

ANNUAL REPORT 2016

INTEGRITY
QUALITY
SERVICE



Union Plastic Public Company Limited



VISION

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

MISSIONS

1. To enhance competitive potential and customer satisfaction so as to become leader in product quality and delivery on time.
2. Make a difference in the application of technologies, experiences and expertise for the customers.
3. To have good corporate governance and manage operation by considering interest of stakeholders, communities and environments.

VALUES

1. Adhere to quality and tangible results, work with effectiveness, place emphasis on quality and cost management.
2. Commit to excellence, set challenging goals and exert our best effort.
3. Adhere to honesty basing on business ethics.
4. Seek knowledge from all aspects and make the best use of it.
5. Create unity among employees and promote teamwork.
6. Develop potential of employees in aspects of knowledge and abilities, encourage them to express their points of views and do the right things.
7. Seek opportunities from changes and implement into tangible action.

QUALITY POLICY

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

ENVIRONMENTAL POLICY

The company emphasizes responsibilities towards environmental conversation by adhering to the following guidelines:

1. Strictly comply with the Industrial Estate Authority of Thailand Act, the law, and related environmental regulations.
2. Advocate efficient environmental utilization for maximum benefits.
3. Focus on the pollution management and prevention as well as environmental impact by setting goals and objective to be carried out, revised and continually improved.
4. Instill environmental conscience to employees via training and encouragement to participate.



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BOARD OF DIRECTORS' REPORT



In 2016, the production of automotive market, which is our main segment, has declined from the previous year due to slow economic situation in Thailand and decrease in export volume because of economic slowdown in many countries. This directly affected revenue of the Company. Meanwhile, motorcycle sector, which is also the main targeted customer group of the Company, has stable production. At the same time, the price competition in the manufacturing industry of plastic parts had been getting more intense. The Company has tried to improve the manufacturing processes to be more efficient, reduce losses and production costs in order to compete with competitors.

In 2016, according to the consolidated financial statements in which the equity method is applied, the Company reported incomes from sale and services amounted to 680 million Baht, which was decreased by 9.3% or 69.5 million Baht from the previous year. The Company had total incomes of 727 million Baht, which was decreased by 8.6% or 68.3 million Baht from 2015 and net profit of 33.5 million Baht, which was increased by 18.4% or equal to 5.2 million Baht from 2015; and had basic earning per share of 1.34 Baht.

On behalf of the Board of Directors, I would like to thank our management team, employees, shareholders, customers, business partners and all related parties for their continuous supports for businesses of the Company. We will continue to exert our best effort to deliver good operating results with transparency, honesty, thorough and careful management, as well as the responsibilities for society and environment, as to deserve the long-lasting trust and confidence in the Company.



(Miss Dalad Sapthavichaikul)

Chairman

Union Plastic Public Company Limited

SUMMARY OF FINANCIAL INFORMATION

Unit : 1,000 (Baht)

	2016	2015	2014	2013	2012
Revenues					(Restated)
Total Revenues	727,230	795,562	798,648	966,657	1,081,540
Sales and Service income	680,187	749,777	744,987	911,552	1,029,585
Interest income	-	-	-	-	-
Other income	47,043	45,786	53,661	55,106	51,954
Share of profit from investment in associate	932	1,380	1,361	1,736	860
Profit (Loss) before finance cost and income tax expenses	34,685	28,776	54,064	84,154	106,023
Finance cost	-	-	-	3	-
Income tax expenses	(1,142)	(442)	6,654	10,749	18,925
Profit for the year	33,543	28,333	47,410	73,402	87,194
Non-Controlling interests of subsidiary	-	-	-	-	(96)
Net Profit (Loss) Consolidated financial statements	33,543	28,333	47,410	73,402	87,098
Net Profit (Loss) (Separate financial statements)	33,611	27,779	46,798	72,166	86,820
Earning per share (Baht) (Consolidate financial statements)	1.34	1.13	1.90	2.94	3.49
Earning per share (Baht) (Separate financial statements)	1.34	1.11	1.87	2.89	3.47
Dividend					
Issued and fully paid-up shares (shares)	25,000	25,000	25,000	25,000	25,000
Dividend per share (Baht/share)	1.34	1.11	1.87	2.85	3.65
Total Dividend Payment (Baht)	33,500	27,750	46,750	71,250	91,250
Dividend Payment Ratio (%) (Separate financial statements)	99.66	99.90	99.90	98.73	99.04
Total Assets	703,466	700,520	735,090	763,512	810,587
Total Liabilities	144,251	147,100	158,007	162,592	191,825
Total Shareholders' equity	559,215	553,420	577,083	600,920	618,762
Major Financial Ratio Summary					
Liquidity Ratio (times)	3.90	3.46	3.24	3.22	2.85
Current Ratio (times)	1.33	1	1.02	0.91	1.39
Gross Profit (%)	8.57	7.82	10.37	13.04	13.94
Net Profit (%)	4.61	3.56	5.94	7.59	8.06
Return on Equity (%)	6.03	5.01	8.05	12.04	14.37
Return on Assets (%)	4.78	3.95	6.33	9.33	11.25
Debt to Equity Ratio (times)	0.26	0.27	0.27	0.27	0.31

BOARD OF DIRECTORS



Miss Dalad Saphavichaikul

Chairman



Miss Pakpachong Vadhanasindhu

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



Mr. Buncherd Tanglertpaibul

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



Miss Jutatip Arunanondchai

Audit Committee/Independent Director



Mr. Rames Khempet

Managing Director



Mr. Thitivat Suebsaeng

Director



Mrs. Chantorntree Darakananda

Director



Mr. Vacharaphong Darakananda

Director/Nomination and
Remuneration Committee



Mr. Nanthiya Darakananda

Director

BIO-DATA OF BOARD OF DIRECTORS AND COMPANY SECRETARY

Miss Dalad Sapthavichaikul

- Chairman

Age 60 years

Education

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

IOD's Training

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

Experiences

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

Current Positions

Listed Companies

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

Saha - Union Group Companies

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

Other Companies

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

Years of Directorship 6 years (since 19 January 2011)

Miss Pakpachong Vadhanasindhu

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

Age 66 years

Education

- B.A., M.A. in Commercial and Accounting Chulalongkorn University
- MBA. U. of Nebraska at Omaha
- DBA. United States International University

IOD's Training

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

Experiences

- 2003 - 2007 Head of the International Business Management Course, Faculty of Commerce and Accountancy, Chulalongkorn University
- 2004 - 2008 Director of Master Management in International Business Program
- 2004 - 2012 Sub - committee of Indices Determination for Assessment of the State Enterprises, Ministry of Finance
- 2008 - 2010 Director of the Technology and Innovation Management Program, Chulalongkorn University
- 2011 - 2013 Chairman of the Risk Management Committee and Independent Director, Cambodian Commercial Bank Ltd.

Current Positions

Listed Companies

- March 2009 - Present Chairman of the Audit Committee/
Independent Director, Union Plastic Public Company Limited
- February 2012 - Present Nomination and Remuneration
Committee, Union Plastic Public Company Limited

Saha - Union Group Companies

- None -

Other Positions

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

Years of Directorship 7 years 9 months (since 18 March 2009)

**Years of Independent Directorship 7 years 9 months
(since 18 March 2009)**

Mr. Buncherd Tanglertpaibul

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

Age 58 years

Education

- B.A. in Faculty of Laws, Thammasat University

IOD's Training

- Director Accreditation Program (DAP) Class 79/2009
- Audit Committee Program (ACP) Class 36/2011
- Monitoring Fraud Risk Management (MFM) Class 6/2011
- Monitoring of the Quality of Financial Reporting (MFR)
Class 15/2012
- Monitoring the Internal Audit Function (MIA) Class 12/2012
- Monitoring the System of Internal Control and Risk Management
(MIR) Class 14/2013

Experiences

- 2000 - 2015 Managing Director, Top Ocean Consolidation
Service (Bangkok) Co., Ltd.

Current Positions

Listed Companies

- March 2009 - Present Audit Committee/Independent Director,
Union Plastic Public Company Limited
- February 2012 - Present Chairman of the Nomination and
Remuneration Committee, Union Plastic Public Company
Limited

Saha - Union Group Companies

- None -

Other Companies

- 2016 - Present Managing Director, I.F.S. (Bangkok) Co., Ltd.

Years of Directorship 7 years 9 months (since 18 March 2009)

Years of Independent Directorship 7 years 9 months

(since 18 March 2009)

Miss Jutatip Arunanondchai

- Audit Committee/Independent Director

Age 45 years

Education

- BSc in Mathematics with Management, Imperial College, University
of London, UK
- Master Degree, MBA in International Management, University of
Exeter, UK
- Master Degree, MA in Architectural Interior Design, University of
Wales, UK
- Master Degree, MA in Economics Law, Chulalongkorn University

IOD's Training

- Director Accreditation Program (DAP) Class 78/2009
- Audit Committee Program (ACP) Class 26/2009
- Monitoring of the Quality of Financial Reporting (MFR) Class
9/2009
- Monitoring the Internal Audit Function (MIA) Class 5/2009
- Monitoring the System of Internal Control and Risk Management
(MIR) Class 6/2009
- Monitoring Fraud Risk Management (MFM) Class 6/2011

Experiences

- 1994 - 1999 Manager, Daiwa Europe Co., Ltd.
- 2002 - 2005 Corporate Finance Manager, TA Orange Co., Ltd.

Current Positions

Listed Companies

- March 2009 - Present Audit Committee/Independent Director,
Union Plastic Public Company Limited

Other Listed Companies

- 2009 - Present Independent Director/Nomination and Remuneration
Committee, Thai Sugar Terminal Public Company Limited

Saha - Union Group Companies

- None -

Other Companies

- 2005 - Present Executive Director, Rajburi Sugar Co., Ltd. And
Group Companies
- Present Executive Director, Rajburi Ethanol Co., Ltd.
- Present Executive Director, Tipamas Co., Ltd.
- Present Director, Net Gadget Co., Ltd.
- Present Director, T.S.G. Asset Co., Ltd.
- Present Director, T.S. Oil Industry Co., Ltd.
- Present Director, T.S. Transport and Logistics Co., Ltd.

Years of Directorship 7 years 9 months (since 18 March 2009)

Years of Independent Directorship 7 years 9 months

(since 18 March 2009)

Mr. Rames Khempet

- Managing Director

Age 52 years

Education

- Bachelor's Degree in Engineering, King Mongkut's Institute of Technology Thonburi

IOD's Training

- Directors Accreditation Program (DAP) Class 123/2016

Experiences

- 1984 - 1984 Head of Production Department, Siam Cast Iron Works Co., Ltd.
- 1985 - 1985 Production Engineer, Seagate Co., Ltd.
- 1986 - 1990 Mechanical Parts Engineer, Minebea Co., Ltd.
- 1991 - 1992 Senior Engineer, Micropolis Corporation
- 1993 - 2010 Senior Production Manager/Senior Administration Manager/Quality Manager/Engineering Manager/Production Manager/Procurement Manager/Senior Engineer, Union Technology (2008) Public Company Limited
- 2011 - 2011 Senior Planning Manager, Union Nifco Co., Ltd.
- 2012 - March 2016 General Manager, Union - Thai Nichiban Co., Ltd.
- March 2014 - March 2016 Director, Union - Thai Nichiban Co., Ltd.
- October 2015 - December 2015 Director/Deputy Managing Director, Union Plastic Public Company Limited

Current Positions

Listed Companies

- January 2016 - Present Managing Director, Union Plastic Public Company Limited

Saha - Union Group Companies

- None -

Other Companies

- None -

Years of Directorship 1 year 3 months (since 21 October 2015)

Mr. Thitivat Suebsaeng

- Director

Age 63 years

Education

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

IOD's Training

- Director Accreditation Program (DAP) Class 21/2004

Experiences

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

Current Positions

Listed Companies

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

Saha - Union Group Companies

- February 1999 - Present Director, Union Stainless Steel Products Co., Ltd.
- April 2008 - Present Director, Union Rubber Products Corp., Ltd.
- March 2009 - Present Director, Yunnan Energy Luliang - Union Cogeneration Co., Ltd.
- Present Director, Other Companies in Saha - Union Group

Other Companies

- None -

Years of Directorship 24 years (since September 1992)

Mrs. Chantorntree Darakananda

- Director

Age 53 years

Education

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

IOD's Training

- Director Accreditation Program (DAP) Class 5/2003

Experiences

- 1994 - 2008 Deputy Managing Director, Union Industries Corp., Ltd.
- 2002 - 2008 Deputy Managing Director, Union Thread Industries Co., Ltd.
- 2002 - 2008 Director, Saha - Union Public Company Limited
- 2002 - 2009 Director, Union Textile Industries Public Company Limited
- 2002 - 2014 Director, Pro - Lab Co., Ltd.
- 2013 - September 2014 Director, Saha - Union Public Company Limited
- September 2014 - 2016 Executive Vice President, Saha - Union Public Company Limited

Current Positions

Listed Companies

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

Other Listed Companies

- 1990 - Present Director, Ladphrao Hospital Public Company Limited

Saha - Union Group Companies

- 2009 - Present Deputy Managing Director, Venus Thread Co., Ltd.
- 2009 - Present Deputy Managing Director, Union Zip Co., Ltd.
- May 2014 - Present Director, The Royal Hotel Co., Ltd.
- April 2015 - Present Director, Computer Union Co., Ltd.
- April 2015 - Present Director, Union Zojirushi Co., Ltd.
- April 2015 - Present Director, Union Nifco Co., Ltd.
- April 2015 - Present Director, Union Rubber Products Corp., Ltd.
- April 2015 - Present Director, Thai Rubber Enterprise Co., Ltd.
- April 2015 - Present Director, Union Stainless Steel Products Co., Ltd.
- August 2015 - Present Director, The Sukhumvit 62 Medical Limited
- Present Director, Other Companies in Saha - Union Group

Other Companies

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

Years of Directorship 2 years 6 months (since 19 June 2014)

Mr. Vacharaphong Darakananda

- Director/Nomination and Remuneration Committee

Age 51 years

Education

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

IOD's Training

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

Experiences

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

Current Positions

Listed Companies

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

Saha - Union Group Companies

- May 2007 - Present Director, Union Stainless Steel Products Co., Ltd.
- 2007 - Present Director, Thai Rubber Enterprise Co., Ltd.
- 2007 - Present Director, Union Rubber Products Corp., Ltd.
- 2008 - Present Director, Union Nifco Co., Ltd.
- 2009 - Present Managing Director, Union Thai - Nichiban Co., Ltd.
- 2012 - Present Managing Director, Union Zojirushi Co., Ltd.
- May 2014 - Present Director, The Royal Hotel Co., Ltd.
- September 2015 - Present Acting Managing Director, Union Stainless Steel Products Co., Ltd.
- Present Director, Other Companies in Saha - Union Group

Other Companies

- None -

Years of Directorship 16 years 8 months (since 26 April 2000)

Mr. Nanthiya Darakananda

- Director

Age 48 years

Education

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

IOD's Training

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

Experiences

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

Current Positions

Listed Companies

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

Saha - Union Group Companies

- None -

Other Companies

- None -

Years of Directorship 18 years 8 months (since 23 April 1998)

Mrs. Chadaporn Jiemsakultrip

- Company Secretary

Age 54 years

Education

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

Training

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

Experiences

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

Current Positions

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

Years of secretary position 1 year

POLICY AND BUSINESS OPERATION OVERVIEW

Policy and Business Operation Overview

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

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

- Provide the service of manufacturing the industrial plastic parts through Thermoplastic Injection, including fully integrated production process, spray painting and silkscreen
- Provide the service of manufacturing plastic injection molds by using CAD/CAM/CAE technology to design and manufacture the molds and applying High Speed Machining to speed up the molding process.

Significant change and development

For the business operation and management in the previous year, the Company has restructured organizational chart by adding Production Technical Division and Quality Control Division as well as procured new machines and equipment related to the production process to replace a number of old machines. The Company also maintained good condition of the machines used in the production process in order to improve efficiency and maintain a good standard of the products, including procured MOLDEX 3D software for analyzing and calculating appropriate variables in the research and development of products for customers in the automotive sector which is the main customer group of the Company.

Characteristics of Products and Services

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

1. Plastic parts including automotive parts, parts of electrical appliances, household products and vacuum bottle.
2. Plastic injection mold for assembling the production of plastic parts consists of molds of automotive parts, molds of electrical appliance parts and other types of molds according to customers' requirements.
3. Painting on plastic parts as specified in Item 1 requiring high quality and delicacy for both Air Drypaint and 2K paint

Revenues Structure

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

(Unit : Thousand Baht)						
Products/Services	2016	%	2015	%	2014	%
	Revenues		Revenues		Revenues	
1. Plastic Parts	663,266	91.20	701,851	88.13	722,748	90.41
2. Molds	16,921	2.33	47,926	6.02	22,239	2.78
3. Other Revenues	48,043	6.47	46,610	5.85	54,411	6.81
Total Revenues	728,230	100.00	796,387	100.00	799,398	100.00

CORPORATE SOCIAL RESPONSIBILITY



Religious Activities

Tuesday 19th July 2016:

Flower Offering Ceremony to mark Asahna Bucha Day

Representatives of management and employees of Union Plastic PCL and employees of Saha-Union Group of Companies in Bang Chan Operation jointly perform meritorious deeds and offered flower to mark Asahna Bucha Day at Wat Bamphen Nuea Temple, Minburi Sub-district, Minburi District, Bangkok.



