



INTEGRITY
QUALITY
SERVICE

รายงานประจำปี

2560
2017

Annual Report

TOWARDS
THAILAND 4.0

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 for customers by utilizing our experiences and expertise.
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



(Miss Dalad Saphavichaikul)
Chairman
Union Plastic Public Company Limited



The domestic economy in 2017 improved, causing automobile and motorcycle production to be higher than the previous year. The increase in production was for domestic distribution while export production dropped lower than the previous year. Particularly exported automobile for Middle-Eastern countries. Increases in motorcycle production also increased the Company's sales for parts. However, sales of automobile parts did not increase because automobile models for which the Company produces parts have lower production figures due to severe competition in the automobile market by each camp, resulting in lower market shares. Furthermore, export markets have not recovered, causing the Company's sales of automobile parts to be lower than the previous year.

With regard to performance in 2017, according to the financial statement for specific businesses, the Company had sales and service income at 674.5 million baht, a reduction from 2016 by 5.6 million baht or 0.8 percent. The Company had total income at 723.9 million baht, a reduction from 2016 by 4.3 million baht or 0.6 percent. Net profit was at 30.3 million baht,

a reduction from 2016 by 3.2 million baht or 9.8 percent. Base earning per share was at 1.21 baht. The main factor that led to a decrease in operating performance was the decrease in customer automobile market sales. And the cost of production increased. Due to the upgrading of the quality of the goods, there is a loss in the production process. The Company made efforts to enhance the production process in order to be able to complete in the area of prices, quality and delivery.

The situation in 2018 indicates higher automobile and motorcycle distribution trends than the previous year due to recovery in the domestic economy and overseas. In particular, the Special Economic Eastern Zone Development Project, which will benefit the manufacturing industry.

On behalf of the Board of Directors, I would like to thank the Company's executives, employees, shareholders, customers, trading partners and all associated parties for their good support in the Company's past business and I affirm that the Company will achieve good performance with transparent, honest and meticulous management with good corporate social responsibility as every party has always trusted and maintained confidence in the Company.

SUMMARY OF FINANCIAL INFORMATION

Unit : 1,000 (Baht)

	2017	2016	2015	2014	2013
Revenues					
Total Revenues	721,421	727,230	795,562	798,648	966,657
Sales and Service income	674,539	680,187	749,777	744,987	911,552
Interest income	-	-	-	-	-
Other income	46,882	47,043	45,786	53,661	55,106
Share of profit from investment in associate	1,361	932	1,380	1,361	1,736
Profit (Loss) before finance cost and income tax expenses	27,629	34,685	28,776	54,064	84,154
Finance cost	-	-	-	-	3
Income tax expenses	1,545	(1,142)	(442)	6,654	10,749
Profit for the year	29,174	33,543	28,333	47,410	73,402
Non-Controlling interests of subsidiary	-	-	-	-	-
Net Profit (Loss) Consolidated financial statements	29,174	33,543	28,333	47,410	73,402
Net Profit (Loss) (Separate financial statements)	30,314	33,611	27,779	46,798	72,166
Earning per share (Baht) (Consolidate financial statements)	1.17	1.34	1.13	1.90	2.94
Earning per share (Baht) (Separate financial statements)	1.21	1.34	1.11	1.87	2.89
Dividend					
Issued and fully paid-up shares (shares)	25,000	25,000	25,000	25,000	25,000
Dividend per share (Baht/share)	1.21	1.34	1.11	1.87	2.85
Total Dividend Payment (Baht)	30,250	33,500	27,750	46,750	71,250
Dividend Payment Ratio (%) (Separate financial statements)	99.79	99.66	99.90	99.90	98.73
Total Assets	696,729	703,466	700,520	735,090	763,512
Total Liabilities	141,838	144,251	147,100	158,007	162,592
Total Shareholders' equity	554,891	559,215	553,420	577,083	600,920
Major Financial Ratio Summary					
Liquidity Ratio (times)	4.08	3.90	3.46	3.24	3.22
Current Ratio (times)	0.52	0.40	0.59	1.02	0.91
Gross Profit (%)	8.11	8.57	7.82	10.37	13.04
Net Profit (%)	4.19	4.62	2.83	5.94	7.59
Return on Equity (%)	5.53	6.15	4.05	8.05	12.04
Return on Assets (%)	4.39	4.86	3.92	6.33	9.33
Debt to Equity Ratio (times)	0.26	0.26	0.27	0.27	0.27

BOARD OF DIRECTORS



Miss Dalad Sapthavichaikul

Chairman

Mrs. Supung Tangsujaritpunt

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 Saphavichaikul

- Chairman

Age 61 years

EDUCATION

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

IOD'S TRAINING

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

EXPERIENCES

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

CURRENT POSITIONS

Listed Companies

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

Other Positions

Saha-Union Group Companies

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

Other Companies

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

Years of Directorship 7 years

(since 19 January 2011)

Mrs. Supung Tangsujaritpant

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

Age 68 years

EDUCATION

- Vocational Education (Account)

IOD'S TRAINING

- Director Accreditation Program (DAP) Class 2/2003
- Advanced Audit Committee Program (AAP) Class 15/2014

EXPERIENCES

- 1994 - 2008 Vice President, Saha-Union Public Company Limited.
- 2004 - 2010 Director, Union Textiles Industries Public Company Limited.
- 2013 - 2016 Audit Committee / Independent Director, Union Pioneer Public Co., Ltd.
- February 2014 - 2016 Nomination and Remuneration Committee, Union Pioneer Public Company Limited.

CURRENT POSITIONS

Listed Companies

- 2017 - Present
Chairman of the Audit Committee/Independent Director/
Nomination and Remuneration Committee,
Union Plastic Public Company Limited.

Saha-Union Group Companies

- 2000 - May 2017 Director,
Yunnan Energy Luliang-Union Cogeneration Company Limited.

Other Positions

- None -

Years of Directorship 1 year

(since 1 January 2017)

Years of Independent Directorship 1 year

(since 1 January 2017)

Mr. Buncherd Tanglerpaibul

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

Age 59 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.

Other Positions**Saha-Union Group Companies**

- None -

Other Companies

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

Years of Directorship 8 years 9 months

(since 18 March 2009)

Years of Independent Directorship 8 years 9 months

(since 18 March 2009)

Miss Jutatip Arunanondchai

- Audit Committee / Independent Director

Age 46 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 Positions

- 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 8 years 9 months

(since 18 March 2009)

Years of Independent Directorship 8 years 9 months

(since 18 March 2009)

Mr. Rames Khempet

- Managing Director

Age 53 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 Positions

- April 2016 - Present Director, PSV Mold Company Limited.

Years of Directorship 2 year 3 months
(since 21 October 2015)

Mr. Thitivat Suebsaeng

- Director

Age 64 years

EDUCATION

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

IOD'S TRAINING

- Director Accreditation Program (DAP) Class 21/2004

EXPERIENCES

- September 1993 - October 2001
Managing Director, Union Plastic Public Company Limited.
- March 2007 - March 2013 Chairman, Union Zojirushi Co., Ltd.
- March 2007 - April 2015 Director, Union Zojirushi Co., Ltd.
- 2007 - February 2013 Chairman, Union Stainless Steel Products Co., Ltd.
- 2007 - March 2014 Chairman, Union Thai-Nichiban Co., Ltd.
- 2007 - April 2015 Director, Union Nifco Co., Ltd.
- January 2008 - December 2011
President, Saha-Union Public Company Limited.
- March 2008 - April 2012 Chairman, Union Garment Co., Ltd.
- March 2008 - 2013 Director, Union Garment Co., Ltd.
- March 2008 - April 2013 Chairman, Union Micronclean Co., Ltd.
- March 2008 - December 2013
Director, Union Textile Industries Public Company Limited.
- April 2008 - April 2012 Chairman, Union Universe Co., Ltd.
- April 2008 - April 2014 Director, Union Universe Co., Ltd.
- June 2008 - March 2013
Director, TenCate-Union Protective Fabrics Asia Limited.
- August 2008 - March 2014
Director, Union Technology (2008) Public Company Limited.
- March 2009 - June 2016
Director, Yunnan Energy Luliang-Union Cogeneration Co., Ltd.
- January 2010 - December 2011
Managing Director, Union Plastic Public Company Limited.
- January 2012 - May 2014
Chairman, Union Plastic Public Company Limited.
- September 2015 - December 2015
Acting Managing Director, Union Plastic Public Company Limited.

CURRENT POSITIONS**Listed Companies**

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

Saha-Union Group Companies

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

Other Companies

- None -

Years of Directorship 25 years
(since September 1992)

Mrs. Chantorntree Darakananda

- Director

Age 54 years

EDUCATION

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

IOD'S TRAINING

- Director Accreditation Program (DAP) Class 5/2003

EXPERIENCES

- 1990 - February 1997
Director, Ladphrao Hospital Public Company Limited.
- 1994 - 2008
Deputy Managing Director, Union Industries Corp., Ltd.
- 2002 - 2008
Deputy Managing Director, Union Thread Industries Co., Ltd.
- 2002 - 2008 Director, Saha-Union Public Company Limited.
- 2002 - 2009
Director, Union Textile Industries Public Company Limited.
- 2002 - 2014 Director, Pro-Lab Co., Ltd.
- 2009 - March 2017 Deputy Managing Director, Venus Thread Co., Ltd.
- 2009 - March 2017
Deputy Managing Director, Union Zip Co., Ltd.
- 2013 - September 2014
Director, Saha-Union Public Company Limited.
- September 2014 - 2016
Executive Vice President, Saha-Union Public Company Limited.
- May 2014 - March 2017 Director, The Royal Hotel Co., Ltd.

