate of Baht 1.50 per share or 53.65% payout ratio based on cost method for the operation year 2019.

Dividend payment compared to net profit per share based on cost method:

Year	Dividend (per share)	Earning per share (cost method)	Dividend payout Ratio (%)
2018	2.00	2.73	73.26
2017	2.00	3.01	66.45
2016	2.00	3.94	50.76
2015	1.50	1.91	78.53
2014	1.75	4.02	43.53

3. Financial Status and Asset Management Capability

As of 31 December 2019, The Company and subsidiary assets (which comprised mainly of investment, production and distribution, and hotel service business) valued at Baht 25,203.58 million, a decrease of Baht 687.96 or 2.66% when compared to end-2018 total assets of Baht 25,891.54 million.

3.1 Asset Composition

The composition of assets is calculated based on the total assets of each respective year. At the end of 2019, the main components comprised of current assets 28.90%, total investments 31.87%, investment properties 9.49%, property, plant and equipment 25.92%, goodwill 2.07% and other non-current assets 1.75%. Compared to the changes in assets composition in 2018, the crucial changes were as follow;

Cash and cash equivalents decreased by Baht 546.19 million or by 1.82% of the asset compositions as the Company and its subsidiaries invested in marketable securities amount Baht 298 million, further investment in affiliates of Baht 167.50 million and buying other current assets of Baht 81 million.

Trade and other receivables decreased by Baht 231.10 million as the Company engaged in lower sales transaction during 2019, which resulted in lower trade receivable, and the Company collected receivable from the previous account period. The subsidiaries usually recorded higher sales toward the end of the year. Such year-end receivables are expected to be obtained but were not yet due.

Inventories decreased by Baht 107.64 million because the goods-in-transit inventories as of end-2019 were at Baht 93.88 million, down Baht 116.34 million from end-2018 amount of Baht 210.22 million.

Investment in joint ventures and affiliates increased by Baht 32.27 million and Baht 29.33 million, respectively, as the investment book value of joint venture and affiliates was revalued based on the equity method.

Investment properties increased by Baht 318.62 million or 1.48% of total assets because, in 2019, the Company further invest in the land next to the Company's existing land plot in Chonburi Province to greater the land plot along the highway.

Property, plant and equipment decreased by Baht 247.34 million, as the Company invested in fixed operating asset amount Baht 736 million. The investments were mainly in the energy business Baht 247 million, hotel business Baht 185 million, plastic, rubber and metal business Baht 198 million in line with the scheduled fixed operating investment plan. When compared to the asset disposal and depreciation of Baht 773 million, the investment and disposal were hardly different.

However, due to the Baht appreciation during 2019, the exchange rate used to consolidate subsidiaries' balance sheet caused the value of property, plant and equipment to be reduced in Thai Baht term by an amount of Baht 234.2 million.

Besides those mentioned above, other assets had no significant changes.

Return on Assets was at 4.35%, down 1.41% from the previous year, as the Company's consolidated net profit in Thai Baht was lower as a result of economic slowdown and significant Baht appreciation.

Return on fixed asset was at 21.56%, down 4.36% from the previous year due to the lower net profit as discussed in the section Profitability.

3.2 Asset Quality

As of 31 December 2019, net trade and other receivables were at Baht 1,707.87 million, or 6.78% of total assets, a decrease of Baht 231.10 million compared to the previous year of Baht 1,938.97 million. Trade and other receivables can be classified into trade and other receivables-related part of Baht 1,487.75 million; and other receivables of Baht 220.12 million.

Gross trade and other receivables–unrelated parties before allowance for the doubtful account were Baht 1,480.92 million. The figure comprised of receivables not yet due and less than three months overdue of 94.59% of total trade and other receivables–unrelated parties. The Company also had receivables past due over 12 months valued at Baht 19.07 million, of which the Company provided Baht 12.30 million as the allowance for doubtful accounts. As a result, net trade and other receivables–unrelated parties were at Baht 1,468.62 million, which was Baht 121.90 million lower than 2018 as the Company has continued to collect and settle receivables.

Average Collection Period was at 55 days in 2019, which was similar to 2018 figure and remained within the credit term the Company usually provided for its customers.

Other receivables were at Baht 220.12 million, most of which are tax-related receivables, such as vat refundable, import duty refundable, prepaid corporate income tax, etc. There were other receivables–unrelated parties valued 35.07% of other receivables, which was considered normal and expected to be paid.

From the aforementioned receivable quality assessment, there were receivables past due over 12 months valued Baht 19.07 million, or 1.12% of total receivables, of which the Company provided Baht 12.30 million as the allowance for doubtful accounts. The Company has expected the remaining receivables to be paid in full; thus, the Company and subsidiaries believed that such provision for doubtful accounts was appropriate and sufficient in the current situation. Therefore, the net receivables, as shown in the financial statements, are considered good quality assets.

Inventories

As of 31 December 2019, the Company and its subsidiaries recorded inventories value based on cost at Baht 1,114.23 million. During the current year, the subsidiaries reduced cost of inventories by Baht 44 million (2018: Baht 22 million) to reflect the net realizable value, including the cost of sales. Also, the subsidiaries reversed the write-down of cost of inventories by Baht 28 million (2018: Baht 18 million) and reduced the number of inventories recognized as expenses during the year.

End-2019 net inventories value was at Baht 1,018.07 million, or 4.04% of total assets. 2019 net inventories value decreased Baht 107.65 million, compared to the inventories value at the end of 2018, as the goods-in-transit inventories were reduced by Baht 116.34 million at end-2019. For the inventory control system, the Company has regularly performed internal control systems, doing inventory count checks and reported the age of inventory analysis for inventory management. The Company also evaluates the market value of the inventories or usefulness of factory spare parts and supplies. In the event of market value or economic value of parts and supplies are lower than the book value, the Company shall record an impairment of the assets' value in the allowance for inventory impairment account. In the fiscal year 2019, the Company's inventory impairment increased by Baht 16.37 million from the previous year. From this reason, the Company and its subsidiaries estimated impairment of inventory, that was Baht 96.15 million, as shown on Notes 10 to the Financial Statements was adequately provided.

Investments

As of 31 December 2019, the Company and its subsidiaries' net investments were at Baht 8,031.62 million or 31.87% of the total assets, a decrease of Baht 25.33 million compared to end-2018 figure, based on the equity method. The change was due to an increase of investment in the joint venture of Baht 32.27 million, mainly came from an investment in a power plant company in China Shaoxing Shangyu Hangzhou-Union Cogeneration Co., Ltd. The Company increase stake in the power company by Baht 32.11 million.

For the investment in associates, the Company increased its investment in Navavej International Plc. amount Baht 167.5 million and purchased an additional investment of Baht 23.80 million in Uni-Fibre Co., Ltd., making a total additional investment in affiliates of Baht 191.30 million. However, according to the equity method, the value of different affiliate investments adjusted both up and down, totalling a net increase of Baht 29.33 million.

Other long-term investments were down Baht 86.85 million, resulted from two key factors. First, the Company and subsidiaries purchased an investment in good-fundamental marketable securities amount Baht 112.66 million to seek better return than fixed-income investment. Secondly, according to the accounting practice, the marketable securities must be marked to market the investment to market value as of year-end.

At the end of 2019, the value of marketable securities in the secondary market declined significantly, resulting in the unrealized gains dropped from Baht 905.51 million to Baht 706.03 million, a decrease of Baht 199.47 million. Both factors were taken into account, other long-term investments' fair value was down Baht 86.85 million, details of which disclosed in Note 14.1 and 15 to the financial statements. The net value of investments in joint ventures, associates and other long-term investments as shown in the Note to the financial statements reflected the future economic value expected to receive from such investments. The detailed information of the Company's investments, such as the name of investment, nature of the business, shareholding percentage, cost of investment, carrying value based on equity method, are disclosed in the Note 13-15 to the financial statements.

Investment Properties

Investment properties were at Baht 2,390.72 million, or 9.49% of total assets as of end-2019. Majority of the item was land, and land improvement awaiting development valued Baht 2,029.60 million and factory and office building for rent valued Baht 292.23 million. As of 31 December 2019, the fair value of such land and land improvement awaiting development and factory and office building for rent as appraised by independent certified appraiser were at Baht 4,010.83 million and Baht 1,393.63 million, respectively, thus considered good quality assets.

Property, Plant and Equipment

As of 31 December 2019, property, plant and equipment was worth Baht 6,531.73 million, or 25.92% of total assets. All property, plant and equipment were assets used in business operation, which comprised of land, land and leasehold improvement, buildings and facilities, machinery and equipment, power plants and other assets, reported cost value at Baht 15,293.72 million. Deducting accumulated depreciation of Baht 8,755.34 million and allowance for impairment loss of Baht 6.64 million resulted in the net property, plant and equipment worth Baht 6,531.73 million. Moreover, there were fully-depreciated assets but are still in use valued Baht 5,427 million as of end-2019. All

assets mentioned above are productive assets that yield economic benefits for the Company and subsidiaries, details as disclosed in Note 17 to the financial statement.

Other Compositions of Asset

(1) Goodwill was at Baht 521.72 million, or 2.07% of the Company's total assets. The goodwill came from a subsidiary purchased Hua Hin Hotel business in 2014, which prompted the opportunity to start hotel operation at the day of purchase. Since the acquisition, the Company has conducted goodwill impairment tests annually to assess its intrinsic value following the accounting standard. If the intrinsic value of the investment is ever found to be lower than the acquisition price, the Company will recognize an impairment on the asset. In 2019, the Company reviewed the investment value and did not see the need for impairment.

(2) Other non-current assets as of end-2019 were at Baht 186.45 million, details as shown on Note 19 to the financial statements. Majority of the other non-current assets comprised of leasehold - net of accumulated amortization of Baht 56.51 million, which was the asset of the subsidiary in China used as land for operation. According to regulation in China, the subsidiary must lease the property from the Chinese government for business operation. Other components under other non-current assets were withholding tax refundable from the Revenue Department of Baht 40.41 million, and other prepaid expenses according to the accounting standard of Baht 76.02 million.

These assets are essential for business operations to generate income, thus are good quality assets.

4. The Company's Liquidity and Capital Adequacy

4.1 Sources and uses of capital

As of 31 December 2019, the Company and its subsidiaries recorded the sources and uses of capital with cash flows from operating activities, which included account receivables and account payables, of Baht 1,703.93 million. After cash paid for interest of Baht 29.38 million, income tax of Baht 293.24 million and income tax refundable of Baht 33.75 million, the Company recorded net cash from operating activities of Baht 1,415.06 million. Besides, the total cash flow of Baht 714.60 million was spent in investing activities and Baht 1,109.52 million in financing activities. After a reduction of Baht 137.14 million in translation adjustments, the Company recorded a decrease of 2019 net cash payment of Baht 546.19 million. After subtracting from the beginning of 2019 cash and equivalents balance of Baht 3,246.23 million, the Company recorded 2019 ending cash and cash equivalents balance of Baht 2,700.03 million.

The Company reported cash flow from the operation of Baht 1,415.06 million. While the operating profit was Baht 848.88 million, the Company demonstrated the ability to convert all of the operating profit into operating cash flow. The figure showed the Company's high liquidity and the ability to manage the operating activities' expenses adequately.

The significant changes in the net cash from investment activities during 2019 were as follows:

- (1) Dividend received from investments of Baht 683.87 million
- (2) Interest income received of Baht 50.59 million
- (3) Cash receipt from disposals of investment in associate held for sale of Baht 19.75 million
- (4) Proceeds from disposals of equipment of Baht 5.95 million

(5) Increase in current investments of Baht 166.43 million
(6) Acquisition of investments in other long-term investments of Baht 131.78 million
(7) Acquisition of investment in the associate of Baht 167.50 million
(8) Acquisition of investment properties of Baht 370.32 million
(9) Property, plant and equipment capital expenditure for overseas power plant subsidiary of Baht 247 million; domestic hotel renovation of Baht 157 million; domestic plastic, rubber and metal equipment investment of Baht 188 million; and production and process improvement investment of Baht 47 million.

As a result, the Company recorded net cash used in investing activities of Baht 714.60 million.

For net cash used in financing activities, there were a few notable items such as dividend paid to the Company's shareholders of Baht 767.14 million; the Company's subsidiaries repaid short-term loans amount Baht 165 million; and subsidiaries borrowed and repaid long-term debt repayment according to loan schedule of Baht 36.58million and Baht 245.67 million, respectively. There were no significant changes in other items under cash flow from financing activities. As a result, the Company recorded net cash used in financing activities of Baht 1,109.52 million.

Overall, the Company has demonstrated high liquidity and has adequate cash flow to conduct the business operation, being able to service loan as per schedule.

The Adequacy of Capital Structure

As of 31 December 2019, the Company's capital base comprised of total shareholders' equity of Baht 22,075.22 million and total liabilities of Baht 3,132.15 million. The Company reported a debt-to-equity ratio of 0.14:1, which was lower than those 0.16:1 in the previous year. The liabilities ratio remained small when compared to the shareholders' equity. Therefore, the Company's creditors were at low risk on account of the Company's repayments.

In summary, most of the capital funding came from the shareholders' equity. Thus, if required, the Company should be able to raise its debt funding in the future with ease.

Debt Service Coverage Ratio (DSCR)

The Company and its subsidiaries' liabilities possessed short-term loans which would be due within a year, comprising of short-term loans from financial institutions of Baht 231.93 million, current portion of long-term loans that due in a year of Baht 428.62 million, current portion of liabilities under finance lease agreements of Baht 36.96 million, plus the income tax payable of Baht 37.32 million and other current liabilities of Baht 91.56 million.

As a result, the total short-term debts were Baht 826.39 million. The Company reported long-term loans-net of current portion would be due in a year of Baht 277.79 million and liabilities under finance lease agreements, net of current portion, of Baht 60.28 million. The total long-term debts were Baht 338.07 million, with the interest payment of Baht 29.38 million. Total debt and interest payment were totaled Baht 1,193.84 million. The Company and subsidiaries reported operating profit of Baht 848.88 million. Adding depreciation and amortization expenses of Baht 820.60 million, the Company reported earnings before interest cost, income tax expense and depreciation and amortization expense of Baht 1,669.48 million. Therefore, the Debt service coverage ratio (DSCR), was Baht 1,669.48 million divided by Baht 1,193.84 million, equal to 1.40 times. The ratio indicated

the Company's high ability to pay the entire short-term debt obligation along with interest payment due within a year without affecting the Company's liquidity position.

Apart from the debts from the external creditors shown on the Company's statement of financial position, there was also an off-balance sheet financing source. It was the Company's unused credit facility of about Baht 900 million, issued by the financial institution.

During the year, the Company had no change in the capital structure. There was neither capital increase nor capital reduction activity. Its subsidiaries raised debt funding from creditors as details disclosed in Note 20 and 22 to financial statements.

Composition of the Shareholders' Equity

According to the consolidated financial statements as of 31 December 2019, the equity attributable to shareholders of the Company was at Baht 20,298.63 million, a decrease of Baht 180.10 million when compared to end-2018 equity of Baht 20,478.73 million. The changes were mainly driven by:

(1) Concerning the 2019 operation, the Company reported an increase in net profit of Baht 1,111.99 million. During the year, the Company paid a dividend of Baht 600.00 million according to the resolution of the Shareholders' Annual General Meeting. As a result, the Company's equity was increased by Baht 1,111.99 million and decreased by Baht 600.00 million, respectively.

(2) For the non-operating items, there was a recognition of gains (losses) resulted in a decline in the Company's equity of Baht 692.09 million, which comprised of the following items:

(2.1) Actuarial loss arising from long-term employee benefit obligation during 2019, due to lower discount rate as a result of lower interest rate. During the end of 2019, the Company recognized an actuarial loss in the Company's equity of Baht 3.9 million.

(2.2) Exchange differences from the translation of financial statements in foreign currency. As of the end of 2019, the exchange rate used to translate the financial statement into Thai Baht was significantly different from the rate used at the end of 2018 as a result of Thai Baht appreciation. As a result, the exchange rate difference decreased the shareholders' equity by Baht 379.02 million.