Community Activities

Monday 9th May 2016:

Representatives of Welfare Committee and employees of Union Plastic PCL collaborated with Nopparatrajathane Hospital to participate in “Natural Rehabilitation for Quality of Life of Patients” Project to organize activities to improve the environment at the Dhamma Court in order to create positive atmosphere suitable for recreational activities of patients and their relatives.



Environmental Activities

Thursday 2nd June 2016:

To mark World Environment Day 2016, Representatives of management and employees of Union Plastic PCL and employees of Saha-Union Group of Companies in Bang Chan Operation, under the collaboration with the Office of Bang Chan Industrial Estate, jointly participated in “UP Restore Clean Water to Communities” Project by pouring Bio-Extract Water into gutter in front of the company so as to conserve and restore waste water to become clean before flowing into the river and cleaned and improved landscape within the company to have good environment.



Social Activities

Thursday 8th December 2016:

Representatives of management and employees of Union Plastic PCL and employees of Saha-Union Group of Companies in Bang Chan Operation jointly made donation to support “Stem Cell Transplantation for HM the King and the Queen” Project of Ramathibodi Foundation at Ramathibodi Hospital.

RESPECT FOR HUMAN RIGHTS AND FAIR OPERATING PRACTICES



Tuesday 29th March 2016:

Union Plastic PCL organized Election of Bang Chan District Welfare Committee in order to encourage employees to exercise their rights and duties in the voting for candidates to represent the Bang Chan District Welfare Committee equally.



Visiting the sick employees:

Union Plastic PCL recognizes and realizes the importance of devotions and effort of each employee in working for the company, even during their sickness. The company has concerned about the health and well-being of employees continuously.



Tuesday 11st and 18th October 2016:

Union Plastic PCL recognizes the importance of well-being among employees and provides annual health checkup for all employees every year to screen for the risks of any possible diseases.



Offering of gift basket as appreciation for retired employees:

The management of the Company joined together to extend gratitude toward the employees who had worked for the Company with outstanding perseverance until the time of their retirement.

SHAREHOLDING STRUCTURE AND MANAGEMENT

Shareholders

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

No.	Names of Shareholders	Number or Shares Held		Percentage (%)	
		April 2 nd , 2015	March 30 th , 2016	April 2 nd , 2015	March 30 th , 2016
1.	Saha-Union Public Company Limited	12,380,130	12,380,130	49.52	49.52
2.	Sri Thai Super Ware Public Company Limited	2,400,000	2,400,000	9.60	9.60
3.	Bangkok Insurance Public Company Limited	2,093,160	2,093,160	8.37	8.37
4.	Mr. Tinnakorn Thongthai	707,200	707,200	2.83	2.83
5.	Mrs. Kanjana Suwantavit	512,240	512,240	2.05	2.05
6.	Mr. Krit Thongthai	494,120	494,120	1.98	1.98
7.	Mr. Sumeth Darakananda	449,720	449,720	1.80	1.80
8.	Wattana Soponpanich Company Limited	253,660	253,660	1.01	1.01
9.	Ms. Sasipha Thongthai	249,600	249,600	1.00	1.00
10.	Mr. Kongsak Wongsakvanich	219,800	219,800	0.88	0.88

(2) The directors' shareholdings are as follows:

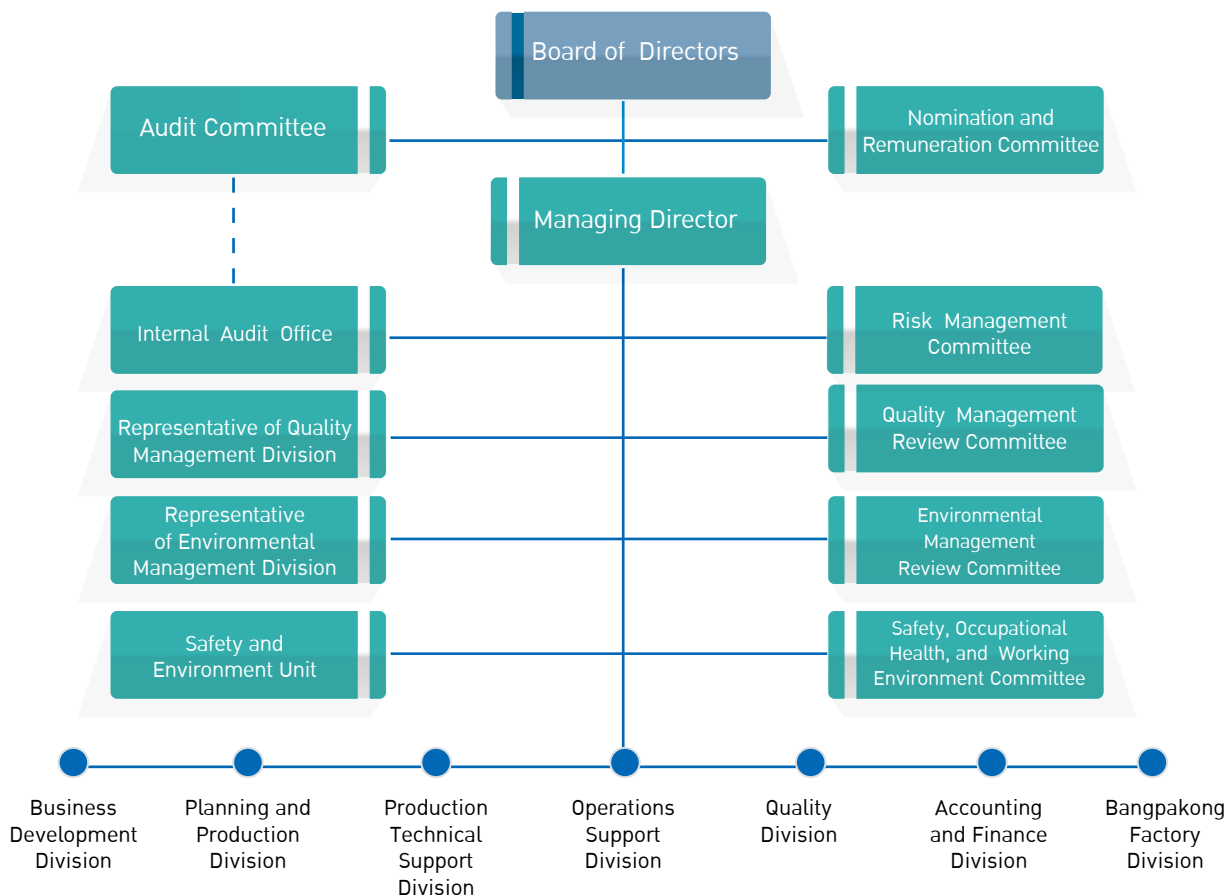
No.	Names of Shareholders	Number or Shares Held		Percentage (%)	
		2015	2016	2015	2016
1.	Ms. Dalad Saphavichaikul	-	-	-	-
2.	Ms. Pakpachong Vadhanasindhu	-	-	-	-
3.	Mr. Buncherd Tanglertpaibul	9,660	9,660	0.04	0.04
4.	Ms. Jutatip Arunanondchai	-	-	-	-
5.	Mr. Rames Khempet	-	-	-	-
6.	Mr. Thitivat Suebsaeng	-	-	-	-
7.	Mrs. Chantornree Darakananda	-	-	-	-
8.	Mr. Vacharaphong Darakananda	-	-	-	-
9.	Mr. Nanthiya Darakananda	-	-	-	-

Dividend Payment

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

Management

• Organization Chart



• Structure of the Board of Directors and the Management

The Board of Directors comprises of external directors or regular and full-time executives of the Company who are selected from qualified persons with knowledge, capability and experiences from various kinds of field. Its responsibility is to supervise and monitor the management of the Company to align with laws, objectives, Articles of Association, and policies of the Company, including resolutions of the Board's Meeting and the Shareholders' Meeting. In addition, it has to supervise and maintain benefits of shareholders with integrity, honesty, carefulness, and transparency and be independent from the Management by considering the highest benefits of the Company, shareholders and all stakeholders.

The Company's Board of Directors consists of 9 directors. Not less than one half of the total number of directors shall have domicile in Thailand and not less than 3/4 of the total number of directors must hold Thai nationality. 1/3 of the directors shall be retired by rotation annually in accordance with the Articles of Association.

The director shall be elected at the Shareholders' Meeting in accordance with the following rules and procedures:

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

In the case where the number of directors is less than the quorum, the remaining directors only have the right to act on behalf of the Board to arrange a shareholder meeting only for the purpose of acquiring directors to attain the required number. The meeting shall be conducted within 1 month from the date of which the number of directors is less than the quorum. The replacing directors' terms of office is equivalent to the remaining terms of the resigned directors.

- **Rules and Procedures on Nomination of Directors**

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

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

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

- 1. The Board of Directors**

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

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

Meeting Attendance of Board of Directors and Sub-Committee

No.	Name	Position	2016		
			No. of Meeting Attendances		
			Board of Directors	Audit Committee	Nomination and Remuneration Committee
1.	Ms. Dalad Saphavichaikul	Chairman	12/12		
2.	Ms. Pakpachong Vadhanasindh	Chairman of the Audit Committee/Independent Director/Nomination and Remuneration Committee	12/12	5/5	2/2
3.	Mr. Buncherd Tanglerpaibul	Audit Committee/Independent Director/Chairman of the Nomination and Remuneration Committee	11/12	5/5	2/2
4.	Ms. Jutatip Arunanondchai	Audit Committee/Independent Director	10/12	5/5	
5.	Mr. Rames Khempet	Managing Director	12/12		
6.	Mr. Thitivat Suebsaeng	Director	9/12		
7.	Mrs. Chantornree Darakananda	Director	12/12		
8.	Mr. Vacharaphong Darakananda	Director/Nomination and Remuneration Committee	10/12		2/2
9.	Mr. Nanthiya Darakananda	Director	7/12		
Mrs. Chadaporn Jiamsakultip acts as the company secretary.					

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

1. To set up policies and direction for corporate operation, to supervise and control the Management to work efficiently and effectively in accordance with the specified policies
2. To appoint and remove an employee of the Company. The Board of Directors may assign such authority to a Director or Directors of the Company to perform the duty on behalf of the Board of Directors.
3. To stipulate pension or reward payment to staffs or employees of the Company or any person who works temporarily or permanently for the Company
4. To stipulate interim dividend payment to shareholders
5. To comply with laws, objectives, Articles of Association, and resolution of the shareholders' meeting

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

- **Company Secretary**

The Board of Directors passed a resolution to appoint Mrs. Chadaporn Jiamsakulthip to hold a position of Company Secretary, effective from January 1, 2015. Her responsibilities are described in Section 89/15, Section 89/17, Section 89/18 and Section 89/23 of the Securities and Exchange Act (No. 4) B.E. 2551. In addition, the company secretary also has the following duties;

- Providing advices on rules, amendment of related requirements, and governance rules for operations of the Board to align with laws
- Organizing meetings of the Board of Directors, Sub-Committee and shareholders
- Contacting and coordinating relevant persons to comply with the resolutions of the Board of Directors and resolutions of the shareholders' meeting, coordinating and keeping reports on the interest reported by directors and executives and submitting copies to the Chairman and the Chairman of the Audit Committee within 7 days as from the date when the Company has received such report
- Communicating with directors/executives to acknowledge knowledge and participate in trainings relating to duties of directors
- Communicating and coordinating with supervising authorities, such as Stock Exchange of Thailand, and accurately and completely disclosing information and reports to supervising authorities and the public according to laws
- Organizing orientations and preparing documents or information beneficial to performance and providing advices to newly appointed directors
- Other duties as may be assigned

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

No.	Name	Position
1.	Ms. Pakpachong Vadhanasindhu	Independent Director
2.	Mr. Buncherd Tanglertpaibul	Independent Director
3.	Ms. Jutatip Arunanondchai	Independent Director

- **Rules on Nomination of Independent Director**

The Nomination and Remuneration Committee has established rules and procedures on nominating candidates and presented the list to the Board of Directors. Candidates nominated to be an independent director shall be qualified according to the definition of independent director and minimum criteria as specified by SEC.

The independent directors shall have knowledge, capabilities, experiences, and understanding of the Company's business. They appropriately and independently provide useful suggestions regarding its operations. Such above-mentioned independent directors shall not be the regular executives of the Company. They must also have visions and adequate time to perform their duties. They must not have prohibited characteristics as stipulated by laws.

- **The Board of Directors' Meetings**

The Board of Directors' Meeting takes place at least once a month to follow up the operations to ensure whether the objectives or plans are fulfilled. In 2016, there were 12 Board of Directors' Meetings and were attended by the directors who were not engaged in other arrangement.

2. Audit Committee

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

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

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

No.	Name	Position
1.	Ms. Pakpachong Vadhanasindhu	Chairman of the Audit Committee
2.	Mr. Buncherd Tanglertpaibul	Audit Committee
3.	Ms. Jutatip Arunanondchai	Audit Committee
Mrs. Achara Maneesawath, Internal Audit Division Manager, acts as the secretary of the Audit Committee.		

- **Scope and Authorities of Audit Committee**

1. To review financial reports in accordance with generally accepted accounting standards in an accurate and sufficient manner
2. To review the appropriateness and effectiveness of the internal control and internal audit and to monitor the independence of the Internal Audit Office and approve the appointment, transfer, and termination of the Internal Audit Manager
3. To conduct reviews to ensure that the Company complies with laws related to Securities and the Stock Exchange, the Stock Exchange of Thailand's regulations, and any other laws related to the Company's business
4. To consider, screen and propose independent individuals to act as the Company's auditor as well as suggest their remunerations and attend meetings with auditor without participation of the Management at least once a year

5. To review related transactions or transaction that may cause conflicts of interest so that they are in conformity with the laws and the Stock Exchange of Thailand's regulations to ensure that they are reasonable and contribute to the highest benefits of the Company
6. To prepare a report of the Audit Committee for disclosure in the Company's annual report. The report, which is to be signed by the Chairman of the Audit Committee, shall include at least the following information;
 - (1) An opinion regarding accuracy, completeness and integrity of the Company's financial reports
 - (2) An opinion regarding adequacy of the internal control system of the Company
 - (3) An opinion regarding compliance with the laws relevant to securities and the stock exchange, the requirements of the Stock Exchange of Thailand or the laws related to the business of the Company
 - (4) An opinion regarding the suitability of the auditors
 - (5) An opinion regarding transactions which may have conflict of interest
 - (6) The number of Audit Committee's meetings and the attendance of each member of the Audit Committee
 - (7) An opinion or an observation of the Audit Committee drawn from the performance of their duties according to the Charter or regulations of the Audit Committee
 - (8) Any other matters within the scope of duties and responsibilities specified by the Company's Board of Directors which the shareholders and general investors should know
7. To make sure that problems are rectified by the Management in timely manner
8. To monitor and evaluate performances which are regarded as crucial by the Audit Committee
9. To perform any tasks as may be assigned by the Board of Directors

3. Nomination and Remuneration Committee

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

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

No.	Name	Position
1.	Mr. Buncherd Tanglertpaibul	Chairman of the Nomination and Remuneration Committee
2.	Ms. Pakpachong Vadhanasindhu	Nomination and Remuneration Committee
3.	Mr. Vacharaphong Darakananda	Nomination and Remuneration Committee

- **Scope and Authorities of Nomination and Remuneration Committee**

1. To set up rules and selection criteria for the Board of Directors
2. To nominate and select qualified directors without prohibited characteristics as stipulated by laws and deserved to be nominated as a new director; such qualifications shall be in accordance with rules regarding good corporate governance and structure of board of directors
3. To set the directors' remuneration policies by considering any factors, such as duties, scope of responsibilities and performances of directors, operating results and financial position of the Company, actual economic situations and comparing to other listed companies with similar business size and/or industry
4. To determine and propose the directors' remunerations and type of remunerations for the Board's consideration

4. The Company's Management comprises of;

(1) The Managing Director are recruited and appointed by the Board of Directors and its authorities are assigned by the Board as appropriate. The person taking position as Managing Director must be knowledgeable, experienced and competent and able to oversee and maintain the benefits and interests of the Company; be able to perform the tasks in full compliance with the policies assigned by the Board; and run the business with due regard to the shareholders and stakeholders.