CURRENT POSITIONS**Listed Companies**

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

Saha-Union Group Companies

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

Other Companies

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

Years of Directorship 3 years 6 months

(since 19 June 2014)

Mr. Vacharaphong Darakananda

- Director / Nomination and Remuneration Committee

Age 52 years

EDUCATION

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

IOD'S TRAINING

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

EXPERIENCES

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

CURRENT POSITIONS**Listed Companies**

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

Saha-Union Group Companies

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

Other Companies

- None -

Years of Directorship 17 years 8 months

(since since 26 April 2000)

Mr. Nanthiya Darakananda

- Director

Age 49 years

EDUCATION

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

IOD'S TRAINING

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

EXPERIENCES

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

CURRENT POSITIONS**Listed Companies**

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

Saha-Union Group Companies

- None -

Other Companies

- None -

Years of Directorship 19 years 8 months
(since 23 April 1998)

Mrs. Chadaporn Jiemsakultrip

- Company Secretary

Age 55 years

EDUCATION

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

TRAINING

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

EXPERIENCES

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

CURRENT POSITIONS

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

Years of secretary position 2 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

The company has added robots to add to the production efficiency. The new machine is high speed and high accuracy. To support the new version. It will come in early in 2018. As well as software has been provided. New operating system to replace old to increase the security of the information system.

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 Dry paint 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	2017 Revenues	%	2016 Revenues	%	2015 Revenues	%
1. Plastic Parts	646,776	89.34	663,266	91.20	701,851	88.13
2. Molds	27,763	3.84	16,921	2.33	47,926	6.02
3. Other Revenues	49,381	6.82	48,043	6.47	46,610	5.85
Total Revenues	723,920	100.00	728,230	100.00	796,387	100.00

CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES



Religious Activities

Wednesday, 10th May 2017 :

Flower Offering Ceremony to mark Visakha Bucha Day.

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



Social Activities

Wednesday, 1st February 2017 :

Representatives of management and employees of Union Plastic PCL and employees of Saha-Union Group of Companies in Bang Chan Operations jointly made donations to aid flood victims in Southern Thailand at the Thai Red Cross.



Community Activities

Tuesday, 10th January 2017 :

Representatives of management and employees of Union Plastic PCL and employees of the Saha-Union Group of Companies in Bang Chan Operations gave gifts away together on Children's Day (National Children's Day on Saturday, 14 January 2017) to representatives from educational institutions and government agencies located near the company.



Environmental Activities

Thursday, 27th April 2017 :

Representatives of management and employees of Union Plastic PCL and employees of Saha-Union Group of Companies in Bang Pakong Operations participated in the "Chalerm Prakit Therd Thai Theparat Project" in organizing road sanitation activities in the area at the front of the factory for a good environment.

RESPECT FOR HUMAN RIGHTS AND FAIR OPERATING PRACTICES



23rd January to 24 March 2017 :

Union Plastic PCL sent representatives of employees to participate in the football match, the 20th “Lad Prao Football Invitation Cup” to promote and support employees in teamwork, sportsmanship, and recognition of the importance of exercising for good health.



Visiting Sick Employees :

In our ongoing concern about the health and well-being of our employees, Union Plastic PCL is aware of the dedication and effort of every employee in working for the company, even during illness.



Monday, 10th April 2017 :

Union Plastic PCL organized the activity, “UP Cools Down” by giving out snacks and drinks to every employee for relief from heat and relaxation while working during the summer.



Friday, 23rd June 2017 :

Union Plastic PCL sent representatives to participate in the award ceremonies for outstanding businesses who are good examples in managing drug problems from the Department of Welfare and Labor Protection at the Royal Thai Army Club room in line with the company’s intention to continually promote and campaign for employees to stay away from drugs.

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 (%)	
		March 30 th , 2016	March 29 th , 2017	March 30 th , 2016	March 29 th , 2017
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 Suwavit	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. Kasama Sirirangsankul	-	233,500	-	0.93

(2) The directors' shareholdings are as follows:

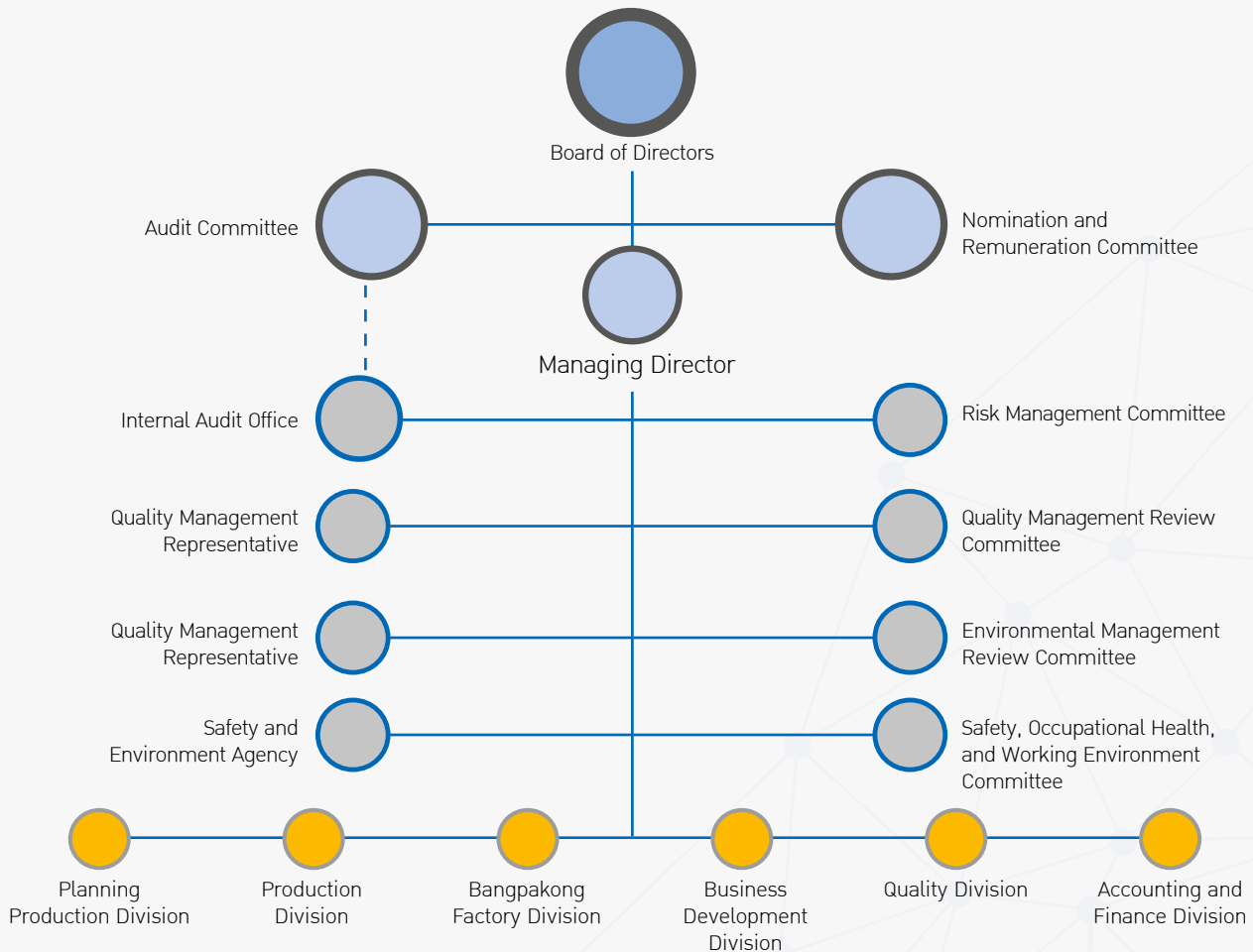
No.	Names of Shareholders	Number or Shares Held		Percentage (%)	
		2016	2017	2016	2017
1.	Ms. Dalad Saphavichaiikul	-	-	-	-
2.	Mrs. Supung Tongsujaritpant	-	-	-	-
3.	Mr. Buncherd Tanglerpaibul	9,660	9,660	0.04	0.04
4.	Ms. Jutatip Arunanondchai	-	-	-	-
5.	Mr. Rames Khempet	-	-	-	-
6.	Mr. Thitivat Suebsaeng	-	-	-	-
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:**

- 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	2017		
			No. of Meeting Attendances		
			Board of Directors	Audit Committee	Nomination and Remuneration Committee
1.	Ms. Dalad Saphavichaikul	Chairman	12/12		
2.	Mrs. Supung Tangsujaritpant	Chairman of the Audit Committee/Independent Director/Nomination and Remuneration Committee	11/12	4/4	1/1
3.	Mr. Buncherd Tanglerpaibul	Audit Committee/Independent Director/Chairman of the Nomination and Remuneration Committee	12/12	3/4	1/1
4.	Ms. Jutatip Arunanondchai	Audit Committee/Independent Director	8/12	4/4	
5.	Mr. Rames Khempet	Managing Director	12/12		
6.	Mr. Thitivat Suebsaeng	Director	10/12		
7.	Mrs. Chantornree Darakananda	Director	11/12		
8.	Mr. Vacharaphong Darakananda	Director/Nomination and Remuneration Committee	12/12		1/1
9.	Mr. Nanthiya Darakananda	Director	7/12		
Mrs. Chadaporn Jiemsakultrip 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 89/16, Section 89/17 and Section 89/23 of the Securities and Exchange Act (No. 4) B.E. 2008. 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. Also 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.	Mrs. Supung Tangsujaritpant	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 2017, 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.	Mrs. Supung Tangsujaritpant	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.	Mrs. Supung Tangsujaritpant	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 composed of 7 groups. The units under the command line 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 Planning and Production Division consists of Production Section (Bangchan), Planning Section, Warehouse Section, Paint Factory Section (Bangpakong), and Planning and Production Section (Bangpakong).