(2.3) Accounting adjustment about the revaluation of value of available-for-sale investments to match the market value. As of end-2019, the market value of trading securities was devalued along with the stock exchange condition, resulting in unrealized losses from revaluation of trading securities of Baht 159.41 million.

(2.4) Share of other comprehensive net income (loss) from joint ventures and associates that were affected by Baht appreciation and reflected in shareholders' equity as a decrease by Baht 202.21 million.

(2.5) The Company's shares held by subsidiaries has to be deducted from the Company's equity. However, during 2019, such shares amount decline resulted in adding the value of those shares back to equity amounted Baht 32.40 million.

(2.6) According to the accounting standard of consolidated financial statements, the dividend paid by the parent company to subsidiaries that held the Company's shares would not be counted as a dividend payment. Therefore, Baht 20.05 million was restated in addition to the shareholders' retained earnings.

Once summing all the factors mentioned above occurred during 2019, the shareholders' equity decreased by Baht 180.01 million from 2018 level. Therefore, as of 31 December 2019, the Company shareholders' equity was at Baht 20,298.63 million, indicating adequate shareholders' equity as part of the capital structure.

4.2 Capital Expenditure

During 2019, the Company invested in following significant capital expenditures:

(1) Energy Business - Cogeneration plants in the People's Republic of China continued to invest in new buildings and machinery according to the investment plan. The investment capital was into power plant, machinery, environment preservation system to enhance efficiency, reduce cost, reduce pollution and preserve the environment.

The subsidiary has been well-recognized continuously by many outstanding awards from government agencies over the past consecutive years. The capital expenditure in 2019 was approximately Baht 247 million.

(2) Hotel Business – The Company operates Hilton Hua Hin Resort and Spa Hotel that it purchased in 2014. During 2019, the Company spent capital expenditure of Baht 157 million on renovating guestroom and part of the reception area of the hotel to maintain hotel quality.

(3) Plastic, Rubber and Metal Business - The Company spent Baht 188 million to invest in rubber business on moulding equipment and other machinery related to rubber products to enhance efficiency. The Company also spent capital expenditure in factory, machinery and equipment associated with the production of the new models of vacuum bottle to respond to customer demand.

(4) Other businesses and computer trading business - The Company invested in both computer hardware and software to support sales and service activities. Company invested in dormitory building and equipment. Together, the Company invested Baht 52 million in computer trading and other businesses.

Source of fund for an item (1) came from reinvesting dividend income. For the item (2) to (4), the capital expenditure was funded by working capital of the respective subsidiary and borrowing from Thai banks. The Company expected to comply with all debt covenants and conditions thoroughly.

4.3 Adequacy of Liquidity

As mentioned earlier under the topic of Debt Service Coverage Ratio (DSCR) about sources and uses of fund, as well as the Company could convert all of its operating profits into operating cash flow while DSCR remained at 1.40 times. The ratio indicated the Company's ability to pay the entire short-term and long-term debt obligation along with interest payment.

For the capital structure, the Company reported a debt-to-equity ratio of 0.14:1 with relatively small debt funding. There was also unused credit facility, details as in topic 14.4.4. In summary, the Company has adequate liquidity to operate the business.

Liquidity ratios

- Current ratio was at 3.15:1 time and Quick Ratio was at 2.71:1, indicating the Company's capacity to not only able to convert liquid assets into cash to repay current liabilities completely but also would be left with excess liquidity. This implied that the Company and its subsidiaries maintained adequate liquidity level.

- Receivables and Payables

The Company and its subsidiaries had an average collection period of 55 days during 2019, similar to the previous year, which implied that the Company could collect payables from customers within the provided credit term. Average payment period was 42 days, which was longer than those 39 days in the previous year. As a result, the cash cycle day, denoted by the period from payment of raw materials to cash collection from the product sales, was at 24 days, same as the previous year. In other words, the Company and its subsidiaries were having about 15 cash cycles in a year.

- Interest coverage ratio was at 58 times, indicating that the Company and its subsidiaries can generate enough cash flow to pay interests to their creditors.

4.4 Ability to Secure Additional Funding

The Company had unused credit facility of about Baht 900 million issued by the financial institution, which comprised of the three-month promissory note and available-on-call loan. Should the Company require project funding, the Company could propose to financial institutions to issue either medium or long-term loan facility to fund such project investment.

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 was ever issued. The Company is not rated by a credit rating agency as it does not need this information. Therefore, the Company is not at a position of evaluating factors affecting its credit rating.

4.6 Debt Serviceability and Compliance to Debt Covenant

The Company's subsidiary borrowed a long-term loan amount Baht 706.41 million from a financial institution.

The long-term loan had scheduled repayment every six months from 2017 to 2022, of which Baht 428.62 million was a current portion of long-term loans that due within a year. However, under the loan agreement, there are debt covenants and restrictions such as the maintenance of debt to equity ratio, negative pledges on specific assets that are essential for the subsidiary's operations. As for the ability to repay, the Company is confident that the subsidiary can fully comply with the debt covenant.

As for the Debt Serviceability, the Company already discussed under topic 14.4.1 Debt service coverage ratio (DSCR) that it possessed an ability to repay short-term (mature in 12 months) and long-term debts along with interest payment or DSCR of 1.40 times.

The ratio indicated that the Company and subsidiaries have the ability and adequate liquidity to pay up all loans in full.

Therefore, there is neither a reason that could lead to the non-compliance of the debt covenants nor a cause that could impact dividend payment.

5. Contractual Obligations and Off-Balance Sheet Arrangements

The Company and its subsidiaries' liabilities can be classified into current liabilities which are due within one year such as trade payables, income tax payable, which are paid by current assets as part of regular business operation. The Company also had non-current liabilities of Baht 818.37 million as of 31 December 2019. Each of the non-current liabilities has different payment schedules; such the long-term loan requires periodic payment as stipulated in the loan schedule; finance lease agreement requires commitments of the payment

plans under instalment agreements, and 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 resignation before retirement or commitment - resignation compensation (apart from commitment - retirement fund in conformity with law and regulations), the Company provides provisions for this commitment by contributing monthly into the employee's provident fund every time his/her salary is paid. Thus, employees shall receive this amount of money from the provident fund upon resignation. For the commitment – retirement provision, the Company provides the amount as non-current liabilities, and the Company will distribute the fund to its employees upon retirement according to the law.

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

Type of Obligation	Details according to Notes to Financial Statements, Amount, Payment Period shown on each obligation	
Long-term liabilities commitments	Note 22 Note 23	Long-term loans Provision for long-term employee benefits
Tax liabilities commitments	Note 27	Income tax (last paragraph) Deferred tax liabilities
Capital commitments	Note 32.1	Capital commitments
Operating lease commitments	Note 32.2	Operating lease commitments
Operating commitments	Note 32.4	Commitment to purchase raw materials
Guarantees' commitments	Note 32.5	Guarantees
Financial Instruments' obligations	Note 34.1	Financial Instruments in the last paragraph, foreign exchange contracts outstanding

The Company and subsidiaries can manage the factors as mentioned earlier, with no negative on business operation.

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

Most of the Company's business operations involve investments in textile, plastic, rubber and metal, computer, energy, hotel and other businesses both in domestic and overseas. These businesses may be affected by the prevailing environment and circumstance. The factors and influences that may affect the Company's financial position or operations in the future are as follows:

6.1 The COVID-19 Pandemic (Novel Coronavirus) has severely impacted globally. The Thai economy has seen chain reaction effects adversely from the outbreak in both real sector, and the financial sector resulted in sharply decreasing of cash circulation in the country and consumer purchasing power. This will eventually affect the Company's sales and service income and 2020 operating performance and profit.

For the overseas business impact, it is known that China is the epicentre of the pandemic since January 2020. The disease was highly contagious and lethal; thus the China government ordered city lockdown and suspended business operation for almost a month. The Company's subsidiary and joint ventures complied by closing its power plant business operation. The shutdown resulted in no income while fixed cost persisted. Post shutdown, the business operation gradually resumed. Still, the power demand is not yet returned to an average level as before the incident, indicating that the dividend income received from these business units may be affected.

The severity and duration that the Company and subsidiaries will face, both in domestic and overseas, are highly subjected to the government's measures, corporate strategies, public awareness and public cooperation. Therefore, it is difficult to assess the potential damage as a result of this incident.

6.2 Interest rate volatility

If the interest rate (liabilities) increases, the Company's business that is debt-funded could be affected, resulting in lower operating performance.

6.3 Currency exchange rate volatility

For businesses that receive export sales and mostly rely on local sourcing in Thai Baht, if Thai Baht get volatile or appreciates against US Dollar, export sales receipt in Thai Baht term could be reduced.

6.4 Intense competition from overseas competitors

Some domestic business operation may incur higher production cost than some other countries with lower labour wage producing the same products. It is more apparent in the textile and clothing industries than others where some customers may shift orders to lower-cost producing countries, which may affect the long-term operation and financial performance of the relevant business units.

7. Additional Information on the Translation Adjustments

The Company's consolidated financial statements include the overseas subsidiaries, joint ventures and affiliates reporting in foreign currencies. The Company must convert those financial statements into Thai Baht for consolidation purpose. The table below shows the exchange rates used in consolidated financial statements during the past three years.

Currency	The exchange rate applied in					
	Statement of financial position			Income statement		
	2019	2018	2017	2019	2018	2017
RMB	4.29930	4.70850	5.00090	4.281650	4.722125	4.979713
HKD	3.86475	4.13465	4.17385	3.864325	4.177363	4.214825
TWD	1.0019	1.05445	1.09575	0.992938	1.065188	1.095225

Having verified Company's both separate and consolidated financial statements, the auditor expressed unqualified opinion 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 2019 are shown on page 124-125.

Related Transactions of Saha-Union Public Company Limited and Parties Possibly in Conflict in 2019

Related Transaction					
Party's Name	Type of Relationship	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	58.35	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	54.02	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 2 Purchase Investment Properties	42.70 358.44	From resolution of the Shareholders' Meeting Comparable with market price	In the ordinary course of business should have return on investment.
5 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.
6 Uni-Fibre Co., Ltd.	One of 10 major related shareholders	1 Services Income 2 Income/Other expenses 3 Deposits	0.01 0.01 4.00	Contract price Contract price Outstanding balance as of 31 December 2019	In the ordinary course of business should have return on investment.
7 Venus Thread Co., Ltd.	Major shareholder holding more than 30% of shares	1 Purchases/Sales of Merchandise 2 Rental Income 3 Income/Other expenses 4 Account Receivables/Payables	10.91 0.02 0.07 0.01	Comparable with market price Contract price Contract price Outstanding balance as of 31 December 2019	The purchasing of raw material should be made in large quantity to generate more bargaining power.
8 Union Spinning Mills Co., Ltd.	Major shareholder holding more than 30% of shares	1 Purchases/Sales of Merchandise 2 Rental Income 3 Income/Other expenses 4 Account Receivables/Payables	1.75 0.09 0.07 0.06	Comparable with market price Contract price Contract price Outstanding balance as of 31 December 2019	The purchasing of raw material should be made in large quantity to generate more bargaining power.
9 Union Zip Co., Ltd.	Major shareholder holding more than 30% of shares	1 Income/Other expenses	0.07	Contract price	

Related Transaction					
Party's Name	Type of Relationship	Type of Transaction	Amount (Million Baht)	Pricing Policy	Necessity
10 Union Shoes Co., Ltd.	Major shareholder	1 Deposits 2 Interest Receivables/Payables 3 Interest Income/Expenses 4 Dividend Income/Payment	40.46 0.19 0.38 3.10	Outstanding balance as of 31 December 2019 Outstanding balance as of 31 December 2019 Referred to types and rates of a major commercial bank 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.
11 Union Textile Industries Public Company Limited	Major shareholder	1 Purchases/Sales of Merchandise 2 Dividend Income/Payment 3 Account Receivables/Payables 4 Income/Other expenses	296.65 2.00 5.27 0.40	Comparable with market price From resolution of the Shareholders' Meeting Outstanding balance as of 31 December 2019 Contract price	The purchasing of raw material should be made in large quantity to generate more bargaining power.
12 Thai Rubber Enterprise Co., Ltd.	Major shareholder	1 Account Receivables/Payables 2 Rental Income 3 Income/Other expenses	4.58 1.53 0.02	Outstanding balance as of 31 December 2019 Contract price Contract price	To develop and make use of its vacant plots of land by rental of property for rubber plantation.
13 Union Pioneer Public Company Limited	Major shareholder	1 Purchases/Sales of Merchandise 2 Dividend Income/Payment 3 Rental Income 4 Income/Other expenses 5 Account Receivables/Payables	3.41 8.85 3.31 0.36 0.56	Comparable with market price From resolution of the Shareholders' Meeting Contract price Contract price Outstanding balance as of 31 December 2019	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.
14 Union Button Corp., Ltd.	Directors and related person holding more than 10% of shares	1 Income/Other expenses 2 Dividend Income/Payment	0.04 0.61	Contract price From resolution of the Shareholders' Meeting	In the ordinary course of business should have return on investment.
15 Venus Shoes Co., Ltd.	Major shareholder	1 Deposits 2 Interest Income/Expenses 3 Income/Other expenses 4 Rental Income 5 Interest Receivables/Payables 6 Account Receivables/Payables	31.50 0.35 0.68 0.42 0.22 0.06	Outstanding balance as of 31 December 2019 Referred to types and rates of a major commercial bank Contract price Contract price Outstanding balance as of 31 December 2019 Outstanding balance as of 31 December 2019	The Companies in the Group had their surplus liquidity and deposited the money with the Company for effective financial management.
Total amount of related transaction in 2019			1,016.35		

Board of Directors' Responsibility for the Financial Report

The Board of Directors is responsible for the consolidated financial statements of the Company and its subsidiaries and other financial information as appeared in the Annual Report. Such financial statements are prepared in accordance and consistency with the Accounting Standards for Publicly Accountable Entities. Careful consideration and best estimation are applied in the preparation. Important information is fully disclosed in the notes to such financial statements which have adopted the revision new treatment guidance in accordance with the accounting standards that are effective. 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 presence, including the TFRS 10 Consolidated Financial Statements which has significant implication to the Company. In the year 2019, the Company has prepared for the new Accounting Standards that will become adopt since 1 January 2020 onwards. The financial statements of the Company are audited and given an unqualified audit opinion by the Auditors.

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

Hence, the Board of Directors has appointed the Audit Committee comprising Independent Directors who are Non-Executive Directors to be responsible for the quality of the financial reports and the internal control system. Opinions of the Audit Committee on these matters are disclosed in the Report from the Audit Committee as appeared in the Annual Report on page 127.

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 2019.

On behalf of the Board of Directors



(Miss Dalad Sapthavichaikul)
Chairman



(Mrs. Chantorntree Darakananda)
President

27 February 2020

Audit Committee's Report

To Shareholders,

In the year 2019, the Audit Committee is comprised of three independent directors, namely Associate Professor Dr. Pakpachong Vadhanasindhu as a Chairman, Associate Professor Suttima Jamnarnwej and Miss Pakinee Prertitumrong. Five meetings had been organized and attended by all members of the Audit Committee as below:

	Number of Attendances
- Associate Professor Dr. Pakpachong Vadhanasindhu	5/5
- Associate Professor Suttima Jamnarnwej	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 follows:

1. Review of Financial Reports.

The Audit Committee and the Company's Executives reviewed the quarterly and annual financial statements and consolidated financial statements of the year 2019 audited by the external auditor on the accounting policies and including some important changes during the year, the integrity and reliability of the financial reports and the timing and adequacy of information disclosure, to assure the Company's compliance with accounting standards in accordance with generally accepted accounting principles and the regulations concerned prior to the financial statements' approval for the beneficial of the investors and the other users. Moreover, the Committee held a meeting, in absence of the Company's Executives, to analyse the observations and opinions independently with the external auditor and discuss on the 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 Executives and Employees.