(2) The executives and management chart according to the current organizational structure consist of managing director and department manager of 8 departments. The work units under the line of command are as follows;

2.1. The units under the supervision of Managing Director consist of Representative of Quality Management Division, Representative of Environmental Management Division, Safety and Environment Unit, Risk Management Committee, Quality Management Review Committee, Environmental Management Review Committee, Safety, Occupational Health, and Working Environment Committee, Bangpakong Factory Division, and Quality and Environmental Management Section

2.2. The Business Development consists of Marketing Section and Sale Section

2.3. The Planning and Production Division consists of Production Section (Bangchan), Planning Section, Warehouse Section, Paint Factory Section (Bangpakong), and Planning and Production Section (Bangpakong)

2.4. The Production Technical Support Division consists Technical Support Section (Bangchan), Technial Support Section (Bangpakong), Mold Factory Section, and New Model Section

2.5. The Operations Support Division consists Purchasing Section, Personnel and General Affairs Section, Maintenance Section, and Information Technology Department

2.6. The Quality Division consists Quality Assurance Section

2.7. The Accounting and Finance Division consists Accounting Section and Finance Section

2.8. The Internal Audit Division consists Internal Audit Office

• **The Company's Management consists of 8 members as follows;**

No.	Name	Position	Education
1.	Mr. Rames Khempet	Managing Director	Bachelor's Degree in Engineering (Mechanical Engineering) King Mongkut's Institute of Technology Thonburi
2.	Mr. Anupong Rengputipong	Business Development Division Manager	M.B.A., Ramkhamhaeng University
3.	Mr. Teerayuth Kruehong	Planning and Production Division Manager	Bachelor's Degree in Business Administration (Accounting), Krek University
4.	Mr. Wichit Amphaiwan	Production Technical Support Division Manager	Junior High School
5.	Mr. Pruttipan Chayakul	Operations Support Division Manager	Master Degree in Engineering (Mechanical Engineering) King Mongkut's University of Technology North Bangkok
6.	Mr. Wirat Uthaisang	Quality Division Manager	Bachelor's Degree in Engineering (Plastic Technology) Rajamangala Institute of Technology
7.	Mr. Khosit Thepchalerm	Accounting and Finance Division Manager	B.A., in Accounting Dhurakij Pundit University
8.	Mrs. Achara Maneesawath	Internal Audit Division Manager	M.P.P.M., National Institute of Development Administration

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

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

- **Nomination of Directors and Executives**

The Nomination and Remuneration Committee shall consider and nominate candidates and then proposed the list to the Board of Directors so that they can propose to the Annual General Meeting in the agenda of director election. Such nominated candidates shall be qualified, knowledgeable, capable and experienced in business management. They must also have adequate time to perform their duties for the Company. They must not have prohibited characteristics as stipulated by laws.

- **Remunerations of the Directors and Executives**

- **Remunerations of the Directors**

The Nomination and Remuneration Committee set up the rules on considering remunerations and types of remuneration of directors and then propose its opinion to the Board for considering and requesting for an approval from the Shareholders' Meeting by considering the following factors;

1. Duties, scope of responsibilities and performances of directors,
2. Operating results and financial position of the Company
3. Actual economic situations
4. Comparing to other listed companies with similar business size and/or industry

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

Pursuant to the Company's regulations, the directors have the rights to receive remunerations from the Company in the form of money, meeting fees, allowances, pension, bonus, or other forms of remunerations according to the regulations or as deemed appropriate in the shareholders' meetings. The criteria of which may be laid down permanently or until further notice or it may be applicable for that particular case.

- **Remunerations and other monetary remunerations of the Directors and Sub-Committees are as follows;**

Remarks According to the resolution of the General Meeting of Shareholders on April 20th, 2016, an allowable amount was not exceeding 1,500,000.- Baht (equal to that of 2015).

No.	Name	Position	2016			
			Remunerations (Baht)			
			Board of Directors	Audit Committee	Nomination and Remuneration Committee	Total
1.	Ms. Dalad Saphavichaikul	Chairman	96,000			96,000
2.	Ms. Pakpachong Vadhanasindhu	Chairman of the Audit Committee/ Independent Director/Nomination and Remuneration Committee	96,000	132,000	12,000	240,000
3.	Mr. Buncherd Tanglerpaibul	Audit Committee/Independent Director/Chairman of the Nomination and Remuneration Committee	96,000	120,000	12,000	228,000
4.	Ms. Jutatip Arunanondchai	Audit Committee/Independent Director	96,000	120,000		216,000
5.	Mr. Rames Khempet	Managing Director	96,000			96,000
6.	Mr. Thitivat Suebsaeng	Director	96,000			96,000
7.	Mrs. Chantornree Darakananda	Director	96,000			96,000
8.	Mr. Vacharaphong Darakananda	Director/Nomination and Remuneration Committee	96,000		12,000	108,000
9.	Mr. Nanthiya Darakananda	Director	-			-
Total			768,000	372,000	36,000	1,176,000

Remarks: Mr. Nanthiya Darakananda had expressed his intention not to receive any remuneration since 2015.

- **Other remunerations of Directors and Sub-Committees** - None -
- **Remunerations of Executives**
 - **Remunerations of Executives are as follows:**

Position	Salary and allowance per year (Million Baht)
Managing Director and Executives	9.74

- **Other remunerations of Executives**

The Company contributed to the provident funds of Managing Director and 7 Executives at the rate of 3% of base salary

GOOD CORPORATE GOVERNANCE

Category 1 : Shareholders' Rights

Category 2 : Equitable Treatment to Shareholders

Category 3 : Stakeholders' Roles

Category 4 : Information Disclosure and Transparency

Category 5 : The Board of Directors' Responsibilities

Good corporate governance policy

- In 2016, the Company operated in conformity with the Stock Exchange of Thailand's good corporate governance by taking into consideration its responsibilities toward employees, shareholders, customers, competitors, community, society, environment, and all stakeholders to create balance for every party. Also, the Company was managed under the motto "Integrity Quality Service". The operations of which are as follows:

Category 1 : Shareholders' Rights

- Shareholders' rights policy**

The shareholders' rights and the promotion of the exercise of such rights were taken into consideration by covering basic legal rights such as equally distribution of profits/dividends, share acquisition and transfer, sufficient receipt of news and information, vote casting to appoint Directors in shareholders' meetings, approve Directors' remuneration, auditor's appointment and approve audit fee, and any other issues affecting the company, etc

- The opportunity provided to shareholders to study the information prior to shareholders' meetings.**

- In 2016, the 23rd Annual Shareholders' Meeting took place on 20th April 2016 at the Auditorium, Head Office of Saha-Union Public Company Limited situated at 1828 Sukhumvit Road, Bangchak, Prakanong, Bangkok.

- The Company has submitted complete and correct sets of letter of invitation with date, time, venue, agendas and information which described objectives, reasons and comments of Directors for each agenda as well as documents for the meeting to shareholders.

- The above-mentioned documents were sent to shareholders no less than 7 days prior to the meeting.

- The letter of invitation, information, and documents for Annual General Meeting of Shareholders both in Thai and English were publicized 30 days prior to the meeting (announced on 18th March 2016) on the company's website (<http://www.unionplastic.co.th>) as well as in the News for the Stock Exchange of Thailand.

- Facilities Provided to Shareholders**

- In 2016, the 23rd Annual General Meeting of Shareholders was held on 20th April 2016 at the Head Office's Auditorium of Saha-Union Public Co., Ltd., situated at 1828 Sukhumvit Road, Bangchak, Prakanong, Bangkok. This was due to the fact that the company's head office and branches are situated in the suburbs which are not convenient to shareholders whereas this venue is located on a main road with the sky train facility, hence a more convenient venue.

- Sufficient staff and technology were provided to check the participating shareholders' documents. Duty stamps were also available for proxy purposes and ballots were provided for all the agendas which require voting.

- Appointment of Proxy**

- At the Annual General Meeting of Shareholders, the Company sent the proxy form together with the invitation letter to facilitate shareholders who could not attend the shareholders' meeting by themselves. This was to allow shareholders to appoint their representatives to attend the meeting and vote on their behalf. The proxy form would clearly specify the required documents/evidence for the proxy. There was no condition or criteria that will make it difficult for shareholders to appoint proxy to attend the meeting.

- Shareholders were required to use Proxy Form Khor so that they could cast their votes in the event of agreement, disagreement, or no vote. For agenda of election of Director(s), they could also vote for Directors individually or in group of the required number of Directors depending on the consent of the meeting. Should the shareholders want to vote by proxy via independent Directors, details of independent Directors, such as names, surnames, ages, addresses, were made available as well as the information on whether or not they had stakes in the matter in case that shareholders would have to choose an independent Director to be their proxy, candidates will be available for the shareholders to choose.

- List of required documents as well as suggestions on proxy procedure and criteria were supplied.
- Information on the exercise of proxy rights and procedure was posted for 30 days prior to the meeting (announced on 18th March 2016) on the company's website as well as in the News for the Stock Exchange of Thailand.

- **Shareholders' Meetings**

- In the last Annual General Meeting of Shareholders, the shareholders were given an opportunity to register for not less than 1 hour prior to the meeting. The Chairman of the Board, who presided over the meeting, had informed of the numbers of attendees and those who voted by proxy and introduced Directors and Sub-Committees who attended the meeting to the shareholders. According to the record of meeting attendance, all 9 Directors had attended the meeting.

- Before the meeting, the shareholders were advised of voting criteria and procedure as well as ballot-counting practices. A shareholder is entitled to one vote per share for each agenda. The shareholders had their equal rights to cast their votes, that is to say, no shareholders' rights were limited in each agenda and no crucial information was changed during the meeting.

- The Chairman of the Meeting provided opportunities to shareholders to ask questions and expressed their opinions freely. He also completely answered all pivotal questions to the satisfaction of shareholders. Then the voting was conducted in sequential order as per the agendas, the details of which are shown in the 2^{3rd} Annual General Meeting of Shareholders' Minutes of Meeting.

- Prepared minutes of the Shareholders' meeting within 14 days from the date of the meeting and submitted the minutes of the meeting to the SET and the Ministry of Commerce within the prescribed period as well as published the minutes of the meeting on the Company's website on 17th March 2016

- The resolutions of the Shareholders' meeting and the voting results were published the next day from the meeting via the Stock Exchange of Thailand and the Company's website.

- The elections of Directors are executed in accordance with the following criteria and procedure:

- (1) A shareholder is entitled to one vote per share.
- (2) The elections of Directors could be done individually or in group of the required number of Directors depending on the consent of the meeting. However, each shareholder must only exercise his/her vote as per (1) and shall never divide the voting right and transfer the vote to other persons or groups.
- (3) Directors are elected by majority votes and in the case of a tie, the Chairman will cast the final vote.
- (4) In the case that the shareholders have authorized some other persons to attend the meeting and exercise their votes on their behalfs for the election of directors; the shareholders can either vote to elect one director individually at a time or elect several directors (the entire number of directors to be filled in) altogether at one time, depending on how the participants in the shareholders' meeting see fit. The information about independent directors such as first/last names, age, address, and their possession/no possession of equity are available during any considerations about independent directors so that the shareholders can review and use this information.

Category 2 : Equitable Treatment to Shareholders

- **Policy on Equitable Treatment to Shareholders**

The Board of Directors has regulated that shareholders are treated equally and that their basic rights are protected according to Category 1 (Shareholders' rights) to create confidence to shareholders in terms of efficient use of their investments, which is a vital factor to enhance confidence to invest in the Company.

- **No additional Agenda without prior notification to the shareholders**

In the previous Annual General Shareholder Meeting, the company did not include any additional agendas other than those stated in the letter of invitation, in order that the shareholders shall have enough time to study the information before making any decision.

- **Provide the opportunity for the minority shareholders to propose the additional agendas**

- In the previous Annual General Meeting of Shareholders, the Company has policy to protect the Shareholders' rights and emphasized on fairness and provided equal opportunity for all shareholders to propose a matter to the Board of Directors to consider as meeting agendas prior to the meeting by providing forms, criteria, and procedure in this respect including, setting the deadline to propose additional agendas (from 1st October 2016 - 31st December 2016) for the Board's consideration and the Company's decision was deemed final.

- Forms, criteria, and procedure to propose additional agendas were announced for not less than 3 months prior to the meeting on the Company's website as well as the News for the Stock Exchange of Thailand (announced on 21st September 2016).

- **All shareholders exercise their rights equally.**

- In the previous Annual General Meeting of Shareholders, the Company regulated that shareholders' voting rights are equivalent to the number of shares held i.e. one vote per share.

- Proxy Form Khor was submitted to each shareholder so that they could exercise their voting rights on agreement/disagreement, or no vote.

- In the event of elections of Directors, shareholders had the rights to vote for Directors individually or in group of the required number of Directors depending on the consent of the meeting.

- Three independent Directors were proposed. In case of voting by proxy via independent Directors, shareholders were provided with details of independent Directors such as names, surnames, ages, addresses, and the information on whether or not they had stakes in the matter. This is to allow shareholders to use the information for their decision whether to choose the independent Director to be their proxy.

- List of required documents as well as suggestions on proxy procedure were supplied.

- Ballots were provided in the event of important agendas such as elections of Directors, etc.

- **Conflicts of Interest**

- In the case where the Company engages in business transactions with major shareholders, Directors, executives, or other individuals related to them, the Board will implement measures and policies to ensure that those transactions are in consistent with general business conditions. In addition, these individuals will get the same treatment as others and the approvals of such transactions are obtained from those who have no stakes in the matters, with the Company's maximum benefits as the main objective.

- In the case where the Company approves any business transactions executed with related parties with long-term obligations such as purchases and sales of products, etc., the Company will follow-up to make sure that the agreed conditions are honored during the period when the obligation is in effect. Also, investments in concerned companies, affiliates, and subsidiaries will be regularly monitored.

- **Measures on Prevention of Internal Information Usage**

- The Company has established measures and policies to prevent internal information usage to maintain confidential data. Such measures and policies are included in the Staff Handbook and the prevention system is documented. Additionally, they are notified to all employees to make sure that they are strictly complied.
- The Directors and managers responsible for reporting asset possession according to the law must conduct the report to the Board on annual basis/when there is a change.
- Determined dates for Directors and executives to avoid trading of securities within 14 days prior to the disclosure of quarterly and annual financial statements up to 24 hours after such disclosure to the Stock Exchange of Thailand. The Company Secretary was assigned to prepare schedule each year to the Directors and executives for acknowledgment and compliance.

Category 3 : Stakeholders' Roles

- **Policies on treatment to each group of stakeholders**

The Company places the emphasis on the importance of every group of stakeholders and, therefore, has laid down policies to ensure that their legal rights are maintained, the summary of which is as follows:

- **Employees** : The Company's policies prohibit the violation of human rights. This can be found in the work regulation section under the heading of discipline and good behavior. The Company is committed to enhancing knowledge, good working atmosphere as well as providing various benefits to create security to its employees as follows:

- **Human Resources Development:**

Training and seminars are arranged to provide knowledge and working skills to staff.

- **Safety, welfare, and benefits are extended to employees equally and fairly as follows:**

- Safety, Occupational Health, and Working Environment Committee and Staff's Welfare Committee have been established.
 - Employees are provided with transportation, medical treatments, and other social welfare.
 - Recreational activities as well as indoor and outdoor sports are also provided.

- **Shareholders** : The Company is consistently and earnestly responsible for its shareholders as well as determined to make profits or suitable returns to shareholders.

- **Customers** : The Company is attentive and responsible to its customers by documenting its quality policy, acquiring ISO 9001, ISO/TS 16949, producing quality products, maintaining its standards, not delivering defected products to customers, keeping customers' confidentiality, providing officers to take care of customers' complaints and take the corrective action to the problem as soon as possible.

- **Business Partners** : Product purchasing verification is on equality, transparency, fair competition basis and takes into account of the need of product, worthiness and quality. The business partner comparison is conducted without discrimination and the agreement made by and between business partners is provided with documentation system. The committee is also appointed to consider various elements of relevant work and free from discrimination.

- **Competitors :**

- 1) The company complies with fair competition rules, avoids dishonest activities as well as does not ruin its competitors;
- 2) The company has explicit measures to prevent fraud in the organization as prescribed in company rules and regulations under the heading of discipline.

- **Creditors :** The company complies with the loan condition or other related agreement made between the company and creditors and avoids any dishonest acts.

- **Community, Society, and Environmental Policies**

The Company has set up policies to look after community, society, and environment by advocating activities, assisting and developing social work and environment preservation with the emphasis on staff's participation in various activities.

- **Preservation of the Environment**

The Company has policies to preserve the environment by managing and controlling the company's production process to cause minimum impact to the environment, conscientiously and continually followed the environmental standards, using resources efficiently, reusing resources, and conducting energy saving measures etc. The goal is to increase maximum production and reduce pollution that could cause global warming. The Company has also emphasized on staff's participation in preserving the environment as follows:

- **Conscientiously and continually complying with environmental standards**

The Company had been evaluated and was bestowed ISO14001:2004 by the BUREAU VERITAS CERTIFICATION (THAILAND) Limited on 18th January 2015 (the expiration date of which is 17th January 2018)

- **Using resources efficiently and reusing resources**

- The Company has utilized resources efficiently by reducing the use of materials such as reduce amount of paper and stationery as well as consumables etc. The Company also exerts effort to save energy such as by using less electricity for instance.
- The Company reuses resources such as paper, ink, old file, etc.