2.3. Production support consists of Purchasing Section, Personal and administrative, Maintenance, and Information Technology Department Technology Department.

2.4. The technical production group consists of the production technique (Bangchan), the production technique (Bangpakong) and the mold part. New Model.

2.5. The Quality Division consists Quality Assurance Section.

2.6. The accounting and financial group consists of the account section the financial section and information Technology Department.

2.7. The Business Development Division consists of Internal Audit Division office.

• **The Company's Management consists of 7 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.	Mrs. Achara Maneesawath	Internal Audit Division Manager	M.P.P.M., National Institute of Development Administration
3.	Mr. Teerayuth Kruehong	Planning and Production Division Manager	Bachelor's Degree in Business Administration (Accounting), Krek University

No.	Name	Position	Education
4.	Mr. Wichit Amphaiwan	Production Technical Support Division Manager	Junior High School
5.	Mr. Anupong Rengputipong	Business Development Division Manager	M.B.A., Ramkhamhaeng University
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

- **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;

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

Remarks According to the resolution of the General Meeting of Shareholders on April 19th, 2017, an allowable amount was not exceeding 1,500,000 - Baht (equal to that of 2016).

No.	Name	Position	2017			
			Remunerations (Baht)			
			Board of Directors	Audit Committee	Nomination and Remuneration Committee	Total
1.	Ms. Dalad Saphavichaikul	Chairman	96,000			96,000
2.	Mrs. Supung Tangsujaritpunt	Chairman of the Audit Committee/ Independent Director/Nomination and Remuneration Committee	96,000	132,000	6,000	234,000
3.	Mr. Buncherd Tanglerpaibul	Audit Committee/Independent Director/Chairman of the Nomination and Remuneration Committee	96,000	120,000	6,000	222,000
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		6,000	102,000
9.	Mr. Nanthiya Darakananda	Director	96,000			96,000
Total			864,000	372,000	18,000	1,254,000

- **Other remunerations of Directors and Sub-Committees**

- None -

- **Remunerations of Executives**

- The remuneration of the executives for the year is as follows.

Position	Salary and allowance per year (Million Baht)
Managing Director and Executives	10.25

- **Other remunerations of Executives**

The Company contributed to the provident funds of Managing Director and 6 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 2017, 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 2017, the 24th Annual Shareholders' Meeting took place on 19th April 2017 at the Auditorium, Head Office of Saha-Union Public Company Limited situated at 1828 Sukhumvit Road, Phrakhanong Tai, 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 17th March 2017) 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 2017, the 24th Annual General Meeting of Shareholders was held on 19th April 2017 at the Head Office's Auditorium of Saha-Union Public Co., Ltd., situated at 1828 Sukhumvit Road, Phrakhanong Tai, 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 17th March 2017) 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 24th 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 May 2017
- 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 2017 - 31st December 2017) 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 2017).

- **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.

• Policy on community, social and environmental care

The Company has a policy to care for the community, society and environment. By supporting the activities. Participation in Help and Development Social Responsibility and environmental protection Employees are encouraged to participate 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 2018 (the expiration date of which is 15th September 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.

- **Measures to conserve energy**

- Change transformer of the type 'standard loss' to 'low loss' (2,500 kVA) for 1 set
- Change old air conditioner with low efficiency to high efficiency air conditioner no. 5 (high EER) for 1 unit
- Change fluorescent bulb 36 watt to LED 17 watt totaling 200 bulbs
- Re-arrange office facilities to be more compact, efficiently spaced
- Reduce demand from 1,270 kW to 1,200 kW; reduce demand from 260 kw to 240 kW

- **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 14 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 43-44 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 25 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 45 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 I training programs;

No.	Names of Directors	Courses	No. of Hours
1.	Mr. Buncherd Tanglerpaibul	Business in the age of irregular changes	4
2.	Ms. Jutatip Arunanondchai	Business in the age of irregular changes	4

- **Knowledge Development for Executives**

- The Executives participated the following training programs;

No.	Course	No. of Hours
1.	Safety officers at Executive Level	16
2.	Preparing documentary evidence to comply with the reporting standards on financial matters and tax guidance for calculating net profits per the Income Tax Return Form 50 for the year 2017	3
3.	Guidelines on shareholder and Board of Director meetings	8
4.	Safety & Security Committee	16
5.	Internal Audit in Disruptive Technology	8
6.	ISO 14001 :2015 Internal Auditor	16
7.	IATF 16949:2016 for the management and their representatives	8
8.	Interpretation of ISO 14001:2015 Requirements	8
9.	Faifa Forum	8
10.	IATF 16949:2016	3
11.	Performance assessment techniques for the Purchase and Sales departments including purchasing officer;	8
12.	Top communication techniques in giving orders and subsequent follow-up - the professional way.	8
13.	Interpretation of ISO 9001:2015 Requirements	8
14.	Project on personnel development for operating renewal energy — solar energy	24
15.	How modern IS Audit Fraud in New Technology World	3
16.	Embraced power and speed of data analytics in IA	3
17.	Analysis of the measurement systems	16
18.	Teaching techniques	24
19.	Managing internal audit department	8
20.	Techniques in analyzing project investment and strategy in managing risks for value addition sustainably	18
21.	Communication strategy for Modern IA	3
22.	Applying Six Sigma techniques to improve quality in Electrical & Electronic industries	24
23.	Managing techniques to become an exemplary Accounting Department manager	8
Total Number hours		249

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 according to audit report and management improvement results. as well as the internal audit and management they also 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 2017 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.

At the 12th Board of Directors Meeting on 20st December 2017 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

Major revenue of the Company are derived from the automotive industry which is approximately 87% of the total revenue, thus any situations affect to this industry also it unavoidable impacts to the Company's sales. Therefore, to reduce the risk of such situation, the Company has a plan to develop the production processes by improving the machines to be modern which can be applied for other more jobs for example; electric industry's jobs.

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. The Company has 2 major customer groups which are automotive and motorcycle groups. Those are 10 key customers with the total purchase orders approximately 79% of the total revenue from mold injection. Previously, the Company has maintained good relationship with these customers, however, the Company faces with many competitors.

Therefore, the Company may lost such customers and cannot find other substitute customer, then it will affect the Company's revenue.

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.