3. Review of Risk Management.

The Audit Committee held a meeting with the Risk Management Committee with their remarks on the functions of the Risk Management Committee. The Committee confirmed the adequacy and suitability of risk management of the company.

4. Review of Internal Control and Internal Audit.

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

5. Review of Related Transactions.

The Audit Committee reviewed and commented on related transactions and 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 completion and adequacy of information disclosure.

6. Self-assessment.

The Audit Committee conducted individually a self-assessment of personal performance 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 the proposed remuneration. Then, the Committee suggested its nomination to the Board of Directors to present 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



(Associate Professor Dr. Pakpachong Vadhanasindhu)

Chairman of the Audit Committee

Saha-Union Public Company Limited

25 February 2020

Report of Nomination and Remuneration Committee

Dear Valued Shareholders,

Saha-Union Public Co., Ltd. is aware of the importance the Board of Directors holds to the administration and directing the whole organization to success. For that reason, the nomination and remuneration process is one of the crucial parts that require thorough and careful execution based on the good corporate governance principles. So as to achieve such goal, the Board of Directors has appointed the Nomination and Remuneration Committee to assume responsibilities concerning the seeking, selection, and nomination of persons who are well qualified with required attributes to be appointed in the position of Directors and High-Level Executives, as well as the responsibility of proposing the Remuneration policies, including means and forms of such Remuneration to be rewarded to the Directors of the Board and other sub-committees.

Saha-Union's Nomination and Remuneration Committee consists of 3 Directors, 2 of which are Independent Directors. The Chairman of the Nomination and Remuneration Committee is an Independent Director who can independently act and express his or her opinion. Shareholders can find details in the Nomination and Remuneration Committee Manual published on the Company's website.

In 2019, the Nomination and Remuneration Committee held a total of 3 meetings, in which all members of the Committee were present. However, any Director who was considered a beneficiary in any agenda would not present in the meeting, thus unable to cast their vote in such an agenda. An operation summary of the Nomination and Remuneration Committee throughout 2019 is listed below:

1. Seeking and selecting qualified persons to propose to the Board of Directors for further nomination in the 2019 Annual General Meeting of the Shareholders to appoint new Director as a replacement with former Directors who completed their service term.
2. Seeking and selecting qualified persons to propose to the Board of Directors for consideration to appoint them for the Director positions in place of the resignation of the Directors.
3. Considering and determining the amount and form of 2019 remuneration for the Board of Directors and other sub-committees to the Board of Directors to propose for approval in the 2019 Annual General Meeting of Shareholders.
4. Providing necessary orientations for newly appointed Directors to ensure an understanding over their roles, duties, and responsibilities, as well as the Company's policies, business executions, and other relevant information that facilitates their work.

5. Evaluating the operations of the Nomination and Remuneration Committee and submitting an annual evaluation report to the Board of Directors. The summary result of self-evaluation of the Nomination and Remuneration Committee in 2019 scored an average of 99.02 percent.

The list of nominated persons to be considered by the Board of Directors and the 2019 Annual General Meeting of Shareholders for appointing position was made by the Nomination and Remuneration Committee, based on the criteria established by the Committee itself. A person to be nominated must possess qualifications and must not be under any prohibitions as stipulated by laws, must possess qualifications according to the regulations of Securities and Exchange Commission (SEC) and Stock Exchange of Thailand (SET), must comply with the principles of good corporate governance for registered companies concerning the Committee structures, and must be a knowledgeable, talented, independent, skillful, and possessed various expertise beneficial for Company business.

For means and forms of remuneration, the Nomination and Remuneration Committee determined through careful and fair consideration so as to provide reasonable remuneration rates that are subject to be reviewed annually. In the process, the Committee took into consideration the remuneration of other registered companies with similar sizes and types of businesses, along with relevant factors such as job descriptions, responsibilities, scope of work, the Company's performance and financial status, as well as the overall economic situations.

In 2019, the Nomination and Remuneration Committee fulfilled the tasks and responsibilities with prudence, transparency, impartiality and independence for the highest benefit of the Company, Shareholders, and Stakeholders.

On Behalf of the Nomination and Remuneration Committee



(Mr. Yanyong Tangchitkul)

Chairman of the Nomination and Remuneration Committee

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 2019, 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 2019, 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 2019 amounting to Baht 10,151 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, with special consideration given to expanding the scope of the examination of supporting documentation for transactions occurring near the end of the accounting period. 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 18 to the financial statements, as at 31 December 2019, 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.

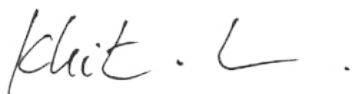
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies 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: 27 February 2020

Saha-Union Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Assets					
Current assets					
Cash and cash equivalents	6	2,700,034,677	3,246,231,031	306,170,093	827,743,426
Current investments	7	1,580,974,527	1,485,274,881	-	-
Trade and other receivables	9	1,707,870,623	1,938,971,970	155,816,848	188,250,723
Inventories	10	1,018,071,689	1,125,719,155	-	39,409,906
Short-term loans to related parties	8	500,000	500,000	463,001,000	276,439,000
Other current assets		276,760,471	195,530,642	1,270,320	1,125,065
Total current assets		7,284,211,987	7,992,227,679	926,258,261	1,332,968,120
Non-current assets					
Restricted investments	11	34,585,559	34,673,443	1,000,000	1,000,000
Long-term loans to related party	8	171,972,000	188,340,000	-	-
Investments in subsidiaries	12	-	-	9,928,482,445	9,833,290,139
Investments in joint ventures	13	1,666,306,669	1,634,035,886	610,223,135	610,223,135
Investments in associates	14	3,638,517,270	3,609,183,766	1,079,733,216	886,993,181
Other long-term investments	15	2,692,212,723	2,779,061,221	1,992,298,788	2,136,133,332
Investment properties	16	2,390,722,643	2,072,095,576	1,494,132,932	1,142,178,648
Property, plant and equipment	17	6,531,731,499	6,779,071,819	39,071,035	45,792,038
Goodwill	18	521,724,374	521,724,374	-	-
Intangible assets - computer software		8,554,667	7,678,795	5,856,157	4,165,200
Deferred tax assets	27	76,587,069	71,385,251	2,925,394	2,449,963
Other non-current assets	19	186,455,634	202,066,602	7,011,815	2,103,050
Total non-current assets		17,919,370,107	17,899,316,733	15,160,734,917	14,664,328,686
Total assets		25,203,582,094	25,891,544,412	16,086,993,178	15,997,296,806

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

Saha-Union Public Company Limited and its subsidiaries
Statement of financial position (continued)

As at 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	20	231,928,576	397,273,525	-	-
Trade and other payables	21	1,479,598,053	1,466,027,351	66,289,204	122,287,208
Current portion of long-term loans	22	428,620,911	212,390,806	-	-
Current portion of liabilities under finance lease agreements		36,960,739	40,889,433	-	-
Deposits from related parties	8	4,000,000	-	356,714,324	315,442,787
Income tax payable		37,319,523	109,025,550	-	-
Other current liabilities		91,558,184	76,372,844	10,891,827	861,667
Total current liabilities		2,309,985,986	2,301,979,509	433,895,355	438,591,662
Non-current liabilities					
Long-term loans, net of current portion	22	277,791,983	749,153,858	-	-
Liabilities under finance lease agreements, net of current portion		60,285,005	34,655,740	-	-
Provision for long-term employee benefits	23	296,831,823	223,857,834	18,508,714	17,110,383
Deferred tax liabilities	27	141,858,187	182,063,100	135,483,224	164,941,661
Other non-current liabilities		41,602,819	29,127,079	-	-
Total non-current liabilities		818,369,817	1,218,857,611	153,991,938	182,052,044
Total liabilities		3,128,355,803	3,520,837,120	587,887,293	620,643,706

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

Saha-Union Public Company Limited and its subsidiaries
Statement of financial position (continued)

As at 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
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	25	979,095,287	973,612,218	750,000,000	750,000,000
Other reserve		303,242,076	265,097,911	-	-
Unappropriated		13,882,352,822	13,397,843,017	8,608,172,987	8,367,886,454
Other components of shareholders' equity		(465,058,850)	243,182,199	541,932,898	659,766,646
Equity attributable to owners of the Company		20,298,631,335	20,478,735,345	15,499,105,885	15,376,653,100
Non-controlling interests of the subsidiaries		1,776,594,956	1,891,971,947	-	-
Total shareholders' equity		22,075,226,291	22,370,707,292	15,499,105,885	15,376,653,100
Total liabilities and shareholders' equity		25,203,582,094	25,891,544,412	16,086,993,178	15,997,296,806

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

Saha-Union Public Company Limited and its subsidiaries

Income statement

For the year ended 31 December 2019

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
Revenues					
Sales and service income	29	10,150,753,775	10,956,974,034	929,339,998	1,220,685,620
Dividend income	7, 12, 13, 14, 15	245,200,610	209,606,803	874,480,579	829,328,433
Rental income		35,903,201	42,656,468	41,992,329	45,140,405
Interest income		50,111,022	66,019,242	27,049,384	23,974,749
Gains on disposals of investments	7	2,134,215	149,946,240	-	-
Unrealised gains from revaluation of trading securities	7	28,014,790	-	-	-
Other income		233,334,565	251,513,642	24,906,839	21,417,352
Total revenues		10,745,452,178	11,676,716,429	1,897,769,129	2,140,546,559
Expenses					
Cost of sales and services		8,780,622,492	9,303,999,865	919,050,817	1,203,073,248
Selling and distribution expenses		279,428,768	285,815,576	6,729,780	7,194,263
Administrative expenses		808,507,146	837,270,347	110,878,171	109,082,814
Reversal of losses on impairment of investments		-	-	-	(17,100,679)
Unrealised losses from revaluation of trading securities		-	97,819,035	-	-
Expenses of withholding tax write-off		20,645,029	15,290,154	20,645,029	15,290,154
Allowance for doubtful accounts (reversal)		1,993,451	(15,917,623)	-	(800,624)
Total expenses		9,891,196,886	10,524,277,354	1,057,303,797	1,316,739,176
Profit before share of profit (loss) from investments					
in joint ventures and investments in associates,					
finance cost and income tax income (expenses)		854,255,292	1,152,439,075	840,465,332	823,807,383
Share of profit from investments in joint ventures	13	535,277,391	456,866,585	-	-
Share of profit (loss) from investments in associates	14	(12,741,445)	282,793,230	-	-
Profit before finance cost and income tax income (expenses)		1,376,791,238	1,892,098,890	840,465,332	823,807,383
Finance cost		(40,275,776)	(43,805,261)	(2,570,810)	(3,317,728)
Profit before income tax income (expenses)		1,336,515,462	1,848,293,629	837,894,522	820,489,655
Income tax income (expenses)	27	(161,537,243)	(199,364,101)	858,747	(114,745)
Profit for the year		1,174,978,219	1,648,929,528	838,753,269	820,374,910
Profit attributable to					
Equity holders of the Company		1,111,991,978	1,481,784,689	838,753,269	820,374,910
Non-controlling interests of the subsidiaries		62,986,241	167,144,839		
		1,174,978,219	1,648,929,528		
Basic earnings per share (Baht)					
28					
Profit attributable to equity holders of the Company		3.83	5.11	2.80	2.73

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

Saha-Union Public Company Limited and its subsidiaries
Statement of comprehensive income
For the year ended 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Profit for the year		1,174,978,219	1,648,929,528	838,753,269	820,374,910
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		(603,520,534)	(304,339,080)	-	-
Losses on change in value of available-for-sale investments	15	(207,637,886)	(63,952,057)	(147,292,185)	(16,578,609)
Less: Income tax effect	27	41,527,577	12,782,243	29,458,437	3,315,722
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		(769,630,843)	(355,508,894)	(117,833,748)	(13,262,887)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain (loss)	23	(6,865,129)	70,198,337	1,916,580	1,753,108
Less: Income tax effect	27	943,333	(14,041,055)	(383,316)	(350,622)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		(5,921,796)	56,157,282	1,533,264	1,402,486
Other comprehensive income for the year		(775,552,639)	(299,351,612)	(116,300,484)	(11,860,401)
Total comprehensive income for the year		399,425,580	1,349,577,916	722,452,785	808,514,509
Total comprehensive income attributable to					
Equity holders of the Company		367,448,602	1,180,008,292	722,452,785	808,514,509
Non-controlling interests of the subsidiaries		31,976,978	169,569,624		
		399,425,580	1,349,577,916		

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

Saha-Union Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2019

(Unit: Baht)

Consolidated financial statements														
	Equity attributable to owners of the Company													
	Other components of equity													
	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		
	Issued and paid-up share capital	Share premium	Retained earnings		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 24)	Total other components of shareholders' equity					
Appropriated - statutory reserve			Appropriated - other reserve	Unappropriated										
Balance as at 1 January 2018	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	18,678,681,665	1,831,266,689	21,709,948,354
Profit for the year	-	-	-	-	-	1,481,784,689	-	-	-	-	-	1,481,784,689	167,144,839	1,648,929,528
Other comprehensive income for the year	-	-	-	-	-	37,425,758	(177,719,726)	(17,177,066)	(144,305,403)	-	(339,202,195)	1,190,008,292	2,424,785	(299,351,612)
Total comprehensive income for the year	-	-	-	-	-	1,519,210,487	(177,719,726)	(17,177,066)	(144,305,403)	-	(339,202,195)	1,190,008,292	169,569,624	1,349,577,916
Increase in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	39,668,541	39,668,541
Dividend paid (Note 31)	-	-	-	-	-	-	-	-	-	-	-	(600,000,000)	(148,532,907)	(748,532,907)
Less: Dividend paid in respect of the Company's shares held by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	20,045,388	-	20,045,388
Dividend paid - net	-	-	-	-	-	1,578,890	-	-	-	-	-	(579,954,612)	(148,532,907)	(728,487,519)
Unappropriated retained earnings transferred to statutory reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unappropriated retained earnings transferred to other reserve	-	-	-	-	-	31,504,765	-	-	-	-	-	-	-	-
Balance as at 31 December 2018	3,000,000,000	2,599,000,000	973,612,218	265,097,911	-	13,397,843,017	(357,906,366)	724,024,460	111,468,515	(234,404,410)	243,182,199	20,478,735,345	1,891,971,947	22,370,707,292
Balance as at 1 January 2019	3,000,000,000	2,599,000,000	973,612,218	265,097,911	-	13,397,843,017	(357,906,366)	724,024,460	111,468,515	(234,404,410)	243,182,199	20,478,735,345	1,891,971,947	22,370,707,292
Profit for the year	-	-	-	-	-	1,111,991,978	-	-	-	-	-	1,111,991,978	62,986,241	1,174,978,219
Other comprehensive income for the year	-	-	-	-	-	(3,900,327)	(379,023,182)	(159,410,844)	(202,209,023)	-	(740,643,048)	(744,543,376)	(31,009,263)	(775,552,639)
Total comprehensive income for the year	-	-	-	-	-	1,108,091,651	(379,023,182)	(159,410,844)	(202,209,023)	-	(740,643,048)	367,448,602	31,976,978	399,425,560
Increase in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	39,827,986	39,827,986
Dividend paid (Note 31)	-	-	-	-	-	-	-	-	-	-	-	(600,000,000)	(187,181,955)	(787,181,955)
Less: Dividend paid in respect of the Company's shares held by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	20,045,388	-	20,045,388
Dividend paid - net	-	-	-	-	-	(579,954,612)	-	-	-	-	-	(579,954,612)	(187,181,955)	(767,136,567)
Decreased in the Company's shares held by the subsidiaries	-	-	-	-	-	-	-	-	-	32,402,000	32,402,000	32,402,000	-	32,402,000
Unappropriated retained earnings transferred to statutory reserve	-	-	-	-	-	5,483,069	-	-	-	-	-	-	-	-
Unappropriated retained earnings transferred to other reserve	-	-	-	-	-	38,144,165	-	-	-	-	-	-	-	-
Balance as at 31 December 2019	3,000,000,000	2,599,000,000	979,095,287	303,242,076	-	13,862,352,822	(736,929,548)	564,613,616	(90,740,508)	(202,002,410)	(465,058,850)	20,298,631,335	1,776,584,956	22,075,216,291

