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2020

รายงานประจำปี Annual Report



บริษัท ยูเนียนไพโอเนียร์ จำกัด(มหาชน)
Union Pioneer Public Company Limited.
www.unionpioneer.co.th

Sense of Owner | Team Work | Accountability | Role of Integrity

สารบัญ

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Major Financial Ratio and Summary Information for 5 Years

Unit : Thousand Baht

Statement of comprehensive income

	2020	2019	2018	2017	2016
Sales and service income	679,643	549,897	560,272	596,497	591,397
Other Income	13,426	12,681	14,890	18,320	19,740
Total revenues	693,069	562,578	575,162	614,817	611,137
Total Costs and Expenses	611,516	563,208	554,342	579,706	545,202
Interest Expenses	-	-	-	-	-
Finance income	578	776	-	-	-
Finance cost	(1,182)	-	-	-	-
Corporate Income Tax	14,151	(1,672)	2,705	5,089	12,622
Profit for the Year	66,798	1,042	18,115	30,022	53,312

Other comprehensive income

Other comprehensive income not to be reclassified to profit or (loss) in subsequent periods

-net of income tax	(6,946)	(3,460)	4,278	-	-
Total comprehensive income for the year	59,852	(2,418)	22,393	30,022	53,312
Earnings per share (Baht)	8.91	0.14	2.42	4.00	7.11
Dividends per share (Baht)	8.90	0.13	2.41	4.00	7.10

The Company's financial statements have been unconditionally certified by the authorized auditors.

Statement of financial position

	2020	2019	2018	2017	2016
Current assets	439,655	352,682	373,412	383,696	402,175
Property, plant and equipment-net ,					
Intangible assets	72,659	78,334	76,199	82,512	89,134
Right-of-use assets	26,237	-	-	-	-
Total Non-Current Assets	21,689	18,583	15,206	13,948	16,831
Total Assets	560,240	449,599	464,817	480,156	508,140
Total Liabilities	156,126	104,482	99,207	106,939	111,696
Registered, Issued and fully paid	75,000	75,000	75,000	75,000	75,000
Share premium	30,625	30,625	30,625	30,625	30,625
Retained Earnings: Allocated and					
Unallocated	298,489	239,492	259,985	267,592	290,819
Total Shareholders' Equity	404,114	345,117	365,610	373,217	396,444
Total Liabilities and Shareholders' equity	560,240	449,599	464,817	480,156	508,140

Major Financial Ratio

Dividends per Net Profit (%)	99.93	93.55	99.78	99.92	99.88
Book Value per share (Baht)	53.88	46.02	48.75	49.76	52.86
Earnings Ratio (%)	9.64	0.19	3.15	4.88	8.72
Returns on Equity (%)	17.83	0.29	4.90	7.80	13.73
Returns on Assets (%)	13.23	0.23	3.83	6.08	10.73

Report of the Board of Directors

The outbreak of Coronavirus diseases 2019 pandemic (COVID-19) has heavily disrupted the world economy in the past year. Clothes and textiles industry, which is a major market of the company, has been affected drastically, especially in the second quarter of the year, by which almost all production has been frozen.

Nevertheless, the company has availed the opportunities from the needy global demand for massive face masks, which bring an increasing demand for the large quantities of elastic bands to produce face masks. Many customers in the clothes and textiles industry have turned themselves to produce face masks in place of the closure of clothes production. Regular customers, who have been producing N-95 face masks, have placed multifold orders. Furthermore, the emerging opportunities in seizing new customer-bases in Japanese and European markets have additionally earned the company's overall entrepreneurship to the deserving growth more than the year 2019.

The company's performance in 2020 has achieved total income of 693.07 million Bahts, increasing from the year 2019 of 131.27 million Bahts, or 23.37 percent, export sales income at 431.14 million Bahts, increasing from the year 2019 of 130.92 million Bahts, or 43.61 percent and a domestic sales of 248.50 million Bahts, decreasing from the year 2019 of 1.17 million Bahts or 0.47 percent. The company earned net profit of 66.80 million Bahts, increasing from the year 2019 of 65.76 million Bahts or 6,323.08 percent. Net profit per share is 8.91 Bahts.

In the year 2021, it is predicted that the world economy outlook will have yet to look rather slow down continuously for another 2-3 years from the widespread of coronavirus disease 2019 (COVID-19), even though overall situation has begun to recover. But if it recurs, positive and negative factors will be placed upon the company's business operation. On the positive side, there are increasing growth of sale in elastic bands for face mask production. On the negative side, there will be shrinkage in demand in clothes and textiles industries.

In whatever circumstances, the company will stand firm to develop products to cater to the demand of customers at the reasonable price, improve and expand channels of sale, render its services with sincerity, and deliver its products timely as well as enhance its efficiency in productivity and cost management to the satisfactory of all.

The company realizes the importance of the promotion of good ethics and corporate good-governance in the business operation to the extent of achieving transparency, social accountability, environmental consciousness and fairness to all stakeholders in parallel with anti-corruption commitment, which has resulted in the company's recognition into the membership of the Thai private sector's anti-corruption front by the Association of Thai Institute of Directors (IOD) on 30 June 2020.

The Board wishes to thank all stakeholders to the achievement, namely, shareholders, partners, who have ceaselessly extended well support to the company's business operation, all management and employees, who have strenuously given their heart out to work, which has helped steering the company's continuous growth, and most significantly, the customers, who have given trust in our products and services unwaveringly.

The Company wishes to pledge that it will run the business with prudence, transparency, accountability, non-involvement in corruption, and strictly adheres to the principle of corporate good-governance to build up the sustainable growth to the company, and to render good payback in return to shareholders.



(Miss Dalad Sapthavichaikul)

Chairman of the Board

Union Pioneer Public Company Limited

Policies and Overall Business Operation

Union Pioneer Public Company Limited is located at No.1, Soi Serithai 62, Khwaeng Minburi, Khet Minburi, Bangkok. The company was registered as a limited company with registered capital of 5 million baht on October 8th, 1973. The company was registered in the Stock Exchange of Thailand on April 21st, 1978 and was registered as a legal entity according to the Public Company Act. Por Sor. 2537, on March 30th, 1994.

There were many times that the company has increased in capital since the company was listed. Until now, the Company has registered capital that are sold and paid for 75 million baht, all of which are ordinary shares for 7.5 million shares at value 10 baht per share. Our Company's products, which are made of natural rubber and synthetic rubber, such as Rubber Thread & Rubber Tape, Elastic Braid and Elastic Webbing, Elastic Bandage, Back Support Belt, Esmark Bandage & Tourniquet, and Exercise Band for exercise and physical therapy. Elastic products for cloth Mask and Surgical mask.

The Board of directors reviewed the Company's vision, mission, strategy, goal and business direction, including reviewing the significant policies to be appropriate and consistent with business operations in accordance with the Principles of Good Corporate Governance (Principle 1.1, 2.1) on 18th November 2020.

Goal

The company runs the business on morality with the good corporate governance and good conducting. We are pursuit to be "the leader in Rubber Thread & Rubber Tape, Elastic Braid and Elastic Webbing" for targeting on world class quality, and be accepted among worldwide market. We also emphasized on the benefit of the Company's stakeholders for well growth

Strategies

The company has been improving internal system to achieve efficiency so as to respond to the changing market environment and economy of speed. About the quality of product, we emphasized on time delivery and great service for the customer.

Policies

Policies are disclosed in the Good Corporate Governance Handbook at section 4: Anti-Corruption are as follows;

- 4.1 Anti-Corruption Policy
- 4.2 Political Neutrality Policy
- 4.3 Donation and Charitable Funding Policy
- 4.4 Giving or Receiving Gifts/Property/Benefits Policy
- 4.5 Publication of the anti-corruption policy
- 4.6 Report clues or complaints

At section 5: Related Significant Policies are as follows;

- | | |
|---|--|
| 5.1 Quality and Environment Policy | 5.8 Corporate Risk Management Policy |
| 5.2 Safety and Health Policy | 5.9 Information Technology System Control Policy |
| 5.3 Energy Conservation Policy | 5.10 Human Resource Management Policy |
| 5.4 Social Responsibility Policy | 5.11 Pregnant Employees Protection Policy |
| 5.5 Anti-Drug Policy | 5.12 Communication Policy |
| 5.6 Security Policy | 5.13 Information Disclosure Policy |
| 5.7 Hearing Conservation Project Policy | 5.14 Use of Insider Information Policy |

The Company discloses the details of each policy on company's website at <http://www.unionpioneer.co.th/index.php/about-us/CorporateGovernancePolicy>

Vision, Objective, Goal or Strategy in company operation

Board of directors is responsible for establishing the vision and mission of the Company for executives and employees to aim to operation in the same direction, with consideration on environmental factors, competition situation, possibility as capacity of the Company and no conflict with the main goal of the Company.

Vision

“To be the leader in Rubber Thread & Rubber Tape, Elastic Braid and Elastic Webbing in which very well accepted in world market about quality”

Vision

1. Make business growth of continued circulation
2. Manufacture in quality product; safe for consumer, and on time delivery.
3. Make strength point on research and developing in product.
4. Develop in human resource
5. Strive in internal management for efficiency
6. Make continuous customer impression and customer satisfaction
7. Responsible for shareholders, employees, partners, society and environment

Core Value

UPF “S-T-A-R”

Sense of Owner

It means working carefully, looking for the company benefit by taking care of the company asset, maximizing the benefit from the resource, and preventing from any damages or asset being usages which are unrelated to company business.

Team Work

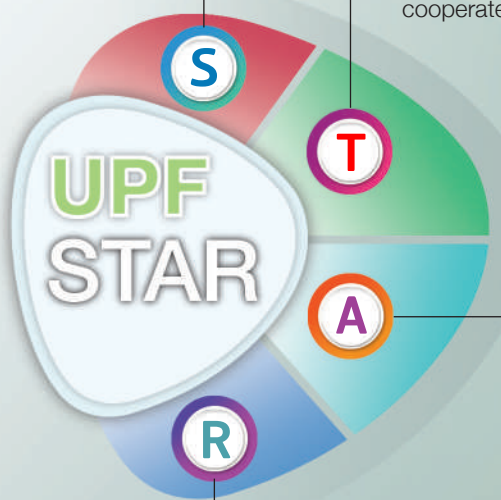
It means appreciating in mission and serving it by all ability with good efficiently. Workers should have respect to each other as well as great cooperate, helping, giving opinion and solving problem together.

Accountability

It means awareness of responsibility, having responsibility on their decision and action and being able to explain about it. The decision is made according to law and concerned rules with morality. It also means having mission to use the company's belonging for best proficiency and having transparency in making decisions for taking any action with fairness. It has the duty and responsibility to fully utilize the Company's assets.