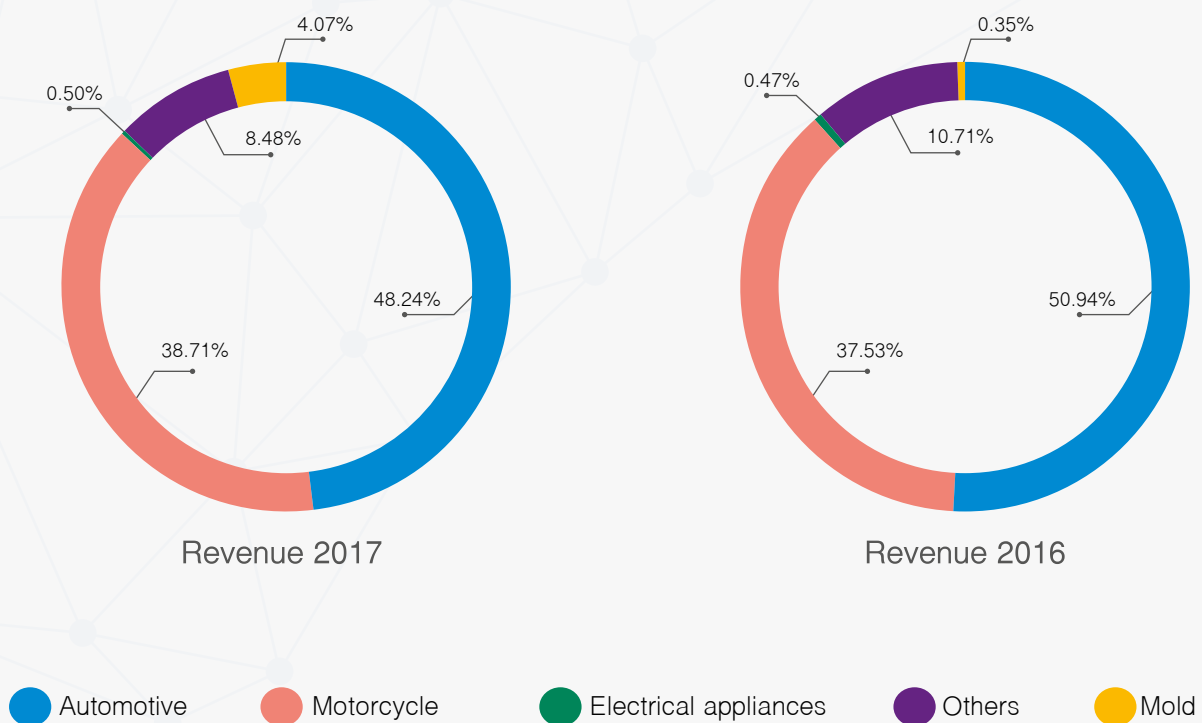
MANAGEMENT DISCUSSION AND ANALYSIS

Analysis of Previous Operating Results

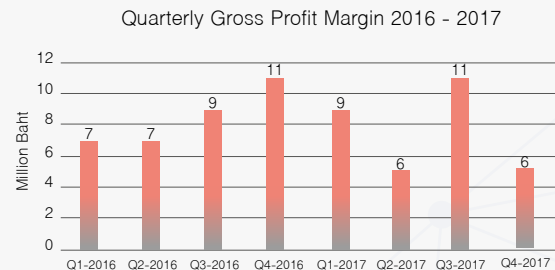
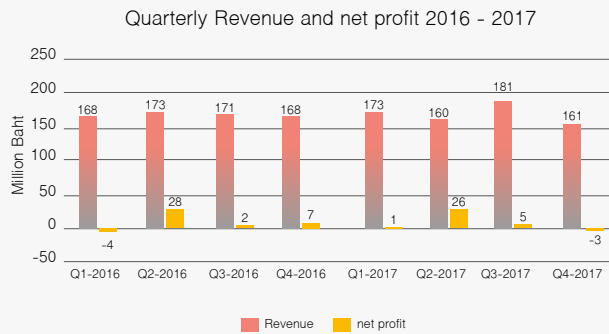
According to the economic situation in 2017, the overall situations of the automotive and motorcycle manufacturing industry, which is the main business of the Company, had grew up, leading to an increase in the capacity and sales volume, compared to that of the previous year. However, automotive manufacturers who are our direct customers had the decreased capacity and sales volume of automotive in the model which the Company manufactured its parts. Regarding the motorcycle, electrical appliances, mold, and other categories, the number of purchase orders increased. However, since the automotive manufacturers are the customer who has the proportion of sale volume up to 48% of the total sales, Resulting in 2017 The Company had revenue from sales and services of Baht 674.5 million, a decrease of Baht 5.6 million from in 2016 or decrease by 0.8%. Total revenues were Baht 723.9 million, a decrease of Baht 4.3 million or 0.6% from 2016. The revenue increase or decrease by product group as follows.

1. Automotive	Revenue increased (decreased) by (9.16%)
2. Motorcycle	Revenue increased (decreased) by 6.82%
3. Electrical appliances	Revenue increased (decreased) by 5.89%
4. Others	Revenue increased (decreased) by 0.01%
5. Mold	Revenue increased (decreased) by 50.82%

Revenue Proportion based on Product Category (%)



Operating Results and Profitability



According to the financial statement in which the equity method is applied compared between the year 2017 and 2016, the Company has profitability in 2017, decreased from the year 2016 to 13.02%. gross profit margin per revenues from sales and services decreased from 8.57% to 8.11%, the profit for the year after income tax per the total revenue decreased from 4.61% to 4.04% or decreased by 13.02% from the previous year, and the earnings per share decreased from 1.34 Baht to 1.17 Baht per share.

Regarding the separate financial statements compared between the year 2017 and 2016, the Company has profitability in 2017, decreased from the year 2016 to 9.81%. gross profit margin per revenues from sales and services decreased from 8.57% to 8.11%, the profit for the year after income tax per the total revenue decreased from 4.62% to 4.19% or decreased by 9.81% from the previous year, and the earnings per share decreased from 1.34 Baht to 1.21 Baht per share, due to the following reasons;

1. Sales of plastic parts of the Company in 2017 decreased approximately 16 million Baht compared to the previous year because the automotive manufacturers who are our customers having the proportion of total sale volume up to 48.24% decreased their purchase orders about 9.16%, compared to the year 2016.
2. Sales of molds increased approximately 11 million Baht from the previous year due to the purchase orders of automotive manufacturers for manufacturing molds of automotive parts of new launching models.
3. The Company obtained receiving dividend of 33 million Baht, which was the dividend from investment in Union Nifco Company Limited and PSV Mold Company Limited.
4. Gross profit margin slightly decreased from the previous year because the Company adopted the measures on enhancing quality control in order to response customers' needs requesting for high quality. Therefore, the cost of wages for employees in the section of part sorting and decoration increased, including the increased cost of raw materials derived from non-compliant parts.
5. Other revenues excluding dividend income decreased approximately 3 million Baht compared to the previous year due to the decreasing bid price of plastic scraps in the market.
6. Selling and administrative expenses increased by 4 million Baht due to the annual salary base adjustment and the increase of manager level appointment in the employee training section for improving skills and capabilities of employees.

The Company has adopted the approach to maintain the existing customer bases by focusing on the improvement of quality of parts and punctual delivery and attempting to increase the sale volume by engaging in the development of products with customers to create reliability for customers in dealing businesses with the Company.

Return on asset (ROA) decreased from 4.86% to 4.39% and return on equity (ROE) decreased from 6.15% to 5.53%. In the meantime, the total asset turnover to 1.05 times and the net return on fixed asset decreased from 36.44% to 35.46%.

When considering the reasons attributing to the total asset turnover ratio stood at 1.05 times in 2017 which was equal to the past year. Though the revenue decreased, the assets as receivables and the fixed assets of the Company decreased at the same level. Thus, the asset turnover in 2017 was equal to the last year. The quick ratio increased from 3.50 times to 3.77 times and the inventory turnover increased from 50.55 times to 53.93 times. The average collection period in 2017 was 46 days while the average selling period was 7 days (the circulation of products increased from 15.99 times to 17.76 times, the average selling period was 21 days calculated from the total remaining inventory), according to the above financial ratios, it can be concluded that the Company can manage the liquidity as the same in 2016 and most of the receivables were not due for payment without any bad debt collection because most of major receivables were famous automobile manufacturers in Thailand. Therefore, the Company need not prepare for the allowance for bad debt accounts.

Regarding the cost in 2017, it decreased by 2 million Baht, compared to the previous year, according to the sales volume decreased by 6 million Baht. Selling and administrative expenses in 2017 increased by 4 million Baht due to the annual salary base adjustment and the increase of management level employees for supporting the development of skills and capabilities of employees.

Risk Analysis: Regarding the 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. In 2017, the Company's liquidity slightly increased compared to the previous year, that was, the quick ratio increased from 3.50 times to 3.77 times. In addition, the Company's ratio of total assets to total liabilities was 4.91 times, representing that the Company had the stability and capability in continuing its business operation.

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 2017, it was 52 million Baht increased by 11 million Baht from the previous year. In addition, the Company's ratio of current assets to current liabilities was 4.08 times, representing that the Company had sufficient liquidity for debt repayment.

Asset Management Capability

Financial Position

As of December 31, 2017, the financial position of the Company, which was analyzed by the comparison and changes of assets, liabilities and shareholders' equity, was as follows:

Item	For Year Ended December 31 (Unit : Million Baht)			
	Year		Increase/(Decreased)	
	2017	2016	Amount	%
Total Assets	696.73	703.47	(6.74)	(0.96)
Total Liabilities	141.84	144.25	(2.41)	(1.67)
Total Shareholders' Equity	554.89	559.22	(4.33)	(0.77)

- 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)	
	2017	2016
Cash at beginning of the year	135	105
Cash flow from operating activities		
Income from operating activities before changes in operating assets and liabilities	40	58
Changes in operating assets and liabilities	10	(13)
Cash flows from operating activities	50	45
Cash paid for Withholding income tax	(21)	(20)
Cash receipt from Withholding income tax	23	16
Net cash flows from operating activities	52	41
Net cash flows from (used in) investment activities	(14)	17
Net cash flows used in financing activities	(34)	(28)
Net increase (decrease) in cash and cash equivalents	4	30
Cash and Cash equivalents at end of year	139	135

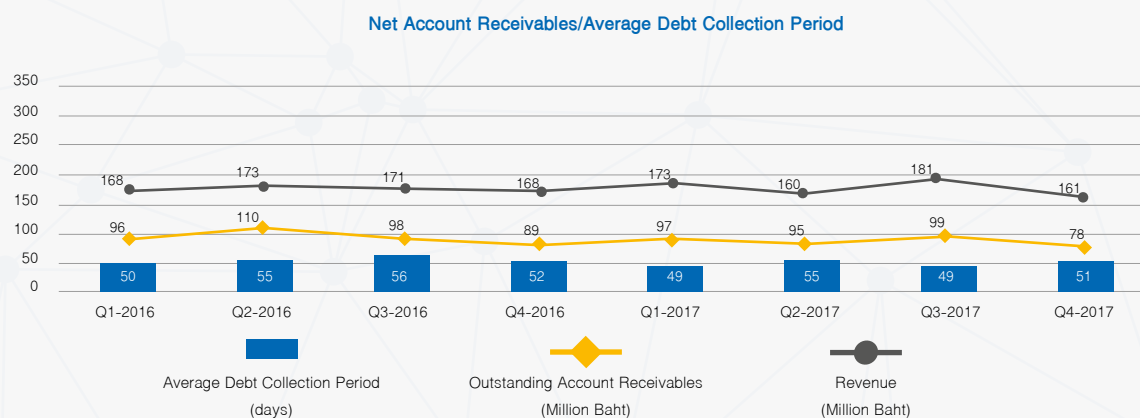
- In 2017, the Company had the cash flow from operating activities in an amount of 52 million Baht, increased by 11 million Baht from the previous year, due to the change of net current cost of businesses and the receipt of withholding income tax for the year 2015.
- The Company had the net cash flow used in investment activities in an amount of 14 million Baht. The Company invested in the fixed deposits and the purchase of machinery and equipment.
- Cash flow used in financing activities in an amount of 34 million Baht was the annual dividend payout of the Company.