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

Saha-Union Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2019

(Unit: Baht)

	Separate financial statements					Total shareholders' equity
	Issued and paid-up share capital	Share premium	Retained earnings		Other component of equity	
			Appropriated - statutory reserve	Unappropriated	Other comprehensive income	
Balance as at 1 January 2018	3,000,000,000	2,599,000,000	750,000,000	8,146,109,058	673,029,533	15,168,138,591
Profit for the year	-	-	-	820,374,910	-	820,374,910
Other comprehensive income for the year	-	-	-	1,402,486	(13,262,887)	(11,860,401)
Total comprehensive income for the year	-	-	-	821,777,396	(13,262,887)	808,514,509
Dividend paid (Note 31)	-	-	-	(600,000,000)	-	(600,000,000)
Balance as at 31 December 2018	3,000,000,000	2,599,000,000	750,000,000	8,367,886,454	659,766,646	15,376,653,100
Balance as at 1 January 2019	3,000,000,000	2,599,000,000	750,000,000	8,367,886,454	659,766,646	15,376,653,100
Profit for the year	-	-	-	838,753,269	-	838,753,269
Other comprehensive income for the year	-	-	-	1,533,264	(117,833,748)	(116,300,484)
Total comprehensive income for the year	-	-	-	840,286,533	(117,833,748)	722,452,785
Dividend paid (Note 31)	-	-	-	(600,000,000)	-	(600,000,000)
Balance as at 31 December 2019	3,000,000,000	2,599,000,000	750,000,000	8,608,172,987	541,932,898	15,499,105,885

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

Saha-Union Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2019

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from operating activities				
Profit before tax	1,336,515,462	1,848,293,629	837,894,522	820,489,655
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	820,597,690	860,132,321	15,121,705	15,624,672
Allowance for doubtful accounts (reversal)	1,993,451	(15,917,623)	-	(800,624)
Allowance for losses on impairment of other non-current assets (reversal)	(212,000)	4,543,000	(212,000)	4,543,000
Reduction of cost of inventories to net realisable value	17,665,826	8,931,655	-	-
Losses (gains) on disposals/write-off of property, plant and equipment	33,767,411	38,086,723	(97,144)	(81,640)
Gains on disposals of investment properties	(34,525)	-	(34,525)	-
Losses on impairment of property, plant and equipment (reversal)	(7,773,876)	8,423,263	-	-
Reversal of losses on impairment of investment properties	-	(3,000,000)	-	-
Reversal of losses on impairment of investments	-	-	-	(17,100,679)
Expenses of withholding tax write-off	20,645,029	15,290,154	20,645,029	15,290,154
Unrealised losses (gains) from revaluation of trading securities	(28,014,790)	97,819,035	-	-
Share of profit from investments in joint ventures	(535,277,391)	(456,866,585)	-	-
Share of loss (profit) from investments in associates	12,741,445	(282,793,230)	-	-
Gains on disposals of investments	(2,134,215)	(149,946,240)	-	-
Losses (gains) on dissolution of subsidiary	-	50	-	(445,368)
Unrealised losses (gains) on exchange	6,929,635	1,556,798	(275,902)	(26,241)
Dividend received from investments	(245,200,610)	(209,606,803)	(874,480,579)	(829,328,433)
Provision for long-term employee benefits	75,935,016	10,535,664	5,777,673	3,056,430
Interest income	(50,111,022)	(66,019,242)	(27,049,384)	(23,974,749)
Interest expenses	29,040,528	29,778,975	2,373,674	3,140,694
Profit (loss) from operating activities before changes in operating assets and liabilities	1,487,073,064	1,739,241,544	(20,336,931)	(9,613,129)
Operating assets (increase) decrease				
Trade and other receivables	215,660,464	141,335,890	89,366,495	(45,062,827)
Inventories	89,981,640	(121,128,747)	39,409,906	(6,516,928)
Other current assets	(81,017,829)	(102,967,074)	66,745	(4,625,033)
Other non-current assets	6,758,661	(29,356,984)	(47,269)	62,177
Operating liabilities increase (decrease)				
Trade and other payables	(19,526,273)	(51,264,247)	(57,652,041)	16,634,830
Other current liabilities	15,185,340	(36,271,841)	10,030,160	(333,333)
Payment of provision for long-term employee benefits	(9,774,745)	(7,213,072)	(2,462,762)	(756,131)
Other non-current liabilities	(407,251)	(4,497,250)	-	-
Cash from (used in) operating activities	1,703,933,071	1,527,878,219	58,374,303	(50,210,374)
Cash paid for interest	(29,377,376)	(30,096,499)	(1,543,480)	(5,847,810)
Cash paid for income tax	(293,240,942)	(192,054,481)	(23,793,392)	(20,151,650)
Cash refund from income tax	33,747,128	20,992,496	-	-
Net cash from (used in) operating activities	1,415,061,881	1,326,719,735	33,037,431	(76,209,834)

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

Saha-Union Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2019

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from investing activities				
Decrease (increase) in short-term loans to related parties	-	124,050,000	(186,562,000)	(120,918,000)
Increase in current investments	(166,427,246)	(397,181,105)	-	-
Decrease (increase) in restricted investments	87,884	(1,785,569)	-	(1,000,000)
Increase in long-term loans to related party	-	(193,790,000)	-	-
Acquisition of investments in subsidiaries	-	-	(95,192,306)	(194,800,092)
Acquisition of investment in joint venture	-	(233,870,000)	-	(116,935,000)
Acquisition of investments in associates	(167,502,595)	-	(192,740,035)	-
Acquisition of investments in other long-term investments	(131,781,537)	(414,657,490)	(3,457,641)	(6,995,955)
Proceeds from disposals of property, plant and equipment	5,908,878	23,506,506	98,595	81,648
Proceeds from disposals of investment properties	41,465	-	41,465	-
Cash receipt from disposals of investment in associate held for sale	19,750,000	-	-	-
Cash receipt from dissolution of investment in subsidiary	-	-	-	695,389
Dividend received from investments	683,867,700	681,360,394	817,434,165	829,431,868
Interest income	50,588,000	66,450,822	25,725,947	23,434,521
Acquisition of investment properties	(370,322,326)	(13,890,736)	(358,435,000)	-
Acquisition of property, plant and equipment	(636,731,249)	(678,655,323)	(1,881,850)	(4,667,945)
Acquisition of computer software	(2,083,187)	(3,364,340)	(913,641)	(2,692,240)
Net cash from (used in) investing activities	(714,604,213)	(1,041,826,841)	4,117,699	405,634,194
Cash flows from financing activities				
Decrease in short-term loans from financial institutions	(165,344,949)	(53,636,803)	-	-
Increase (decrease) in deposits from related parties	4,000,000	(11,258,164)	41,271,537	(368,336,131)
Cash receipt from disposals of the Company's shares held by subsidiaries	32,402,000	-	-	-
Cash receipt for share capital receipt from non-controlling interests of the subsidiaries	39,827,986	39,668,541	-	-
Dividend paid	(767,136,567)	(728,487,519)	(600,000,000)	(600,000,000)
Cash receipt from long-term loans	36,582,692	48,035,048	-	-
Repayment of long-term loans	(245,669,096)	(154,000,000)	-	-
Cash paid for liabilities under finance lease agreements	(44,178,649)	(53,520,179)	-	-
Net cash used in financing activities	(1,109,516,583)	(913,199,076)	(558,728,463)	(968,336,131)
Decrease in translation adjustments	(137,137,439)	(81,841,625)	-	-
Net decrease in cash and cash equivalents	(546,196,354)	(710,147,807)	(521,573,333)	(638,911,771)
Cash and cash equivalents at beginning of year	3,246,231,031	3,956,378,838	827,743,426	1,466,655,197
Cash and cash equivalents at end of year	2,700,034,677	3,246,231,031	306,170,093	827,743,426
	-	-	-	-
Supplemental cash flows information				
Non-cash transaction				
Purchases of property, plant and equipment for which no cash has been paid	99,028,375	39,437,327	3,483	-
Purchases of computer software for which no cash has been paid	820,360	1,472,960	820,360	1,472,960

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

Saha-Union Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2019

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>2019</u> (percent)	<u>2018</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>2019</u> (percent)	<u>2018</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	98.49	98.39
Computer Union Systems Co., Ltd. (99.99 percent owned by Computer Union Co., Ltd.)	Computer and accessories dealer	Thailand	99.99	99.99
Energy business				
Zhejiang Jiashan-Union Cogeneration Co., Ltd.	Power generation	China	75.96	75.96
Hotel business				
The Royal Hotel Co., Ltd.	Hotel	Thailand	96.26	96.26
Investment and others business				
Saha-Union International Ltd.	Investment	Hong Kong	99.99	99.99
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	100.00	100.00
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>2019</u> (percent)	<u>2018</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	99.99
Saha-Union Property Co., Ltd.	Investment	Thailand	99.99	99.99
Saha-Union Wealth Plus Co., Ltd.	Investment	Thailand	99.99	99.99
Union Nakhon Co., Ltd.	Real estate	Thailand	77.49	77.49

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

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

3. New financial reporting standards

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

During the year, the Company and its subsidiaries have adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company's and its subsidiaries' financial statements. However, the new standard involves changes to key principles, which are summarised below.

TFRS 15 Revenue from Contracts with Customers

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

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

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

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

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

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

Financial reporting standards related to financial instruments

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

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

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

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

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

TFRS 16 Leases

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

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

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

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

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

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

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

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

4.6 Investment properties

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

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

Buildings	-	20	years
Land improvement awaiting development	-	5, 20	years
Facilities	-	5	years

Depreciation of investment properties is included in determining income.

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

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

4.7 Property, plant and equipment/Depreciation

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

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

Buildings	-	20	years
Land improvement	-	5, 10, 20	years
Machinery and equipment	-	3, 5, 10, 20	years
Molds	-	5	years
Building improvements and 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 the Company and its 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.

No amortisation is provided on computer software in progress.

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 and other non-current 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.

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

Defined benefit liability (asset) is the present value of the defined benefit obligation less the fair value of plan assets which are 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>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Cash	1,500	1,543	65	50
Bank deposits	2,501,862	2,659,747	306,105	377,693
Bonds	196,673	584,941	-	450,000
Total cash and cash equivalents	<u>2,700,035</u>	<u>3,246,231</u>	<u>306,170</u>	<u>827,743</u>

As at 31 December 2019, bank deposits in saving accounts, fixed deposits and bonds carried interests between 0.01 and 2.11 percent per annum (2018: between 0.01 and 1.78 percent per annum).

7. Current investments

As at 31 December 2019 and 2018, the balances of subsidiaries' current investments are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	2019		2018	
	Cost/ Book value	Fair value	Cost/ Book value	Fair value
Trading securities				
Overseas marketable equity securities	1,179,444	1,195,963	1,065,408	1,053,166
Unrealised gains (losses) from revaluation of investments	23,906		(4,109)	
Translation adjustments	(7,387)		(8,133)	
Total trading securities - net	1,195,963		1,053,166	
Debt securities held to maturity - current portion				
Bonds	43,794		69,663	
Total debt securities held to maturity - current portion	43,794		69,663	
Fixed bank deposits with an original maturity within one year				
Fixed deposits of commercial bank	341,218		362,446	
Total fixed bank deposits with an original maturity within one year	341,218		362,446	
Current investments - net	1,580,975		1,485,275	

As at 31 December 2019, bonds and the fixed bank deposits with an original maturity within one year carried interests between 1.16 and 1.65 percent per annum (2018: between 1.20 and 5.30 percent per annum).

During the current year, the subsidiaries have gains on disposals of current investments amounting to Baht 2 million (2018: gains, Baht 150 million) and received dividends amounting to Baht 37 million (2018: Baht 5 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>2019</u>	<u>2018</u>	
<u>Transactions with joint ventures</u>			
Sales of merchandise	61	24	Cost plus margin
Service income	1	1	Contract price
Rental income	3	3	Contract price
Purchases of merchandise	19	24	Resale price reduced by a margin
Short-term lendings (weighted average from outstanding balances at month end)	1	16	Interest rate with reference to the loan interest rate of local commercial bank and China
Interest income	-	1	Interest rate with reference to the loan interest rate of local commercial bank and China
<u>Transactions with associates</u>			
Sales of merchandise	83	85	Cost plus margin
Service income	3	3	Contract price
Rental income	3	4	Contract price
Purchases of merchandise	431	484	Resale price reduced by a margin
Long-term lendings (weighted average from outstanding balances at month end)	180	76	Interest rate with reference to the loan interest rate of commercial bank in China
Interest income	12	5	Interest rate with reference to the loan interest rate of commercial bank in China
Deposits (weighted average from outstanding balances at month end)	1	12	Interest rate with reference to the deposit interest rate of local commercial bank

Separate financial statements

(Unit: Million Baht)

	For the years ended		Pricing policy
	31 December		
	<u>2019</u>	<u>2018</u>	
<u>Transactions with subsidiaries</u>			
Sales of merchandise	491	721	Cost plus margin
Service income	5	5	Contract price
Rental income	37	36	Contract price
Short-term lendings (weighted average from outstanding balances at month end)	335	105	Interest rate with reference to the loan interest rate of local commercial bank
Interest income	22	8	Interest rate with reference to the loan interest rate of local commercial bank
Deposits (weighted average from outstanding balances at month end)	337	568	Interest rate with reference to the deposit interest rate of local commercial bank
Interest expenses	3	5	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	13	16	Cost plus margin
Purchases of merchandise	421	473	Resale price reduced by a margin
Deposits (weighted average from outstanding balances at month end)	1	12	Interest rate with reference to the deposit interest rate of local commercial bank

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

	Consolidated financial statements		(Unit: Thousand Baht)	
			Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<u>Trade and other receivables - related parties (Note 9)</u>				
<i>Trade receivables</i>				
Subsidiaries	-	-	52,078	139,074
Joint ventures	9,301	3,672	-	-
Associates	9,653	4,469	-	-
Related companies (related by shareholding)	177	152	-	-
Total trade receivables - related parties	<u>19,131</u>	<u>8,293</u>	<u>52,078</u>	<u>139,074</u>
<i>Other receivables</i>				
Subsidiary	-	-	57,046	-
Total other receivables - related party	<u>-</u>	<u>-</u>	<u>57,046</u>	<u>-</u>
Total trade and other receivables - related parties	<u>19,131</u>	<u>8,293</u>	<u>109,124</u>	<u>139,074</u>
<u>Trade payables - related parties (Note 21)</u>				
Joint venture	3,267	3,139	-	-
Associates	34,100	35,778	32,591	33,884
Total trade payables - related parties	<u>37,367</u>	<u>38,917</u>	<u>32,591</u>	<u>33,884</u>
<u>Deposits from related parties</u>				
Subsidiaries	-	-	352,714	315,443
Associate	4,000	-	4,000	-
Total deposits from related parties	<u>4,000</u>	<u>-</u>	<u>356,714</u>	<u>315,443</u>

Short-term loans to related parties

As at 31 December 2019 and 2018, 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	Translation	as at
	31 December 2018	adjustments	31 December 2019
<u>Short-term loans to related parties</u>			
<i>Joint ventures</i>			
Yunnan Energy Luliang-Union Cogeneration Co., Ltd.	5,886	(512)	5,374
Soldev Co., Ltd.	500	-	500
Total	6,386	(512)	5,874
Less: Allowance for doubtful accounts	(5,886)	512	(5,374)
Total short-term loans to related parties - net	500	-	500

(Unit: Thousand Baht)