Role of Integrity

It means business running and working with honestly, legal, and another rule that concerned, and working under morality, be equality and undoable standard.



Significant Changing and Developing

In past three years, there is nothing significant changing about managing in the company and no offering for equity or debt instruments.

Shareholding Structure of the Company Group

The Company has no affiliated companies and subsidiaries and no pyramid shareholding structure. Therefore, this does not cause conflict of interest to any parties.

Relationship with Business Group of Majority Shareholder

The largest shareholder is Saha-Union Company Limited. Most transactions between us are on the normal market, such as selling and purchasing which is collection a quantity of material purchasing for bargaining power, fairly suitable factory renting which can be compared with the market price. The aforementioned transaction was done without conflict of interest for highest benefit.

The Details of Inter-Transaction of year 2020 are shown at the topic of Inter-Transaction on page 168-169

Investors can study additional company information from the annual registration statement (Form 56-1) of the company at www.sec.or.th or the company website http://www.unionpioneer.co.th/index.php/investor_relation

Nature of Business Operation

1. Products and Services

The Company's products mainly market under the trademark "Venus" and also performing as OEM. Majority of the company's products are the raw materials for other products, such as, baby/adult diapers industry, garment industry, medical mask devices or other usage depending on the nature of business of the customers.

The company's products can be classified as followed:



1.1 Elastic for diapers Elastic product of this group is Rubber Thread which is used in diaper industry and made from rubber block both natural and synthetic rubber. The Company can produce the rubber thread by customizing the varieties of size according to the customers' preference. Rubber Thread is elastic component in the rim of the legs and waist for both baby and adult's disposable diaper.

1.2 Elastic for garment and textile Elastic products of this group are Rubber Tape, Elastic braid, Elastic Webbing, Crochet and Covering yarn. The elastic in this group is mostly used in garment industry such as the rim of legs and waist of pants and swimming suits.



1.3 Elastic for medical devices Elastic products of this group are following;

Elastic Bandage used for preventing and protecting from sprain that might occur in routine activities as well as other recreations. It is widely used in medical and sports profession.



Back Support Belt used for preventing and protecting from back pain that might occur from work and routine activities. It is available in both hard-working industry and for normal usage model.



Esmarch Bandage used in hemostasis in small operation for hands and feet.

Tourniquet used in arms pinion for blood collection/stop bleeding.



Conforming Bandage used to secure a dressing in place.



1.4 Elastic products for exercise and physical therapy Elastic product of this group is Elastic Bands which have many levels of resistance for using exercise of many levels, including physical therapy for the patients and old people. Exercise with exercise bands is comfortable because of no need to use the exercise space and with portability. Therefore, the user can exercise in everywhere and every time as their needs.

1.5 Elastic products for cloth mask and surgical mask Elastic product of this group is used as the earloop or head-band of cloth mask and surgical mask. We have all kind of elastic including rubber, braid and webbing to match the design of mask.

The company is certified with Oeko-Tex Standard 100, Quality Management System ISO 9001, Environmental Management System ISO 14001, Quality Management System for Medical Devices ISO 13485 and medical standards of Food and Drug Administration (FDA) both Thai and USA.

2. Marketing and Competition

Due to the spread of virus corona-19 causing negative effects, it includes the economy all around the world. In the beginning the virus spread in China around February and China also locked down the country later on. This situation leads the country to lack personal protective equipment, including mask all over the world. Every country has to find their ways and methods in order to make the mask sufficient for their population number. For the need of elastics making masks has increased in both domestic and international countries, it causes many new mask manufacturers to operate both large and small businesses. This gives this kind of business an opportunity during this crisis. The demand has more than supply causing the producers not to compete the price with each other as the market is in normal condition. Instead, they have to focus on the production capacity in order to meet the market demand sufficiently. And as the covid-19 later spread across the world especially in Europe and the United States, where there are large consumer markets, the most affected businesses are the clothes and textile industries. Due to the shutdown policy from the government in different countries, it caused department stores, shops, and malls to be closed. People have to quarantine themselves in their residential areas where they can only come out to shop for the commodities which are necessary for living. Furthermore, unemployment occurred, consumer purchasing

power declined, and some clothing manufacturers have turned to the manufacturer of personal protective clothing and cloth masks to replace normal clothing. In the second quarter of the year, clothing production was almost completely stopped. For those other markets which are diapers, medical equipment, and exercise equipment also got effects, but less than clothing and textile businesses.

When China is able to control the spread of virus corona-19 around April and export the personal protective equipment, including masks again, it leads the supply of the world market to be back to normal condition and the production of masks from other manufacturers begin to decline resulting in the demand for elastics also decreasing. In the second of the year, the control of the covid-19 has improved, and many countries have begun to reduce domestic travel restrictions. Also, department stores, shops, and markets have begun to reopen under the restriction control. These lead many businesses to resume operations, including clothing and textile garments. Many textile factories resumed production to send to Europe and America after about three months of discontinuation.

To conclude the big image of the elastic market this year, we get a good result especially during the spread of the virus corona-19 crisis. Even though other markets have gotten some affects, the overall market still has expanded.

Key Competition Strategy

Being able to respond to customers immediately was counted as an important competitive strategy in the past year. The flexibility in producing the goods to meet customer satisfaction causes business growth in this year and it also is counted as the important competitive strategy in the future too.

Customers' Characteristics

Majority of the customers are manufacturing factories and brands' owners. Some customers include: disposable diaper manufacturers, underwear and swimsuit manufacturers, which are faithful customers of the company and have a good long business relationship. The company is still putting emphasize in becoming a part of development in the customers' business for the products, delivery system, as well as other kinds of management in order to achieve the highest efficiency in the supply chain.

The Company does not rely on any customer exceeded 30% of total revenue.

Target Market

- a. Manufacturing factories and brands' owners in both disposable diaper manufacturers and underwear and swimsuit manufacturers.
- b. Proprietor manufactures, in which the company (being as their outsourcing) will manufacture the products under the customer brands.
- c. Small factories and customers, the company will sell the products via retailers and wholesalers both in domestic and foreign countries.
- d. The companies that sell medical devices and appliances.
- e. Mask manufacturers

Distribution Channel

1. The company manufactures and distributes directly to the factories which are sufficiently capable in ordering by themselves and selling via distributors for both retailers and wholesalers in order to deliver the products to the customers who do not want to buy in large quantity.
2. The major market of the company are North America, Asia and Europe.

Industry Trend and Future Competition

Even the situation of spreading the virus corona-19 is getting better and having some vaccines covered to the populations in many great power countries, there are some expectations that the global economic conditions will continue to slow down around 1-2 years causing the intense competition to return again next year. Besides the price competition which the producers should find their ways to develop and reduce cost continuously in order to compete with the competitor's price, reducing production lead times and delivering the products in order to meet the product need changes are also the factors which lead the manufacturers to be able to compete to the market without any disadvantage.

3. Finding Raw Materials and Services

Important manufacturing policy is manufacturing products in order to sell in accordance with the company's standard and customers' order.

Finding Raw Materials :

Major raw material used in manufacturing process are natural rubber be found locally and synthetic rubber be imported from abroad. Majority of natural rubber was bought from the company in the Saha Union Group, the source of materials is located at Chantaburi province and Trad province, in order to get the same quality of raw materials which will affect quality of the products having the standard.

The company is very strict in the quality of the rubber which is the most important raw materials in the manufacturing processes. We had a plan to visit the suppliers and cooperated with them to improve the quality of raw materials in order to satisfy the customers' needs continuously. However, due to the Covid-19 pandemic, we were not able to visit suppliers as usual but still cooperate with the suppliers for quality improvement and control.

Problem from Raw Materials Shortage :

Expected that it will not be a problem because the rubber trees are raw material that produced locally in many provinces. Currently, Thailand had expanded the boundaries in growing rubber tree in many regions in order to satisfy the greater need of rubber tree. Although the fluctuated rubber price, it will not cause the problem in rubber shortage because the company have rubber in stocks for risk management and will be sufficient for production plan.

Change in Technology effecting to Usage of Raw Materials:

Technology which used rubber product as raw material in manufacturing garments and textiles have no significant changing for a new innovation. In the near future, the company expects there is no change in technology having problem in raw materials usage.

Manufacturing processes/Eliminated Leftover Raw Materials that affected the environment:

Such as, eliminating two categories of unused waste: hazardous wastes and non-hazardous wastes, water pollution, misspend the energy and natural resources, dust generated in manufacturing process and vapor from toluene chemical..

Operation for lower affect:

The Company had a measurement in solving and protecting from the mentioned affected by creating the environmental management system ISO 14001:2015 in order to control the activities which will affect the environment as following::

- **Eliminating on unused waste material:**

1. Hazardous wastes: Responsible by the company that has a license from Ministry of Industry
2. Non-hazardous wastes: Responsible by the company that has a license from Ministry of Industry using landfill method and to sort it into fuel in cement kilns.

- **Wastewater Treatment:**

1. Using wastewater treatment "ACTIVATED SLUDGE" method and 2 "Aerators" for input enough oxygen to microorganism able to digest organic compound in wastewater. In the past year, the test results of treated wastewater complied with the standard.
2. There is "Dissolved Oxygen: DO" for controlling oxygen in water for not exceeding the necessary level and not too low to cause the death of the microbes in the wastewater treatment system.
3. Sending the water to be analyzed every month in order to control it not to exceed standard. Sprinkler was used in the treated waste water clarifier to make the treated wastewater activated.

-
- **Vapor from toluene chemical** by installing toluene deodorize machine from the blade washing and parts process in order to eliminate the vapor and toluene smell in the working area not exceeding the standard that have been specified by law.
 - **Measure the quality of the air and environment** Over the past year, measurement of dust, sound, water and light was implemented regularly in order to monitor all those aspects complied with standard and law. The company also joined the Noise Pollution Control Project with Noppa Rajathanee Hospital (Nopparat Model).
 - **Waste of Natural Resource :** The Company organized a group specialized in energy conservative. The conservative time is cooperating for making conservative energy in industry project as energy conservative laws and participated the energy saving seminar hosted by PTT Public Company Limited. The Company also attended Energy Innovation and Technology course, New Technology Integration and AI Solutions for Industrialist Fair, Solar Rooftop Innovation Seminar held by MEA and Bangchan Industrial Estate Authority.