- Temporary Investments

As of December 31, 2017, such investments were the fixed deposits with original maturities of 11 and 12 months amounting to 100 million Baht and 50 million Baht, respectively, with the interest rate of 1.50%-1.55% per year. (2016: fixed deposits with original maturities of 11 and 12 months amounting to 100 million Baht and 30 million Baht, respectively, and the interest rate of 1.55% - 1.65% per year)

- Trade Account Receivables and Other Receivables

As of December 31, 2017, trade accounts receivable and other receivables were stated at the net realizable value in an amount of 80 million Baht, decreased by 11 million Baht from the year 2016. The decreasing receivables derived from the repayment of molds which were completed in 2017. Most of account receivables were not yet due for payment and there were no problems of debt collection, therefore, the Company did not reserve an allowance for doubtful accounts.



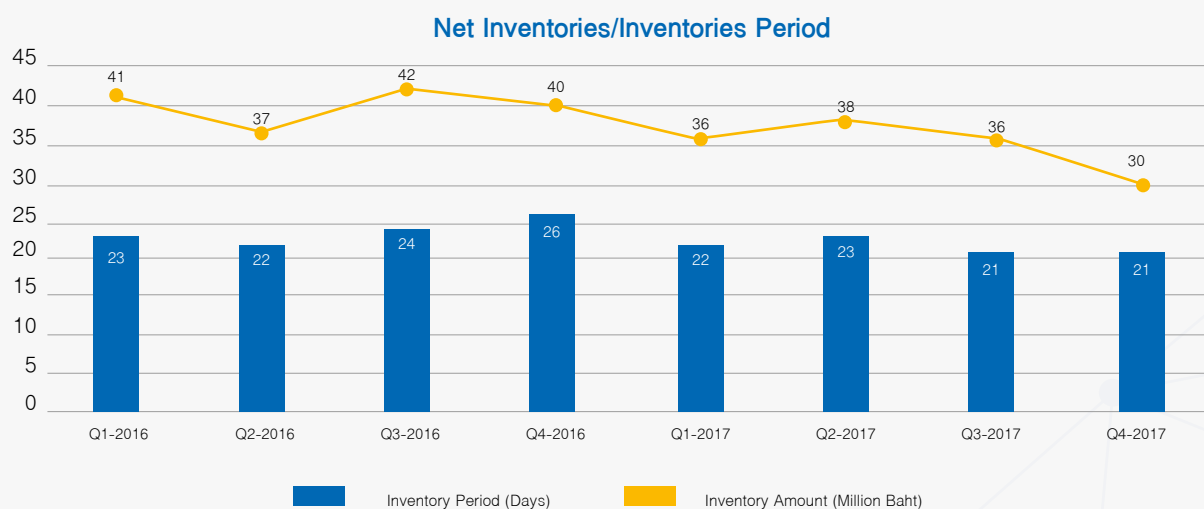
- Inventory

According to the number of days of holding inventories, report on slow-moving inventories, and profitability from prospect products, it was found that the Company has recorded the sufficient allowance for devaluation of inventories based on the current situations. However, the Company adopts the approach for managing outmoded and defective inventories. If there are slow-moving inventories, the Company will release such items according to the buy-back agreement with customers by considering life of inventories and prevailing economic situations. During the current year, the Company accounted for lower of cost of inventories to net realizable value in an amount of 2.6 million Baht (2016: 1.1 million Baht) by stating as a part of cost of goods sold. The Company adjusted the value of inventories down by an amount of 1.7 million Baht (2016: 1.4 million Baht) by deducting inventory value from recognized as expenses during the year.

Inventories value as of December 31, 2017, and 2016 can be summarized as follows;

(Unit : Thousand Baht)

	Cost		Reduce Cost to Net Realisable Value		Inventories-Net	
	2017	2016	2017	2016	2017	2016
Finished Goods	10,800	12,172	(1,448)	(889)	9,352	11,283
Work in process	7,319	14,060	(327)	(293)	6,992	13,767
Raw material	9,057	8,253	(756)	(931)	8,301	7,322
Spareparts and Plant materials	6,002	7,766	(726)	(262)	5,276	7,504
Total	33,178	42,251	(3,257)	(2,375)	29,921	39,876



- Property for Investment

As of December 31, 2017, it was 3.7 million Baht, that was the land located 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 property for investment 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 property for investment was derecognized.

- Property, Plant, Equipment and Intangible Assets

They were 184 million Baht and 207 million Baht in 2017 and 2016, respectively, decreased by 23 million Baht, accounting for 10.96%. 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 at least assessed the impairment of such assets at each financial year end.

(Unit : Million Baht)

Item	For Year Ended December 31			
	Year		Increase/(Decrease)	
	2017	2016	Amount	%
Land	76,474	76,474	0	0
Buildings and building improvement	51,772	60,446	(8,674)	(14.35)
Machinery and equipment	48,245	66,897	(18,652)	(27.88)
Furniture, fixtures and office equipment	1,287	1,360	(73)	(5.37)
Intangible assets	778	1,093	(315)	(28.82)
Motor vehicles	1,007	481	526	109.36
Assets under installation and under construction	4,946	462	4,484	970.56
Total	184,509	207,213	(22,704)	(10.96)

Regarding machinery and equipment, it decreased 19 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, 2017, the Company held a total liability of 141.84 million Baht, decreased by 2.41 million Baht, accounting for 1.67%, from 144.25 million Baht in the year 2016, as detailed below;

- **Trade accounts payable and other payables** was 98.19 million Baht, decreased by 3.86 million Baht from 102.05 million Baht in 2016, accounting for 3.78%. 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 2017 was 43.65 million Baht, increased by 1.44 million Baht from 42.20 million Baht in 2016, accounting for 3.42 %, 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, 2017, shareholders' equity of the Company was 546.37 million Baht, decreased by 3.18 million Baht, accounting for 0.58%, from 549.55 million Baht in 2015, as the annual net profit of the Company decreased.

Liquidity and Capital Adequacy of the Company

In summary, the net cash flow of the Company increased by 3 million Baht. Cash flow from operating activities decreased by 52 million Baht. Cash flow from investment activities was 14 million Baht. Cash was used in financing activities in an amount of 34 million Baht which was the dividend payout. Therefore, regarding the operations in 2017, 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 operating 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, 2017, the debt to equity ratio of the Company Group and the Company were 0.26: 1 (2016 = 0.26: 1) and 0.26: 1 (2016 = 0.26:1), respectively.

Liability Obligations

As of December 31, 2017, the Company had obligations relating to capital expenditure of 10 million Baht (2016: 5 million Baht), which related the purchases of machinery, equipment and vehicles.

The Company has entered into several lease agreements relating the lease of office equipment. The terms of the agreements are generally between 1 to 3 years.

The Company has entered into an agreement on services of vehicle, equipment maintenance and other services. As of December 31, 2017, the Company's minimum payment due in the future under the abovementioned agreements amounted 1.5 million Baht (2016: 2.6 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	
	2017	2016
In up to 1 Year	0.2	0.2
In over 1 and up to 3 years	0.2	0.4

However, the Company provided revised financial reporting standards and International Financial Reporting Standard Interpretations (Revised 2016), including new several volumes of 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 do not have any significant impact on the financial statements in the year in which they are adopted. During the present year, the Federation of Accounting Professions issued new several volumes of the Financial Reporting Standards and International Financial Reporting Interpretations (Revised 2017), which were effective for the financial statements beginning on or after January 1, 2018. Most of International Financial Reporting Standards were amended and clearly explained about the disclosure of information in notes to financial statements.

Factors Affecting Future Operation

Most of major automotive 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

To Union Plastic Public Company Limited Shareholders

In 2017, the Audit Committee was composed of three independent directors with Mrs. Supung Tangsujaritpant as the Chairperson, and Mr. Buncherd Tanglertpaibul and Miss Jutatip Arunanondchai as auditors. Meetings were held on four occasions with Mrs. Supung Tangsujaritpant and Miss Jutatip Arunanondchai in attendance at all four meetings and Mr. Buncherd Tanglertpaibul in attendance at three meetings. The meetings were held with high-ranking executives, the Internal Audit Department manager and the auditors in attendance on relevant agenda items. Furthermore, reports on the results of the Audit Committee's examination of the Company's Board and Directors on a regular quarterly basis. The main points of those results can be summarized as follows:

1) Examination of Financial Reports

The Audit Committee examined the quarterly financial statements and the financial statements for 2017 together with the auditors and executives involved in order to be certain that the Company's financial statements were prepared accurately in terms of relevant content. Under accounting standards on connected transactions and in compliance with the standards for financial statements, the disclosure of information was adequate, complete and reliable. Furthermore, the explanations were heard from the auditors, the Financial Accounting Manager and other executives involved concerning the information in the financial statements, which the auditors have unconditionally verified. In addition, meetings have been held with the auditors without the presence of executives in order to hear their independent opinions on their examination of the financial statements. The auditors reported that they found no significant issues and received full cooperation from the Administrative Department in their audits.

2) Examination of Good Governance

The Audit Committee checked the governance of the business, performance in compliance with the laws governing securities and the Stock Exchange of Thailand, tax laws, taxation, laws concerning the environment and other laws concerned with the Company's businesses every quarter. The Audit Committee also offered additional advice on regulation of work performance in order to operation the Company's businesses in line with set specifications. Over the past year, no reports have been received on the Company's violation of this code or official regulations.

3) Examination of Risk Management

The Audit Committee checked risk management reports and is aware of the progress made in risk management as proposed by the Administrative Department each quarter. The Audit Committee has also given consideration to risks from internal and external factors. Thus, the Audit Committee has rendered the opinion that the Administrative Department has systematically managed risks and constantly reviewed those risks based on the current situation. Furthermore, risk management should be continually assessed and measured.