	Separate financial statements			
	Balance			Balance
	as at	Increase	Decrease	as at
	31 December 2018	during the year	during the year	31 December 2019
<u>Short-term loans to related party</u>				
<i>Subsidiary</i>				
Computer Union Co., Ltd.	276,439	1,931,000	(1,744,438)	463,001
Total short-term loans to related party	276,439	1,931,000	(1,744,438)	463,001

Long-term loans to related party

As at 31 December 2019 and 2018, the balances of long-term loans between a subsidiary and a related party and the movements are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		
	Balance		Balance
	as at	Translation	as at
	31 December 2018	adjustments	31 December 2019
<u>Long-term loans to related party</u>			
<u>Associate</u>			
Zhuji-Union Real Estate Co., Ltd.	188,340	(16,368)	171,972
Total long-term loans to related party	188,340	(16,368)	171,972

Directors and management's benefits

During the years ended 31 December 2019 and 2018, 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>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Short-term employee benefits	127	120	22	22
Post-employment benefits	6	3	1	1
Total	133	123	23	23

9. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<u>Trade receivables - related parties (Note 8)</u>				
Aged on the basis of due dates				
Not yet due	18,905	8,162	52,078	139,074
Past due				
Up to 3 months	226	131	-	-
Total trade receivables - related parties	19,131	8,293	52,078	139,074
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	1,162,086	1,307,996	28,608	27,277
Past due				
Up to 3 months	238,714	240,807	-	-
3 - 6 months	39,695	19,827	-	-
6 - 12 months	21,358	20,345	-	-
Over 12 months	19,068	11,889	-	-
Total	1,480,921	1,600,864	28,608	27,277
Less: Allowance for doubtful accounts	(12,301)	(10,345)	-	-
Total trade receivables - unrelated parties, net	1,468,620	1,590,519	28,608	27,277
Total trade receivables - net	1,487,751	1,598,812	80,686	166,351
<u>Other receivables</u>				
Dividend receivables - related party (Note 8)	-	-	57,046	-
Input tax refundable	103,107	161,070	7,001	9,853
Import duty refundable	763	821	-	-
Accrued income	31,761	15,024	7,473	6,708
Prepaid corporate income tax	39,046	44,953	3,148	4,861
Other receivables - unrelated party	-	94,170	-	-
Others	45,443	24,122	463	478
Total other receivables	220,120	340,160	75,131	21,900
Total trade and other receivables - net	1,707,871	1,938,972	155,817	188,251

10. Inventories

(Unit: Thousand Baht)

Consolidated financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	2019	2018	2019	2018	2019	2018
Finished goods	356,642	232,584	(25,294)	(8,500)	331,348	224,084
Semi products	14,500	14,864	(347)	(496)	14,153	14,368
Work in process	97,806	117,110	(3,173)	(3,916)	94,633	113,194
Raw materials	398,435	441,926	(8,320)	(9,912)	390,115	432,014
Packing materials	29,608	31,260	(1,130)	(768)	28,478	30,492
Spare parts and factory supplies	123,351	157,533	(57,892)	(56,189)	65,459	101,344
Goods in transit	93,886	210,223	-	-	93,886	210,223
Total	1,114,228	1,205,500	(96,156)	(79,781)	1,018,072	1,125,719

(Unit: Thousand Baht)

Separate financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	2019	2018	2019	2018	2019	2018
Goods in transit	-	39,410	-	-	-	39,410
Total	-	39,410	-	-	-	39,410

During the current year, the subsidiaries reduced cost of inventories by Baht 44 million (2018: Baht 22 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 28 million (2018: Baht 18 million) and reduced the amount of inventories recognised as expenses during the year.

11. Restricted investments

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

12. Investments in subsidiaries

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

Company	Paid-up capital		Shareholding percentage		Cost		Dividend received during the years
	2019 (Million Baht) (Except for other specified currencies)	2018 (Million Baht)	2019 (%)	2018 (%)	2019	2018	
Textile business							
Union Textile Industries Plc.	600	600	49.88	49.88	321,181	321,181	-
Union Garment Co., Ltd.	50	50	99.99	99.99	70,345	70,345	-
					391,526	391,526	-
							8,000
Plastic, rubber and metal business							
Union Pioneer Plc.	75	75	48.96	48.96	53,084	53,084	8,849
Union Plastic Plc.	250	250	49.52	49.52	235,433	235,433	-
Union Zojirushi Co., Ltd.	600	600	51.00	51.00	306,659	306,659	113,220
Union Stainless Steel Products Co., Ltd.	40	40	98.00	98.00	52,411	52,411	35,280
Union Rubber Products Corp., Ltd.	20	20	99.99	99.99	16,111	16,111	-
Thai Rubber Enterprise Co., Ltd.	32	32	50.69	50.69	17,179	17,179	-
					680,877	680,877	157,349
							119,656
Trading business							
Computer Union Co., Ltd.	100	100	98.49	98.39	103,571	103,311	121,137
					103,571	103,311	121,137
							102,990

Company	Paid-up capital		Shareholding percentage		Cost		(Unit: Thousand Baht) Dividend received during the years	
	<u>2019</u> (Million Baht) (Except for other specified currencies)	<u>2018</u> (Million Baht)	<u>2019</u> (%)	<u>2018</u> (%)	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Energy business								
Zhejiang Jiashan-Union Cogeneration Co., Ltd.	30	24	56.93	56.93	598,345	503,413	158,318	124,130
	(Million USD)				598,345	503,413	158,318	124,130
Hotel business								
The Royal Hotel Co., Ltd.	3,000	3,000	96.00	96.00	2,880,000	2,880,000	-	-
					2,880,000	2,880,000	-	-
Investment and others business								
Saha-Union International Ltd.	405	405	99.99	99.99	1,907,801	1,907,801	-	-
	(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.	1,300	1,300	99.54	99.54	1,294,019	1,294,019	-	-
Venus Shoes Co., Ltd.	72	72	76.00	76.00	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	-	-

Company	Paid-up capital		Shareholding percentage		Cost		Dividend received during the years
	<u>2019</u> (Million Baht) (Except for other specified currencies)	<u>2018</u> (Million Baht)	<u>2019</u> (%)	<u>2018</u> (%)	<u>2019</u>	<u>2018</u>	
<i>Investment and others business (continued)</i>							
Union Shoes Co., Ltd.	24	24	61.91	61.91	22,087	22,087	3,095
Union Construction Corp., Ltd.	600	600	62.49	62.49	375,457	375,457	-
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	75.00	75.00	157,499	157,499	-
					5,812,916	5,812,916	3,095
Total					10,467,235	10,372,043	354,776
Less: Allowance for impairment of investments in subsidiaries							
					(538,753)	(538,753)	
Total investments in subsidiaries - net					9,928,482	9,833,290	

12.2 Details of investments in subsidiaries that have material non-controlling interests

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	
	2019	2018	2019	2018	2019	2018	2019	2018
	(%)	(%)						
Union Textile Industries Plc.	48.58	48.58	51	79	(27)	-	-	-
Union Pioneer Plc.	47.27	47.27	113	123	1	9	9	14
Union Plastic Plc.	50.31	50.31	(13)	9	(36)	(31)	-	15
Union Zojirushi Co., Ltd.	49.00	49.00	241	312	38	96	109	63
Zhejiang Jiashan-Union Cogeneration Co., Ltd.	24.04	24.04	95	111	80	78	67	52

(Unit: Million Baht)

12.3 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.		Zhejiang Jiashan-Union Cogeneration Co., Ltd.
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2018</u>
Current assets	438	487	353	373	377	380	613	860	626
Non-current assets	725	595	97	91	251	278	1,292	1,511	1,715
Current liabilities	32	88	56	64	112	118	657	849	442
Non-current liabilities	80	36	48	36	51	40	157	286	684

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.		Zhejiang Jiashan-Union Cogeneration Co., Ltd.
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2018</u>
Revenue	750	820	563	575	713	701	2,931	3,893	1,757
Profit (loss)	96	103	1	18	(35)	(28)	76	223	325
Other comprehensive income	(2)	(58)	(3)	4	-	3	-	(114)	(68)
Total comprehensive income	94	45	(2)	22	(35)	(25)	76	223	257

Summarised information about cash flow

(Unit: Million Baht)

For the years ended 31 December

	Union Textile Industries Plc.		Union Pioneer Plc.		Union Plastic Plc.		Union Zojirushi Co., Ltd.		Zhejiang Jiashan-Union Cogeneration Co., Ltd.	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Cash flow from (used in) operating activities	(34)	55	50	43	(29)	(28)	529	583	621	501
Cash flow from (used in) investing activities	26	(15)	(5)	(27)	(77)	161	(138)	(220)	(242)	(354)
Cash flow from (used in) financing activities	-	-	(18)	(30)	-	(30)	(391)	(362)	(364)	37
Net increase (decrease) in cash and cash equivalents	(8)	40	27	(14)	(106)	103	-	1	15	184

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

Increase in registered shares capital

On 18 December 2019, the meeting of Board of Directors of Zhejiang Jiashan-Union Cogeneration Co., Ltd. approved an increase in the registered share capital of USD 6 million. As a result, the paid-up share capital after the increase amounted to USD 30 million and this was registered on 31 December 2019. The Company paid for the share subscription in proportion to existing investment amounting to Baht 95 million.

13. Investments in joint ventures

13.1 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		Carrying amounts based on equity method	
			2019 (%)	2018 (%)	2019	2018	2019	2018
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	-	-
					640,940	640,940	-	-
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	246,671	246,058
					51,559	51,559	246,671	246,058
Energy business								
Shaoxing Shangyu Hangzhou-Union Cogeneration Co., Ltd.	Power generation	China	50.00	50.00	748,523	748,523	1,214,301	1,182,185
Yunnan Energy Luliang-Union Cogeneration Co., Ltd.	Power generation	China	50.00	50.00	445,914	445,914	-	-
					1,194,437	1,194,437	1,214,301	1,182,185

(Unit: Thousand Baht)

Company	Nature of business	Country of incorporation	Shareholding percentage		Cost		(Unit: Thousand Baht) Carrying amounts based on equity method	
			<u>2019</u> (%)	<u>2018</u> (%)	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Hospital business								
Sukhumvit 62 Medical Ltd.	Hospital	Thailand	47.21	47.21	200,500	200,500	200,089	200,547
					200,500	200,500	200,089	200,547
Investment and others business								
Soldev Co., Ltd.	Develop and distribution of computer software	Thailand	61.00	61.00	2,210	2,210	-	-
					2,210	2,210	-	-
Liquidation								
Union Universe Co., Ltd.	Distributor of Grand Slam shirts	Thailand	49.87	49.87	3,751	3,751	5,246	5,246
					3,751	3,751	5,246	5,246
Total investments in joint ventures					2,093,397	2,093,397	1,666,307	1,634,036

Separate financial statements

					(Unit: Thousand Baht)					
Company	Nature of business	Country of incorporation	Shareholding percentage		Cost		Allowance for impairment of investments		Carrying amounts based on cost method - net	
			2019 (%)	2018 (%)	2019	2018	2019	2018	2019	2018
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)	-	-
					452,337	452,337	(452,337)	(452,337)	-	-
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	374,416	374,416	-	-	374,416	374,416
					417,271	417,271	(417,271)	(417,271)	-	-
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
Liquidation										
Union Universe Co., Ltd.	Distributor of Grand Slam shirts	Thailand	49.87	49.87	3,751	3,751	-	-	3,751	3,751
					3,751	3,751	-	-	3,751	3,751
Total investments in joint ventures - net					1,479,831	1,479,831	(869,608)	(869,608)	610,223	610,223

(Unit: Thousand Baht)

13.2 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		Share of other comprehensive income from investments in joint ventures during the years		Dividend received during the years	
	2019	2018	2019	2018	2019	2018
Plastic, rubber and metal business						
Union Nifco Co., Ltd.	92,563	98,378	98	(98)	55,174	51,604
	92,563	98,378	98	(98)	55,174	51,604
Energy business						
Shaoxing Shangyu Hangzhou-Union Cogeneration Co., Ltd.	443,091	350,754	(120,311)	(60,419)	143,731	139,899
	443,091	350,754	(120,311)	(60,419)	143,731	139,899
Hospital business						
Sukhumvit 62 Medical Ltd.	(459)	140	-	-	-	-
	(459)	140	-	-	-	-
Investment and other business						
Soldev Co., Ltd.	82	144	-	-	-	-
	82	144	-	-	-	-
Liquidation						
Union Universe Co., Ltd.	-	7,451	-	(7,912)	-	21,317
	-	7,451	-	(7,912)	-	21,317
Total	535,277	456,867	(120,213)	(68,429)	198,905	212,820

13.3 Summarised financial information about material joint ventures

Summarised information about financial position

(Unit: Million Baht)

Financial position	Shaoxing Shangyu				Sukhumvit 62				Union Universe Co., Ltd.			
	Union Nifco Co., Ltd.		Hangzhou-Union		Cogeneration Co., Ltd.		Medical Ltd.		Soldev Co., Ltd.			
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Current assets	609	604	1,089	1,172	80	103	6	5	15	15		
Non-current assets	161	159	2,228	2,342	358	329	-	-	-	-		
Current liabilities	218	232	856	1,082	10	3	4	3	4	4		
Non-current liabilities	58	39	25	60	-	-	2	2	-	-		
Net assets	494	492	2,436	2,372	428	429	-	-	11	11		
Shareholding percentage (%)	50.00	50.00	50.00	50.00	47.21	47.21	61.00	61.00	49.87	49.87		
Share of net assets	247	246	1,218	1,186	202	203	-	-	5	5		
Elimination entries	-	-	(4)	(4)	(2)	(2)	-	-	-	-		
Carrying amounts of joint ventures based on equity method	247	246	1,214	1,182	200	201	-	-	5	5		

Summarised information about comprehensive income

(Unit: Million Baht)

Comprehensive income	Union Nifco Co., Ltd.		Shaoxing Shangyu Hangzhou-Union Cogeneration Co., Ltd.		Sukhumvit 62 Medical Ltd.		Soldev Co., Ltd.		Union Universe Co., Ltd.	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenue	1,173	1,126	3,836	3,731	2	1	6	7	-	51
Profit (loss)	185	197	886	702	(1)	-	-	-	-	15
Other comprehensive income	-	-	(241)	(174)	-	-	-	-	-	(7)
Total comprehensive income	185	197	645	528	(1)	-	-	-	-	8

On 12 December 2019, the meeting of Board of Directors of Sukhumvit 62 Medical Ltd. approved a call for payment of the remaining share capital of 8,372,500 ordinary shares of Baht 25 per share, totaling Baht 209.31 million, to be made within February 2020. As a result, the paid-up share capital will increase to Baht 637.94 million. The Company pay for the share subscription in proportion to existing investment totaling Baht 99.75 million on 27 February 2020.

Share of profit from investments in 2 joint ventures accounted for under the equity method amounting to approximately Baht 0.1 million, as included in the income statement for the year ended 31 December 2019 (2018: 1 joint venture, the share of profit Baht 0.1 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.