Activities carried out in 2020 as follows:

- Keep changing the motor of calendaring machine from DC to AC and used inverter to control starting and speed of the motor to lower electricity consuming and enhance efficiency the same way as in 2019.
- Replaced the old 110L kneader with the new one using PLC for automatic command and used inverter to control motor for saving time and energy.
- Keep changing light bulbs from Fluorescent to LED continually.
- Monitoring Power Factor by inspecting capacitor in substation.
- Managing working time in production lines to be suitable with TOU electrical cost type to decrease monthly electrical consumption and cost.
- Changing the old air conditioners to the new ones with energy saving number 5.
- Adjust the combustion value of the boiler to the appropriate level and maintain by the specialist.
- Provide the employees knowledge about energy through annual seminar and event
- Provide employees training course to building up energy saving awareness.
- Educated employees about safety and energy conservation through the exhibition.

As above activities, there was no any disputes or lawsuits concerning environmental issue in the past 3 years.

4. The company did not have any projects or works with high value and taking time to deliver.

The operation of the company is not a project or work with high value and time consuming. Thus, there is no pending work.

Corporate Risk Management Policies

The Board of Directors realized on the importance of efficient risk management which made the company achieved its goals and objectives for stable and sustainable growth. Therefore, the company applied to the whole organization international standard of risk management COSO (The Committee of Sponsoring Organizations of the Treadway Commission) as guidance for its risk management system for corporate accomplishment. Company risk management policies are as follows (CG Code 5.4 and 6.1);

- 1) Risk management is the responsibility of all employees in all level to manage and control it properly to get to the acceptable level
- 2) All units in the Company must assess their risks in term of both qualitative and quantitative and find out the proper KPI, corrective and preventive actions to relieve any risks or damages which may happen in its unit.
- 3) All risks must be controlled, followed up, evaluated, and communicated to assure that they are organized and managed properly.
- 4) The Company must enhance and support all employees in all levels to assure that they are aware of the importance of corporate risks and cooperate to be responsible to control and reduce negative effect of them.

The Board of Directors has appointed a risk management team to set measures for risk management to be in a controllable and acceptable level by continually managed, monitored and evaluated the effectiveness of the risk management system and reported the progress to the Board of Directors every quarter as follows.

1. Risk from economic situation

In the past year, the pandemic of Covid-19 affected to the global economy, including the domestic economy as shown a significant slowdown in all sectors. These caused more unemployment and lowering purchasing power. Lockdown policy of the government caused less demand for products since the shops, stores and market for unnecessary stuffs were closed. People were limited to go out from their residence and could come out only for purchasing the necessary things for living. Although later the pandemic situation was getting better and some people got vaccinated but many economic institutes still predicted that the economic recession will be around 1-2 years more before get back to the normal level. Another factor that has a significant impact on the Company's international market revenue is the appreciation of Thai Baht.

Although the cost reduction is stil important aspect for the Company to continually strive for development, the development on higher efficiency production process and products supporting environmental conservation concept and foreign exchange risk management are the other aspects that the Company has to continually proceed for maintaining and upgrage the competitiveness, which will help the Company for more market expansion to reduce the impact of economic risks.

2. Risk from fluctuation of exchange rates

The Company closely tracked cause of various factors and took actions for getting positive effect and avoiding negative effect. Making forward contract with the bank and matching the currency received with the currency to be paid is the way the Company to manage to lower the risk of exchange rate fluctuation and help for revenue and cost projection.

3. Risk from fluctuation of rubber price

The fluctuation of natural rubber price is the main factor that affects the cost and the company's products price.

The important factor that causes the fluctuation in natural rubber price is unbalanced of supply and demand in the world market, which continuously occurred in the past years including weather condition which affected supply of latex.

The company managed risk from the fluctuation of rubber price by reserving the quantity of raw materials to suffice in production for at least 6 months in order to specify the cost and products' price that is not extremely affected by the fluctuation of rubber price in the world market. The company will order the natural rubber in the harvest season in order to get the best price.

General Information of the Company

General Information of the Company

Name	Union Pioneer Public Company Limited
Categories of Business	Elastic Thread, Elastic Tape, Elastic Braid, Elastic Webbing, Medical Elastic and Elastic Exercise Products.
Location	Headquarters and Factory : No. 1, Soi Serithai 62, Kwaeng Minburi, Khet.Minburi, Bangkok 10510 Factory at Chachoengsao Branch: No. 99 Moo 5 Bangna–Trad Road (K.M. 38), T. Bangsamark, A. Bangpakong, Chachoengsao 24180 Warehouse at Trad Branch: No. 70/2 Moo 1, T. Sandtung, A. Khao Saming, Trad 23150
Registration No.	Being the Listed Company in the Stock Exchange of Thailand on 21st April 1978 and converted to the Public Company on 30th March 1994, with the Taxpayer Identification Number 0-10-7-537-00101-3 (Formerly Bor Mor Jor. 348)
Telephone No.	(662) 517-0105-8
Fax No.	(662) 517-1016 Email: elastic@unionpioneer.co.th
Web-site	www.unionpioneer.co.th
Paid-up Capital	7,500,000 Ordinary Shares @ 10.00 Baht per share

The Company has no subsidiaries and affiliated companies and does not hold shares in other juristic person.

Information on others reference person

Security Registrar: Security Depository Center (Thailand) Company Limited

Address: No. 93, 14th Floor, Stock Exchange of Thailand Building (beside the Chinese Embassy), Ratchadapisek Road, Kwaeng Dindaeng, Khet Dindaeng, Bangkok 10400

Telephone No.: (662) 009-9000 Fax No.: (662) 009-9992 Web-site: www.set.ot.th/tsd

Auditor: Miss. Vissuta Jariyathanakorn, with CPA (Thailand)-Licence No. 3853 (Being the 6th year as an auditor) Address: EY Office Limited.

33rd Floor Lake Rajada Building, No. 193/136-137 Ratchadapisek Road, Klongtoey, Bangkok 10110

Telephone no.: (662) 264-0777, (662) 264-9090 Fax No.: (662) 264-0789-90

Other significant information

- The Company doesn't have any other information that may affect significantly to the investors' decision.
- The Company does not issue and offer new ordinary shares or issue transferable subscription rights to the general public.
- The Company has no securities listed on the Stock Exchange of other countries.

Structure of Shareholding

Securities Data

- (1) Securities of the Company: The Company had registered as the Listed Company at the Stock Exchange of Thailand with a paid-up capital of 75 million baht, which is an ordinary share of 7,500,000 shares @ 10.00 baht per share.
- (2) The company does not have other types of stock and does not have other securities which are not ordinary shares

Shareholders

- (1) The names of the major shareholders with highest shares at the date of closed registered book on April 1st, 2020 are listed below:

Thai nationality shareholders have a total of 7,378,460 shares, accounted for 98.38%

Foreign nationality shareholders have a total of 121,540 shares, accounted for 1.62%
- (2) The company has a clear shareholding structure. There is no cross shareholding with major shareholders. There is no holding of shares in other companies. The company does not have subsidiary companies, associated companies and does not have a pyramid shareholding structure.

The names of the top 10 of major shareholders with highest shares at the date of closed registered book are listed below:

No.	Shareholders	Ultimate Shareholders	No. of Shares	% of Total Shares
1	1.1 Saha Union Public Company Limited	Darakananda Group	3,671,820	48.958
	1.2 Saha Union Holding Company Limited	Saha Union Public Company Limited	282,790	3.771
2	Mr. Sumate Darakananda	-	914,840	12.198
3	Kasikorn Bank Public Company Limited	-	673,500	8.980
4	Bangkok Insurance Public Company Limited	-	558,600	7.448
5	Marue Nissan Co., Ltd.	-	78,000	1.040
6	Mr. Parinya Leamthai	-	70,400	0.939
7	Mrs. Sumporn Krairerg	-	64,450	0.859
8	Mr. Kasem Sirirungsanakun	-	58,600	0.781
9	Mr. Veeraphat Phoonsakudomsin	-	45,700	0.609
10	Dinvest Co., Ltd.	-	42,090	0.561

Issuing Other securities

- (1) The company does not have any convertible securities.
- (2) The company does not have any debt securities e.g. debentures, bill etc.

Dividend Payment Policy:

“Depending on the performance of the company, at a rate not less than 1/3 of the annual net profit, after deducted accumulated loss (if any), from the separate financial statement of the company.”

The Board of Directors’ Meeting No. 3/2021 on 17th March 2021 resolved to approve the annual dividend payment of 2020 to the Annual General Meeting of Shareholders on 21st April 2021 at the rate of 8.90 Baht per share

The company has no subsidiaries and affiliated companies.

Year	2020	2019	2018	2017	2016
Earning per Share (Baht)	8.91	0.14	2.42	4.00	7.11
Dividend per Share (Baht)	8.90	0.13	2.41	4.00	7.10
Dividends per Net Profit (%)	99.93	93.55	99.78	99.92	99.88

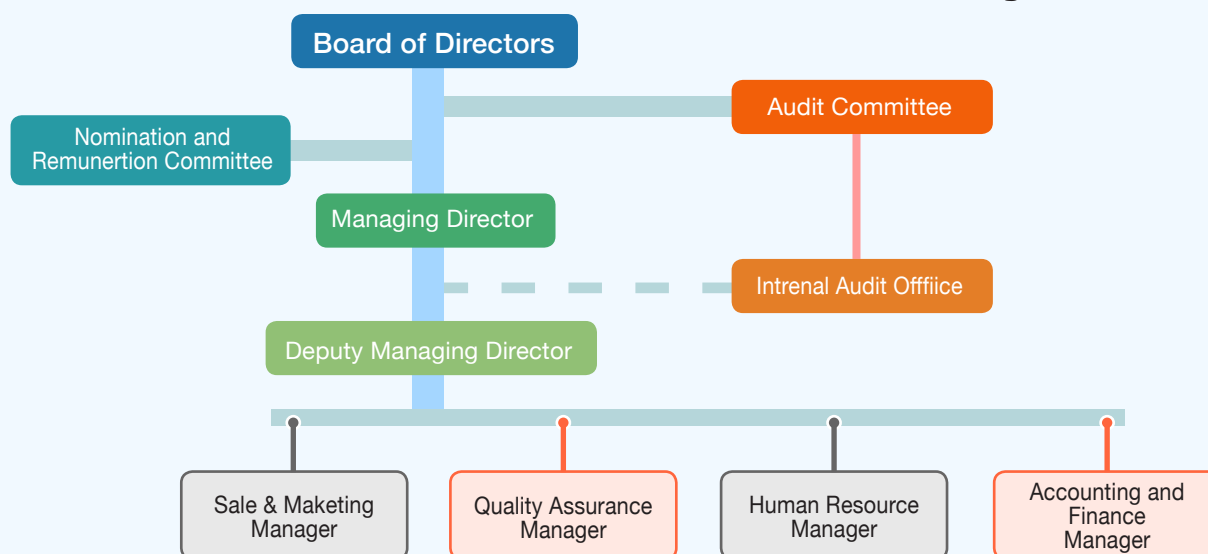
Direct and indirect Shareholding of the Company's as at 31st December 2020