- **Energy saving measures**

- The Company has reduced power loss of the air compressor by changing the air gun to energy saving type,
- The Company has changed the 400W Lunar LED light to 80W Tornado LED lamp in the street outside the building,
- The Company has insulated water heaters and plastic injection machine,
- The Company has changed old air conditioners to more efficient air conditioner (High EER)

- **Complaint Channels**

- The Company has initiated channels to receive complaints and various leads via staff's suggestion box, concerned offices, and Independent Directors as well as the Audit Committee.
- Complaints are rectified through the process of consideration, investigation, and follow-up. The results of the follow-ups and rectifications are regularly presented in the Operation Meetings.

Category 4 : Information Disclosure and Transparency

- **Information Disclosure and Transparency Policy**

The Board has regulated that the disclosure of essential financial and non-financial information related to the Company both in Thai and English is transparent, correct, complete, and in a timely manner. This may be exercised through channels with easy access such as the Company's website, News for the Stock Exchange of Thailand, or annual reports, etc.

- **Disclosure of Directors' and Executives' Remunerations**

The Company has policies to pay remunerations for Directors and executives that reflects each Director's duties and responsibilities. The Directors' and executives' remunerations are in compliance with the criteria and policies laid down by the Board of Directors, Nomination and Remuneration Committee. The remunerations would be reviewed on annual basis taking into account of comparison of other listed companies with similar business scale, roles and responsibilities of Directors, operating results of the Company and current economic condition. Each Directors and senior executive's performances as well as details of their remunerations are demonstrated on page 21 of the Annual Report under the topic "Remunerations of the Directors and Executives".

- **Disclosure of Roles and Duties of the Board of Directors and Sub-Committees**

- The roles and authorities of the Board of Directors, the Audit Committee, the Nomination and Remuneration Committee are described on page 16-18 of the Annual Report under the topic "Management".

- The numbers of the Board of Directors' meetings and meeting attendances of each director in the meetings of the Board, the Audit Committee, the Nomination and Remuneration Committee are shown on page 15 of the Annual Report under the topic "Management".

- **Disclosure of Last year's Performance of Sub-Committees**

The Audit Committee's performances are shown on page 42 of the Annual Report in the Audit Committee's Report.

- **Disclosure of Shareholder Structure**

The first 10 major shareholders' names are revealed on page 13 of the Annual Report under the topic "Shareholders" on the Company's website.

- **Disclosure of Related Party Transactions**

In case of related party transactions (if any), the Company has exhibited the names of individuals involved, relationships, nature of the conditional transactions, pricing policy, and value of the transactions on page 28 of the Annual Report under the topic "Conflicts of Interest".

- **Disclosure of Directors' and Executives' Securities Holdings Reports**

The Company observes the guideline of SEC/SET that requires the Company to report on securities holdings annually.

- **Financial Report Disclosure**

- The Board of Directors is responsible for the Company's and its subsidiaries' consolidated financial reports as well as financial information appeared in the Annual Report. Such financial reports are prepared in accordance with the generally-accepted accounting standards in Thailand by applying accounting policies which are felicitous to the nature of business and have been consistently practiced. The financial reports contain correct, complete and truthful information according to accounting standards and sufficient vital information has been disclosed in the Notes to the consolidated financial statements.

- The Board of Directors' Responsibility for the Financial Report was signed by the Chairman and Managing Director.

- Details of the above-mentioned reports are demonstrated on page 43 of the Annual Report.

- **Investor Relations Office**

- The Company's policy has stipulated that the disclosure of information is conducted transparently, correctly, completely, and equally. In this respect, shareholders and investors can gain access to the Company's essential information such as shareholders' meetings, overall picture of the Company/the Board/shareholders/important financial information/balance sheets/news/Form 56-1, and annual reports, on the Company's website, <http://www.unionplastic.co.th> under the topic "Investor Relations".

Category 5 : The Board of Directors' Responsibilities

- **Policy on the Board of Directors' Responsibilities**

The Board of Directors comprises directors who have been selected from qualified, knowledgeable, and capable candidates with various professions. These directors act as the Company's representatives who monitor and maintain the shareholders' interests. Their authorities are to supervise and manage the Company to be in conformity with the law, objectives, regulations, and policies of the Company, the Board's and shareholders' resolutions and shareholders' resolutions, with integrity and independence from the Management, taking into account of maximum benefits of the Company, shareholders, and stakeholders.

The roles and authorities of the Chairman of the Board and the Managing Director have been clearly stipulated. At present, the Chairman of the Board does not hold a position of Managing Director and the Chairman of the Board has no relations whatsoever to the Management so that supervision and policy making are entirely separated from the routine management. Scope of duties and authorities of each level of the Management has been identified explicitly. Furthermore, the authorities and responsibilities on approvals, accounting transaction entries, and the administration of the Company's assets are completely divided in order that no individual has unlimited authorities.

- **Roles, Duties, and Responsibilities of the Board of Directors**

- Duties of the Board of Directors are in pursuance of the Company's regulations and the supervision and management are in conformity with the law, objectives and regulations of the Company, as well as approve resolutions of the Board meetings and shareholders' meetings.

- The Board participates in regulating the Company's policies, business plans, and strategies.
- The Board takes part in the consideration and approval on pivotal operational issues, such as financial targets, policies, business plans, strategies, and budget. Additionally, the Board also supervises, controls, and manages to ensure that policies, business plans, and strategies are achieved efficiently.

- It is the Board's responsibility to make sure that the good corporate governance is complied. The Board also contributes to the setting of good behavior standards specified in the working regulations and punishment is imposed in case of violation. The Company's employees must acknowledge and follow these regulations. Moreover, integrity as well as morality are emphasized and individuals involved in the Company's business must not be taken advantage of. All these are implemented under the motto "Integrity Quality Service".

- **Conflicts of Interest**

- In case the Company engages in any transactions with major shareholders, Directors, executives, or any parties related to these individuals, measures and policies will be implemented by the Board to ensure that such transactions are in accordance with general business conditions and these individuals must get the same treatments as others, with maximum benefits of the Company as the main objective. Besides, approvals of the transactions must be obtained from those who have no stakes in the matters.

- In the case where the Company approves any business transactions executed with related parties with longterm obligations such as purchases and sales of products, etc., the Company will follow-up to make sure that the agreed conditions are honored during the period when the obligation is in effect. Also, investments in concerned companies, affiliates, and subsidiaries will be regularly monitored.

- **The internal control and audit systems on operations, financial reports, and the compliance with the rules, regulations, and policies are implemented as follows:**

- **Internal Audit** is independent in its performance and responsible for examining such control system. It reports directly to the Managing Director, Executive and Audit Committee and the internal control system is reviewed constantly on a yearly basis in addition to the review of such system of each division.

- **Risk Management :** The company organized a Risk Management Committee, prepared risk management documents as well as ordered each sector to evaluate risk management through the meeting of the Risk Management Committee. The company's policies also monitor risk factors monthly and submit report to the Audit Committee on quarterly basis.

- **The Board of Directors' Meeting**

- The meeting schedule is organized one year in advance and each director is notified accordingly for time allocation and attendance.

- The Board of Directors' Meeting is arranged on a monthly basis to report and follow-up on the Company's operations as well as to consider the quarterly financial reports and the disclosure of information in the Annual Registration Statement (Form 56-1) prior to submitting to the Stock Exchange of Thailand and the Securities and Exchange Commission.

- The Company Secretary will prepare and submit the letter of invitation, agendas, and documents to the Board for 7 days in advance to provide the Board with sufficient time to study before attending the meeting.

- The Chairman of the Board and Managing Director choose the topic to be included in the agenda.

- The Chairman allocates adequate time for the directors to vigilantly discuss significant problems as well as encourages all directors to exercise prudent consideration and be attentive to every agenda including the corporate governance issue.

- The Chairman, Managing Director and every director are required to attend every meeting with the exceptions of travelling, unavailability, or sickness.

- Executives are invited by the Managing Director to attend every meeting to provide additional accounting and financial information.

- The directors are encouraged to gain access to additional necessary information technology within the specified scope of policy from the Managing Director, the Corporate Secretary, or other assigned executives.

- **Self-Assessments of the Board of Directors and Executives**

- Board of Directors would conduct self-assessments at least once a year so that performances and problems are rectified.

- **Remunerations**

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

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

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

- **Knowledge Development for Directors and Executives**

- **Knowledge Development for Directors**

- Knowledge Development for Directors and The Audit Committee participated the following training programs;

No.	Names of Directors	Courses	No. of Hours
1.	Miss Pakpachong Vadhanasindhu	The UK Experience on Implementing the Enhanced Auditor Reporting	4

- **Knowledge Development for Executives**

- The Executives participated the following training programs;

No.	Courses	No. of Hours
1.	The 11 st TCC Safety Activity 2016 Launching	2
2.	Overall tax system including revenue-expenses of the Company during the end year, beginning of year and Chinese New Year	6
3.	Sage 300 ERP standard software for comprehensive accounting, financing and cost of production	2
4.	Updated criteria for Material Transaction (MT) and Related Party Transaction (RPT) of the listed company	3
5.	Operational guidance towards Green Industry	3
6.	Working zone free from illegal foreign labor	1
7.	Challenges of internal auditors to create value in the current economic condition	6
8.	TCC Risk Management Business Continuity Plan (BCP)	6
9.	TCC HRD Activity 2016 Kick Off Meeting	3
10.	Visiting factories that experience successful energy management	6
11.	Safety Officers at Executive Level	24
12.	Develop capacity of responsible person for energy optimization in materials, machines and equipment in factories/control buildings (Refresh PRE)	6
13.	Environmental Manager	6
14.	Project to train personnel to apply high energy efficiency	18
15.	Preparation of consolidated financial statements and fair value measurement of assets: Case study of financial statements in 2015	12
16.	Safety Committee	12
17.	Impact of errors and changes in accounting and financial statements	6
18.	Enhancing Good Corporate Governance on CRG Scorecard	6
19.	How to utilize view point for find out hazardous situation	3
20.	Enterprises Risk Management in Practice	6
21.	Tax of Welfare for HR & Accountant	6
Total number of hours		143

INTERNAL CONTROL AND INTERNAL AUDIT

Internal Control

As assigned by the Board of Directors, the Audit Committee's duties and responsibilities were to review the appropriateness and effectiveness of the internal control system set up by the management. This is to ensure that the internal control is efficient enough to mitigate reduce business risks and obviate protect the company's assets from losses or usage of unauthorized personnel. Furthermore, this is also to assist the Company's officers to comply with the law and concerned regulations as well as to create correct and reliable financial reports and help protecting shareholders' investments.

The Audit Committee has reviewed the appropriateness and effectiveness of the internal control system as well as the internal audit and subsequently reported to the Board of Directors on quarterly basis. Last year, the Audit Committee furnished its opinions on the essential issues to the management. In addition, in the meeting with EY Office Limited, the financial auditor who audited the 2016 financial report, it was stated that the Company's overall internal control system was satisfactory and no significant errors which would have adversely affected the financial auditor's opinions toward the company's financial report were found.

The 12/2016 Board of Directors Meeting on 21st December 2016 reviewed the effectiveness of the internal control system by considering 5 main factors, total 17 sub-principles, including internal control, risk assessment, operational control, information technology and communication, and follow-up system. The Board is unanimous in its opinion that these factors were felicitously conformed all 5 main factors.

Internal Audit

The Board of Directors has set up internal audit unit to analyze, evaluate, advise, suggest and provide information to support operating staffs. The Board of Directors has assigned the Audit Committee the responsibility to ensure that the Company has appropriate and effective internal audit system. The objectives are to assist operating staffs in all levels to perform their duties more effectively and support effective internal control at reasonable cost.

The Audit Committee has reviewed the suitability and effectiveness of the internal audit system as well as evaluated the results of the audit and followed up on significant improvements to ensure that the Company has sufficient and suitable internal control system as well as give approval on operating plan and production capacity and independency of the internal audit unit; approve the appointment, transfer, dismissal, and review performance of the Internal Audit Manager.

The Company has a policy to maintain an appropriate internal control and internal audit system to be effective throughout the duration of being listed company.

RISK FACTORS

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

Business Risk

Revenues of the Company are derived from business sectors in the automotive industry, which are approximately 88% of its total revenue which is considered as the main revenue source of the Company. Nonetheless, this section encountered with the economic slowdown. Hence, sales and production of automotive manufacturers failed to meet with expected targets. In addition, the competition has been getting more intense. As a result, the Company's revenue in 2016 decreased by 9% compared to last year. However, the Company attempts to reduce risks by earning more income from the business sectors mainly emphasizing on export in order to recover lost revenue. At the same time, we have improved performance of machine by replacing old and outdated machine with new ones and improve the existing machine to be in better conditions.

Credit Risk

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

Risk from raw materials that are essential to the production

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

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

Foreign Exchange Rate Risk

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

Interest Rate Risk

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

Risk from Flooding

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

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

The Company does not have risk from dependency on major customers from 30% of the total sales. Nevertheless, the Company has 2 major customer groups which are automotive group and motorcycle group and has 5 key customers which the total purchase orders are equivalent to 52% of the total revenue. Previously, the Company has maintained good relationship with these customers. Yet, the Company has many competitors, In this regard, if the Company loses such customers and cannot find other substitute customers, it will affect the revenues of the Company.

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

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

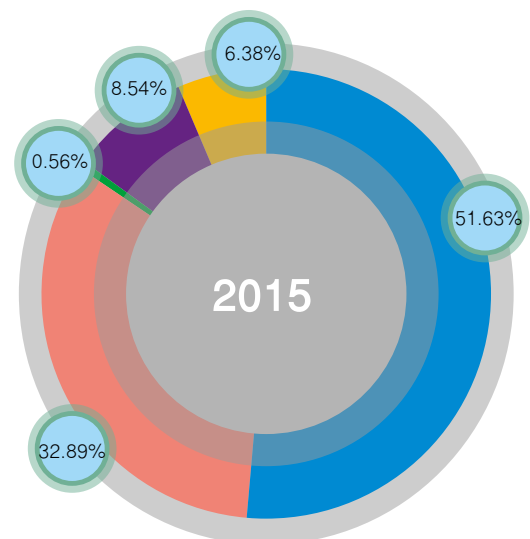
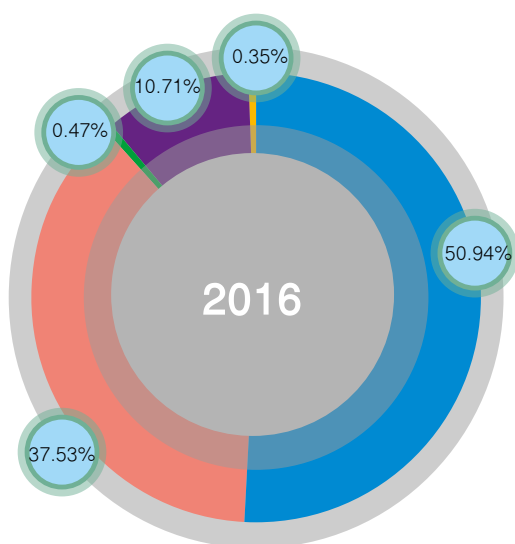
DISCUSSION AND ANALYSIS

Analysis on Previous Operation

According to the economic situation in 2016, the capacity and sales of automobile and motorcycle manufacturing industry which is the main business unit of the Company, did not achieve the target since the impact of the economic recession of the global markets, such as USA, Europe, China. In the meantime, the domestic market was affected from poor export economic situations. Another factor of economic slowdown was the drought directly affecting agricultural products as well as their decreasing prices, causing the decrease of the domestic market's main purchasing power and the slowdown of consumption. The sales of the Company in 2016 decreased by 70 million Baht compared to the previous year. It can be sorted based on product category as follows;

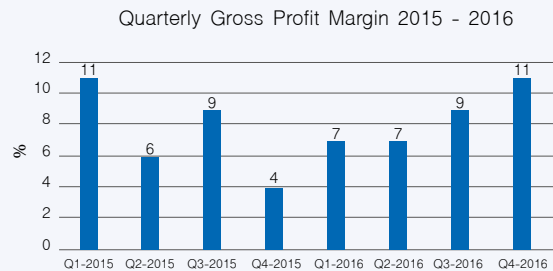
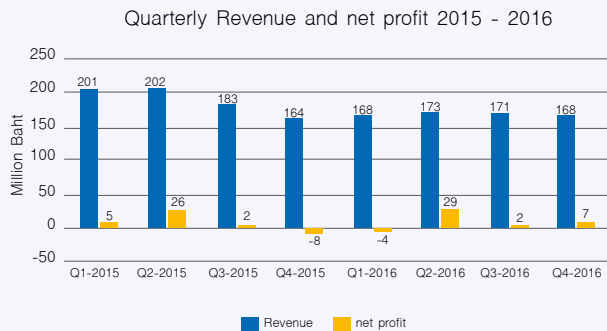
1. Automotive Revenue decreased by 10.14%
2. Motorcycle Revenue increased by 3.93%
3. Electrical Revenue decreased by 24.10%
4. Other Revenue decreased by 10.51%
5. Mold Revenue decreased by 61.85%

Revenue Proportion based on Product Category (%)



Operating Results and Profitability

The profitability of the Company in 2016 increased from that of the year 2015 because the Company adopted measures on reducing expenses, such as electricity bill and expenses related to employees.