4) Examination of Internal Control and Internal Audit Systems

The Audit Committee and the Company's Board of Directors has assessed the sufficiency of Company's internal control system for the year, finding the Company's internal control to be sufficient and appropriate. In addition, the Audit Committee checks on the performance of internal audits and follow-up on corrections and improvements on significant issues on a quarterly basis in order to ensure that the Company's internal control system is adequate and effective. Moreover, the Audit Committee has given consideration to the independence of the internal audit unit and approval of annual audit plans.

5) Examination of Connected Transactions

The Audit Committee has given consideration and rendered opinions on connected transactions or transactions with potential conflicts of interest by considering the interests of the Company in terms of transparency and fairness for every shareholder with equality and no transfer of benefits in order to ensure that the Company has acted in compliance with normal trading terms with disclosure of sufficient information fitting the criteria and specifications of the Stock Exchange of Thailand.

6) Self-Evaluation

The Audit Committee has evaluated the performance of its own people considered the collective performance in line with Audit Committee regulations and its good practice guidelines. Based on this evaluation, the Audit Committee renders the opinion that the Audit Committee has fulfilled its obligations in line with the rules and regulations of the Audit Committee and its good practice guidelines as prescribed by the Stock Exchange of Thailand.

7) Consideration of Auditor Appointment

The Audit Committee has given consideration to the proposal of the appointment of auditors and the setting of auditor's remuneration to the Company's Board of Directors for approval in the annual general meeting of shareholders for the appointment of the auditors from EY Office Limited as the Company's auditors for 2017.

In summary, the Audit Committee give importance to internal control and internal auditing in order to ensure that the Company practices good governance with internal control and risk management systems that are both sufficient and effective. Moreover, the Company acts in compliance with the laws, regulations and rules concerned with the company's business operations.

On Behalf of the Audit Committee



(Mrs. Supung Tangsujaritpant)

Chairman of the Audit Committee

Union Plastic Public Company Limited

February 20th, 2018

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, 2017 correctly and completely.

On behalf of the Board of Directors



(Miss Dalad Sapthavichaikul)

Chairman

February 21st, 2018



(Mr. Rames Khempet)

Managing Director

February 21st, 2018

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 2017, 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 2017, 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 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 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 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.

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



Poonnard Paocharoen
Certified Public Accountant (Thailand) No. 5238

EY Office Limited
Bangkok: 21 February 2018



STATEMENT OF FINANCIAL POSITION

Union Plastic Public Company Limited
As at 31 December 2017

(Unit: Baht)

	Note	Financial statements in which the equity method is applied		Separate financial statements	
		2017	2016	2017	2016
Assets					
Current assets					
Cash and cash equivalents	7	139,438,464	135,318,999	139,438,464	135,318,999
Current investments	8	150,000,000	130,000,000	150,000,000	130,000,000
Trade and other receivables	6, 9	80,445,343	91,625,753	80,445,343	91,625,753
Inventories	10	29,920,977	39,876,032	29,920,977	39,876,032
Other current assets		1,140,267	1,300,932	1,140,267	1,300,932
Total current assets		400,945,051	398,121,716	400,945,051	398,121,716
Non-current assets					
Restricted investments	11	12,209,497	12,227,095	12,209,497	12,227,095
Investment in associate	12	11,023,368	12,162,878	2,499,990	2,499,990
Other long-term investment	13	20,002,200	20,002,200	20,002,200	20,002,200
Advance for purchase of assets		14,587,300	-	14,587,300	-
Investment property	14	3,738,143	3,738,143	3,738,143	3,738,143
Property, plant and equipment	15	183,731,052	206,120,272	183,731,052	206,120,272
Intangible assets	16	778,061	1,093,274	778,061	1,093,274
Deferred tax assets	22	11,050,928	9,505,898	11,050,928	9,505,898
Withholding income tax	17	38,663,197	40,494,467	38,663,197	40,494,467
Total non-current assets		295,783,746	305,344,227	287,260,368	295,681,339
Total assets		696,728,797	703,465,943	688,205,419	693,803,055

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 2017

(Unit: Baht)

	Note	Financial statements in which the equity method is applied		Separate financial statements	
		2017	2016	2017	2016
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	6, 18	97,117,882	100,038,662	97,117,882	100,038,662
Other current liabilities		1,074,000	2,010,000	1,074,000	2,010,000
Total current liabilities		98,191,882	102,048,662	98,191,882	102,048,662
Non-current liabilities					
Provision for long-term employee benefits	19	43,645,840	42,202,287	43,645,840	42,202,287
Total non-current liabilities		43,645,840	42,202,287	43,645,840	42,202,287
Total liabilities		141,837,722	144,250,949	141,837,722	144,250,949
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		75,191,075	79,514,994	66,667,697	69,852,106
Total shareholders' equity		554,891,075	559,214,994	546,367,697	549,552,106
Total liabilities and shareholders' equity		696,728,797	703,465,943	688,205,419	693,803,055

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 2017

(Unit: Baht)

	Note	Financial statements in which the equity method is applied		Separate financial statements	
		2017	2016	2017	2016
Profit and loss					
Revenues					
Sales and service income		674,538,707	680,187,184	674,538,707	680,187,184
Other income					
Scrap sales		4,175,970	6,045,354	4,175,970	6,045,354
Dividend income	12, 13	30,796,304	27,996,640	33,296,294	28,996,636
Others		11,909,385	13,001,032	11,909,385	13,001,032
Total revenues		721,420,366	727,230,210	723,920,356	728,230,206
Expenses					
Cost of sales and services		619,801,850	621,879,327	619,801,850	621,879,327
Selling expenses		31,020,388	30,777,861	31,020,388	30,777,861
Administrative expenses		44,329,299	40,819,797	44,329,299	40,819,797
Total expenses		695,151,537	693,476,985	695,151,537	693,476,985
Profit before share of profit from investment in associate and income tax benefits (expenses)		26,268,829	33,753,225	28,768,819	34,753,221
Share of profit from investment in associate	12	1,360,480	931,571	-	-
Profit before income tax benefits (expenses)		27,629,309	34,684,796	28,768,819	34,753,221
Income tax benefits (expenses)	22	1,545,030	(1,142,165)	1,545,030	(1,142,165)
Profit for the year		29,174,339	33,542,631	30,313,849	33,611,056
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		29,174,339	33,542,631	30,313,849	33,611,056
Basic earnings per share	23				
Profit for the year		1.17	1.34	1.21	1.34

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 2017

(Unit: Baht)

	Financial statements in which the equity method is applied				
	Issued and fully paid-up share capital	Share premium	Retained earnings	Unappropriated	Total shareholders' equity
			Appropriated - statutory reserve		
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	-	-	-	-	-
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
Balance as at 1 January 2017	250,000,000	167,200,000	62,500,000	79,514,994	559,214,994
Profit for the year	-	-	-	29,174,339	29,174,339
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-
Dividend paid (Note 26)	-	-	-	(33,498,258)	(33,498,258)
Balance as at 31 December 2017	250,000,000	167,200,000	62,500,000	75,191,075	554,891,075

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 2017

	Separate financial statements				(Unit: Baht)
	Issued and fully paid-up share capital	Share premium	Appropriated - statutory reserve	Retained earnings Unappropriated	Total shareholders' equity
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
Balance as at 1 January 2017	250,000,000	167,200,000	62,500,000	69,852,106	549,552,106
Profit for the year	-	-	-	30,313,849	30,313,849
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	30,313,849	30,313,849
Dividend paid (Note 26)	-	-	-	(33,498,258)	(33,498,258)
Balance as at 31 December 2017	250,000,000	167,200,000	62,500,000	66,667,697	546,367,697

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 2017

(Unit: Baht)

	Financial statements in which the equity method is applied		Separate financial statements	
	2017	2016	2017	2016
Cash flows from operating activities				
Profit before tax	27,629,309	34,684,796	28,768,819	34,753,221
Adjustments to reconcile profit before tax to net cash provided by (used in) operating activities:				
Depreciation and amortisation	40,132,172	49,173,668	40,132,172	49,173,668
Reduction (reversal) of cost of inventories to net realisable value	881,673	(289,145)	881,673	(289,145)
Losses on impairment of equipment	-	28,087	-	28,087
Gains on sales/write-off of equipment	(162,869)	(1,572,514)	(162,869)	(1,572,514)
Gains on sales of intangible assets	(2,873)	-	(2,873)	-
Share of profit from investment in associate	(1,360,480)	(931,571)	-	-
Unrealised losses on exchange	37,991	169,523	37,991	169,523
Dividend income	(30,796,304)	(27,996,640)	(33,296,294)	(28,996,636)
Long-term employee benefits expenses	7,091,867	7,707,251	7,091,867	7,707,251
Interest income	(3,279,154)	(3,077,342)	(3,279,154)	(3,077,342)
Income from operating activities before changes in operating assets and liabilities	40,171,332	57,896,113	40,171,332	57,896,113
Operating assets (increase) decrease				
Trade and other receivables	11,370,618	(1,409,542)	11,370,618	(1,409,542)
Inventories	9,073,382	(1,679,002)	9,073,382	(1,679,002)
Other current assets	157,025	35,057	157,025	35,057
Operating liabilities increase (decrease)				
Trade and other payables	(4,008,470)	(3,445,597)	(4,008,470)	(3,445,597)
Other current liabilities	(936,000)	975,000	(936,000)	975,000
Other non-current liabilities	(5,648,314)	(7,212,451)	(5,648,314)	(7,212,451)
Cash flows from operating activities	50,179,573	45,159,578	50,179,573	45,159,578
Cash paid for withholding income tax	(20,584,332)	(20,157,221)	(20,584,332)	(20,157,221)
Cash receipt from withholding income tax	22,415,602	15,980,060	22,415,602	15,980,060
Net cash flows from operating activities	52,010,843	40,982,417	52,010,843	40,982,417