Name – Surname	Position	Number of shares 31/12/2020	Number of shares 31/12/2019	Number of shares Increasing (Decreasing)	Share holding (%)
1. Miss Dalad Sapthaivichaikul Spouse Underage child	Chairman	-	-	-	-
2. Mrs. Nuntawan Sakuntanaga Spouse Underage child	Independent director /Chairman of Audit Committee	-	-	-	-
3. Mrs. Rapeephan Sanuansis Spouse Underage child	Independent director/ Audit Committee/ Chairman of Nomination and Remuneration	-	-	-	-
4. Mr. Komon Iamwatcharin Spouse Underage child	Managing Director	-	-	-	-
5. Mr. Chutindhon Darakananda Spouse Underage child	Director	3,840 - -	3,840 - -	- - -	0.05 - -
6. Mrs. Chantorntree Darakananda Spouse Underage child	Director	- 20,000 -	- 20,000 -	- - -	- 0.27 -
7. Mr. Vacharaphong Darakananda Spouse Underage child	Director/ Nomination and Remuneration Committee	-	-	-	-
8. Mr. Nanthiya Darakananda Spouse Underage child	Director	-	-	-	-
9. Mr. Kollatat Tangchitkul Spouse Underage child	Independent director/ Audit Committee/ Nomination and Remuneration Committee	-	-	-	-

The shareholding of the directors is both for direct ownership of shares and indirect one such as shares held by their spouse and underage children, as 0.32% (* including related persons).

Structure of Management

Organization Chart



1. Management Structure of Union Pioneer Public Company Limited

Consists of: Shareholders, Board of Directors and Management

In the corporate governance system, shareholders will appoint the Board of Directors to be a representative in the business management, Board of Directors will set the vision, direction, policy, strategy and assign the management to implement these to meet the goals along with monitoring to ensure that the business effectively operates with maximum benefit in order shareholders to receive a return that is worth to their investment. A clear, balanced and verifiable management structure consists of

Organization Structure consists of

- Board of Directors
- Audit Committee
- Nomination and Remuneration Committee

● Board of Directors

Composition of the Board of Directors (Principle 3.1.4)

- 1) Directors of the Company have various qualifications in terms of professional skills, experience, knowledge, abilities and specific characteristics necessary to achieve the Company's main objectives and goals, gender and age, etc., including having qualifications not prohibited under the Public Limited Act and the law on Securities and the Stock Exchange. (Principle 3.1.1)
- 2) Board of Directors consists of 9 directors which is appropriate for the Board size, with 5 males and 4 females, accounting for 44.44% of all directors, consisting of 8 non-executive directors, accounting for 88.89% of the entire Board of Directors (Principle 3.1.2).
- 3) All directors consist of independent directors of at least 1 in 3 of the total number of directors but not less than 3 persons, with 2 females and 1 male, accounting for 33.33% of the entire Board of Directors. The Audit Committee must be independent from the control of the executives, major shareholders and must not have any involvement or interest in finance and business management but having complete qualifications according to the definition of independent directors of the company and the rules prescribed by the Securities and Exchange Commission (Principle 3.1.3).
- 4) There is one executive director (Managing Director) and is not the same person as the Chairman of the Company (Principle 3.2.2), including details of the board of directors are disclosed in the annual report and on the company website at <http://www.unionpioneer.co.th/index.php/about-us/business-structures> (Principle 3.1.4).

- 5) There are authorized directors consisted of Miss Dalad Saphavichaikul or Mr. Komon lamwatcharin or Mr. Vacharaphong Darakananda or Mr. Nanthiya Darakananda or Mrs. Chantorntree Darakananda or Mr. Chutindhon Darakananda, by which 2 names of this name list should be mutually signed.

List of the names of Board of Directors and the Details of the meeting attendance are as follows (Principle 3.2.7)

Name-Surname	Position	With/ Without Interest	Number of meeting attended		%
			Shareholder Meeting	Board of Directors	
1. Miss Dalad Saphavichaikul	Chairman of the Board	None	1/1	12/12	100
2. Mrs. Rapeephan Sanguansis	Independent Director	None	1/1	12/12	100
3. Mrs. Nuntawan Sakuntanaga	Independent Director	None	1/1	12/12	100
4. Mr. Komon lamwatcharin	Managing Director	None	1/1	12/12	100
5. Mr. Chutindhon Darakananda	Director	None	1/1	12/12	100
6. Mrs. Chantorntree Darakananda	Director	None	1/1	12/12	100
7. Mr. Vacharaphong Darakananda	Director	None	1/1	12/12	100
8. Mr. Nanthiya Darakananda	Director	None	1/1	7/12	58.33
9. Mr. Kollatat Tangchitkul	Independent Director	None	1/1	12/12	100
Average of the entire Board					95.37

Term of Office of the Board of Directors

- Determine the directors holding positions for 3 years
- In each annual ordinary meeting, one-third of the total number of the board members will be at the end of their terms. If the number of the board cannot be exactly divided, the closet number to one-third will suffice.
- The director who has to resign in the first year and second year after the company's registration will need to draw lots. In the following year, the director with the longest position has to resign. The director who expires from the term of office can be nominated for the position in the board again.
- Other than expire from the term of office, the director terminated from the following reasons:
 - He/she pass away.
 - He/she resigned from the board.
 - Lack qualifications and posed a prohibit characteristics which defined by law.
 - The shareholders vote of not less than three-quarters of the overall votes in the shareholders' meeting and have the overall stocks not less than half of the total shares of the overall voting at the shareholders' meeting.
 - He/she was dismissed by the court order.
- The director who resigned from the Board, need to submit the resignation letter to the company. The resignation will be effective from the day the letter has been submitted.

Appointment of Directors of the Board

- In selection on the Board of Directors, the persons who have been nominated are already considered by the Nomination and Remuneration Committee who recruited the appropriated qualified persons, will be proposed to the Board of Directors for approval prior proposing to the shareholders at the Annual General Meeting for further selected at director selection agenda. The implementation of the articles of association as follows.
 - One shareholder has one vote per one share
 - In the directors' election, the method in electing is either done by elected one individual director or to elect one group of director, until the number of directors are completed the requirement, with the respect to the resolution of the shareholders' meeting. But in each vote, the shareholder must vote with total existing votes as the topic 1), all votes can not be separated and given to any persons or groups.
 - The voting in the directors' election will use majority vote, if the number of votes are equal, the chairman of the meeting will be the arbiter.

The 27th Annual General Meeting of Shareholders held on 22nd April 2020 resolved to extend the term of office of the directors of the Board for another term with the following directors:

1. Mrs. Nuntawan Sakuntanaga 2. Mr. Vacharaphong Darakananda 3. Mr. Kollatat Tangchitkul

The responsibilities of the Chairman are as follows (Principle No.3.2.3)

1. To supervise, monitor and ensure that the duty of the Board is efficient and achieve the objectives and main goals of the Company.
2. To ensure that all directors are involved in promoting ethical corporate culture and good corporate governance.
3. To set the board meeting agenda by discussing with the managing director and having measures to ensure that significant issues are included in the meeting agenda.
4. To allocate sufficient time for the management to propose enough matters for directors to carefully discuss significant issues, to encourage the directors to express their opinions carefully and freely.
5. To strengthen the good relationship between executive directors and non-executive directors, and between the board and management.

Duties and responsibilities of the Board (Principle 1.4.1)

1. Perform duties with responsibility, caution and honesty including having to comply with laws, objectives, company regulations as well as the resolution of the shareholders' meeting except in matters that need to be approved by the shareholders' meeting before proceeding, such as matters that the law requires the resolution of the shareholders' meeting, related transactions and significant asset trading according to the rules of the Stock Exchange of Thailand or as specified by other government agencies. (Principle 1.3.1)
2. Determine policies, plans and strategies of the company, consider and approve important matters relating to the operations of the company, such as financial goals, budgets, and supervise the management to operate in accordance with the policies, plans and strategies that are effectively and efficiently defined.
3. Consider and approve the assessment of the adequacy of the Company's internal control system on an annual basis and prepare a report on the responsibility of the Board of Directors towards financial reports, as disclosed in the annual report and Form 56-1.
4. Provide clear channels for reporting clues, process after receiving complaints and measures to protect the whistleblower, as details are in topic "Anti-Corruption Policy" on page 62-63)
5. Supervise and control the operation to comply with the laws, regulations and the guidelines of the regulatory agencies related companies, with no action on violation of the official rules. The Board of Directors shall carry out their duties with care and skill through practice.
6. Control the operation to be in accordance with good corporate governance under morality that is "Virtue, Quality and Benefits." As well as being a part in specifying the standard regulations of good conduct in the workplace. These ethic policies were posted in a conspicuous place. It is noticeable and conveyed to a concrete practice of all employees. The Company had tracked the performance and related matters in accordance with the ethic policy on regularly. (Principle 1.2.3)
7. Specify the measurement and policies about the conflict of interest, in case the company (if any) doing any kind of transactions with major shareholders, directors, executives and any individual related to the mentioned parties. These measurement and policies must be followed as the general conditions of trading and will be same as common parties by considering the maximum benefits of the company.
8. Specify the policies in case the company approved the transactions that dealt with related person in a long - term commitment (if any) such as selling and buying products, etc. It will be performed according to the conditions that have been agreed on for all of the time that have been committed with the company.
9. Provide a reliable accounting system, financial reporting and auditing including the accurate preparation of financial reports at the end of the accounting period of the company to show the financial status and operating results in the past year to be true, complete and accurate according to generally accepted accounting standards and be audited by the company's auditor before presenting to the shareholders' meeting for consideration and approval.
10. Arrange an internal controlling system and internal audit in work operation, financial reports and operation in accordance to regulations and policies.

11. Establish the office of Internal Audit, which is a division within the company, is independent in the performance of duties. It is responsible for the internal audit by reporting the results of the audit report directly to the Audit Committee and the Managing Director.
12. Appoint the Risk Management Committee, which have the responsibility in analyzing and managing risk in order to specify the preventive measurement in risk management to be in an acceptable level, and continuously monitored the effectiveness and efficiency of risk management. The Audit Committee reports this progress to the Board of Directors every quarter.
13. Continuously develop knowledge and ability to perform work and attend training or participate in courses related to the performance of directors' duties or seminars that are continuously increasing knowledge of work performance.