When considering the financial statements 2016 in which the equity method is applied compared to prior year. The gross profit was increased from 7.82% to 8.57%, the net profit margin was increased from 3.56% to 4.61%, the earnings per share was increased from 1.13 Baht to 1.34 Baht, the net profit was increased 18.39% and the comprehensive income was increased 45.31%.

For the separate financial statements 2016 compared to prior year. The gross profit was increased from 7.82% to 8.57%, the net profit margin was increased from 3.49% to 4.62%, the earnings per share was increased from 1.11 Baht to 1.34 Baht, the net profit was increased 21.00% and the comprehensive income was increased 49.20%.

1. Sales of plastic parts of the Company in 2016 decreased approximately 39 million Baht compared to the previous year due to the following reasons;
 - For the sector of vehicle parts, the sales decreased 34 million Baht compared to the previous year due to the following reasons;
 - The sales of parts for automobile decreased approximately 35 million Baht.
 - The sales of parts for motorcycle increased approximately 1 million Baht.
2. The sales of mold in the current year decreased approximately 29 million Baht compared to the previous year, resulting from the decrease of customers' purchase orders.
3. The Company obtained receiving dividend of 28 million Baht, slightly increasing from the previous year, which was the dividend from investment in Union Nifco Company Limited.
4. Gross profit margin slightly increased from the previous year because the Company adopted the measures on reducing expenses, such as electricity bill and expenses related to employees.
5. Other revenues in the current year decreased approximately 1 million Baht compared to the previous year because the Company required more spaces for operating business activities last year. This resulted to the decrease of revenue from land and building leasing.
6. Selling administrative expenses in the current year decreased 6 million Baht compared to the previous year. Main cause derived from the decrease of selling expenses based on the trend of sales.

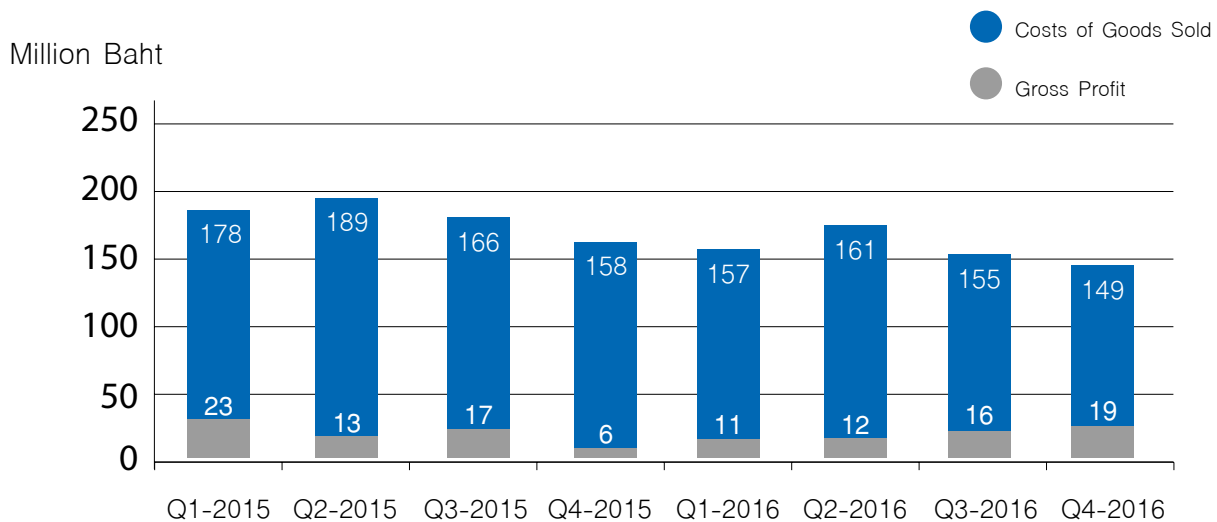
The Company adopted measures to maintain existing customer base by focusing on improving quality of works and punctual delivery. In addition, the Company attempted to increase sales by engaging in the development of products with customers to create reliability for customers in dealing businesses with the Company.

Return on asset (ROA) increased from 3.95% to 4.78%. Return on equity (ROE) increased from 5.01% to 6.03%. In the meantime, asset turnover decreased from 1.11 times to 1.04 times and net return on fixed asset increased from 30.95% to 36.41%.

When considering the reasons causing the total asset turnover in 2016 to be 1.04 times, it was found that the efficiency of asset management of the activity was useful enough to respond customers' demands. Compared to the previous year, quick ratio increased from 3.46 to 3.90 times and inventory turnover increased from 15.89 to 17.83 times due to the increase of ending inventory in 2016. Average collection period in 2016 remained 49 days, similar to the previous year. Most receivables were those who was not yet due for payment and has no problems on debt collection because they are major receivables, which was famous automobile manufacturing companies in Thailand. As a result, the Company did not set the allowance for doubtful accounts. Average days sales of inventory were 20 days.

Cost and selling and administrative expenses in 2016 decreased by 74 million Baht compared to the previous year. The main reason was the decrease of cost on raw material and machinery maintenance, resulting to enhancement of production efficiency.

Quarterly Costs of Goods Sold and Gross Profit 2015 - 2016



Risk Analysis : Regarding short-term risk analysis or liquidity analysis of the Company for short-term debt repayment, it was found that the Company's liquidity was in the good level and there were no significant changes. Its liquidity in 2016 slightly increased compared to the previous year, that was, the current ratio in 2016 and 2015 was 3.90 times and 3.46 times and the quick ratio in 2016 and 2015 was 3.50 times and 3.09 times, respectively.

Liquidity Ratio : When considering the overview, the Company had ability to debt repayment without any risk effect. Based on the cash flow from operations of the Company in 2016, it was 41 million Baht which represented that the Company had sufficient liquidity for debt repayment.

Asset Management

Financial Position

As of December 31, 2016, the financial position of the Company, which was analyzed by comparison and changes of assets, liabilities and shareholders' equity, was as follows ;

Item	For Year Ended December 31 (Unit : Million Baht)			
	Year		Increase/(Decrease)	
	2016	2015	Amount	%
Total Assets	703.47	700.52	2.95	0.42
Total Liabilities	144.25	147.10	(2.85)	(1.94)
Total Shareholders' Equity	559.22	553.42	5.8	1.05

Assets

As of December 31, 2016, the Company held a total asset of 703.47 million Baht. An increase of 2.95 million baht compared to the year 2015, accounting for 0.42%, was detailed as follows;

- Cash and Cash Equivalents

Cash and cash equivalents consist of cash in hand and cash at banks, and all highly liquid investments with an original maturity of 3 months or less, and are not subject to withdrawal restrictions.

Cash Flow	For Year Ended December 31 (Unit : Million Baht)	
	2016	2015
Cash at beginning of the year	105	122
Cash flow from operating activities		
Income from operating activities before changes in operating assets and liabilities	58	54
Changes in operating assets and liabilities	(13)	20
Cash flows from operating activities	45	74
Interest received	-	2
Cash paid for Withholding income tax	(20)	(24)
Cash receipt from Withholding income tax	16	17
Net cash flows from operating activities	41	69
Net cash flows from (used in) investment activities	17	(40)
Net cash flows used in financing activities	(28)	(46)
Net increase (decrease) in cash and cash equivalents	30	(17)
Cash and Cash equivalents at end of year	135	105

- In 2016, the Company had the cash flow from operating activities in an amount of 41 million Baht, decreased by 28 million Baht from the previous year, due to the decrease of sales.

- The Company had the net cash flow used in investment activities in an amount of 17 million Baht. The Company invested in 3-month and 12 month fixed deposits, increased by 30 million Baht. Plus, the Company purchased equipment and made debt repayment in an amount of 14 million Baht. During the year, the Company obtained dividend from other long-term investments and investment in joint ventures in an amount of 29 million Baht.

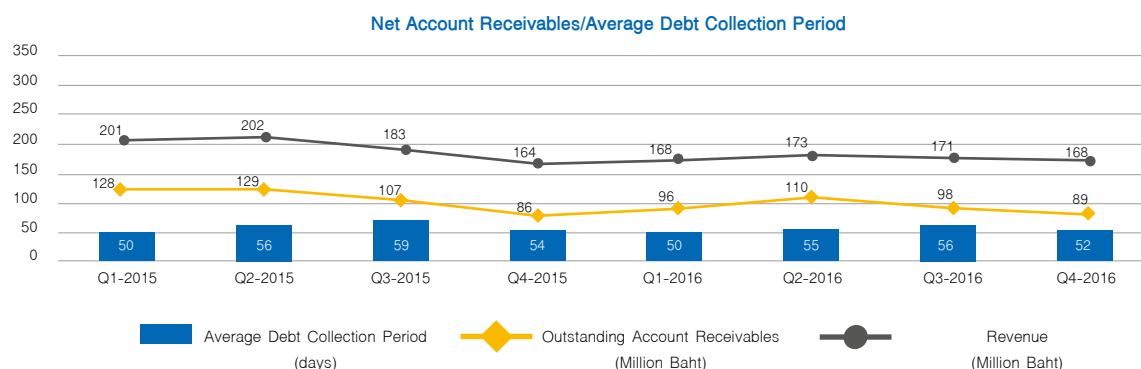
- Cash flow used in financing activities in an amount of 28 million Baht was the annual dividend payout of the Company.

- Current Investments

As at 31 December 2016, this represents fixed deposits with original maturities of 11 and 12 months amounting to Baht 100 million and Baht 30 million, respectively, carried interests between 1.55 and 1.65 percent per annum (2015: fixed deposits with original maturities of 7 and 12 months amounting to Baht 80 million and Baht 50 million, respectively, carried interests between 1.625 and 1.90 percent per annum).

- Trade and Other Receivables

As of December 31, 2016, trade accounts receivable and other receivables were stated at the net realizable value in an amount of 92 million Baht, increased by 1 million Baht from the year 2015. The increasing receivables derived from the increase of sales of motorcycle parts. It was found that most age of receivables was not reserve the allowance for doubtful accounts.



- Inventories

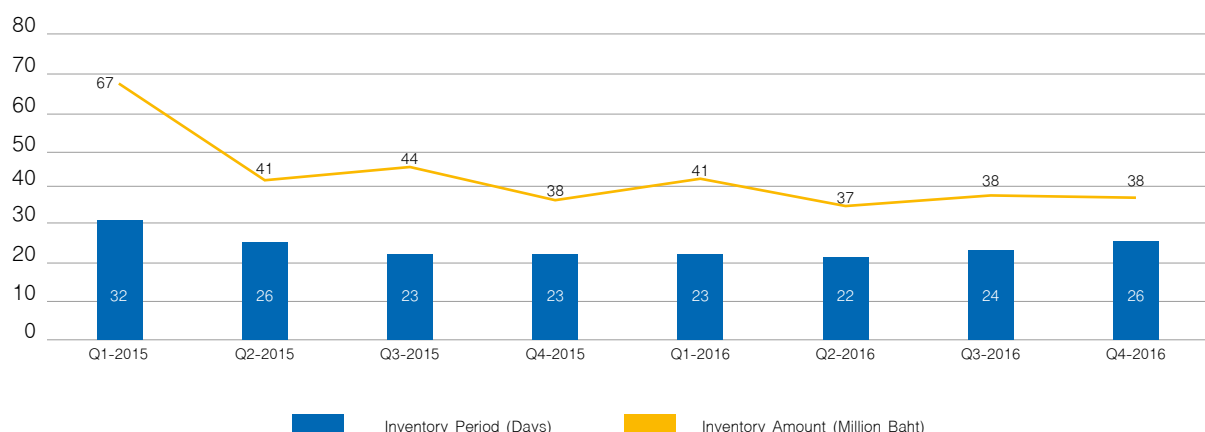
Regarding inventory days, slow moving inventory, and profitability from prospect products, it was found that the Company accounted for sufficient allowance for devaluation of inventories in current situations. However, the Company had the measure on managing deteriorated dead inventories. In case of slow-moving inventories, the Company would release such inventories according to the buy-back agreement with customers by considering life of inventories and economic situations at that time. During the current year, the Company accounted for lower of cost of inventories to net realizable value in an amount of 1.1 million Baht (2015: 1.8 million Baht) by stating as a part of cost of goods sold. Reversing of declining in inventory value was 1.4 million Baht (2015: 2.3 million Baht) by deducting inventory value from recognized as expenses during the year.

Inventories value as of December 31, 2016, and 2015 can be summarized as follows;

(Unit : 1,000 Baht)

	Cost		Reduce Cost to Net Realisable Value		Inventories - Net	
	2016	2015	2016	2015	2016	2015
Finished Goods	12,172	12,432	(889)	(938)	11,283	11,494
Work in process	14,060	10,799	(293)	(320)	13,767	10,479
Raw material	8,253	8,258	(931)	(1,019)	7,322	7,239
Spareparts and Plant materials	7,766	9,083	(262)	(387)	7,504	8,696
Total	42,251	40,572	(2,375)	(2,664)	39,876	37,908

Net Inventories/Inventories Period



- Investment Property

As of December 31, 2016, it was 3.7 million Baht, that was the land in Bang Chan, where the Company allowed the related company to lease for business operation. The fair value of such property was approximately 76.9 million Baht, which was appraised by an independent appraiser on February 10, 2016.

Initial cost of investment property was stated at cost, including transaction cost. Afterwards, investment property was stated at cost after deduction of reserve for loss from impairment (if any).

Difference between the net disposal proceeds and the book value of the asset was stated in profit or loss when the investment property was derecognized.

- Property, Plant, Equipment and Intangible Assets

They were 206.12 million Baht and 241.44 million Baht in 2016 and 2015, respectively, decreased by 34.68 million Baht, accounting for 14.36%. Most derived from the depreciation of assets based on rules. However, an item of property, plant and equipment is derecognized 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 derecognized. Intangible assets of the Company were computer software with the useful life of over 1 year. The Company reviewed the impairment of such assets at least at each financial year end. In 2016, the return on fixed asset of the Company increased from 30.95% to 36.41% compared to the previous year.

(Unit : Million Baht)

Item	For Year Ended December 31			
	Year		Increase/(Decrease)	
	2016	2015	Amount	%
Land	76,474	76,474	-	-
Buildings and building improvement	60,446	69,475	(9,029)	(12.97)
Machinery and equipment	66,897	90,677	(23,780)	(26.22)
Furniture, fixtures and office equipment	1,360	1,137	223	19.61
Intangible assets	1,093	646	447	69.20
Motor vehicles	481	937	(456)	(48.67)
Assets under installation and under construction	462	2,096	(1,634)	(77.96)
Total	207,213	241,442	(34,229)	(14.18)

Regarding machinery and equipment, it decreased 23.78 million Baht. Machinery and other assets decreased due to depreciation based on rules and transfer of completed assets during installation to machinery and equipment assets.

Liabilities

As of December 31, 2016, the Company held a total liability of 144.25 million Baht, decreased by 2.85 million Baht, accounting for 1.94%, from 147.01 million Baht at the end of the year 2015, as detailed below.

- **Trade and other payables** was 102.05 million Baht, decreased by 3.34 million Baht from 105.39 million Baht in 2015, accounting for 3.17%. Due to the effect from the decrease of customers' purchase orders, the raw material purchase orders also decreased. Most trade account payable was raw material purchase orders.

- **Provision** for long-term employee benefits in 2016 was 42.20 million Baht, increased by 0.496 million Baht from 41.71 million Baht in 2015, accounting for 1.19%, because the Company had obligations for compensation paid to employees in case of employment termination under the labor law and post-employment contribution project. The Company considered such compensation as the post-employment benefits for employees.

Shareholders' Equity

As of December 31, 2016, shareholders' equity of the Company was 549.55 million Baht, increased by 5.86 million Baht, accounting for 1.08%, from 543.69 million Baht at the end of the year 2015, as the annual net profit of the Company increased.

Liquidity and Capital Adequacy of the Company

In summary, the net cash flow of the Company increased by 30 million Baht. Cash flow from operations decreased by 41 million Baht. Cash flow from investment activities was 17 million Baht. Cash was used in financing activities in an amount of 28 million Baht which was the dividend payout. Therefore, regarding the operations in 2016, the Company estimated that the settlement risk is in the low level because the Company has no obligations and contingent liabilities.