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 2017

(Unit: Baht)

	Financial statements in which the equity method is applied		Separate financial statements	
	2017	2016	2017	2016
Cash flows from investing activities				
Cash receipt from interest income	3,055,958	2,935,171	3,055,958	2,935,171
Increase in advance for purchase of assets	(14,587,300)	-	(14,587,300)	-
Acquisition of plant and equipment	(16,012,380)	(13,904,868)	(16,012,380)	(13,904,868)
Repayment of equipment creditors	(111,248)	(987,942)	(111,248)	(987,942)
Proceeds from disposals of equipment	192,537	1,577,156	192,537	1,577,156
Acquisition of intangible assets	(249,251)	(958,143)	(249,251)	(958,143)
Proceeds from disposals of intangible assets	4,672	-	4,672	-
Increase in current investments	(20,000,000)	-	(20,000,000)	-
Decrease (increase) in restricted investments	17,598	(727,095)	17,598	(727,095)
Dividend received from investments	33,296,294	28,996,636	33,296,294	28,996,636
Net cash flows from (used in) investing activities	(14,393,120)	16,930,915	(14,393,120)	16,930,915
Cash flows from financing activities				
Dividend paid	(33,498,258)	(27,748,557)	(33,498,258)	(27,748,557)
Net cash flows used in financing activities	(33,498,258)	(27,748,557)	(33,498,258)	(27,748,557)
Net increase in cash and cash equivalents	4,119,465	30,164,775	4,119,465	30,164,775
Cash and cash equivalents at beginning of year	135,318,999	105,154,224	135,318,999	105,154,224
Cash and cash equivalents at end of year	139,438,464	135,318,999	139,438,464	135,318,999
	-	-	-	-
Supplemental cash flows information				
Non-cash transaction				
Purchase of equipment for which no cash has been paid	1,197,575	114,928	1,197,575	114,928

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 2017

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

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

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

- 2.2 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 has adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company.

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

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

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

4. Significant accounting policies**4.1 Revenue recognition***Sales of goods*

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the 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 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:

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
	<u>2017</u>	<u>2016</u>	
<u>Transactions with related companies</u>			
(related by common shareholders)			
Sales of merchandise and services	74	71	Cost plus margin
Other income	7	6	Cost plus margin
Purchases of merchandise	12	11	Cost plus margin of related companies

As at 31 December 2017 and 2016, 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		
	<u>2017</u>	<u>2016</u>
Trade and other receivables - related parties (Note 9)		
Related companies (related by common shareholders)	12,022	10,975
Total trade and others receivables - related parties	12,022	10,975
Trade and other payables - related parties (Note 18)		
Related companies (related by common shareholders)	1,665	1,549
Total trade and other payables - related parties	1,665	1,549

Directors and management's benefits

During the years ended 31 December 2017 and 2016, 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>2017</u>	<u>2016</u>
Short-term employee benefits	9,840	10,402
Post-employment benefits	411	(661)
Total	10,251	9,741

7. Cash and cash equivalents

(Unit: Thousand Baht)		
Financial statements in which the equity method is applied/ Separate financial statements		
	<u>2017</u>	<u>2016</u>
Cash	50	50
Bank deposits	139,388	135,269
Total	139,438	135,319

As at 31 December 2017, bank deposits in saving accounts carried interests at rates of 0.375 - 1.45 percent per annum (2016: 0.375 - 1.55 percent per annum).

8. Current investments

As at 31 December 2017, this represents fixed deposits with original maturities of 11 and 12 months amounting to Baht 100 million and Baht 50 million, respectively, carried interests between 1.50 and 1.55 percent per annum (2016: 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).

9. Trade and other receivables

(Unit: Thousand Baht)

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

	<u>2017</u>	<u>2016</u>
<u>Trade receivables - related parties</u>		
Aged on the basis of due dates		
Not yet due	11,877	10,817
Total trade receivables - related parties	11,877	10,817
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	66,202	77,944
Total trade receivables - unrelated parties	66,202	77,944
Total trade receivables	78,079	88,761
<u>Other receivables</u>		
Amounts due from related parties	145	158
Advance for goods payment	956	1,649
Others	1,265	1,058
Total other receivables	2,366	2,865
Total trade and other receivables	80,445	91,626

10. Inventories

(Unit: Thousand Baht)

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

	Cost		Reduce cost to net realisable value		Inventories-net	
	2017	2016	2017	2016	2017	2016
Finished goods	10,800	12,172	(1,448)	(889)	9,352	11,283
Work in process	7,319	14,060	(327)	(293)	6,992	13,767
Raw materials	9,057	8,253	(756)	(931)	8,301	7,322
Spare parts and factory supplies	6,002	7,766	(726)	(262)	5,276	7,504
Total	33,178	42,251	(3,257)	(2,375)	29,921	39,876

During the current year, the Company reduced cost of inventories by Baht 2.6 million (2016: Baht 1.1 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 1.7 million (2016: Baht 1.4 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)

Financial statements in which the equity method is applied

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method	
			2017	2016	2017	2016	2017	2016
			(%)	(%)				
P.S.V. Mould Co., Ltd.	Contract manufacture and sales of molds	Thailand	25	25	2,500	2,500	11,023	12,163
Total					2,500	2,500	11,023	12,163

(Unit: Thousand Baht)

Separate financial statements

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on cost method	
			2017	2016	2017	2016	2017	2016
			(%)	(%)				
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:

Associate	Financial statements in which the equity method is applied		(Unit: Thousand Baht)	
	Share of profit from investment in associate during the year		Separate financial statements	
	Dividend received during the year			
	2017	2016	2017	2016
P.S.V. Mould Co., Ltd.	1,360	932	2,500	1,000
Total	1,360	932	2,500	1,000

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.	
	2017	2016
Current assets	27.3	28.9
Non-current assets	30.6	30.8
Current liabilities	(7.9)	(5.5)
Non-current liabilities	(6.0)	(5.6)
Net assets	44.0	48.6
Shareholding percentage	25%	25%
Carrying amounts of associate based on equity method	11.0	12.2

Summarised information about comprehensive income for the years ended 31 December

	(Unit: Million Baht)	
	P.S.V. Mould Co., Ltd.	
	2017	2016
Revenue	48.6	38.1
Profit	5.4	3.7
Other comprehensive income	-	-
Total comprehensive income	5.4	3.7

13. Other long-term investment

(Unit: Thousand Baht)

Company's name	Financial statements in which the equity method is applied/ Separate financial statements					
	Shareholding percentage		Investment value		Dividend received during the year	
	2017 %	2016 %	2017	2016	2017	2016
Union Nifco Co., Ltd.	19.99	19.99	20,002	20,002	30,796	27,997
Total			20,002	20,002	30,796	27,997

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
Cost						
As at 1 January 2016	76,474	234,062	852,962	13,436	6,385	2,096
Additions	-	405	12,276	877	-	462
Disposals/write-off	-	-	(5,634)	(385)	(880)	-
Transfers	-	-	2,096	-	-	(2,096)
As at 31 December 2016	76,474	234,467	861,700	13,928	5,505	462
Additions	-	-	10,594	668	1,000	4,948
Disposals/write-off	-	-	(3,015)	(716)	-	-
Transfers	-	-	464	-	-	(464)
As at 31 December 2017	76,474	234,467	869,743	13,880	6,505	4,946
Accumulated depreciation						
As at 1 January 2016	-	164,587	762,223	12,299	5,448	-
Depreciation for the year	-	9,434	38,121	652	456	-
Depreciation on disposals/write-off	-	-	(5,631)	(383)	(880)	-
As at 31 December 2016	-	174,021	794,713	12,568	5,024	-
Depreciation for the year	-	8,674	29,695	726	474	-
Depreciation on disposals/write-off	-	-	(3,000)	(701)	-	-
As at 31 December 2017	-	182,695	821,408	12,593	5,498	-

(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
Allowance for impairment loss							
As at 1 January 2016	-	-	62	-	-	-	62
Increase during the year	-	-	28	-	-	-	28
As at 31 December 2016	-	-	90	-	-	-	90
As at 31 December 2017	-	-	90	-	-	-	90
Net book value							
31 December 2016	76,474	60,446	66,897	1,360	481	462	206,120
31 December 2017	76,474	51,772	48,245	1,287	1,007	4,946	183,731
Depreciation for the year							
2016 (Baht 47 million included in manufacturing cost, and the balance in administrative expenses)							48,663
2017 (Baht 38 million included in manufacturing cost, and the balance in administrative expenses)							39,569

As at 31 December 2017, 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 852 million (2016: Baht 785 million).