Details of the structure of the Board, roles and responsibilities of the Board are added in accordance with the Code of Conduct (CG Code 2017) at the Good Corporate Governance Principles, issued of MAY 2019, on the Company's website, sections 5.1 and 5.2 <http://www.unionpioneer.co.th/index.php/about-us/CorporateGovernancePolicy>.

● **Audit Committee** (Principle 6.2.1)

Composition and qualifications of the Audit Committee: The Audit Committee is composed of three independent directors who meet the requirements of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), namely Mrs. Nuntawan Sakuntanaga, the Chairman of the Audit Committee and Mrs. Rapeephan Sanguansis, the member of Audit Committee, who have knowledge and sufficient experience to review the reliability of financial statements.

Term of Service: The office term of Audit Committee is 3 years. The Audit Committee members who vacate upon the expiration of the office term, may be re-appointed. When the Audit Committee member is vacant as a result of reason other than the end of office term, the Board of Directors shall appoint any person with fully qualifications to be the Audit Committee member in order for the number of committee members to be fully size as prescribed by the Board of Directors. This person will be the Audit Committee member for the remaining office term of the resigned audit committee only.

Summary of meeting attendance and the names of the Audit Committee are listed as below: (Principle 3.2.7)

No.	Name-Surname /Position	Number of Meeting Attendanc	Percentage
1.	Mrs. Nuntawan Sakuntanaga Independent Director /Chairman of the Audit Committee	5/5	100
2.	Mrs. Rapeephan Sanguansis Independent Director /Audit Committee	5/5	100
3.	Mr. Kollatat Tangchitkul Independent Director/Audit Committee	5/5	100
Average of the entire committee			100

The internal audit office manager of the company is Mr. Nattapawatch Thomwan and is the secretary of the audit committee (details about the internal audit office manager is stated on page 166-167)

With the resolution of the meeting No. 12/2020 on 23rd December 2020, the Board of Directors approved the use of the audit committee regulations instead of the regulations on 15th November 2017.

Charter of the Audit Committees with Duties and Responsibilities as following

1. Review the company's financial statement to ensure its' accuracy and adequacy to be in accordance with accounting standard.
2. Review that the Company has an appropriate and effective internal control system and internal audit system and consider the independence of the internal audit unit, as well as approve the appointment, rotate or dismiss an internal audit manager.

3. Review that the company complied with the Securities and Exchange Act, regulations of SET and other related regulations concerning with the business operation of the company.
4. Nominate, select, terminate the employment of appropriate independent authorized auditor to act as the Company's auditor and propose remuneration for that individuals. In addition, attending the meeting with the auditor without management party of the company at least once a year.
5. Examine that all connected transactions and other transactions with a conflict of interest have been complied with laws and regulations of SET to ensure that all transactions are reasonable and will generate the best benefits for the company.
6. Review the correctness of reference documents and self-assessment on anti-corruption of the company according to Thai Private Sector Collective Action Coalition against Corruption (CAC)
7. Provide the Audit Committee report in the annual report of the company. The mentioned report shall be signed by the chairman of the board and should at least comprise with the information listed below:
 - (1) Opinion on the accuracy, completeness and credibility of the company's financial report.
 - (2) Opinion on the adequacy of the company's internal control system and risk management system.
 - (3) Opinion on the compliance with the Securities and Exchange Act, requirements of the Stock Exchange of Thailand or other laws which related to the company's business.
 - (4) Opinion on the suitability of the company's external auditors.
 - (5) Opinion on the transaction that might have a conflict of interests.
 - (6) Frequency of the audit committee meetings and the attendances of each committeeman.
 - (7) Opinion or overall observations that the Audit Committee received from the operation as the charter or the regulations of the Audit Committee.
 - (8) Other transactions that the shareholders and investors should be aware of within the scope of authorities which has been assigned by the board of directors.
8. Inform the executives to resolve the errors that have been detected and also quickly solve those errors.
9. Follow up and evaluate the performance in which the audit committee seen as important.
10. Other operations that have been assigned by the company's board of directors.

● **Nomination and Remuneration Committee**

Nomination and Remuneration Committee is composed of three directors who have been appointed by the Board of Directors, consisting of two-third of independent directors, representing 66.67 percent, for the transparency and independence in operating their duties. Chairman of the Nomination and Remuneration Committee is an Independent Director and is not the Chairman of the Board of Directors. (Principles No. 3.3.1, 3.4.1)

In the previous year, there is one meeting. The names of the Nomination and Remuneration Committee are listed as below:

No.	Name-Surname /Position	Number of Meeting Attendanc	Percentage
1.	Mrs. Rapheephan Sanguansis Independent Director /Chairman of the Nomination and Remuneration Committee	2/2	100
2.	Mr. Kollatat Tangchitkul Independent Director /Nomination and Remuneration Committee	2/2	100
3.	Mr.Vacharaphong Darakananda Director/ Nomination and Remuneration Committee	2/2	100
Average of the entire commiittee			100

Duties and Responsibilities of the Nomination and Remuneration Committee:

1. Determination on criteria and methods for nominating the board of directors. (Principle No. 3.3.2)
2. Duties in recruiting and select the qualify individuals and propose the name to be nominate as new director to the shareholders' meeting for approval as a director. (Principle No. 3.3.2)
3. Specify method of remuneration for directors. (Principle No. 3.4.2)
4. Determine the remuneration and form of remuneration for the director and propose to the board meeting for consideration. (Principle No. 3.4.3)
5. Specify criteria and methods for recruiting suitable people to be a managing director. (Principle No. 4.1.1)
6. Review criteria and methods for nominating directors to be proposed to the Board of Directors prior to the selection of directors who complete their terms. In case that the Nomination Committee nominates the same director, they will also consider the performance of the mentioned director. (Principle No. 3.3.3)

2. Executives

Chief executives in the company have authority as assigned to operate under policy, strategy and objective that the board of directors determined for transparency and flexibility in operation.

Moreover, the chief executives have responsibility in controlling expenditures and investments to the limit which the board of directors had authorized in the annual plans accordance to the human resources policy, resolving problems or conflicts which will affect the organization and maintained efficient communication to related persons.

Details of direct and indirect shareholding of the executives and their spouse as of 31st December 2020.

Name – Surname	Position	Number of shares 31/12/2020	Number of shares 31/12/2019	Number of shares Increasing (Decreasing)	Share holding (%)
Mr. Komon lamwatcharin Spouse Underage child	Managing Director	-	-	-	-
Mr. Wiwat Jongkonrat Spouse Underage child	Accounting & Finance Division Manager (who has the highest responsibility in accounting and finance)	-	-	-	-
Mr. Sikavej Sopaphan Spouse Underage child	Human Resource Manager	-	-	-	-
Mrs. Sureeporn Chompunutyanyong Spouse Underage child	Managing Director	-	-	-	-
Miss Warunee Khumtong Spouse Underage child	Director	-	-	-	-

Note: Executives refer to the top 4 executive's levels counting down from the Managing Director and every person at fourth level, including positions in accounting or finance that are at equivalent level.

- 1) Managing Director is the top management of the management and has responsibility according to duty to the Board of Directors by implementing effective management principles and good corporate governance in determining the management structure of the company, taking into account the relationship between share - holders Board of Directors and management to create competitiveness, leading to sustainable growth and adding value to shareholders in the long term, including taking into account all groups of stakeholders equally.

-
- 2) Chief Executive Officers of the company have been assigned the work for proceeding under the policy strategy and the goal that the board set for transparency and flexibility of the business operation.
 - 3) Having a responsibility for controlling expenses and investment budget as the scope that the board approved on the annual plan, implemented as the personnel policy, solved problems or conflicts affecting to the company, maintained an effective communication to related persons.
 - 4) There is a clear definite on the duties and responsibilities of the board of directors and executive management. Chairman of the board is not the same person as the managing director and has no relationship with the management in order to separate the function of policy making for defining on corporate governance policies and routine management.
 - 5) There is a clear division of responsibilities between the board and the management. Therefore, there is no intervention on their duties and responsibilities.
 - 6) There is a clear and written definite on the authorities of the management at each level by strictly separating the responsibilities among approving, recording transaction and protecting assets for rechecking and balancing.
 - 7) Chief Executive Officers of the company have never been employees or partnerships of EY Office Limited which the company had been using the service for auditing in the past 2 years.

3. Company Secretary

On 18th November 2015, the Board meeting had a resolution in appointing Mrs. Chadapron Jiemsakultip as Secretary of the Company from 1st January 2016 onward.

To take care of various activities of the board, including coordinating for complying with the Board's resolution, with roles, duties and responsibilities as specified in the Securities and Exchange Act BE 2535, Section 89/15, Section 89/16, Section 89/17 and Section 89/23, amended by the Securities and Exchange Act (No. 4) 2008 Section 21.

In addition, she has been assigned to be the Head of the Company's operational supervision (Compliance Unit) and is responsible for providing legal advice and various relevant rules and regulations in conducting activities of the Board to be in accordance with the law. The Company has shown information about educational background, experience as well as duties and responsibilities on page 181(Principle No. 3.9.8)

4. Remuneration of the Directors and Executives

The Board of Directors has appointed Nomination and Remuneration Committee to consider criteria and forms of remuneration for directors of the company and sub-committee to propose to the Board of Directors for shareholders to consideration and approval as follows: (Principle No. 3.4.3)

- 1) Determine remuneration for directors in 2 parts, namely monthly remuneration and meeting fees per time/monthly. There is a review of the directors' remuneration every year by considering comparison from listed companies with similar business size, obligations and responsibilities of the Board of Directors, company performance and suitability for the current economic situation, by considering the experience, duties, roles and responsibilities of each director, including the operating results of the company. (Principle No. 3.4.2)
- 2) Remuneration for the Managing Director and Chief Executive Officers has been included in the executive compensation. The Company has no subsidiaries and associated companies.

4.1 Remuneration in cash

The Company's directors receive the remuneration as meeting allowance and/or remuneration of director, which is a constant amount according to the director positioning considered by Nomination and Remuneration Committee and proposed for approval from the 2020 Annual General Shareholder Meeting, by which the amount does not exceeded 1.5 million baht per year (equal to year 2019) and had been assigned to the board of directors to allocate in the amount deem as appropriate.

The remuneration of Managing Director and Executives is in accordance with the principles and policies that have been determined by the board of directors, which will be considered from the operation results of the company, including duties and responsibilities and the performance of each executive. The remuneration for the 5 executives such as salary, bonus and social securities in the total amount of 6,381,466.50 Baht (8,994,157.50 Baht in the previous year).