Regarding the financial structure of the Company used in investments and improvement of the Company's activities, most of cash derived from operation activities in the year. The Company has the liquidity in the good level. Most current liabilities derived from the purchase of input and investment in purchasing machinery and equipment used in the production of the Company.

For the capital management, the main objective of the Company's capital management is to adopt an appropriate capital structure for supporting business operations of the Company and promoting shareholding value for shareholders. As of December 31, 2016, debt to equity ratio of the Company Group and the Company were 0.26: 1 (2558 = 0.27: 1) and 0.26: 1 (2558 = 0.27:1), respectively.

Commitments Liabilities

As of December 31, 2016, the Company had capital commitments of Baht 5 million (2015: none), relating to the purchases of machinery, equipment and motor vehicles.

The Company has entered into several lease agreements in respect of the lease of office equipment. The terms of the agreements are generally between 1 to 4 years.

The Company has entered into an agreement on services of vehicle, equipment maintenance and other services. As of December 31, 2016, the Company's minimum payment due in the future under the abovementioned agreements amounted 2.6 million Baht (2015: 1.6 million Baht).

The Company had the total minimum payment due in the future under the operating lease agreements as follows;

(Unit : Million Baht)

Term	As of December 31	
	2016	2015
In up to 1 Year	0.2	0.2
In over 1 and up to 4 years	0.4	0.5

However, the Company provided new financial reporting standards. During the present year, the Federation of Accounting Professions issued new several volumes of the Financial Reporting Standards and International Financial Reporting Interpretations (Revised 2016), including Accounting Practices, which were effective for the financial statements beginning on or after January 1, 2017. Such financial reporting standards had revised or prepared to align their content with the corresponding International Financial Reporting Standards. Most of the amendments were directed towards revision of wording and terminology, interpretations and provision of accounting practices to users of the accounting standards.

The Management of the Company believes that the revised Financial Reporting Standards and International Financial Reporting Interpretations and new accounting practices do not have any significant impact on the financial statements in the year in which they are adopted. However, some of these financial reporting standards involve changes to key principles, as summarized follows; Thai Accounting Standards No. 27 (Revised 2016), Separate Financial Statements. This revised standard stipulates an additional option to account for investments in subsidiaries, joint ventures and associates in separate financial statements under the equity method, as described in TAS 28 (revised 2016), Investments in Associates and Joint Ventures. However, the entity has to apply the same accounting recording procedure for each category of investment. If an entity elects to account for such investments using the equity method in the separate financial statements, it has to adjust the transaction retrospectively. This revised standard does not have any impact on the financial statements as the Management has considered and decided to continue accounting for such investments under the cost method in the separate financial statements.

Factors Affecting Future Operation

Most of major automobile and motorcycle manufacturers apply Global Model strategy. It is to use a production base for each model at one location in ASEAN region and each country can make the price competition based on Economics of Scale which is used as the criteria on selection and decision. This is the opportunity and obstacles in operating businesses of the Company so it requires the improvement and development of its competency beyond both domestic competitors and those in ASEAN region.

AUDIT COMMITTEE'S REPORT

Dear Shareholders of Union Plastic Public Company Limited,

The Audit Committee of Union Plastic Public Company Limited comprises of Miss Pakpachong Vadhanasindhu, Chairman, and Mr. Bancherd Tanglerpaibul and Miss Jutatip Arunanondchai, Committee Members. The Audit Committee has already performed its duties under the scope and responsibilities as assigned by the Board of Directors and in accordance with the charter and regulations of the Stock Exchange of Thailand.

In 2016, five Audit Committee Meetings were held with full attendance of all members of the Committee. Senior Executives, Internal Audit Manager, and the Auditor also attended some sessions of the meetings in which there were some agendas relevant to them. The Committee also had some separate discussions with the Auditor without the presence of the executives, which ensured the compliance with Best Practice Guidelines for Audit Committee. The Audit Committee's reports were submitted to the Board of Directors on a quarterly basis and the summary of its main operation results is as follows.

1) Review of Financial Statements The Audit Committee has reviewed the financial reports for the year 2015 and quarterly financial statements for the year 2016 in collaboration with the auditor and the executives concerned in order to ensure that financial reports of the Company had been prepared correctly and fulfilled the substantial requirements defined in the accounting standards for interim financial reporting, as well as the generally accepted standards for financial reporting; and that the reported information would be sufficient, complete and reliable. The Committee made itself available to listen to comments from the Auditor, Finance and Accounting Manager, and other executives concerning the financial information presented in the financial reports. In addition, the auditor has already issued an unqualified opinion for the financial reports of the Company. The Committee also had a meeting with the auditor without the presence of any executives in order to listen to comments from the auditor freely about the audit of financial reports. The auditor reported that no significant issues were detected and the auditor had received good cooperation from the management in the facilitation for the audit.

2) Review of Internal Control and Internal Audit The Board of Directors, with the joint effort from the Audit Committee, conducted an annual review on the adequacy of the internal control system of the Company in order to re-evaluate the appropriateness and adequacy of the system. The Board of Directors made a comment that the Company had duly complied with the components of the Internal Control System. Furthermore, the Audit Committee had reviewed the audit results and followed up the developments in improving and solving significant issues, in order to ensure

the adequacy and suitability of the Internal Control System of the Company. The Committee also had considered the independency of the Internal Audit Office and approved its operation plans and the scale of its workforce.

3) Review of the Conformity to Relevant Laws Every quarter, the Audit Committee reviewed the conformity with the Securities and Exchange Act, tax laws, environmental laws and any other laws relevant to the business of the Company; and gave additional recommendations on operation control, so that the operation shall be in accordance with the prescribed regulations.

4) Review of the Transactions with Potential Conflicts of Interests The Audit Committee considered and reviewed the interrelated transactions between the Company and associated companies, as well as the transactions with potential conflict of interest, to make sure that such transactions would conform to general commercial conditions and could still maintain maximum benefits for the Company.

5) Review of Risk Management The Audit Committee has reviewed the Risk Management Plan which the management has conducted risk evaluation according to objectives and goals of the Company based on both internal and external factors and emergency cases. The Audit Committee reckons that risk management is critical factor that management should evaluate on continuous basis.

6) Self-Evaluation The Audit Committee already conducted the annual self-evaluation for the year 2015 with regard to its performance of duties in line with the regulations and the best practice guidelines for audit committee. The results of self-evaluation indicated that majority of its performance of duties had been in accordance with the regulations and the best practice guidelines for audit committee as defined by the Stock Exchange of Thailand.

7) Consideration of the Auditor's Appointment and Audit Fee The Audit Committee had considered the qualifications, previous performance and the proposed amount of audit fee of the current auditor, and reached a conclusion that all of these were appropriate. Therefore, the Audit Committee had a resolution approving the appointment of EY Office Limited as the Auditor of Union Plastic Company Limited for the 2016; and had submitted this approval to the Board of Directors for consideration before forwarding further to seek approval from shareholders.

On Behalf of the Audit Committee



(Miss Pakpachong Vadhanasindhu)

Chairman of the Audit Committee

Union Plastic Public Company Limited

December 21st, 2016

BOARD OF DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL REPORT

The Board of Directors shall be responsible for financial statements, which showed the investments under the equity method and separate statements of financial position of the Company and the financial information as appeared in the Annual Report. Such financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) by using and regularly adhering to proper accounting policies, as well as using careful discretion and best estimation in preparation thereof and adequately disclosing significant data in the notes to financial statements.

The Board of Directors shall be responsible for providing effective internal control system, supervising the compliance therewith and reporting the data relating to the appraisal of the internal control system, on a yearly basis, to the auditor and to members of the Audit Committee of the Company, covering errors and significant changes of the internal control system, including unlawful actions which may affect the preparation of correct and complete reports of the Company, thus, in conformity with the legal provisions.

The Board of Directors has appointed the Audit Committee, consisting of independent directors and non-executive directors, to be responsible for quality of financial reports and the internal control system; meanwhile, the opinions of the Audit Committee relating to this matter appeared in the report of the Audit Committee as shown in the Annual Report.

Therefore, the Board of Directors had its opinions that the internal control system of the Company was at a satisfactory level and was able to create reasonable confidence and assurance that the Company has disclosed significant data of the financial statements of the Company as of December 31st, 2016 correctly and completely.

On behalf of the Board of Directors



(Miss Dalad Saphavichaikul)

Chairman

February 22nd, 2017



(Mr. Rames Khempet)

Managing Director

February 22nd, 2017

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Union Plastic Public Company Limited

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

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

key audit matters and how audit procedures respond for each matter are describe below.

Revenue recognition

The Company's main business is the production of plastic parts for industry and the majority of revenue comes from the automotive industry. Revenue is a key measure of the Company's operating performance because any increase or decrease in revenue affects the profitability of the Company. As a result of the economic slowdown and high competition in the industry, there are risks with respect to the amount and timing of revenue recognition from production of plastic parts.

I have examined the revenue recognition of the Company by

- Assessing and testing the Company's IT system and its internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls, and with special consideration given to expanding the scope of the testing of the internal controls which respond to the above risks.

- Applying a sampling method to select sales transactions to assess whether revenue recognition was consistent with the conditions and incoterms, and whether it was in compliance with the Company's policy.
- On a sampling basis, examining supporting documents for actual sales transactions occurring during the year and near the end of the accounting period.
- Reviewing credit notes that the Company issued after the period-end.
- Performing analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Mrs. Ponnard Paocharoen.



Ponnard Paocharoen

Certified Public Accountant (Thailand) No. 5238

EY Office Limited

Bangkok: 22 February 2017

STATEMENT OF FINANCIAL POSITION

Union Plastic Public Company Limited As at 31 December 2016

(Unit: Baht)

	Note	Financial statements in which the equity method is applied		Separate financial statements	
		2016	2015	2016	2015
Assets					
Current assets					
Cash and cash equivalents	7	135,318,999	105,154,224	135,318,999	105,154,224
Current investments	8	130,000,000	130,000,000	130,000,000	130,000,000
Trade and other receivables	6, 9	91,625,753	90,243,563	91,625,753	90,243,563
Inventories	10	39,876,032	37,907,885	39,876,032	37,907,885
Other current assets		1,300,932	1,335,989	1,300,932	1,335,989
Total current assets		398,121,716	364,641,661	398,121,716	364,641,661
Non-current assets					
Restricted investments	11	12,227,095	11,500,000	12,227,095	11,500,000
Investment in associate	12	12,162,878	12,231,303	2,499,990	2,499,990
Other long-term investment	13	20,002,200	20,002,200	20,002,200	20,002,200
Investment property	14	3,738,143	3,738,143	3,738,143	3,738,143
Property, plant and equipment	15	206,120,272	240,796,382	206,120,272	240,796,382
Intangible assets	16	1,093,274	645,622	1,093,274	645,622
Deferred tax assets	22	9,505,898	8,569,708	9,505,898	8,569,708
Withholding income tax	17	40,494,467	38,395,661	40,494,467	38,395,661
Total non-current assets		305,344,227	335,879,019	295,681,339	326,147,706
Total assets		703,465,943	700,520,680	693,803,055	690,789,367

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

STATEMENT OF FINANCIAL POSITION (CONTINUED)

Union Plastic Public Company Limited

As at 31 December 2016

(Unit: Baht)

	Note	Financial statements in which the equity method is applied		Separate financial statements	
		2016	2015	2016	2015
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	6, 18	100,038,662	104,357,273	100,038,662	104,357,273
Other current liabilities		2,010,000	1,035,000	2,010,000	1,035,000
Total current liabilities		102,048,662	105,392,273	102,048,662	105,392,273
Non-current liabilities					
Provision for long-term employee benefits	19	42,202,287	41,707,487	42,202,287	41,707,487
Total non-current liabilities		42,202,287	41,707,487	42,202,287	41,707,487
Total liabilities		144,250,949	147,099,760	144,250,949	147,099,760
Shareholders' equity					
Share capital					
Registered					
25,000,000 ordinary shares of Baht 10 each		250,000,000	250,000,000	250,000,000	250,000,000
Issued and fully paid-up					
25,000,000 ordinary shares of Baht 10 each		250,000,000	250,000,000	250,000,000	250,000,000
Share premium		167,200,000	167,200,000	167,200,000	167,200,000
Retained earnings					
Appropriated - statutory reserve	20	62,500,000	62,500,000	62,500,000	62,500,000
Unappropriated		79,514,994	73,720,920	69,852,106	63,989,607
Total shareholders' equity		559,214,994	553,420,920	549,552,106	543,689,607
Total liabilities and shareholders' equity		703,465,943	700,520,680	693,803,055	690,789,367

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

STATEMENT OF COMPREHENSIVE INCOME

Union Plastic Public Company Limited For the year ended 31 December 2016

(Unit: Baht)

	Note	Financial statements in which the equity method is applied		Separate financial statements	
		2016	2015	2016	2015
Profit and loss					
Revenues					
Sales and service income		680,187,184	749,776,979	680,187,184	749,776,979
Other income				-	
Scrap sales		6,045,354	6,425,548	6,045,354	6,425,548
Dividend income	12, 13	27,996,640	25,996,880	28,996,636	26,821,877
Others		13,001,032	13,363,074	13,001,032	13,363,074
Total revenues		727,230,210	795,562,481	728,230,206	796,387,478
Expenses					
Cost of sales and services		621,879,327	691,174,945	621,879,327	691,174,945
Selling expenses		30,777,861	33,119,390	30,777,861	33,119,390
Administrative expenses		40,819,797	43,872,812	40,819,797	43,872,812
Total expenses		693,476,985	768,167,147	693,476,985	768,167,147
Profit before share of profit from investment in associate and income tax expenses		33,753,225	27,395,334	34,753,221	28,220,331
Share of profit from investment in associate	12	931,571	1,379,819	-	-
Profit before income tax expenses		34,684,796	28,775,153	34,753,221	28,220,331
Income tax expenses	22	(1,142,165)	(441,745)	(1,142,165)	(441,745)
Profit for the year		33,542,631	28,333,408	33,611,056	27,778,586
Other comprehensive income					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial loss, net of income tax		-	(5,250,588)	-	(5,250,588)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax</i>		-	(5,250,588)	-	(5,250,588)
Other comprehensive income for the year		-	(5,250,588)	-	(5,250,588)
Total comprehensive income for the year		33,542,631	23,082,820	33,611,056	22,527,998
Basic earnings per share	23				
Profit for the year		1.34	1.13	1.34	1.11

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Union Plastic Public Company Limited
For the year ended 31 December 2016

(Unit: Baht)

	Financial statements in which the equity method is applied				
	Issued and fully paid-up share capital	Share premium	Retained earnings Appropriated - statutory reserve	Unappropriated	Total shareholders' equity
Balance as at 1 January 2015	250,000,000	167,200,000	62,500,000	97,382,677	577,082,677
Profit for the year	-	-	-	28,333,408	28,333,408
Other comprehensive income for the year	-	-	-	(5,250,588)	(5,250,588)
Total comprehensive income for the year	-	-	-	23,082,820	23,082,820
Dividend paid (Note 26)	-	-	-	(46,744,577)	(46,744,577)
Balance as at 31 December 2015	250,000,000	167,200,000	62,500,000	73,720,920	553,420,920
Balance as at 1 January 2016	250,000,000	167,200,000	62,500,000	73,720,920	553,420,920
Profit for the year	-	-	-	33,542,631	33,542,631
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	33,542,631	33,542,631
Dividend paid (Note 26)	-	-	-	(27,748,557)	(27,748,557)
Balance as at 31 December 2016	250,000,000	167,200,000	62,500,000	79,514,994	559,214,994

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

Union Plastic Public Company Limited
For the year ended 31 December 2016

(Unit: Baht)

	Separate financial statements				Total shareholders' equity
	Issued and fully paid-up share capital	Share premium	Retained earnings Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2015	250,000,000	167,200,000	62,500,000	88,206,186	567,906,186
Profit for the year	-	-	-	27,778,586	27,778,586
Other comprehensive income for the year	-	-	-	(5,250,588)	(5,250,588)
Total comprehensive income for the year	-	-	-	22,527,998	22,527,998
Dividend paid (Note 26)	-	-	-	(46,744,577)	(46,744,577)
Balance as at 31 December 2015	250,000,000	167,200,000	62,500,000	63,989,607	543,689,607
					-
Balance as at 1 January 2016	250,000,000	167,200,000	62,500,000	63,989,607	543,689,607
Profit for the year	-	-	-	33,611,056	33,611,056
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	33,611,056	33,611,056
Dividend paid (Note 26)	-	-	-	(27,748,557)	(27,748,557)
Balance as at 31 December 2016	250,000,000	167,200,000	62,500,000	69,852,106	549,552,106

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

CASH FLOW STATEMENT

Union Plastic Public Company Limited For the year ended 31 December 2016

(Unit: Baht)