14. Investments in associates

14.1 Details of material associates:

Consolidated financial statements

Company	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method	
			2019 (%)	2018 (%)	2019	2018	2019	2018
Textile business								
Union Spinning Mills Co., Ltd.	Manufacture and distribution of thread	Thailand	51.99	51.99	46,563	46,563	77,510	87,365
Others (3 companies)				2,550	2,550	74,493	73,952	
				49,113	49,113	152,003	161,317	
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	19,320	19,318	172,240	180,160
					19,320	19,318	172,240	180,160
Hospital business								
Navavej International Plc. (formerly known as "KPN Healthcare Plc.")	Hospital	Thailand	30.00	25.00	405,000	237,500	353,210	215,824
					405,000	237,500	353,210	215,824
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	216,678	257,689
Jiangsu Zhonglian-Union Carpet Co., Ltd.	Manufacture of automotive carpets	China	35.00	35.00	353,054	353,054	226,280	299,420
Uni-Fibre Co., Ltd.	Investment / Agency and service business / Distribution of textile products and other materials	Thailand	62.35	62.35	79,598	55,800	748,022	687,846
Union Thread Industries Co., Ltd.	Investment	Thailand	35.99	35.99	51,861	51,861	870,448	860,096
Union Industries Corp., Ltd.	Investment and real estate rental	Thailand	29.46	29.46	43,328	43,328	475,910	468,750

Company	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method		(Unit: Thousand Baht)
			2019	2018	2019	2018	2019	2018	
			(%)	(%)					
<i>Investment and others business (continued)</i>									
Union Business Management Co., Ltd.	Investment	Thailand	37.54	37.54	94,999	94,999	224,354	202,224	
(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.)									
Zhuji-Union Real Estate Co., Ltd.	Investment	China	25.00	25.00	180,032	180,032	147,053	171,778	
Union Asset Holdings Corp., Ltd. and its subsidiaries (82.67 percent owned by Uni-Fibre Co., Ltd.)	Investment	Thailand	-	-	-	-	3,765	49,354	
Others (14 companies) (2018: 13 companies)					213,352	213,352	48,554	54,726	
					1,289,253	1,265,455	2,961,064	3,051,883	
Total investments in associates					1,762,686	1,571,386	3,638,517	3,609,184	

(Unit: Thousand Baht)

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	
			<u>2019</u> (%)	<u>2018</u> (%)	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
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	19,320	19,318	-	-	19,320	19,318
					19,320	19,318	-	-	19,320	19,318
Hospital Business										
Navavej International Plc.	Hospital	Thailand	30.00	25.00	405,000	237,500	-	-	405,000	237,500
					405,000	237,500	-	-	405,000	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	26.87	25.67	56,038	30,800	-	-	56,038	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
					640,275	615,037	(32,676)	(32,676)	607,599	582,361
Total investments in associates - net					1,112,409	919,669	(32,676)	(32,676)	1,079,733	886,993

14.2 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			(Unit: Thousand Baht)	
	Share of profit/loss from investments in associates during the years			Separate financial statements	
	2019	2018	2019	2018	2018
Textile business					
Union Spinning Mills Co., Ltd.	(9,797)	(27)	(58)	-	1,500
Others (3 companies)	5,260	14,969	(1,199)	1,071	2,250
	(4,537)	14,942	(1,257)	1,071	3,750
Plastic, rubber and metal business					
Union Thai-Nichiban Co., Ltd.	26,925	34,971	79	-	48,161
	26,925	34,971	79	-	48,161
Hospital business					
Navavej International Plc.	(30,114)	(10,123)	-	-	-
	(30,114)	(10,123)	-	-	-
Investment and others business					
Taixing Union Zond Chemicals Co., Ltd.	(19,626)	(10,464)	(21,385)	(14,710)	5,581
Jiangsu Zhonglian-Union Carpet Co., Ltd.	(48,241)	(70,372)	(24,898)	(21,401)	-
Uni-Fibre Co., Ltd.	13,393	199,095	(26)	(1,337)	-
Union Thread Industries Co., Ltd.	24,479	39,182	(2,456)	(10,118)	8,963
Union Industries Corp., Ltd.	11,571	27,942	(1,921)	(8,382)	6,723

Company	Consolidated financial statements			(Unit: Thousand Baht)	
	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	2019	2018
	<u>2019</u>	<u>2018</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<i>Investment and others business (continued)</i>					
Union Business Management Co., Ltd.	23,627	22,866	(1,498)	-	-
Zhuji-Union Real Estate Co., Ltd.	(10,212)	(4,955)	(14,513)	-	-
Union Asset Holdings Corp., Ltd. and its subsidiaries	2,499	39,577	(270)	-	-
Others (14 companies)	(2,505)	132	(14,856)	-	-
(2018: 13 companies)					
	(5,015)	243,003	(81,823)	15,686	21,267
Total	(12,741)	282,793	(83,001)	52,863	73,178

14.3 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		Carrying amounts of associates based on equity method	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	%	%	₹	₹	₹	₹	₹	₹
Textile business																		
Union Spinning Mills Co., Ltd.	226	243	60	58	20	19	13	10	253	272	51.99	51.99	132	141	(54)	(54)	78	87
Others (3 companies)	632	649	236	197	81	73	136	118	651	655	-	-	174	173	(100)	(99)	74	74
Plastic, rubber and metal business																		
Union Thai-Nichiban Co., Ltd.	442	445	93	94	77	66	30	26	428	447	40.29	40.29	172	180	-	-	172	180
Hospital business																		
Navavej International Plc.	90	82	2,040	1,592	14	6	939	805	1,177	863	30.00	25.00	353	216	-	-	353	216
Investment and other business																		
Taixing Union Zond Chemicals Co., Ltd.	375	460	672	790	324	388	-	-	723	862	29.65	29.65	214	256	2	2	216	258
Jiangsu Zhonglian-Union Carpet Co., Ltd.	472	832	777	913	608	896	-	-	641	849	35.00	35.00	224	297	2	2	226	299
Uni-Fibre Co., Ltd.	11	14	1,252	1,253	33	133	-	-	1,230	1,134	62.35	62.35	767	707	(19)	(19)	748	688
Union Thread Industries Co., Ltd.	383	529	2,110	1,981	4	18	189	205	2,300	2,287	35.99	35.99	828	823	43	37	871	860
Union Industries Corp., Ltd.	587	381	1,293	1,196	37	8	110	119	1,733	1,450	29.46	29.46	511	427	(35)	42	476	469
Union Business Management Co., Ltd.	2	64	1,102	1,115	100	212	158	169	846	798	37.54	37.54	318	300	(94)	(98)	224	202
Zhuji-Union Real Estate Co., Ltd.	1,169	873	2	4	583	2	-	188	588	687	25.00	25.00	147	172	-	-	147	172
Union Asset Holdings Corp., Ltd. and its subsidiaries	430	148	2,361	2,997	4	23	-	3	2,787	3,119	-	-	1,122	1,240	(1,127)	(1,191)	(5)	49
Others (14 companies)	638	568	880	703	363	329	14	10	1,141	932	-	-	353	282	(305)	(227)	48	55
(2018: 13 companies)																		

Summarised information about comprehensive income

Company	Revenue		Profit (loss)		Other comprehensive income		Total comprehensive income	
	2019	2018	2019	2018	2019	2018	2019	2018
Textile business								
Union Spinning Mills Co., Ltd.	355	404	(19)	-	-	-	(19)	-
Others (3 companies)	718	780	6	52	-	2	6	54
Plastic, rubber and metal business								
Union Thai-Nichiban Co., Ltd.	803	878	67	87	-	-	67	87
Hospital business								
Navavej International Plc.	2	2	(86)	(40)	-	-	(86)	(40)
Investment and other business								
Taixing Union Zond Chemicals Co., Ltd.	1,842	2,511	(66)	(34)	(72)	(50)	(138)	(84)
Jiangsu Zhonglian-Union Carpet Co., Ltd.	1,041	1,312	(138)	(201)	(71)	(61)	(209)	(262)
Uni-Fibre Co., Ltd.	105	431	97	342	1	1	98	343
Union Thread Industries Co., Ltd.	87	131	49	85	-	-	49	85
Union Industries Corp., Ltd.	410	124	33	96	-	-	33	96
Union Business Management Co., Ltd.	58	46	50	39	-	-	50	39
Zhuji-Union Real Estate Co., Ltd.	-	-	(41)	(20)	(58)	(13)	(99)	(33)
Union Asset Holdings Corp., Ltd. and its subsidiaries	188	118	139	70	(1)	1	138	71
Others (14 companies)	729	848	(13)	(1)	(50)	(35)	(63)	(36)
(2018: 13 companies)								

During the current year, there was the following significant change in the investments in associates accounts.

Additional purchase of investments

During the first quarter of 2019, the Company purchased an additional investment in KPN Healthcare Plc. (an associate) from one of the former shareholders for Baht 47.5 million, increasing its shareholding from 25.00 percent to 30.00 percent. There is no change in its status as an associate.

During the second quarter of 2019, the Company purchased an additional investment in Uni-Fibre Co., Ltd. (an associate) from Union Textile Industries Plc. (a subsidiary) for Baht 25.2 million, increasing its shareholding from 25.67 percent to 26.87 percent. There is no change in its status as an associate.

Increase in registered share capital

On 22 March 2019, the Annual General Meeting of KPN Healthcare Plc. approved an increase of Baht 400 million in the registered share capital, to Baht 1,350 million, with the additional capital to be offered by Private Placement Method. On 30 April 2019, the Company has subscribed in right offering, amounting to Baht 120 million. As a result, following the increase in share capital the Company's investment in this associate is Baht 405 million.

Subsequently, "KPN Healthcare Plc." registered the change of the name to "Navavej International Plc." with the Ministry of Commerce on 15 May 2019.

Share of loss from investments in 4 associates accounted for under the equity method amounting to approximately Baht 53 million, as included in the income statement for the year ended 31 December 2019 (2018: 5 associates, the share of loss Baht 87 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.

15. 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			
	2019 (%)	2018 (%)	2019	2018
Ratchaburi Power Co., Ltd.	10.00	10.00	732,500	732,500
Value Creation Inc.	0.18	0.18	328,280	328,280
Others			40,565	40,565
Total investments in ordinary shares			1,101,345	1,101,345
Less: Allowance for impairment of investments			(339,824)	(339,788)
Total investments in ordinary shares - net			761,521	761,557

Investments in available-for-sale securities

Company	Cost		Surplus (deficit) on changes in value of investments		Fair value	
	2019	2018	2019	2018	2019	2018
Saha Pathana Inter-Holding Plc.	27,508	27,508	595,590	629,088	623,098	656,596
Bangkok Bank Plc.	583,257	458,618	157,928	351,993	741,185	810,611
Electricity Generating Plc.	30,514	30,514	61,982	39,422	92,496	69,936
Ratch Group Plc. (formerly known as "Ratchaburi Electricity Generating Holding Plc.")	33,001	33,001	21,999	7,599	55,000	40,600
Banyan Tree Indochina Hospitality Fund, L.P.	271,882	271,882	(141,490)	(142,473)	130,392	129,409
Bualuang Thanatavee Fixed Income Fund	21,080	21,080	1,101	834	22,181	21,914
Buakaew Open-end Fund	20,000	20,000	1,634	1,539	21,634	21,539
Bangchak Corporation Plc.	48,479	54,411	(3,940)	2,898	44,539	57,309
Others	188,937	194,979	11,230	14,611	200,167	209,590
Total investments in available-for-sale securities	1,224,658	1,111,993	706,034	905,511	1,930,692	2,017,504
Total other long-term investments - net					2,692,213	2,779,061

Separate financial statements

Investments in ordinary shares

(Unit: Thousand Baht)

Company	Shareholding percentage		Cost method	
	2019	2018	2019	2018
	(%)	(%)		
Ratchaburi Power Co., Ltd.	10.00	10.00	732,500	732,500
Value Creation Inc.	0.18	0.18	328,280	328,280
Others			35,614	35,614
Total investments in ordinary shares			1,096,394	1,096,394
Less: Allowance for impairment of investments			(337,369)	(337,369)
Total investments in ordinary shares - net			759,025	759,025

Investments in available-for-sale securities

(Unit: Thousand Baht)

Company	Cost		Surplus (deficit) on changes in value of investments		Fair value	
	2019	2018	2019	2018	2019	2018
Saha Pathana Inter-Holding Plc.	27,508	27,508	595,590	629,088	623,098	656,596
Bangkok Bank Plc.	215,885	212,427	222,490	338,716	438,375	551,143
Banyan Tree Indochina Hospitality Fund, L.P.	271,882	271,882	(141,490)	(142,473)	130,392	129,409
Buakaew Open-end Fund	20,000	20,000	1,634	1,539	21,634	21,539
Bangchak Corporation Plc.	4,874	4,874	(712)	(112)	4,162	4,762
Others	15,709	15,709	(96)	(2,050)	15,613	13,659
Total investments in available-for-sale securities	555,858	552,400	677,416	824,708	1,233,274	1,377,108
Total other long-term investments - net					1,992,299	2,136,133

During the current year, the Company and its subsidiaries received dividends from their investments in ordinary shares and available-for-sale securities totaling Baht 208 million (2018: Baht 205 million), with the Company receiving Baht 183 million (2018: Baht 188 million).

16. Investment properties

The net book value of investment properties as at 31 December 2019 and 2018 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 2019							
Cost	2,100,756	2,592,840	93,884	4,787,480	1,545,124	1,794,583	3,339,707
<u>Less</u> Accumulated depreciation	(66,739)	(2,148,797)	-	(2,215,536)	(56,114)	(1,646,340)	(1,702,454)
<u>Less</u> Allowance for impairment loss	(4,413)	(151,808)	(25,000)	(181,221)	(4,413)	(138,707)	(143,120)
Net book value	<u>2,029,604</u>	<u>292,235</u>	<u>68,884</u>	<u>2,390,723</u>	<u>1,484,597</u>	<u>9,536</u>	<u>1,494,133</u>
As at 31 December 2018							
Cost	1,737,221	2,627,430	90,307	4,454,958	1,186,689	1,794,721	2,981,410
<u>Less</u> Accumulated depreciation	(60,875)	(2,140,766)	-	(2,201,641)	(50,249)	(1,645,863)	(1,696,112)
<u>Less</u> Allowance for impairment loss	(4,413)	(151,808)	(25,000)	(181,221)	(4,413)	(138,707)	(143,120)
Net book value	<u>1,671,933</u>	<u>334,856</u>	<u>65,307</u>	<u>2,072,096</u>	<u>1,132,027</u>	<u>10,151</u>	<u>1,142,178</u>

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Net book value at beginning of year	2,072,096	2,098,721	1,142,178	1,148,655
Acquisition of assets	370,322	13,891	358,435	-
Disposals - net book value	(7)	-	(7)	-
Depreciation for the year	(30,020)	(30,297)	(6,473)	(6,477)
Decrease in allowance for impairment loss during the year	-	3,000	-	-
Translation adjustments	(21,668)	(13,219)	-	-
Net book value at end of year	<u>2,390,723</u>	<u>2,072,096</u>	<u>1,494,133</u>	<u>1,142,178</u>

The fair value of the investment properties as at 31 December 2019 and 2018 stated below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Land and land improvement awaiting development	4,010,832	3,647,297	2,541,788	2,183,353
Factory and office building for rent	1,393,635	1,500,909	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.

17. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements					
	Buildings, building			Machinery and equipment	Power plants	Others
	Land	Land improvement	improvements and facilities			
Cost						Total
As at 1 January 2018	1,896,985	20,088	3,411,545	6,322,159	1,998,660	1,319,168
Additions	-	143	24,594	123,857	362,201	207,298
Disposals/write-off	-	-	(3,286)	(101,050)	(224,989)	(82,763)
Transfers	-	340	94,273	95,769	-	(190,382)
Translation adjustments	-	-	(30,850)	-	(116,861)	(1,669)
As at 31 December 2018	1,896,985	20,571	3,496,276	6,440,735	2,019,011	1,251,652
Additions	-	511	48,042	74,184	247,143	365,880
Disposals/write-off	-	-	(13,487)	(149,243)	(89,188)	(81,154)
Transfers	-	-	1,854	33,047	-	(34,901)
Translation adjustments	-	-	(55,588)	-	(175,466)	(3,147)
As at 31 December 2019	1,896,985	21,082	3,477,097	6,398,723	2,001,500	1,498,330
						15,293,717

(Unit: Thousand Baht)

	Consolidated financial statements (continued)					
	Land	Land improvement	Buildings, building improvements and facilities	Machinery and equipment	Power plants	Others
Accumulated depreciation						
As at 1 January 2018	-	6,594	1,539,803	5,036,894	484,902	831,154
Depreciation for the year	-	1,194	193,522	348,140	119,442	159,866
Depreciation on disposals/write-off	-	-	(3,286)	(100,935)	(165,758)	(80,515)
Transfers	-	-	-	(3)	-	3
Translation adjustments	-	-	(9,516)	-	(28,352)	(1,409)
As at 31 December 2018	-	7,788	1,720,523	5,284,096	410,234	909,099
Depreciation for the year	-	1,194	185,408	333,642	113,935	139,708
Depreciation on disposals/write-off	-	-	(12,135)	(138,177)	(69,823)	(73,261)
Translation adjustments	-	-	(18,392)	-	(35,652)	(2,845)
As at 31 December 2019	-	8,982	1,875,404	5,479,561	418,694	972,701
						8,755,342

(Unit: Thousand Baht)

Consolidated financial statements (continued)

	Land	Land improvement	Buildings, building improvements and facilities	Machinery and equipment	Power plants	Others	Total
Allowance for impairment loss							
As at 1 January 2018	-	-	-	1,072	-	4,923	5,995
Increase during the year	-	-	-	-	-	8,423	8,423
As at 31 December 2018	-	-	-	1,072	-	13,346	14,418
Decrease from disposals	-	-	-	-	-	(7,774)	(7,774)
As at 31 December 2019	-	-	-	1,072	-	5,572	6,644
Net book value							
As at 31 December 2018	1,896,985	12,783	1,775,753	1,155,567	1,608,777	329,207	6,779,072
As at 31 December 2019	1,896,985	12,100	1,601,693	918,090	1,582,806	520,057	6,531,731
Depreciation for the year							
2018 (Baht 763 million included in manufacturing cost, and the balance in selling and distribution and administrative expenses)							822,164
2019 (Baht 721 million included in manufacturing cost, and the balance in selling and distribution and administrative expenses)							773,887

(Unit: Thousand Baht)

	Separate financial statements			
	Land	Buildings and facilities	Machinery and equipment	Others
Cost				Total
As at 1 January 2018	18,550	142,218	84,498	294,249
Additions	-	574	-	4,094
Disposals/write-off	-	(1,858)	-	(58)
Transfers	-	2,127	-	(2,127)
As at 31 December 2018	18,550	143,061	84,498	296,158
Additions	-	-	-	1,885
Disposals/write-off	-	(26)	(180)	(3,380)
As at 31 December 2019	18,550	143,035	84,318	294,663
Accumulated depreciation				
As at 1 January 2018	-	133,422	84,032	266,403
Depreciation for the year	-	2,529	-	6,619
Depreciation on disposals/write-off	-	(1,858)	-	(58)
As at 31 December 2018	-	134,093	84,032	272,964
Depreciation for the year	-	2,626	-	5,979
Depreciation on disposals/write-off	-	(26)	(180)	(3,379)
As at 31 December 2019	-	136,693	83,852	275,564
				496,109

Cost

As at 1 January 2018

Additions

Disposals/write-off

Transfers

As at 31 December 2018

Additions

Disposals/write-off

As at 31 December 2019

Accumulated depreciation

As at 1 January 2018

Depreciation for the year

Depreciation on disposals/write-off

As at 31 December 2018

Depreciation for the year

Depreciation on disposals/write-off

As at 31 December 2019

(Unit: Thousand Baht)

Separate financial statements (continued)

	Land	Buildings and facilities	Machinery and equipment	Others	Total
Allowance for impairment loss					
As at 1 January 2018	-	-	464	4,922	5,386
As at 31 December 2018	-	-	464	4,922	5,386
As at 31 December 2019	-	-	464	4,922	5,386
Net book value					
As at 31 December 2018	18,550	8,968	2	18,272	45,792
As at 31 December 2019	18,550	6,342	2	14,177	39,071
Depreciation for the year					
2018 (included in administrative expenses)					9,148
2019 (included in administrative expenses)					8,605

As at 31 December 2019, the subsidiary had equipment under finance lease agreements with net book values amounting to Baht 88 million (2018: Baht 66 million).

As at 31 December 2019, 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 5,427 million (2018: Baht 5,299 million) and the Company only Baht 451 million (2018: Baht 445 million).

18. Goodwill

Goodwill of the Royal Hotel Co., Ltd. (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.

19. Other non-current assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Withholding tax	40,410	29,678	4,861	-
Leasehold - net of accumulated amortisation	56,510	63,268	-	-
Advance for purchase of fixed assets	7,324	17,620	-	-
Others	82,212	91,501	2,151	2,103
Total other non-current assets	<u>186,456</u>	<u>202,067</u>	<u>7,012</u>	<u>2,103</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.

20. Short-term loans from financial institutions

	Interest rate (percent per annum)	(Unit: Thousand Baht)	
		Consolidated	
		financial statements	
		<u>2019</u>	<u>2018</u>
Short-term loans from local financial institutions	MLR minus discount rate as defined in contract	178,900	209,000
Short-term loans from financial institutions in China	Reference from interest rate of bank in China	53,029	188,274
Total short-term loans from financial institutions		<u>231,929</u>	<u>397,274</u>

21. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Trade payables - related parties (Note 8)	37,367	38,917	32,591	33,884
Trade payables - unrelated parties	992,610	966,684	12,447	67,951
Other payables	90,986	130,919	882	1,706
Accrued expenses	345,304	315,570	20,094	18,120
Others	13,331	13,937	275	626
Total trade and other payables	<u>1,479,598</u>	<u>1,466,027</u>	<u>66,289</u>	<u>122,287</u>

22. Long-term loans

(Unit: Thousand Baht)				
Loan	Interest rate (%)	Repayment schedule	Consolidated	
			financial statements	
			<u>2019</u>	<u>2018</u>
1. Loan from local bank	Based on MLR minus discount rate as defined in contract	Six-month installments from 2017 to 2021	133,000	222,000
2. Loan from local bank	Market rate minus discount rate as defined in contract	Six-month installments from 2019 to 2022	125,000	175,000
3. Loan from local bank in China	Reference from interest rate of bank in China	Six-month installments from 2019 to 2022	448,413	564,545
Total			<u>706,413</u>	<u>961,545</u>
Less: Current portion			<u>(428,621)</u>	<u>(212,391)</u>
Long-term loans, net of current portion			<u>277,792</u>	<u>749,154</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 2019 and 2018, there are no long-term credit facilities of the subsidiaries which have not yet been drawn down.

23. 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 2019 and 2018, were as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Present value of defined benefit obligation	478,218	397,015	27,369	25,790
Fair value of plan assets	(181,386)	(173,157)	(8,860)	(8,680)
Net defined benefit liability	<u>296,832</u>	<u>223,858</u>	<u>18,509</u>	<u>17,110</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>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Defined benefit obligation at beginning of year	397,015	461,051	25,790	27,734
Current service cost	25,908	23,611	1,090	1,060
Interest cost	10,129	8,139	577	483
Past service cost	65,747	-	4,377	-
Transferred from related companies	925	4,042	1,122	2,953
Actuarial (gain) loss arising from				
Demographic assumptions changes	-	(17,310)	-	(39)
Financial assumptions changes	4,686	13,758	(142)	828
Experience adjustments	2,128	(65,439)	(1,775)	(2,542)
Benefits paid during the year	(28,320)	(30,837)	(3,670)	(4,687)
Defined benefit obligation at end of year	<u>478,218</u>	<u>397,015</u>	<u>27,369</u>	<u>25,790</u>
Fair value of plan assets at beginning of year	173,157	171,525	8,680	11,171
Change in fair value	(1,234)	(6,331)	(592)	(2,378)
Contribution by the Company and its subsidiaries	27,083	27,545	858	865
Benefits paid during the year	(17,620)	(19,582)	(86)	(978)
Fair value of plan assets at end of year	<u>181,386</u>	<u>173,157</u>	<u>8,860</u>	<u>8,680</u>

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

The Company and its subsidiaries expect to pay Baht 44 million (2018: Baht 36 million) of long-term employee benefits during the next year and the Company only amounting to Baht 1 million (2018: Baht 1 million).

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

Key actuarial assumptions used for the valuation are as follows:

	(Unit: percent per annum)			
	Consolidated financial		Separate financial	
	statements		statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Discount rate	1.1 - 1.7	2.6	1.5	2.6
Future salary increase rate	3.5 - 5.5	3.5 - 5.5	3.5 - 5.5	3.5 - 5.5
(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 2019 are summarised below.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statement		financial statement	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(29)	33	(2)	2
Future salary increase rate	41	(37)	2	(2)
(depending on age of employees)				

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law was effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Company and its subsidiaries have additional long-term employee benefit liabilities of Baht 66 million (The Company only: Baht 4 million) as a result. The Company and its subsidiaries reflected the effect of the change by recognising past service costs as expenses in the income statement of the current period.

24. The Company's shares held by its subsidiaries

This represents the acquisition cost of the 9,269,894 ordinary shares (3.09 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.

25. 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.

26. Expenses by nature

Significant expenses classified by nature are as follows:

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Salary and wages and other employee benefits	1,872,286	1,953,693	63,255	59,123
Depreciation and amortisation expenses	820,598	860,132	15,122	15,625
Rental expenses from operating lease agreements	22,651	24,881	-	-
Transportation expenses	30,378	32,663	1,911	3,067
Raw materials and consumables used	2,284,234	2,883,763	-	-
Purchase of finished goods and raw materials for sales	3,127,771	2,955,280	879,641	1,209,590
Changes in inventories of finished goods and work in process	15,631	(134,755)	39,410	(6,517)
Losses (gains) on disposals/write-off property, plant and equipment	33,767	38,087	(97)	(82)
Expenses of withholding tax write-off	20,645	15,290	20,645	15,290

27. Income tax

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Current income tax:				
Current income tax charge	166,115	190,640	-	-
Deferred tax:				
Relating to origination and reversal of				
temporary differences	(4,578)	8,724	(859)	115
Income tax expenses (income) reported in				
the income statements	<u>161,537</u>	<u>199,364</u>	<u>(859)</u>	<u>115</u>

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Deferred tax on actuarial gain (loss)	943	(14,041)	(383)	(351)
Deferred tax on losses from the change in				
value of available-for-sale investments	41,528	12,782	29,458	3,316
Total	<u>42,471</u>	<u>(1,259)</u>	<u>29,075</u>	<u>2,965</u>

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Accounting profit before tax	1,336,515	1,848,294	837,895	820,490
The separation of accounting profit before tax of the Company and its subsidiaries to each applicable tax rate are as follows:				
Applicable tax rate 5.00 percent	270	-	-	-
Applicable tax rate 8.25 percent	-	7,983	-	-
Applicable tax rate 10.00 percent	-	856	-	-
Applicable tax rate 16.50 percent	148,381	148,301	-	-
Applicable tax rate 20.00 percent	656,626	1,170,512	837,895	820,490
Applicable tax rate 25.00 percent	531,238	520,642	-	-
Accounting profit before tax multiplied by income tax rate	288,631	389,477	167,579	164,098
Effects of:				
Tax exempt dividend revenue	(42,496)	(38,069)	(174,864)	(165,865)
Share of profit from investments in joint ventures	(107,055)	(91,373)	-	-
Share of loss (profit) from investments in associates	2,548	(56,559)	-	-
Additional expense deductions allowed	(33,620)	(38,174)	(1,346)	(2,375)
Non-deductible expenses	25,223	20,856	4,233	4,240
Losses on impairment of assets (reversal)	7	3	-	(3,420)
Losses (gains) on disposals of investments under equity method	8,656	(509)	-	-
Unrecognised deferred tax on deductible temporary differences and unused tax losses	30,873	23,888	3,392	3,290
Others	(11,230)	(10,176)	147	147
Total	(127,094)	(190,113)	(168,438)	(163,983)
Income tax expenses (income) reported in the income statements	161,537	199,364	(859)	115

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

	(Unit: Thousand Baht)			
	Consolidated statements of		Separate statements of	
	financial position		financial position	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Deferred tax assets				
Allowance for diminution in value of inventories	13,318	12,615	-	-
Accumulated depreciation - Plant and equipment	8,811	10,435	-	-
Provision for long-term employee benefits	47,129	39,144	2,925	2,450
Unused tax loss	-	2,379	-	-
Deferred income	5,723	5,026	-	-
Others	1,606	1,786	-	-
Total	<u>76,587</u>	<u>71,385</u>	<u>2,925</u>	<u>2,450</u>
Deferred tax liabilities				
Gain on re-measuring available-for-sale investments	141,207	181,102	135,483	164,942
Others	651	961	-	-
Total	<u>141,858</u>	<u>182,063</u>	<u>135,483</u>	<u>164,942</u>

As at 31 December 2019, the Company and its subsidiaries have deductible temporary differences and unused tax losses totaling Baht 322 million (2018: Baht 247 million) and the Company only amounting to Baht 33 million (2018: Baht 16 million) no deferred tax assets have been recognised on these amount as the Company and its 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 2024.

28. 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>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Profit attributable to equity holders of the Company (Baht)	1,111,991,978	1,481,784,689	838,753,269	820,374,910
Weighted average number of ordinary shares (shares)	290,138,993	289,977,306	300,000,000	300,000,000
Basic earnings per share (Baht/share)	3.83	5.11	2.80	2.73

29. 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.

(Unit: Million Baht)

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Below is the segment assets of the Company and its subsidiaries' operating segment as at 31 December 2019 and 2018.

(Unit: Million Baht)

As at 31 December																
	Textile segment		Plastic, rubber and metal segment		Trading segment		Energy segment		Hotel segment		Investment and others segment		Elimination of inter-segment revenues		Consolidated financial statements	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Current investments	-	-	144	70	-	-	-	-	-	-	1,437	1,415	-	-	1,581	1,485
Trade and other receivables	125	203	544	677	719	631	243	263	15	17	193	297	(131)	(149)	1,708	1,939
Inventories	218	189	506	642	285	246	7	7	2	2	-	40	-	-	1,018	1,126
Investments in subsidiaries	-	-	-	-	-	-	-	-	-	-	5,980	6,046	(5,980)	(6,046)	-	-
Investments in joint ventures	-	-	98	98	-	-	-	-	-	-	1,568	1,536	-	-	1,666	1,634
Investments in associates	406	396	11	12	-	-	-	-	-	-	3,222	3,201	-	-	3,639	3,609
Other long-term investments	2	2	-	-	-	-	-	-	-	-	2,690	2,777	-	-	2,692	2,779
Investment properties	41	41	4	4	-	-	-	-	-	-	2,346	2,027	-	-	2,391	2,072
Property, plant and equipment	128	154	1,573	1,810	120	76	1,583	1,609	2,677	2,606	451	524	-	-	6,532	6,779
Unallocated assets	176	188	381	478	391	278	456	463	714	696	2,498	2,835	(639)	(469)	3,977	4,469
Total assets	1,096	1,173	3,261	3,791	1,515	1,231	2,289	2,342	3,408	3,321	20,385	20,698	(6,750)	(6,664)	25,204	25,892

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>2019</u>	<u>2018</u>
Revenue from external customers		
Thailand	4,708	4,225
Asia	4,899	5,962
Europe	356	598
America	185	168
Others	3	4
Total	<u>10,151</u>	<u>10,957</u>

Major customer

For the year 2019, a subsidiary has revenue from one major customer in amount of Baht 2,652 million, arising from sales by the plastic, rubber and metal segment (2018: Baht 3,475 million derived from one major customer, arising from sales by the plastic, rubber and metal segment).

30. 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 (2018: 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). The fund, which is managed by BBL Asset Management Company Limited, will be paid to employee upon termination in accordance with the fund rules. The contributions for the year 2019 amounting to Baht 1 million (2018: Baht 1 million).

31. Dividends

(Unit: Baht)			
Dividends	Approved by	Total dividends	Dividend per share
Final dividends for 2017	Annual General Meeting of the shareholders on 26 April 2018	600,000,000	2.00
Total for 2018		600,000,000	2.00
Final dividends for 2018	Annual General Meeting of the shareholders on 25 April 2019	600,000,000	2.00
Total for 2019		600,000,000	2.00

32. Commitments and contingent liabilities

32.1 Capital commitments

As at 31 December 2019, the subsidiaries had capital commitments of Baht 59 million (2018: Baht 36 million), relating to the purchases of machinery and equipment, factory buildings and office buildings.