4.2 Others remuneration of the Directors and Executives

Beside the remuneration that is a meeting allowance and /monetary compensation, the company does not provide other benefits to directors.

Executive compensation: Besides salary and bonus as mentioned, the company had paid the 5 executives in form of provident fund as in 3 percent of the salary in year 2020 total of 96,336.00 Baht managed the fund by BBL Asset Management Co., Ltd. (77,592.00.00 Baht in the previous year).

The Company does not have a program to offer the warrants issued to purchase ordinary shares to executives and employees (ESOP).

Rules for payment of remuneration of each committee: (Principle No. 3.4.4)

Monetary Compensation	(Per month:Baht)
Board of Directors: Meeting Allowance paid monthly <ul style="list-style-type: none"> - For the Chairman of the Board of Directors - For each Executive Director - For each Non-Executive director - For each Independent Director 	8,000 8,000 8,000 8,000
Audit Committee: Compensation paid monthly <ul style="list-style-type: none"> - For the Chairman of the Audit Committee - For each member of the Audit Committee 	11,000 10,000
Nomination and Remuneration Committee: Meeting allowance paid per attendance <ul style="list-style-type: none"> - For the Chairman of the Nomination and Remuneration Committee - For each member of the Nomination and Remuneration Committee 	(Per time: Baht) 6,000 6,000

*The company has no other remuneration for the directors.

Summary table on compensation for each director of every committee, details are as follows

Name-Surname	Position	Remuneration in monetary value in 2019 (Baht)			
		Meeting allowance	Remuneration of Audit committee	Meeting allowance for Nomination and Remuneration Committee	Total
1. Miss. Dalad Sapthaivichaikul	Chairman	96,000	-	-	96,000
2. Mrs. Nuntawan Sakuntanaga	Independent Director Chairman of Audit Committee	96,000	132,000	-	228,000
3. Mrs. Rapeephan Sanuansis	Independent Director/ Audit Committee / Chairman of Nomination and Remuneration Committee	96,000	120,000	12,000	228,000
4. Mr. Komon Iamwatcharin	Managing Director	96,000	-	-	96,000
5. Mr. Chutindhon Darakananda	Director	96,000	-	-	96,000
6. Mrs. Chantorntree Darakananda	Director	96,000	-	-	96,000

Name-Surname	Position	Remuneration in monetary value in 2019 (Baht)			
		Meeting allowance	Remuneration of Audit committee	Meeting allowance for Nomination and Remuneration Committee	Total
7. Mr. Vacharaphong Darakananda	Director / Nomination and Remuneration Committee	96,000	-	12,000	108,000
8. Mr. Nanthiya Darakananda	Director	96,000	-	-	96,000
9. Mr. Kollatat Tangchitkul	Independent Director / Audit Committee Nomination and Remuneration Committee	96,000	120,000	12,000	228,000
	Total	864,000	372,000	36,000	1,272,000

5. Personnel

Personnel Structure

The Company has 582 employees as of 31st December 2020.

Divided into manufacturing section for 431 people, office section for 104 people, support sections for 47 people.

The Company reviews and plans the annual personnel rate in order to be able to arrange personnel to be consistent and sufficient with the expected amount of work each year.

Significant change in number of employees or labor dispute

For the past three years, there has been no significant change in the number of employees of the Company and there is no labor dispute.

Total employee compensation

In 2020, the Company paid compensation to employees totaling 163 million baht, which included salary and wages, subsidies, resignation allowances. Social Security Contribution Provident fund contributions, gratuity, compensation fund contributions

Human Resource Management Policy

The Company considered all employees as essential and valuable resources, which leads to success, growth and secured sustainable developments; as for selecting individuals that were qualified and suitable for each career fields. Human resources development in management, academically and in organization culture including creating good working atmosphere and environment and safety was essential, therefore the guidelines have been established as follows:

1. Manages human resources to conform and support with the policies, vision, missions, business goals and strategies of the company.
2. Systematizes and organizes human resources management accompanied with stipulating rules and regulations to be clear, transparency, fairly, following with the same guideline within the company.
3. Specifies all commanders to manage human resources under their own department according to the system and guidelines determined by the company.
4. The company specifies all employees to carry out their duties willfully and dedicate for achievement in work with their skill, knowledge, capability by retaining Code of Conduct, Core Value and operation regulation of the company.
5. The company strictly treats the employees according to the International Human Rights as standard giving equality to every employee without discrimination on gender, nationality, ethnic, social class, religion, belief, social status, disability, pregnancy and chronic illness along with laws and regulation related to the employees.
6. The company has no policy in employing child labors; for recruitment and selection of employee according to the required positions recruiting and selecting will be made both externally and internally by the position required to fulfill the manpower planning for each department.

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7. The company has no compulsory labor policy and does not encourage forced labors by forcing to work overtime, holding the insurance money or the documents insured in any work. Every procedure should be made and conduct willingly by the employees, only by which they agreed and signed for the agreement.
 8. The company promotes and encourages employees to develop their skill, knowledge, ability through training and development course both in-house training and outsourcing frequently and thoroughly, providing opportunity for career path by latency for each employee.
 9. The company provides reasonable and fair remuneration management based on the knowledge, ability, experience, responsibility and performance of each employee.
 10. The company sets up processes of appointment, migration, evaluation including fair rewards and punishment to employee equally with equitably, honesty on the fundament of knowledge, ability and appropriation including the action or performance of that employee.
 11. The company establishes relationship between the employees and organization by emphasizing that all the employees within the organization as family; for employees to be delighted, secure in work, having good health and good quality and life.
 12. The company provides facilities for employees and makes them emphasize on saving in advance for retirement by setting up Credit Union and provident fund for employees.
 13. The company respects on the rights of employees in collective negotiating and does not forbid the free association of employees in the absence of law prohibiting the association of this nature. Both supporting the association and negotiating freely, it will be based on the terms of collective negotiating and protecting the employees and their representatives who join the association independently and equitably.
 14. The company provides rights for employees to vote for electing representatives of the employees to take part in meeting sessions or to negotiate with the company by which each individuals holds 1 vote per person.
 15. The company encourages participation of employees by hearing out opinions and suggestions from employees in every level equally.
 16. The company provides rights for employees to make petition in case they were treated unfairly according to the system and method specified, insure actions for complainers that their complaints will be kept secret by arranging channels for petition as following
 - Complaint box (red box) installed at various places in the Company
 - Email : md_upf@unionpioneer.co.th to Managing Director or internalaudit@unionpioneer.co.th to Audit Committee
 - Letter to Audit Committee
Union Pioneer Public Company Limited
No. 1 Soi Serithai 62, Khwang Minburi, Khet Minburi, Bangkok 10510
 - Hotline directly to Managing Director: +66-2517-0105-8 ext. 111

Relationship between management and trade union (if any)

Although the company has not established a trade union, there is an election of the Welfare Committee at the workplaces for a term of 2 years in accordance with Section 97 of the Labor Protection Act B.E 2541 (1998), where all routine employees have the right to apply and elect the Welfare Committee at the workplace, that is elected by an employee committee to conducts election for transparency.

Good Corporate Governance

Policy on Corporate Governance

The Board of Directors recognized the importance to good corporate governance and is committed to conduct business with transparency, verification and adhered to the intention to conduct business with morality without corruption along with taking into account all groups of stakeholders. In the past year, the Company joined to receive the Thai Chamber of Commerce Ethics Club pin in the Celebration of Ethic Award Ceremony.

According to the Board of Directors' Meeting no. 5/2019 on 22nd May 2019, the Board reviewed, approved and revised the Principles of Good Corporate Governance for the year 2012 (CG Principles) and the New Code of Conduct, which is an integration of social, environmental issues and corporate governance (environmental, social and governance: ESG). By adopting the principles of good corporate governance for the year 2017 (CG Code), criteria for the survey of corporate governance of Thai listed companies (CGR), following up and reviewing to develop the organization to have a management system that is ethical, transparent, verifiable, which helps build confidence for shareholders, investors and all stakeholders. There are some guidelines that are in the process of being prepared. The Board of Directors will consider applying the guidelines that have not been implemented once a year. (CG Code 1.4.1, 1.4.2, 3.5.1) (CG Code 1.2.3, 1.2.4)

In 2020, the CGR project from Thai Institute of Directors(IOD) evaluated the score of the company at 86%.

The Board of the Directors has controlled to disseminate knowledge about the principles of good corporate governance and business ethics to employees at all levels, from the directors, executives and all employees are informed of such guidelines through communication in each department for maximum benefit, including focusing on creating consciousness for employees since the beginning of the working through orientation along with explaining the principles and guidelines for all employees to gain knowledge and understanding and can be used as a basis for operations.

For corporate governance policy, the company still categorizes according to the 5 principles of the CG Principles. Interested parties can view the full corporate governance and business ethics policy at Good Corporate Governance Guide and Business Ethics Disclosed on the Company's website <http://www.unionpioneer.co.th/index.php/about-us/CorporateGovernancePolicy>

5 Principles of Good Corporate Governance

Principle 1: Rights of shareholders (CG Code 8)

Principle 2: Equitable treatment of shareholders (CG Code 8, 6)

Principle 3: Role of stakeholders (CG Code 4, 5, 7)

Principle 4: Disclosed information and transparency (CG Code 4, 5, 6, 7)

Principle 5: Responsibilities of the Board of Directors (CG Code 1, 2, 3, 4, 6)

Principle 1: Rights of shareholders

The Board of Directors realizes on the right of the shareholder according to the required law, supports all shareholders to use their right without any conflicts with the laws and never do anything that violates the right of each shareholder to ensure that every shareholder has equal rights of fundamental authorities. Therefore, the company defines the guidelines as following: (Principle No. 8.1.1

- To regulate all shareholders to have the same basic rights as the law, such as
 - 1) The right to receive equitable share in the company's profits appropriately
 - 2) The right to receive the company's information in a timely manner.
 - 3) The right to receive facilitates and encourage the shareholders, especially the institutional investors, to attend the meeting to exercise their right to vote at the shareholder's meeting.
 - 4) The right to give approval to elect an auditor and set the audit fees.
- In the recent year, there are no directors holding the total share exceeding 25percent of total outstanding share, including having defensive measures to use internal information to trade security which violates against the regulations of the stock exchange of Thailand and SEC.