	Financial statements in which the equity method is applied		Separate financial statements	
	2016	2015	2016	2015
Cash flows from operating activities				
Profit before tax	34,684,796	28,775,153	34,753,221	28,220,331
Adjustments to reconcile profit before tax to net cash provided by (used in) operating activities:				
Depreciation and amortisation	49,173,668	50,125,528	49,173,668	50,125,528
Reversal of reduction of inventory to net realisable value	(289,145)	(496,167)	(289,145)	(496,167)
Losses on impairment of equipment	28,087	-	28,087	-
Gains on sales/write-off of equipment	(1,572,514)	(748,332)	(1,572,514)	(748,332)
Share of profit from investment in associate	(931,571)	(1,379,819)	-	-
Unrealised (gains) losses on exchange	169,523	(922)	169,523	(922)
Dividend income	(27,996,640)	(25,996,880)	(28,996,636)	(26,821,877)
Long-term employee benefits expenses	7,707,251	7,211,982	7,707,251	7,211,982
Interest income	(3,077,342)	(2,886,528)	(3,077,342)	(2,886,528)
Income from operating activities before changes in operating assets and liabilities	57,896,113	54,604,015	57,896,113	54,604,015
Operating assets (increase) decrease				
Trade and other receivables	(1,409,542)	18,906,931	(1,409,542)	18,906,931
Inventories	(1,679,002)	21,374,176	(1,679,002)	21,374,176
Other current assets	35,057	1,383,828	35,057	1,383,828
Operating liabilities increase (decrease)				
Trade and other payables	(3,445,597)	(11,513,123)	(3,445,597)	(11,513,123)
Other current liabilities	975,000	(1,956,000)	975,000	(1,956,000)
Other non-current liabilities	(7,212,451)	(9,033,450)	(7,212,451)	(9,033,450)
Cash flows from operating activities	45,159,578	73,766,377	45,159,578	73,766,377
Cash paid for withholding income tax	(20,157,221)	(24,146,248)	(20,157,221)	(24,146,248)
Cash receipt from withholding income tax	15,980,060	16,932,815	15,980,060	16,932,815
Net cash flows from operating activities	40,982,417	66,552,944	40,982,417	66,552,944

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

CASH FLOW STATEMENT (CONTINUED)

Union Plastic Public Company Limited
For the year ended 31 December 2016

(Unit: Baht)

	Financial statements in which the equity method is applied		Separate financial statements	
	2016	2015	2016	2015
Cash flows from investing activities				
Cash receipt from interest income	2,935,171	2,855,926	2,935,171	2,855,926
Acquisition of plant and equipment	(13,904,868)	(30,039,404)	(13,904,868)	(30,039,404)
Repayment of equipment creditor	(987,942)	(1,855,040)	(987,942)	(1,855,040)
Proceeds from disposals of equipment	1,577,156	754,100	1,577,156	754,100
Acquisition of intangible assets	(958,143)	(478,898)	(958,143)	(478,898)
Increase in current investments	-	(35,000,000)	-	(35,000,000)
Increase in restricted investments	(727,095)	-	(727,095)	-
Dividend received from investments	28,996,636	26,821,877	28,996,636	26,821,877
Net cash flows from (used in) investing activities	16,930,915	(36,941,439)	16,930,915	(36,941,439)
Cash flows from financing activities				
Dividend paid	(27,748,557)	(46,744,577)	(27,748,557)	(46,744,577)
Net cash flows used in financing activities	(27,748,557)	(46,744,577)	(27,748,557)	(46,744,577)
Net increase (decrease) in cash and cash equivalents	30,164,775	(17,133,072)	30,164,775	(17,133,072)
Cash and cash equivalents at beginning of year	105,154,224	122,287,296	105,154,224	122,287,296
Cash and cash equivalents at end of year	135,318,999	105,154,224	135,318,999	105,154,224
	-	-	-	-
Supplemental cash flows information				
Non-cash transaction				
Purchase of equipment for which no cash has been paid	114,928	987,942	114,928	987,942

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

NOTES TO FINANCIAL STATEMENTS

Union Plastic Public Company Limited
For the year ended 31 December 2016

1. General information

Corporate information

Union Plastic Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its parent company is Saha-Union Public Company Limited, which was incorporated in Thailand. The Company is principally engaged in the contract manufacture of thermoplastics. The Company is also engaged in the contract manufacture and repair of molds, but revenue from these services are not material. The registered office of the Company is at 11/1 Soi Serithai 62, Minburi Sub-district, Minburi District, Bangkok.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

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

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

- 2.2 The separate financial statements present investment in associate under the cost method.

3. New financial reporting standards

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

During the year, the Company have adopted the revised (revised 2015) and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company.

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

During the current year, the Federation of Accounting Professions issued a number of the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards.

The management of the Company believe that the revised financial reporting standards and interpretations and new accounting treatment guidance will not have any significant impact on the financial statements when they are initially applied. However, one standard involves changes to key principles, which are summarised below.

TAS 27 (revised 2016) Separate Financial Statements

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

This standard will not have any significant impact on the Company financial statements because the management has decided to continue accounting for such investments under the cost method in the separate financial statements.

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

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

Rendering of services

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

Dividends

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

4.2 Cash and cash equivalents

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

4.3 Trade accounts receivable

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

4.4 Inventories

Finished goods and work in process are valued at the lower of cost under the average method and net realisable value. The cost of inventories is measured using the standard cost method, which approximates actual cost and includes all production costs and attributable factory overheads.

Raw materials, spare parts and factory supplies are valued at the lower of cost under the first-in, first-out method and net realisable value and are charged to production costs whenever consumed.

4.5 Investments

- a) Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method with the amortised/accreted amount presented as an adjustment to the interest income.
- b) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for impairment loss (if any).
- c) Investment in associate is accounted for in the financial statements in which the equity method is applied using the equity method.
- d) Investment in associate is accounted for in the separate financial statements using the cost method.

4.6 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less allowance for loss on impairment (if any).

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

4.7 Property, plant and equipment/Depreciation

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

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

Buildings and building improvement	- 5, 10 and 20 years
Machinery and equipment	- 5 and 10 years
Furniture, fixtures and office equipment	- 3 and 5 years
Motor vehicles	- 5 years

Depreciation of molds acquired before 2015 is calculated by reference to their costs on the straight-line basis over the 5 years useful live while depreciation of molds acquired since 2015 is calculated by unit of production.

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation and under construction.

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

4.8 Intangible assets

Intangible assets are initially recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

The intangible asset is computer software with finite useful lives of 3 and 5 years.

4.9 Related party transactions

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

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

4.10 Long-term leases

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

4.11 Foreign currencies

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.12 Impairment of assets

At the end of each reporting period, the Company performs an impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

4.13 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law and resignation fund plans. The Company treats these severance payment obligations as defined benefit plans.

The obligation under the defined benefit plans is determined based on actuarial techniques, using the projected unit credit method.

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

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

Plan assets are assets held by a long-term employee benefit fund. They are not available to the Company's creditors and cannot be returned to the Company. The Company measures the fair value of plan assets by using market price.

4.14 Provisions

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

4.15 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.16 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company applies a quoted market price in an active market to measure its assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

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

Allowance of diminution in value of inventory

In determining an allowance of diminution in value of inventory, the management makes judgement and estimates net realisable value of inventory based on the amount the inventories are expected to realise. 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 judgement and estimates expected loss from stock obsolescence based upon aging profile of inventories and the prevailing economic condition.

Property, plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the Company's plant and equipment 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 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.

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. Related party transactions

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

(Unit: Million Baht)

	Financial statements in which the equity method is applied/ Separate financial statements		Transfer Pricing Policy
	2016	2015	
<u>Transactions with related companies</u> (related by common shareholders)			
Sales of merchandise and services	71	78	Cost plus margin
Other income	6	7	Cost plus margin
Purchases of merchandise	11	12	Cost plus margin of related companies

As at 31 December 2016 and 2015, the balances of the accounts between the Company and those related parties are as follows:

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied/ Separate financial statements	
	2016	2015
Trade and other receivables - related parties (Note 9)		
Related companies (related by common shareholders)	10,975	11,169
Total trade and others receivables - related parties	10,975	11,169
Trade and other payables - related parties (Note 18)		
Related companies (related by common shareholders)	1,549	1,677
Total trade and other payables - related parties	1,549	1,677

Directors and management's benefits

During the years ended 31 December 2016 and 2015, the Company had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied/ Separate financial statements	
	<u>2016</u>	<u>2015</u>
Short-term employee benefits	10,402	9,715
Post-employment benefits	(661)	(325)
Total	<u>9,741</u>	<u>9,390</u>

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied/ Separate financial statements	
	<u>2016</u>	<u>2015</u>
Cash	50	50
Bank deposits	135,269	105,104
Total	<u>135,319</u>	<u>105,154</u>

As at 31 December 2016, bank deposits in saving accounts carried interest at a rate of 0.375 - 1.55 percent per annum (2015: 0.50 - 0.625 percent per annum).

8. Current investments

As at 31 December 2016, this represents fixed deposits with original maturities of 11 and 12 months amounting to Baht 100 million and Baht 30 million, respectively, carried interests between 1.55 and 1.65 percent per annum (2015: fixed deposits with original maturities of 7 and 12 months amounting to Baht 80 million and Baht 50 million, respectively, carried interests between 1.625 and 1.90 percent per annum).

9. Trade and other receivables

(Unit: Thousand Baht)

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

	<u>2016</u>	<u>2015</u>
<u>Trade receivables - related parties</u>		
Aged on the basis of due dates		
Not yet due	10,817	11,005
Total trade receivables - related parties	10,817	11,005
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	77,944	75,272
Total trade receivables - unrelated parties	77,944	75,272
Total trade receivables	88,761	86,277
<u>Other receivables</u>		
Amounts due from related parties	158	164
Advance for goods payment	1,649	2,903
Others	1,058	900
Total other receivables	2,865	3,967
Total trade and other receivables	91,626	90,244

10. Inventories

(Unit: Thousand Baht)

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

	Reduce cost to					
	Cost		net realisable value		Inventories-net	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Finished goods	12,172	12,432	(889)	(938)	11,283	11,494
Work in process	14,060	10,799	(293)	(320)	13,767	10,479
Raw materials	8,253	8,258	(931)	(1,019)	7,322	7,239
Spare parts and factory supplies	7,766	9,083	(262)	(387)	7,504	8,696
Total	42,251	40,572	(2,375)	(2,664)	39,876	37,908

During the current year, the Company reduced cost of inventories by Baht 1.1 million (2015: Baht 1.8 million) to reflect the net realisable value. This was included in cost of sales. In addition, the Company reversed the write-down of cost of inventories by Baht 1.4 million (2015: Baht 2.3 million) and reduced the amount of inventories recognised as expenses during the year.

11. Restricted investment

This represents investments in government bonds which are pledged as collateral to secure electricity use.

12. Investment in associate

12.1 Details of associate

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Financial statements in which the equity method is applied					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			2016 (%)	2015 (%)	2016	2015	2016	2015
P.S.V. Mould Co., Ltd.	Contract manufacture and sales of molds	Thailand	25	25	2,500	2,500	12,163	12,231
Total					2,500	2,500	12,163	12,231

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements					
			Shareholding percentage		Cost		Carrying amounts based on cost method	
			2016 (%)	2015 (%)	2016	2015	2016	2015
P.S.V. Mould Co., Ltd.	Contract manufacture and sales of molds	Thailand	25	25	2,500	2,500	2,500	2,500
Total					2,500	2,500	2,500	2,500

12.2 Share of comprehensive income and dividend received

During the years, the Company has recognised its share of comprehensive income from investment in associate company in the financial statements in which the equity method is applied and dividend income in the separate financial statements as follows:

(Unit: Thousand Baht)

Associate	Financial statements in which the equity method is applied		Separate financial statements	
	Share of profit from investment in associate during the year		Dividend received during the year	
	2016	2015	2016	2015
P.S.V. Mould Co., Ltd.	932	1,380	1,000	825
Total	932	1,380	1,000	825

12.3 Summarised financial information about associate

Summarised information about financial position as at 31 December

(Unit: Million Baht)		
P.S.V. Mould Co., Ltd.		
	<u>2016</u>	<u>2015</u>
Current assets	28.9	27.5
Non-current assets	30.8	32.1
Current liabilities	(5.5)	(5.8)
Non-current liabilities	(5.6)	(4.9)
Net assets	48.6	48.9
Shareholding percentage	25%	25%
Carrying amounts of associate based on equity method	12.2	12.2

Summarised information about comprehensive income for the years ended 31 December

(Unit: Million Baht)		
P.S.V. Mould Co., Ltd.		
	<u>2016</u>	<u>2015</u>
Revenue	38.1	43.0
Profit	3.7	5.5
Other comprehensive income	-	-
Total comprehensive income	3.7	5.5

13. Other long-term investment

(Unit: Thousand Baht)						
Financial statements in which the equity method is applied/ Separate financial statements						
Company's name	Shareholding percentage		Investment value		Dividend received during the year	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	%	%				
Union Nifco Co., Ltd.	19.99	19.99	20,002	20,002	27,997	25,997
Total			20,002	20,002	27,997	25,997

14. Investment property

Investment property represents land for rental. There was no movement in net book value during the year.

The fair value of the investment property amounted to Baht 76.9 million, as determined by an accredited independent valuer based on market price with reference to trading information of nearby land, which coincided with the appraisal.

15. Property, plant and equipment

(Unit: Thousand Baht)

Financial statements in which the equity method is applied/

Separate financial statements

	Land	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	Total
Cost							
As at 1 January 2015	76,474	233,642	834,796	13,158	6,385	11,720	1,176,175
Additions	-	420	27,964	547	-	2,096	31,027
Disposals/write-off	-	-	(21,504)	(269)	-	(1)	(21,774)
Transfers	-	-	11,706	-	-	(11,719)	(13)
As at 31 December 2015	76,474	234,062	852,962	13,436	6,385	2,096	1,185,415
Additions	-	405	12,276	877	-	462	14,020
Disposals/write-off	-	-	(5,634)	(385)	(880)	-	(6,899)
Transfers	-	-	2,096	-	-	(2,096)	-
As at 31 December 2016	76,474	234,467	861,700	13,928	5,505	462	1,192,536
Accumulated depreciation							
As at 1 January 2015	-	154,940	745,677	11,924	4,770	-	917,311
Depreciation for the year	-	9,647	38,047	642	678	-	49,014
Depreciation on disposals/write-off	-	-	(21,501)	(267)	-	-	(21,768)
As at 31 December 2015	-	164,587	762,223	12,299	5,448	-	944,557
Depreciation for the year	-	9,434	38,121	652	456	-	48,663
Depreciation on disposals/write-off	-	-	(5,631)	(383)	(880)	-	(6,894)
As at 31 December 2016	-	174,021	794,713	12,568	5,024	-	986,326
Allowance for impairment loss							
As at 1 January 2015	-	-	62	-	-	-	62
As at 31 December 2015	-	-	62	-	-	-	62
Increase during the year	-	-	28	-	-	-	28
As at 31 December 2016	-	-	90	-	-	-	90
Net book value							
31 December 2015	76,474	69,475	90,677	1,137	937	2,096	240,796
31 December 2016	76,474	60,446	66,897	1,360	481	462	206,120
Depreciation for the year							
2015 (Baht 47 million included in manufacturing cost, and the balance in administrative expenses)							49,014
2016 (Baht 47 million included in manufacturing cost, and the balance in administrative expenses)							48,663

As at 31 December 2016, certain plant and equipment items have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation and allowance for impairment loss) of those assets amounted to approximately Baht 785 million (2015: Baht 788 million).

16. Intangible assets

The net book value of intangible assets which is computer software as at 31 December 2016 and 2015 is presented below:

	(Unit: Thousand Baht)	
	Financial statements in which the equity method is applied/ Separate financial statements	
	<u>2016</u>	<u>2015</u>
Cost	14,863	13,905
<u>Less</u> Accumulated amortisation	(13,770)	(13,259)
Net book value	<u>1,093</u>	<u>646</u>

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

	(Unit: Thousand Baht)	
	Financial statements in which the equity method is applied/ Separate financial statements	
	<u>2016</u>	<u>2015</u>
Net book value at beginning of year	646	1,265
Acquisition	958	479
Transfer from equipment	-	13
Amortisation	(511)	(1,111)
Net book value at end of year	<u>1,093</u>	<u>646</u>

17. Withholding income tax

(Unit: Thousand Baht)

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

	<u>2016</u>	<u>2015</u>
Year 2014	-	15,981
Year 2015	22,415	22,415
Year 2016	18,079	-
Total	<u>40,494</u>	<u>38,396</u>

The Company has requested for a refund of this withholding income tax from the Revenue Department. However, its net realisable value is subject to the result of a tax audit by the Revenue officials. The management believes that the Company will receive the refund of the full amount in future.