16. Intangible assets

The net book value of intangible assets which is computer software as at 31 December 2017 and 2016 is presented below:

(Unit: Thousand Baht)

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

	<u>2017</u>	<u>2016</u>
Cost	15,105	14,863
<u>Less Accumulated amortisation</u>	<u>(14,327)</u>	<u>(13,770)</u>
Net book value	778	1,093

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

	(Unit: Thousand Baht)	
	Financial statements in which the equity method is applied/ Separate financial statements	
	<u>2017</u>	<u>2016</u>
Net book value at beginning of year	1,093	646
Acquisition	249	958
Disposals/write-off - cost	(7)	-
Amortisation for the year	(563)	(511)
Amortisation on disposals/write-off	6	-
Net book value at end of year	<u>778</u>	<u>1,093</u>

17. Withholding income tax

	(Unit: Thousand Baht)	
	Financial statements in which the equity method is applied/ Separate financial statements	
	<u>2017</u>	<u>2016</u>
Year 2015	-	22,415
Year 2016	18,072	18,079
Year 2017	20,591	-
Total	<u>38,663</u>	<u>40,494</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>2017</u>	<u>2016</u>
Trade payables - related parties	835	569
Trade payables - unrelated parties	66,947	71,424
Other payables - related parties	830	980
Other payables - unrelated parties	1,201	70
Accrued expenses	25,720	24,791
Others	1,585	2,205
Total trade and other payables	97,118	100,039

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>2017</u>	<u>2016</u>
Present value of defined benefit obligation	75,427	70,236
Fair value of plan assets	(31,781)	(28,034)
Net defined benefit liability	43,646	42,202

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>2017</u>	<u>2016</u>
Defined benefit obligation at beginning of year	70,236	66,913
Included in profit or loss:		
Current service cost	5,231	5,003
Interest cost	1,921	1,830
Transferred employees from related companies	-	884
Benefits paid during the year	(1,961)	(4,394)
Defined benefit obligation at end of year	75,427	70,236

(Unit: Thousand Baht)		
Financial statements in which the equity method is applied/ Separate financial statements		
	<u>2017</u>	<u>2016</u>
Fair value of plan assets at beginning of year	28,034	25,206
Included in profit or loss:		
Change in fair value	60	(874)
Transferred employees from related companies	-	240
Contribution by the Company	4,076	3,916
Paid during the year	(389)	(454)
Fair value of plan assets at end of year	<u>31,781</u>	<u>28,034</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>2017</u>	<u>2016</u>
Cost of sales	6,045	6,583
Selling and administrative expenses	1,047	1,124
Total expenses recognised in profit or loss	<u>7,092</u>	<u>7,707</u>

As at 31 December 2017, the Company expects to pay Baht 4.8 million of long-term employee benefits during the next year (2016: Baht 3.1 million).

As at 31 December 2017, the weighted average duration of the liabilities for long-term employee benefit is 12 years (2016: 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>2017</u>	<u>2016</u>
	(% per annum)	(% per annum)
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 as at 31 December 2017 and 2018 are summarised below:

(Unit: Million Baht)

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

	2017		2016	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(5.3)	6.1	(5.4)	6.2
Future salary increase rate	7.5	(6.6)	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 2017 and 2016, 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>2017</u>	<u>2016</u>
Salaries and wages and other employee benefits	210,563	202,989
Depreciation and amortisation expenses	40,132	49,174
Repair and maintenance expenses	9,283	9,852
Transportation expenses	23,887	23,479
Raw materials and consumables used	338,087	347,129
Changes in inventories of finished goods and work in process	8,113	(3,001)

22. Income tax

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

		(Unit: Thousand Baht)	
		Financial statements in which the equity method is applied/	Separate financial statements
		<u>2017</u>	<u>2016</u>
Current income tax:			
Current income tax charge		-	2,078
Deferred tax:			
Relating to origination and reversal of temporary differences		(1,545)	(936)
Income tax expenses (benefits) reported in the statement of comprehensive income		<u>(1,545)</u>	<u>1,142</u>

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

		(Unit: Thousand Baht)			
		Financial statements in which the equity method is applied		Separate financial statements	
		<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Accounting profit before tax		27,629	34,685	28,769	34,753
Applicable tax rate		20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate		5,526	6,937	5,754	6,951
Effects of:					
Non-deductible expenses		886	553	886	553
Tax-exempt dividend income		(6,159)	(5,599)	(6,659)	(5,799)
Share of profit from investment in associate		(272)	(186)	-	-
Additional expense deductions allowed		(1,326)	(771)	(1,326)	(771)
Others		(200)	208	(200)	208
Total		<u>(7,071)</u>	<u>(5,795)</u>	<u>(7,299)</u>	<u>(5,809)</u>
Income tax expenses (benefits) reported in the statement of comprehensive income		<u>(1,545)</u>	<u>1,142</u>	<u>(1,545)</u>	<u>1,142</u>

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>2017</u>	<u>2016</u>
Deferred tax assets		
Provision for long-term employee benefits	8,563	8,261
Accumulated depreciation - equipment	1,348	1,245
Unused tax loss	1,140	-
Total	11,051	9,506

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 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 2017, the Company has revenue from three major customers in amount of Baht 145 million, Baht 72 million and Baht 70 million (2016: revenue from three major customers in amount of Baht 129 million, Baht 72 million and Baht 68 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 2017 amounting to approximately Baht 4 million (2016: 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 2015	Annual General Meeting of the Shareholders on 20 April 2016	27,750	1.11
<u>Less:</u> Dividend that some shareholders are not entitles to received		(1)	
Net dividend paid		27,749	
Final dividends for 2016	Annual General Meeting of the Shareholders on 19 April 2017	33,500	1.34
<u>Less:</u> Dividend that some shareholders are not entitles to received		(2)	
Net dividend paid		33,498	

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 2017, the Company had capital commitments of Baht 10 million (2016: Baht 5 million), 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 3 years.

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

	(Unit: Million Baht)	
	As at 31 December	
	<u>2017</u>	<u>2016</u>
Payable:		
In up to 1 year	0.2	0.2
In over 1 and up to 3 years	0.2	0.4

28.3 Service commitments

The Company has entered into vehicle services, equipment maintenance services, and other service agreements. As at 31 December 2017, future minimum lease payments required under those service agreements were amounting to Baht 1.5 million (2016: Baht 2.6 million).

29. Fair value hierarchy

As at 31 December 2017 and 2016, 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>2017</u>	<u>2016</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 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 2017						
Financial statements in which the equity method is applied/ Separate financial statements						
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years				
Financial assets						
Cash and cash equivalents	-	-	139	-	139	0.375 - 1.45
Current investments	150	-	-	-	150	1.50 - 1.55
Trade and other receivables	-	-	-	80	80	-
Restricted investments	-	12	-	-	12	1.65 - 4.75
	150	12	139	80	381	
Financial liabilities						
Trade and other payables	-	-	-	97	97	-
	-	-	-	97	97	

(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	

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 2017, the Group's debt-to-equity ratio was 0.26:1 (2016: 0.26:1) and the Company's was 0.26:1 (2016: 0.26:1).

32. Approval of financial statements

These financial statements were authorised for issue by the Company's board of directors on 21 February 2018.

AUDIT FEE

AUDIT FEE

No.	Name of Company	2017		2016	
		Name of Auditor	Audit Fee (Baht)	Name of Auditor	Audit Fee (Baht)
1	Union Plastic Public Company Limited	EY Office Limited	1,120,000	EY Office Limited	1,050,000

OTHER FEE

No.	Name of Company	2017			2016				
		Service Providers	Type of Other Service	Other Services Fee		Service Providers	Type of Other Service	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	EY Office Limited	Watch destruction of goods	40,000	None	None	None	None	None

RELATED PARTY TRANSACTIONS

People with Common Interests and Related Party Transactions

Company Name	Saha-Union Public Company Limited
Address	1828 Sukhumvit Road, Phraknong Tai, 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 29 th , 2017)

Board of Directors of Saha-Union Public Company Limited (as of December 31st, 2017)

No.	Name/Surname
1	Ms. Dalad Saphavichaikul
2	Mr. Chutindhon Darakananda
3	Mrs. Chantornree Darakananda
4	Mr. Preecha Shunhavanich
5	Mr. Thitivat Suebsaeng
6	Mrs. Pinijporn Darakananda Kasemsup
7	Mr. Bovomrat Darakananda
8	Mr. Vacharaphong Darakananda
9	Mr. Nanthiya Darakananda
10	Mr. Supakit Paungbua
11	Mrs. Achara Chandrachai
12	Ms. Pakinee Prettitumrong
13	Ms. Pakpachong Vadhanasindhu
14	Mr. Yanyong Tangchitkul
15	Mrs. Busarakham Nilavajara

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, Samutprakam 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. Chaiying 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	Mr. Chutindhon Darakananda
3	Mr. Supakit Puangbua
4	Mrs. Chantornree Darakananda
5	Mr. Vacharaphong Darakananda
6	Mr. Toshiyuki Yamamoto
7	Mr. Tsutomu Mannari
8	Mr. Nagaoka Masaya
9	Mr. Minoru Uno
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 summarized 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
	2017	2016	
Transactions with related companies			
(related by common shareholders)			
Sales of merchandise and services	74	71	Cost plus margin
Other income	7	6	Cost plus margin
Purchases of merchandise	12	11	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
 - Shareholding per share 249,999 shares, 25% of total shares
- **Related Company** **Union Nifco Co., Ltd.**
 - Type of Business Head Office Plastic parts manufacturing
 - 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
 - Shareholding per share 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 Office Capital Market Academy
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. Mrs. Poonnard Paocharoen Certified Public Accountant No. 5238
 - 2. Ms. Thipawan Nananuwat Certified Public Accountant No. 3459
 - 3. Ms. Vissuta Jariyathanakorn Certified Public Accountant No. 3853
 - 4. Mr. Termphong Opanaphan Certified Public Accountant No. 4501
 - 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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