- Common stock shareholding portion of free float at the closed registered book on 1st April 2020 equal to 18.19 percent of the total outstanding stock of the company.
- The company's shareholding structure is not in pyramidal type

1.1 Procedures before the shareholders' meeting

- The Company encourages shareholders to send in questions in advance of the meeting date, by providing convenience regarding criteria for sending questions. This information is also disseminated on the Company's website and encourages minority shareholders to propose the issues to be decided in each agenda item in advance of the meeting starting on October 1st, 2019 until December 31st, 2020 before the shareholders' meeting for at least 5 months or 3 months before the end of accounting period. (CG Code 8.1.2, 8.1.5)
- Sending the invitation notice together with all detailing documents to shareholders on 7th April 2020, at least 14 days prior to the meeting and disclosing all detailing documents both in Thai and English on the company's website on 20th March 2020, more than 30 days prior to the meeting takes place on 22nd April 2020. (CG Code 8.1.2, 8.1.4)
- In the 2020 AGM, The Board of Directors realized about the COVID-19 Pandemic situation leading the company to set the practices policies preventing the outbreak of Covid-19 in both Thai and English versions attaching with the shareholders invitation letters and also announcing the news through the SET link starting on April 15th, 2020. For further details : <http://www.set.or.th/set/companynews.do?symbol=UPF&ssoPageld=8&language=th&country=TH>

1.2 Meeting invitation documents and all detailing documents (CG Code 8.1.3)

- 1) The invitation of the meeting together with all detailing document both in Thai and English were noticed via SET link System of the Stock Exchange of Thailand and had disclosed the invitation of the Annual General Meeting in the newspaper for 3 days consecutively and via the company's website: http://www.unionpioneer.co.th/index.php/investor_relation/downloads/sub-5-1 (CG Code 8.1.6)
- 2) Setting the practices policies to prevent the outbreak of COVID-19 in both Thai and English versions attached with the meeting invitation letter.
- 3) Setting the date, time and convenient place for the meeting, by setting up the agenda with the directors' comments for each agenda in order for the shareholders to consider, including the criteria and method to participate in the meeting.
- 4) Do not limit the opportunity to attend the meeting of shareholders or create excessive burden for shareholders such as proxies or identification documents that are more than specified in the guidelines of the relevant regulatory agencies etc.
- 5) In the AGM invitation letter, there will be a simple explanation proxy procedure regarding details of documents that shareholders must present on the meeting date for maintaining their rights, including the Company's regulations about the shareholders' meeting, voting process, (Proxy Form B and Proxy Form C) specified by the laws, List of Independent Directors whom shareholders can choose to appoint as their proxy, in which the shareholders can specify the direction of voting. (CG 8.2.2)
- 6) The meeting agenda has been specified as an agenda for acknowledgment or approval, including clearly divided into topics such as in the agenda relating to directors and has separated the election of directors and approval of remuneration for each agenda.
- 7) Agenda for the election of directors were to be nominated details such as name-surname, age, education, experience, date starting the position as director, training on duties and skills, years of directorship, with/without interest in many ways with the company, types of directors to be nominated, number of shareholding including meeting attendance in the previous year.
- 8) Agenda for the appointment of auditors, the Audit Committee has considered the qualification commended the Board of Directors to propose the shareholders to appoint the authorized auditors who are approved by the Securities and Exchange Commission (SEC), including no relationships and/or interest with the company/subsidiaries/executives/major shareholders or any people related with such person, therefore having independence enough for monitoring and commenting on the company's financial statements.
- 9) Agenda on profit allocation, dividend payment and specified the amount and rate of dividend payment including the details in part 3 years are used for the shareholders to consider.

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- 10) Proposing the shareholders to determine the remunerations for the directors which were already approved by the Nomination and Remuneration Committee of the company.
 - 11) Attaching the latest minutes of the shareholders' meeting for consideration on the agenda on approval minutes of the shareholders' meeting.

1.3 Procedures on Shareholders' Meeting date

- 1) Arrangement of the meeting will be held at location with convenient transportation, close to the main road, nearby BTS sky train and expressway, so that shareholders can participate easily. (CG 8.2.1)
- 2) Preparing officers to help in the registration area, Registering with using the barcode system which presents each shareholder's registration that has been published on the registration and proxy in order to make the process faster. In addition, the company has also provided the checkpoint in case of receiving the proxy for a someone who attended the meeting instead and preparing duty stamp for closing the proxy form for service to the proxies who register and attend the meeting with a concierge throughout the registration. The company will open the meeting registration at least 2 hours before the meeting commencement and use the computer system to count the votes. (CG 8.2.1)
- 3) The company has set the standard registration policy about the shareholders' meeting along with the outbreak of covid -19 as below :
 - Checking the attendees temperature before attending the meeting. The company is not allowed the people who have fever (37.5 celsius and more), or having the symptoms which tends to have fever, or the people who just got back from the risk countries and also not quarantine themselves 14 days, attend the meeting. But the shareholders still have a right to consider voting along with the shareholder's demand by giving the proxy to the independent director which the company has been set in the proxy which attends the meeting and voting instead, and also can send the questions about the meeting agendas normally too.
 - The company has set the screening area to measure the temperature, and ask for cooperation to have some social-distancing at least 1 meter.
 - For the shareholders who have passed the screening areas, the company asks for their cooperation to do as below:
 - Wash your hands with the soap or gel alcohol before attending the meeting
 - Wear a face mask for a whole time of the meeting
 - Avoid touching the face areas (eyes, nose, and mouth) if not necessary
 - Avoid using and touching to other people's stuffs
 - If you find any symptoms such as having fever, sneezing, runny nose, or sore throat, we have to ask for your cooperation to quit from the shareholder's meeting.
 - The shareholders who has passed the screening areas, the company ask for your cooperation to do as below :
 - The company has set the chairs inside the meeting room by having some social distancing of 1 meter.
- 4) Encouraging and supporting the Board of Directors, subcommittee, executives to attend all of the meetings as responsibilities. Last year, the company committee attended the meeting of 9 people which counted as 100 percent in order to reply to the shareholders' queries. All of the attendees' profile will be indicated in the shareholders' meeting minutes. (CG 8.2.6)
- 5) In the AGM invitation letter, the Company has specified voting methods, regulations regarding shareholders' meeting The Company arranged to use the voting card for confirmation in every agenda requiring resolution for transparency and accountability.
- 6) Before the start of the shareholder's meeting, the Chairman of the meeting informs the number and the proportion of shareholders attending the meeting represented in person and through proxies, the meeting method, the voting process and the voting counting. (CG 8.2.7)
- 7) In the shareholders' meeting minutes, voting procedures were informed that one share equals one vote to hold a voice vote by ballot with the things with 6 rules related to the shareholders' meeting. The company had arranged for card to be shown for each vote each agenda for transparency and accountability; by voting in each agenda, the chairman will ask the meeting to put their hands up in case that the shareholders or proxies

disagreed or abstain from voting and record the vote down together with signature also the person in charge of recording the vote with the card, whereas the shareholders who agreed will have to put down the vote and signature without putting up their hands and keep all the vote cards with agreeing votes and return them when the meeting ended. (CG 8.2.4)

- 8) Arrangement of the voter for selection of the directors either by individual or whole committee depends on the meeting agreement, by submitting the name list of the directors who were approved by the Nomination and Remuneration Committee.
- 9) Arrangement of witness of vote counting at the Annual General Meeting (AGM) and disclosing in the minutes of the AGM. (CG 8.2.9)
- 10) During the meeting, the Chairman gives the opportunity to the shareholders to ask questions, comment and recommend independently before having the resolution of the AGM agendas in order that shareholders consider the details and information of that issues sufficiently.
- 11) In the shareholders meeting of year 2019, the meeting had considered each subject respectively in the agenda as determined in the invitation documents were handed out to the participants without any changes in the orders and will not ask for consideration on other subjects apart from stated in the invitation documents. After consideration the chairman will provide time for participants to ask questions before the meeting ends.

1.4 Shareholders' Meeting Minutes consist of the following 2 parts: (CG 8.3.3)

- 1) First part consists of the general information such as guidelines and policies for preventing COVID-19 at the 2020 annual general meeting of shareholders, name list and position of the directors, executives, company's secretary, auditors attending, number shares the shareholders attending when the meeting starts, steps of voting and counting of votes and will count as one share equals to one vote, to hold a voice vote by ballot for each agenda item of the meeting before the meeting begin. Notify the opportunity for shareholders to submit questions and matters that are useful to the company in advance.
- 2) Second part consists of information for consideration proposed to the shareholders for consideration as declared on the Annual General Meeting invitation, by classifying to each agenda, consisting on the summarized information which the directors proposed to the shareholders for consideration, the queries, answers (if any) and result of the vote in each term (agreed, disagreed and abstention) will be recorded. Record the answers and questions with the name and surname of the questioners and repliers.

1.5 Procedures after the Annual General Meeting:

- 1) Disclosure of resolution of the Annual General Meeting for the year 2020 to the public with the vote results on the following day after the AGM took place, by informing via SET Portal of the Stock Exchange of Thailand and via the company's website:
http://www.unionpioneer.co.th/index.php/investor_relation/downloads/sub-5-2 (CG 8.3.1)
- 2) The company recorded the minutes thoroughly including important information such as number of shareholding, proportion of shareholders who attend the meeting in person and in proxy, name of participants (directors and executives), procedures and how to vote, voting result of each agenda including questions, explanations and opinions of shareholders in the meeting.
- 3) The Company Secretary prepared the minutes of the shareholders within 14 days after the shareholders' meeting and submitted the report to the Stock Exchange of Thailand as well as publication via the company's website on 29th April 2020: http://www.unionpioneer.co.th/index.php/investor_relation/downloads/sub-5-3 (CG 8.3.2)
- 4) In the past year, the Company received a score from the Quality Assessment Program of the Annual General Meeting Shareholders for the year 2020 (AGM Checklist 2020) equal to 98 points.

There are more details in accordance with the CG Code 2017; Code of Good Corporate Governance on May 2019 edition on the Company's website at Principle 1: Rights of Shareholders. <http://www.unionpioneer.co.th/index.php/about-us/CorporateGovernancePolicy>.