18. Trade and other payables

(Unit: Thousand Baht)

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

	<u>2016</u>	<u>2015</u>
Trade payables - related parties	569	746
Trade payables - unrelated parties	71,424	72,785
Other payables - related parties	980	931
Other payables - unrelated parties	70	988
Accrued expenses	24,791	26,414
Others	2,205	2,493
Total trade and other payables	<u>100,039</u>	<u>104,357</u>

19. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

	(Unit: Thousand Baht)	
	Financial statements in which the equity method is applied/	
	Separate financial statements	
	<u>2016</u>	<u>2015</u>
Present value of defined benefit obligation	70,236	66,913
Fair value of plan assets	(28,034)	(25,206)
Net defined benefit liability	<u>42,202</u>	<u>41,707</u>

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

	(Unit: Thousand Baht)	
	Financial statements in which the equity method is applied/	
	Separate financial statements	
	<u>2016</u>	<u>2015</u>
Defined benefit obligation at beginning of year	66,913	60,754
Included in profit or loss:		
Current service cost	5,003	4,501
Interest cost	1,830	2,086
Included in other comprehensive income:		
Actuarial (gain) loss arising from		
Demographic assumptions changes	-	(194)
Financial assumptions changes	-	4,863
Experience adjustments	-	1,895
Transferred employees from related companies	884	316
Benefits paid during the year	(4,394)	(7,308)
Defined benefit obligation at end of year	<u>70,236</u>	<u>66,913</u>
Fair value of plan assets at beginning of year	25,206	22,476
Included in profit or loss:		
Change in fair value	(874)	(625)
Transferred employees from related companies	240	246
Contribution by the Company	3,916	3,983
Paid during the year	(454)	(874)
Fair value of plan assets at end of year	<u>28,034</u>	<u>25,206</u>

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

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

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied/ Separate financial statements	
	<u>2016</u>	<u>2015</u>
Cost of sales	6,583	4,771
Selling and administrative expenses	1,124	2,441
Total expenses recognised in profit or loss	7,707	7,212

As at 31 December 2016, the Company expects to pay Baht 3.1 million of long-term employee benefits during the next year (2015: Baht 4.3 million).

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

Key actuarial assumptions used for the valuation are as follows:

	Financial statements in which the equity method is applied/ Separate financial statements	
	<u>2016</u>	<u>2015</u>
	(%)	(%)
Discount rate	2.8	2.8
Future salary increase rate	3.5 - 6.5	3.5 - 6.5

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

(Unit: Million Baht)

	Financial statements in which the equity method is applied/ Separate financial statements			
	2016		2015	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(5.4)	6.2	(5.4)	6.2
Future salary increase rate	6.1	(5.4)	6.1	(5.4)

20. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net income after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

However, the Company's regulations require the Company to set aside to a statutory reserve at least 10 percent of its net income after deducting accumulated deficit brought forward (if any) until such reserve reaches 25 percent of its registered share capital.

As at 31 December 2016 and 2015, the statutory reserve was Baht 62.5 million (equivalent to 25 percent of its registered share capital) had reached the minimum amounts as stipulated in the Company's regulations.

21. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)	
	Financial statements in which the equity method is applied/ Separate financial statements	
	<u>2016</u>	<u>2015</u>
Salaries and wages and other employee benefits	202,989	207,342
Depreciation and amortisation expenses	49,174	50,125
Repair and maintenance expenses	9,852	9,308
Transportation expenses	23,479	26,002
Raw materials and consumables used	347,129	383,991
Changes in inventories of finished goods and work in process	(3,001)	16,337

22. Income tax

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

	(Unit: Thousand Baht)	
	Financial statements in which the equity method is applied/	
	Separate financial statements	
	<u>2016</u>	<u>2015</u>
Current income tax:		
Current income tax charge	2,078	418
Deferred tax:		
Relating to origination and reversal of temporary differences	(936)	24
Income tax expense reported in the statement of comprehensive income	1,142	442

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

	(Unit: Thousand Baht)	
	Financial statements in which the equity method is applied/	
	Separate financial statements	
	<u>2016</u>	<u>2015</u>
Deferred tax on actuarial loss	-	(1,313)

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

	(Unit: Thousand Baht)			
	Financial statements in which the equity method is applied		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Accounting profit before tax	34,685	28,775	34,753	28,220
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	6,937	5,755	6,951	5,644
Effects of:				
Non-deductible expenses	553	771	553	771
Tax-exempt dividend income	(5,599)	(5,199)	(5,799)	(5,364)
Share of profit from investment in associate	(186)	(276)	-	-
Additional expense deductions allowed	(771)	(218)	(771)	(218)
Others	208	(391)	208	(391)
Total	(5,795)	(5,313)	(5,809)	(5,202)
Income tax expenses reported in the statement of comprehensive income	1,142	442	1,142	442

The components of deferred tax assets are as follows:

	(Unit: Thousand Baht)	
	Statements of financial position	
	Financial statements in which the equity method is applied/	
	Separate financial statements	
	<u>2016</u>	<u>2015</u>
Deferred tax assets		
Provision for long-term employee benefits	8,261	8,276
Accumulated depreciation - equipment	1,245	294
Total	9,506	8,570

A reconciliation of deferred tax assets is presented below.

	(Unit: Thousand Baht)	
	Statements of financial position	
	Financial statements in which the equity method is applied/	
	Separate financial statements	
	<u>2016</u>	<u>2015</u>
As at 1 January	8,570	7,281
Deferred tax income (expense) recognised in profit or loss	936	(24)
Deferred tax income recognised in other comprehensive income	-	1,313
As at 31 December	9,506	8,570

23. Basic earnings per share

Basic earnings per share is calculated by dividing profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

24. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Company is principally engaged in the contract manufacture of thermoplastics. It also engages in the contract manufacture and repair of molds, but revenue from this business is not material. Its operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area.

Geographic information

The Company is operated in Thailand only. As a result, all of the revenues and assets as reflected in these financial statements pertain to the aforementioned geographical reportable.

Major customers

For the year 2016, the Company has revenue from three major customers in amount of Baht 129 million, Baht 72 million and Baht 68 million (2015: revenue from three major customers in amount of Baht 145 million, Baht 88 million and Baht 70 million).

25. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both the employees and the Company contribute to the fund monthly at a rate of 3 percent of basic salary. The fund, which is managed by BBL Asset Management Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2016 amounting to approximately Baht 4 million (2015: Baht 4 million) were recognised as expenses.

26. Dividends

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht per share)
Final dividends for 2014	Annual General Meeting of the Shareholders on 22 April 2015	46,750	<u>1.87</u>
<u>Less:</u> Dividend that some shareholders are not entitles to received		<u>(5)</u>	
Net dividend paid		<u>46,745</u>	
Final dividends for 2015	Annual General Meeting of the Shareholders on 20 April 2016	27,750	<u>1.11</u>
<u>Less:</u> Dividend that some shareholders are not entitles to received		<u>(1)</u>	
Net dividend paid		<u>27,749</u>	

27. Credit facilities

The Company's credit facilities (bank overdraft and short-term loan) are unsecured; however, the Company undertook not to dispose of or transfer or create any obligations to its assets as stipulated in loan agreements, unless prior written consent has been obtained from the banks.

28. Commitments

28.1 Capital commitments

As at 31 December 2016, the Company had capital commitments of Baht 5 million (2015: none), relating to the purchases of machinery, equipment and motor vehicles.

28.2 Operating lease commitments

The Company has entered into several lease agreements in respect of the lease of office equipment. The terms of the agreements are generally between 1 and 4 years.

Future minimum lease payments required under these non-cancellable operating leases contracts were as follows:

	(Unit: Million Baht)	
	As at 31 December	
	<u>2016</u>	<u>2015</u>
Payable:		
In up to 1 year	0.2	0.2
In over 1 and up to 4 years	0.4	0.5

28.3 Service commitments

The Company has entered into vehicle services, equipment maintenance services, and other service agreements. As at 31 December 2016, future minimum lease payments required under those service agreements were amounting to Baht 2.6 million (2015: Baht 1.6 million).

29. Fair value hierarchy

As at 31 December 2016 and 2015, the Company had the assets that were disclosed at fair value of which fair value hierarchy is level 3 as follow:

	(Unit: Million Baht)	
	Financial statements in which the equity method is applied/ Separate financial statements	
	<u>2016</u>	<u>2015</u>
Assets for which fair value are disclosed		
Investment property	76.9	76.9

30. Financial instruments

30.1 Financial risk management

The Company's financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, current investments, trade and other receivables, restricted investments, and trade and other payables. The financial current investments, risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company is exposed to credit risk primarily with respect to trade accounts receivable and other receivables. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company does not have high concentration of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade accounts receivable and other receivables as stated in the statement of financial position.

Interest rate risk

The Company is exposed to interest rate risk relates primarily to its cash at banks and government bonds. Most of the Company's financial assets and liabilities bear non-interest, floating interest rate or fixed which are close to the market rate.

Significant financial assets and liabilities classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carries fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

As at 31 December 2016						
Financial statements in which the equity method is applied/ Separate financial statements						
	Fixed interest rates					
	Within 1 year	1-5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
Financial assets						
Cash and cash equivalents	-	-	135	-	135	0.375 - 1.55
Current investments	130	-	-	-	130	1.55 - 1.65
Trade and other receivables	-	-	-	92	92	-
Restricted investments	-	12	-	-	12	2.55 - 4.75
	130	12	135	92	369	
Financial liabilities						
Trade and other payables	-	-	-	100	100	
	-	-	-	100	100	

(Unit: Million Baht)

As at 31 December 2015

	Financial statements in which the equity method is applied/ Separate financial statements					
	Fixed interest rates					
	Within 1 year	1-5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
Financial assets						
Cash and cash equivalents	-	-	105	-	105	0.50 - 0.625
Current investments	130	-	-	-	130	1.625 - 1.90
Trade and other receivables	-	-	-	90	90	-
Restricted investments	-	12	-	-	12	3.25 - 5.0
	130	12	105	90	337	
Financial liabilities						
Trade and other payables	-	-	-	104	104	-
	-	-	-	104	104	

Foreign currency risk

The Company believes that its exposure to foreign currency risk is low since there were few foreign currency transactions during the year and the amount of each individual transaction was quite low.

30.2 Fair values of financial instruments

Since the majority of the Company's 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.

31. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2016, the Group's debt-to-equity ratio was 0.26:1 (2015: 0.27:1) and the Company's was 0.26:1 (2015: 0.27:1).

32. Approval of financial statements

These financial statements were authorised for issue by the Company's board of directors on 22 February 2017.

AUDIT FEE

Audit Fee

No.	Name of Company	2016		2015	
		Name of Auditor	Audit Fee (Baht)	Name of Auditor	Audit Fee (Baht)
1	Union Plastic Public Company Limited	EY Office Limited	1,050,000	EY Office Limited	920,000

Other Fee

No.	Name of Company	2016				2015			
		Service Provider	Type of Other Services	Other Services Fee		Service Provider	Type of Other Services	Other Services Fee	
				Amount Paid during the Year (Baht)	Amount Paid in the Future (Baht)			Amount Paid during the Year (Baht)	Amount Paid in the Future (Baht)
1	Union Plastic Public Company Limited	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

RELATED PARTY TRANSACTIONS

People with Common Interests and Related Party Transactions

Company Name	Saha-Union Public Company Limited
Address	1828 Sukhumvit Road, Bangchak, Phraknong, Bangkok 10260
Type of Business	Plastic Industry Group, Electronics and Information Technology Group, Energy Group, Trading & Investment Group and Services
Registered Capital	Baht 3,000,000,000
Relationship	Major shareholder and common Directors
Shareholding (%)	Hold 49.521% shares in Union Plastic Public Company Limited (12,380,130 shares) (as of March 30 th , 2016)

Board of Directors of Saha-Union Public Company Limited (as of December 31st, 2016)

No.	Name/Surname
1	Ms. Sriwarin Jirapakkana
2	Mr. Chutindhon Darakananda
3	Mrs. Achara Chandrachai
4	Mr. Chivin Chaipanich
5	Ms. Pakinee Prettitumrong
6	Mr. Yanyong Tangchitkul
7	Mrs. Busarakham Nilavajara
8	Ms. Dalad Sapthavichaikul
9	Mr. Thitivat Suebsaeng
10	Mr. Preecha Shunhavanich
11	Mrs. Chantornree Darakananda
12	Mrs. Pinijporn Darakananda Kasemsup
13	Mr. Bovornrat Darakananda
14	Mr. Vacharaphong Darakananda
15	Mr. Nanthiya Darakananda

Related Transactions between the Subsidiary and Associated Companies

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

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

Board of Directors of PSV Mould Co., Ltd.

No	Name/Surname
1	Mr. Varapong Jaisin
2	Mr. Prasit Teetakeaw
3	Mr. Chaifying Sriprasert
4	Mr. Monrit Komen-eak
5	Mr. Rames Khempet

Remark 1. The former name of this company is Union Prospack Co., Ltd. It registered the name change on December 20th, 2005 and the shareholding structure has been changed after the capital increase according to the resolution of the Extraordinary Shareholders' Meeting No. 3/2005 on December 19th, 2005.

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

Board of Directors of Union Nifco Co., Ltd.

No.	Name/Surname
1	Ms. Dalad Saphavichaikul
2	Ms. Sriwarin Jirapakkana
3	Mr. Supakit Puangbua
4	Mrs. Chantornree Darakananda
5	Mr. Vacharaphong Darakananda
6	Mr. Toshiyuki Yamamoto
7	Mr. Shinsuke Oki
8	Mr. Koji Watanabe
9	Mr. Takashi Ukai
10	Mr. Hiroshi Osada

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

1. The Company has important business transactions with related companies (related by having common shareholders and/or common Directors). Such business transactions are, in most cases, sales and purchases of goods at the market price.
2. Measures and steps of approval of the related party transactions are implemented the same as the sales and purchases of other unrelated business. No executive or shareholders that have conflicts of interest are involved in the approval.
3. Pricing policy for the purchases and sales of related party transactions is implemented the same as the sales and purchases of other unrelated businesses, which is in accordance with the market price.

Related party transactions

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

(Unit : Million Baht)

	Financial statements in which the equity method is applied/ Separate financial statements		Transfer Pricing Policy
	2016	2015	
<u>Transactions with related companies</u>			
(related by common shareholders)			
Sales of merchandise and services	71	78	Cost plus margin
Other income	6	7	Cost plus margin
Purchases of merchandise	11	12	Cost plus margin of related companies

GENERAL INFORMATION

Union Plastic Public Company Limited

- **Type of Business** **Provide manufacturing services and manufacturing plastic parts and molds**
Head Office 11/1 Soi Serithai 62, Minburi, Minburi, Bangkok 10510
Tel. 0 2517 0109 -14 Fax 0 2517 0529
Website : <http://www.unionplastic.co.th>
- Branch No. 1 99/8 Moo 5, Bangna - Trad Road (km.38), Bangsamak, Bangpakong,
Chachoengsao 24180
Tel. (038) 571 741- 5 Fax (038) 842 418
- Registered Capital Fully paid-up 25,000,000 ordinary shares at par value of Baht 10 per share

Legal entities, which the Company holds 10% shares or more

- **Associated Company** **PSV Mould Co., Ltd.**
Type of Business Manufacturing service, manufacture & sales of molds for equipment and tools manufacturing
Head Office 46/36 Moo 9, Bangpla, Bangplee, Samutprakarn 10540
Tel. 0 2315 5161 - 3
Registered Capital Fully paid-up 1,000,000 ordinary shares at par value of Baht 10 per share
Shareholding 249,999 shares, 25% of total shares
- **Related Company** **Union Nifco Co., Ltd.**
Type of Business Plastic parts manufacturing
Head Office 99/11 Moo 5 Bangna - Trad Road (km.38), Bangsamak, Bangpakong,
Chachoengsao 24180
Tel. (038) 842 130 - 5 Fax (038) 842 129
Registered Capital Fully paid-up 1,000,000 ordinary shares at par value of Baht 100 per share
Shareholding 199,976 shares, 19.9976% of total shares

Other References

- **Securities Register** **Thailand Securities Depository Co., Ltd.**
Head Office 93 The Stock Exchange of Thailand Building, Ratchadaphisek Road,
Dindaeng, Bangkok 10400
Tel: 0 2009 9000, 0 2009 9999 Fax 0 2009 9991
Securities Registrar Capital Market Academy
Office 2/7 Moo 4 (North Park), Vibhavadee Rangsit Road, Toongsonghong,
Laksi, Bangkok 10210
Tel. 0 2596 9000 Fax 0 2832 4994 - 6
- **Auditor** **EY Office Limited.**
1. Ms. Thipawan Nanauwat Certified Public Accountant No. 3459
2. Ms. Vissuta Jariyathanakorn Certified Public Accountant No. 3853
3. Mr. Termphong Opanaphan Certified Public Accountant No. 4501
4. Mrs. Poonnard Paocharoen Certified Public Accountant No. 5238
Head Office Lake Rachada Office Complex Building, 33rd Floor,
193/136-137, Rachadapisek Road, Klong Toey, Bangkok 10110
Tel. 0 2264 0777 Fax 0 2264 0789, 0 2264 0790

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