32.2 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 and other services. 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		
	2019	2018
Payable:		
In up to 1 year	30	32
In over 1 and up to 5 years	13	20
In over 5 years	5	6

32.3 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 2019 still has approximately 1 years left to run.

32.4 Commitment to purchase raw materials

32.4.1 As at 31 December 2019, the Company had commitments to purchase raw materials with overseas companies amounting to 390 Metric tons (2018: 2,720 Metric tons) with reference to contract prices. Deliveries of raw materials will occur within February 2020.

32.4.2 As at 31 December 2019, a subsidiary had commitments to purchase raw materials with overseas companies amounting to 101 Metric tons (2018: 195 Metric tons) with reference to contract prices. Deliveries of raw materials will occur during April 2020.

32.5 Guarantees

32.5.1 As at 31 December 2019, there were outstanding bank guarantees amounting to Baht 167 million (2018: Baht 147 million) issued by banks on behalf of the Company and its subsidiaries and the Company only amounting to Baht 1 million (2018: Baht 1 million) in respect of certain performance bonds as required in the normal course of business. These included letters of guarantee amounting to Baht 149 million (2018: Baht 126 million) to guarantee contractual performance, Baht 13 million (2018: Baht 16 million) to guarantee electricity use and Baht 5 million (2018: Baht 5 million) to guarantee others.

32.5.2 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.

33. Fair value hierarchy

As at 31 December 2019 and 2018, 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 2019			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Held for trade investments	1,196	-	-	1,196
Equity instruments				
Available-for-sale investments	1,931	-	-	1,931
Equity instruments				
Assets for which fair value are disclosed				
Investment properties	-	-	5,404	5,404

	(Unit: Million Baht)			
	Consolidated financial statement			
	As at 31 December 2018			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Held for trade investments	1,053	-	-	1,053
Equity instruments				
Available-for-sale investments	2,018	-	-	2,018
Equity instruments				
Assets for which fair value are disclosed				
Investment properties	-	-	5,148	5,148

(Unit: Million Baht)

	Separate financial statement			
	As at 31 December 2019			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Available-for-sale investments	1,233	-	-	1,233
Equity instruments				
Assets for which fair value are disclosed				
Investment properties	-	-	2,572	2,572

(Unit: Million Baht)

	Separate financial statement			
	As at 31 December 2018			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Available-for-sale investments	1,377	-	-	1,377
Equity instruments				
Assets for which fair value are disclosed				
Investment properties	-	-	2,213	2,213

34. Financial instruments

34.1 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 2019

	Fixed interest rates		Floating interest rate	Non-interest bearing	Total
	Within 1 year	1 - 5 years			
Financial assets					
Cash and cash equivalents	947	-	1,751	2	2,700
Current investments	-	-	1,581	-	1,581
Trade and other receivables	-	-	-	1,708	1,708
Short-term loans to related parties	1	-	-	-	1
Restricted investments	11	24	-	-	35
Long-term loans to related party	-	172	-	-	172
	959	196	3,332	1,710	6,197
Financial liabilities					
Short-term loans from financial institutions	-	-	232	-	232
Trade and other payables	-	-	-	1,480	1,480
Liabilities under finance lease agreements	37	60	-	-	97
Long-term loans	50	75	581	-	706
	87	135	813	1,480	2,515

(Unit: Million Baht)

Consolidated financial statements

As at 31 December 2018

	Fixed interest rates		Floating interest rate	Non-interest bearing	Total
	Within 1 year	1 - 5 years			
Financial assets					
Cash and cash equivalents	949	-	2,295	2	3,246
Current investments	-	-	1,485	-	1,485
Trade and other receivables	-	-	-	1,939	1,939
Short-term loans to related parties	1	-	-	-	1
Restricted investments	11	24	-	-	35
Long-term loans to related party	-	188	-	-	188
	961	212	3,780	1,941	6,894
Financial liabilities					
Short-term loans from financial institutions	-	-	397	-	397
Trade and other payables	-	-	-	1,466	1,466
Liabilities under finance lease agreements	41	35	-	-	76
Long-term loans	50	125	787	-	962
	91	160	1,184	1,466	2,901

(Unit: Million Baht)

Separate financial statements

As at 31 December 2019

	Fixed interest rate	Floating	Non-interest	
	1 - 5 years	interest rate	bearing	Total
Financial assets				
Cash and cash equivalents	-	306	-	306
Trade and other receivables	-	-	156	156
Short-term loans to related party	-	463	-	463
Restricted investments	1	-	-	1
	1	769	156	926
Financial liabilities				
Trade and other payables	-	-	66	66
Deposits from related parties	-	357	-	357
	-	357	66	423

(Unit: Million Baht)

Separate financial statements

As at 31 December 2018

	Fixed interest rate	Floating	Non-interest	
	1 - 5 years	interest rate	bearing	Total
Financial assets				
Cash and cash equivalents	-	828	-	828
Trade and other receivables	-	-	188	188
Short-term loans to related party	-	276	-	276
Restricted investments	1	-	-	1
	1	1,104	188	1,293
Financial liabilities				
Trade and other payables	-	-	122	122
Deposits from related parties	-	315	-	315
	-	315	122	437

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	
	2019	2018	2019	2018	2019	2018
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	34	35	5	5	30.1540	32.4498
Japanese yen	7	7	15	9	0.2759	0.2931
Euro	1	2	-	-	33.7311	37.1252
Hong Kong	2	-	-	-	3.8328	4.1023

Foreign exchange contracts outstanding are summarised below.

As at 31 December 2019

As at 31 December 2019					
			Contractual exchange rate		Contractual
Foreign currency	Bought amount	Sold amount	Bought	Sold	maturity date
	(Million)	(Million)	(Baht per 1 foreign currency unit)		
US dollar	1	8	30.0865 - 30.3300	29.7807 - 31.6189	January 2020 - December 2020
Euro	-	1	-	33.5000 - 37.2000	January 2020 - December 2020

As at 31 December 2018

As at 31 December 2019					
			Contractual exchange rate		Contractual
Foreign currency	Bought amount	Sold amount	Bought	Sold	maturity date
	(Million)	(Million)	(Baht per 1 foreign currency unit)		
US dollar	2	16	32.2545 - 32.7900	31.8138 - 33.4000	January 2019 - December 2019
Euro	-	2	-	37.4500 - 39.5500	January 2019 - December 2019

34.2 Fair values of financial instruments

Since the majority of the Company and its subsidiaries' financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

35. Capital management

The primary objective of the Company and its subsidiaries' 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 2019, the Company and its subsidiaries' debt-to-equity ratio was 0.14:1 (2018: 0.16:1) and the Company's was 0.04:1 (2018: 0.04:1).

36. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 27 February 2020.

Principles of Corporate Governance

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8.1 Rights of Shareholders	88
- To encourage Shareholders to exercise their rights in attending and casting their votes by facilitating on the matters concerned;	
- The Company shall neither limit nor violate the rights of Shareholders;	
- To provide opportunities for its Shareholders to send questions in advance before the meeting;	
- An invitation letter to the Shareholders' Meeting and related documents would be sent to the Shareholders in advance at least 14 days;	
- The financial statements, summary of Company's performance, the latest annual report would be sent to the Shareholders;	
- Shareholders have the rights to determine the remunerations of the Company's Board of Directors in the Annual General Meeting (AGM);	
- The Company shall allow Shareholders to ask questions or express opinions in the Shareholders' Meeting;	
- Minutes of Shareholders' Meeting shall clearly record and disclose information through the Company's website;	
- No adding other agendas prior to notify the Shareholders in advance;	
- Free-float ratios;	

8.2 Equality among Shareholders

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- Matters of Shareholders' Meeting attendance by proxies;
- Voting rights;
- Sending of data and documents to shareholders prior to the meeting date, with details shown in the Company's website;
- Every Shareholders could propose the meeting agendas in advance for 4 months before the meeting date;
- To announce how to cast a vote, use a ballot paper and counting votes;
- Internal data usage;
- Related transactions, reasons and necessities thereof;

8.3 Consideration of Stakeholders' Roles

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- The rights of Shareholders beyond the basic legal rights;
- Policy on against violation of human rights;
- Policy on benefit of employees and develop skills and competency;
- Policy on treatment to customers;
- Policy on treatment to competitors;
- Policy on treatment to business partners;
- Policy on treatment to creditors;
- Policy on the intellectual property;
- Policy on the corruption and bribery;
- Policy on the environmental protection and strictly complying with the legal requirements;
- Responsibilities for the community and the society;

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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

Website : www.sahaunion.com

The company is principally engaged in investment in textiles, plastic, rubber, metal, computer, hotel, hospital, 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.co.th

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 : 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.

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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 Zone, 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.**
52/1, 52/4, Soi Chao Chet Shrine, Chareonkrung Road, Si Phraya, Bang Rak, Bangkok 10500
- **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 23150

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.**
99 Moo 5 Bangna-Trat Road Km.38, Bang Samak, Bang Pakong, Chachoengsao Province 24180
Tel : (66-89) 500-3516, 500-3546, (66-39) 510-463
Fax : (66-39) 696-420

Branch (1) : 70/1 Moo 1, Saantung, Khao Saming, Trat Province

- **Thai Rubber Enterprise Co., Ltd.**
99 Moo 5 Bangna-Trat Road Km.38, Bang Samak,
Bang Pakong, Chachoengsao Province 24180
Tel : (66-89) 500-3516, 500-3546, (66-39) 510-463
Fax : (66-39) 696-420

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

Trating 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

- **Zhejiang 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.**
Bamochong, 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.**
88 Sukhumvit 62 Alley, Yak 3, Phra Khanong Tai,
Phra Khanong, Bangkok 10260
Tel : (66-2) 311-0823
- **Navavej International Public Company Limited**
(Formerly known as KPN Healthcare
Public Company Limited)
99/3, Madame Elysees Building,
Prasert Manukitch Road, Nuanchan, Bueng Kum,
Bangkok 10230

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.**
#31A-C, No. 18 Cao Xi Road (North),
Shanghai 200030, China
Tel : (86-21) 5459-0378, 5459-0678, 5459-0526
Fax : (86-21) 6427-9117
- **Taixing Union Zond Chemicals Co., Ltd.**
No. 18, Zhanan Road, Taixing Economic Development
Area, Jiangsu Province, China
- **Jiangsu Zhonglian-Union Carpet Co., Ltd.**
No. 81, East Luoyang Road, Taicang City,
Jiangsu Province, China
- **Saha-Union International (Taipei) Ltd.**
15th Floor, Bangkok Bank Building,
No. 121 Sung Chiang Road, Taipei 10429, Taiwan
Tel : (88-62) 2506-7264-5
Fax : (88-62) 2506-9712
- **Saha-Union Holding Co., Ltd.**
1828 Sukhumvit Road, Phra Khanong Tai,
Phra Khanong, Bangkok 10260
Tel : (66-2) 311-5111-9
Fax : (66-2) 331-5668
- **Venus Shoes Co., Ltd.**
1828 Sukhumvit Road, Phra Khanong Tai,
Phra Khanong, Bangkok 10260

Branch (1) : 99 Moo 5 Bangna-Trat Road (Km. 38),
Bang Samak, Bang Pakong, Chachoengsao Province 24180
Tel : (66-38) 842-108
Fax : (66-38) 842-109
- **Union Printing Co., Ltd.**
1828 Sukhumvit Road, Phra Khanong Tai,
Phra Khanong, Bangkok 10260
Tel : (66-2) 311-5111-9
Fax : (66-2) 331-5668
- **Union Equity Co., Ltd.**
1828 Sukhumvit Road, Phra Khanong Tai,
Phra Khanong, Bangkok 10260
Tel : (66-2) 311-5111-9
Fax : (66-2) 331-5668
- **Union Shoes Co., Ltd.**
1828 Sukhumvit Road, Phra Khanong Tai,
Phra Khanong, Bangkok 10260

Branch (1) : 99 Moo 5 Bangna-Trat Road (Km. 38),
Bang Samak, Bang Pakong, Chachoengsao Province 24180
Tel : (66-2) 311-5111-9
Fax : (66-2) 331-5668
- **Union Construction Co., Ltd.**
1828 Sukhumvit Road, Phra Khanong Tai,
Phra Khanong, Bangkok 10260
Tel : (66-2) 311-5111-9
Fax : (66-2) 331-5668
- **Saha-Union Property Co., Ltd.**
1828 Sukhumvit Road, Phra Khanong Tai,
Phra Khanong, Bangkok 10260
Tel : (66-2) 311-5111-9
Fax : (66-2) 331-5668
- **Saha-Union Wealth Plus Co., Ltd.**
1828 Sukhumvit Road, Phra Khanong Tai,
Phra Khanong, Bangkok 10260
Tel : (66-2) 311-5111-9
Fax : (66-2) 331-5668

- **Union Nakorn Co., Ltd.**
899 I-biz Village, Pattanakarn Khu Kwang Road,
Tambol Nai Muang, Amphur Muang
Nakhon Si Thammarat, Nakhon Si Thammarat Province,
80000
Tel : (66-2) 311-5111-9
Fax : (66-2) 331-5668
- **Uni-Fibre Co., Ltd.**
1828 Sukhumvit Road, Phra Khanong Tai,
Phra Khanong, Bangkok 10260
Tel : (66-2) 311-5111-9
Fax : (66-2) 331-5668
- **Uni-Agro Co., Ltd.**
142 Lat Phrao 80 Alley (Chantima), Lat Phrao Road,
Wang Thonglang, Bangkok 10310
Tel : (66-2) 514-7555, 530-0511-24
Fax : (66-2) 538-3292
- **Union Thread Industries Co., Ltd.**
142 Lat Phrao 80 Alley (Chantima), Lat Phrao Road,
Wang Thonglang, Bangkok 10310
Tel : (66-2) 514-7555, 530-0511-24
Fax : (66-2) 539-6153
- **Union Industries Corp., Ltd.**
142 Lat Phrao 80 Alley (Chantima), Lat Phrao Road,
Wang Thonglang, Bangkok 10310
Tel : (66-2) 514-7555, 530-0511-24
Fax : (66-2) 538-3292
- **Union Sime Darby (Thailand) Co., Ltd**
323, United Center Building, 30th Floor, Unit No. 3002A,
Silom Road, Silom, Bangrak, Bangkok 10330
Tel : (66-2) 235-9651
Fax : (66-2) 235-9658
- **Union Button Corporation Co., Ltd.**
142 Lat Phrao 80 Alley (Chantima), Lat Phrao Road,
Wang Thonglang, Bangkok 10310
Tel : (66-2) 530-7040-54
Fax : (66-2) 539-6124

Branch (1) : No. 99/10 Moo 5, Bangna-Trat (Km. 38),
Bang Samak, Bang Pakong, Chachoengsao Province 24180
- **Processing Center Co., Ltd.**
319, Chamchuri Square, Floor 25, Unit 9-12,
Phayathai Road, Pathum Wan, Bangkok 10330
Tel : (66-2) 029-0290
Fax : (66-2) 029-0291

Branch (1) : CAT Telecom, Room No. 419, 4th Floor,
No. 72, Charoen Krung Road, Bang Rak, Bangkok 10500



Office Locations

Domestic

- **Head Office**

1828 Sukhumvit Road, Phra Khanong Tai, Phra Khanong, Bangkok 10260

Tel : (66-2) 311-5111-9, 332-5600

Fax : (66-2) 331-5668

Overseas

- **Hong Kong**

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

Taiwan

- **Saha-Union International (Taipei) Ltd.**

15th Floor, Bangkok Bank Building

No. 121 Sung Chiang Road, Taipei 10429, Taiwan

Tel : (88-62) 2506-7264-5

Fax : (88-62) 2506-9712

Shanghai

- **Saha-Union Investment (China) Co., Ltd.**

#31 A-C, No. 18 Cao Xi Road (North), Shanghai 200030, China

Tel : (86-21) 5459-0378, 5459-0678, 5459-0526

Fax : (86-21) 6427-9117



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