Principle 2: Equitable treatment of shareholders

The Board of Directors is aware for benefit of every shareholder whether they are majority or minority shareholders, shareholder as individuals, institutional investors, Thai shareholders or foreign shareholders to get the rights and treated equally and truly, for the highest benefits of the shareholders as following:

2.1 Protection of internal information usage

The company emphasizes on the importance of internal information protection which has not been disclosed to the public or information which individual can use to gain benefit for themselves or others in misleading ways, by setting up protection for internal information (CG Code 7.5.1) with more details, shown at Section 5, topic 5.14: Use of Insider Information Policy on page 84-85, topic 2.3: Protection on the insider information usage on page 20-21 of CG manual to be followed by related persons:

- 1) Do not disclose or seek benefit from the company's confidential information for individual or others party's benefit.
- 2) Do not disclose internal information or documents to outsiders and prohibit from seeking for benefit for individual or related parties in misleading ways strictly such as trade secrets, production recipe, production technique which were originally owned by the company.
- 3) Do not seek for benefit as an individual or for others by using the company's information which has not been disclosed to the public or actions which may cause conflict to the company's benefit.
- 4) Prevent the internal information on trading in the Company's securities The Company Secretary prepares the schedule annually in advance in order to inform directors and management to know the date that the trading of the Company's securities should be avoided in 14 days prior to the disclosure of the quarterly and annually financial statements until period of 24 hours has passed by after the mentioned information is disclosed to the Stock Exchange of Thailand (SET).
- 5) The company requires that the directors and first 4 executives, counting down from the Managing Directors (according to the definition of the Office of the Securities and Exchange Commission) having a duty to report changes to their shareholders, including their spouses and underage children under the Notification of the Office of the Securities and Exchange Commission No. Sor Chor. 38/2018 Re: Preparation of Report on Changes in Shareholding. This report is done annually, or when any changing. The company's secretary keeps that report, including sending its copy to the chairman of the board. The chairman of the board will check within 7 days counting on the date that that report is given.
- 6) Disclose shares that the directors held in the previous and current in the form number 56-1 and the annual report. Last year, there was no fraud found from the directors, executives and employees in misleading usage of internal information.

2.2 Protection on the rights of the shareholders

The Company emphasizes on the importance in treating the shareholders equally and fairly, for the Annual General Meeting of Shareholders, of the previous year the Company

- 1) Provided rights for the shareholders to vote by which one vote equivalent to one share.
- 2) Deliverd proxy letters in form (Proxy Form B and Proxy Form C) which votes were editable for shareholders who were unable to attend the meeting by themselves; in the previous meeting offering 3 independent directors in the invitation letter as option for the shareholders to assign to their proxy; Additional information can be browse via http://www.unionpioneer.co.th/index.php/investor_relation/downloads/sub-5-1
- 3) Identifidcutifcd documents and evidences including advices on procedures of handing over the proxy for shareholders in the invitation letter; for the shareholders to prepare documents with accurateness to prevent problems accruing in the attendant of the proxies to the meeting of shareholders, by which the principles and condition in the proxy principle according to the laws without any obstacles which might cause complexion to the proxy principle.
- 4) No additional agenda apart from assigned in the shareholder invitation letter.

2.3 With or without Interest of Directors

The Board of Directors has acknowledged on the importance on the business operation emphasizing on all of the stakeholders for sustainable benefits, fair and transparent; therefore, guidelines, conditions and reporting on stake holding and shareholding are determined as following:

- 1) The Board of Directors supervises to manage and monitor on the transactions that may cause conflicts of interest to ensure that there are guidelines and procedures for the mentioned reports to follow the procedures and information disclosure according to general commercial conditions and the requirement of laws, with the same as the general public for the most benefit of the Company and shareholders as a whole, including approval of the transactions done by a person without interests. (CG Code 6.3.2)
- 2) The Board of Directors prescribes the directors to report their own stakes and shareholding as criteria, conditions and procedures as required before considering the mentioned agendas. If any directors or executives are found in stake holding or related to the individual relating to that agenda in investigation; they will not have the right to vote and attend the meeting at that agenda, for the fairness of the board of directors and for the most benefit of the shareholders. (CG Code 6.3.3)
- 3) If there are any other related transactions, the Company will propose to the Audit Committee for consideration and comment, before submitting to the Board of Directors and/or the shareholders' meeting for approval further. If the Audit Committee does not have skill on related party transactions, the authorized auditors will give an opinion on the mentioned transactions in order to use as a decision of the Audit Committee and/or the Board of Directors and/or the shareholders' meeting., as the case may be, to ensure that the mentioned transactions will not be transfer of benefits between the Company and any persons who may have a conflict of interest, but for the most benefits of all shareholders. (CG Code 6.3)
- 4) The company discloses the shareholding, with/without interest of directors, meeting attendance of every committee is stated on the Management Structure Topic.
- 5) In previous years, the company did not have any directors and executives who violated or did not comply with the rules on the security trading regulation according to the SET/SEC.

Category 3 Roles of stakeholders

The Board of Directors proposes the policy for stakeholders which are related to the operation of the company such as, shareholders, employees, customers, trade partners, competitors, creditors including community and society. Which all the stakeholders should be taken care by the company holding on their rights according to the laws and agreement upon the company impartially with corporate governance. Thus, the company determined guideline to the stakeholders as following

3.1 Roles to stockholders The company realized on compensation to the shareholders, precedence to minority share-holders or institutional shareholders together with gaining trust from the shareholders by providing the internal control system and accounting system and auditing strictly, supporting on reporting the status and the company's managementsupporting the shareholders' rights promptly, accurately, completely and fairly. For additional information, can be obtained from the topic "Good Corporate Governance and Business Ethic Manual" page 19, 52

<http://www.unionpioneer.co.th/index.php/about-us/CorporateGovernancePolicy>

3.2 Roles to Trade Partners and Creditors Contacting the distributors, contractors or trade partners by procurement method of the company without special treatment to any individuals.

Trade Partners : The board of directors determines regulations for practices on all trade partners to be equivalent and fair by organizing on procurement by selection off vendors, partners or consultants which were based on the principle that the company must gain the most profits under transparent selection without prejudice, able to be investigated and prohibit employees from beneficiary resolutely, for additional information were shown on page 14, 31, 33 in the Good Corporate Governance and Business Ethics manual on the company's website

<http://www.unionpioneer.co.th/index.php/about-us/CorporateGovernancePolicy>

Creditors: In the past year, the company complied with the commitments and agreements with trade creditors according to commercial terms. There is no case of default, no calling for receiving or paying any dishonest benefits.

There are more details of the CG Manual and business ethic on page 23, 52-53, on the Company's website <http://www.unionpioneer.co.th/index.php/about-us/CorporateGovernancePolicy>

3.3 Roles to Customers The company has commitment to develop products and services continuously, cooperate with the customers to develop and research on products for meeting the customers' needs and provide service promptly with honesty and treat every customer fairly. The company develops quality products by considering the safety of the environment, customers and meeting the customers' satisfaction., including having a system to listen to opinions and make suggestions or complaints tha the company will take the significant issues to be improved, taken actions within a reasonable time.

The operation's result	Unit	2020	2019
The customers satisfaction survey result	Percentage	88.5	89.78
Customers complaints	Times	13	11

The practice toward customers was disclosed on the company's website <http://www.unionpioneer.co.th/index.php/about-us/CorporateGovernancePolicy> and on page 23, 53-54 in the CG Manual and Business Ethics.

3.4 Roles to Trade Competitors: The company holds on the principle of independence in business competition under the laws and business ethics without aiming for competitors' internal information with misleading methods. The actions toward customers were disclosed on the company's website <http://www.unionpioneer.co.th/index.php/about-us/CorporateGovernancePolicy> and on page 23, 54 in the CG Manual and Business Ethics

3.5 Roles to Employees The company has a human resource management policy that focuses on promoting all levels to work under the knowledge and abilities of each subordinate's full potential. The employee's wage is also fair, equal, and appropriate. Lastly, there is welfare in accordance with the requirements of the law such as the social security and compensation fund, additional welfare in order to enhance the quality of life, morale for employees to support life after retirement. The company and employees have jointly established a provident fund consisting of money accumulated by employees and money that the company contributed every month into the provident fund., including theses management as follows :

- 1) Hearing Conservation Measure: with the following actions;
 - Specify a hearing conservation policy in which all executives, supervisors, employees, and related parties must support the hearing conservation project, and give an opinion for improving the safety of working conditions.
 - Health surveillance of loud noise by surveying the area, putting a hearing protection sign to wear the earplug and showing noise levels with the sound map.
 - Health surveillance of hearing by testing on hearing capability of staff by certified external organization.
- 2) Last year, there were fire evacuation training drills 2 times in order for the employees and officers to know the way to protect themselves in case of conflagration.
- 3) Annual health check-up since the company emphasized in taking care of the health of the employees, therefore the annual health check-up was arranged every year.
- 4) Last year, the company provided training for employees averagely about 12.7 hours each person per year.
- 5) Last year, the company has environmental training these sessions as follows:
 - Green Industrial (GI)
 - Green Logistics
 - Prepare for 4.0 Going paperless for your business
 - The suitability of installing solar cells to produce electric power in factory and control

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- Laws on water pollution and color treatment in industrial wastewater
 - How to measure and assess the working environment to follow the standard policy
 - How to manage the indoor air quality not to affect health
 - Energy conservation and environmental management
 - Green Industry Certification and Mechanism to achieve energy goals in the industrial sector
 - Reducing energy costs for executives
 - Industrial Standards Green Industry and CSR-DIW
- 6) The company is committed that the success of the work must belong to the employee and workers safety, including every participant at all times under the realization that safety is not just a law or a regulation, but it is a worker's right and should be received equally by everyone. Executives and all employees are assigned to take responsibility for the respect according to the work sequentially by establishing the occupational safety, health, and environment committee in the workplace, setting the 5S committee, and providing opportunities for employees to participate in developing the quality of life in their own workplace which is supported from the company in the implementation of the plan, and lastly providing the safety plan. The company should realize that safety is not just considered just an addition, but safety is a task that must be accomplished and always prioritized as first.
- In the past year, the company had statistics on the rate of occupational accidents from 11 people, 5 of them had more than 3 days out of work which we have examined the causes and set solutions including preventive measures. For Safety, Occupational Health and Work Environment Policy, the additional information which can be viewed on page 67 of the Good Corporate Governance Manual and Code of Business Conduct on the website <http://www.unionpioneer.co.th/index.php/about-us/CorporateGovernancePolicy>
- 7) The actions toward the employees were disclosed in the additional information which can be viewed on page 23, 54-55 of the CG Manual and Business Ethics on the company's website. <http://www.unionpioneer.co.th/index.php/about-us/CorporateGovernancePolicy>
- 8) Currently, the company still operates the policy on supporting the employees' health promotion program collaborating with Nopparat Hospital in reducing of NCDs Non-Communicable diseases, which caused by the effect of the employees' lifestyles such as alcohol, smoking, lack of exercise, consuming excess of salty – sweet foods, stress and carried out policy on escorting pregnant employees by giving the importance on good health conservation and works which will not be dangerous for the mother and their child (fetus).
- 9) In the past year, the company has maintained labor practices fairly and has considered the rights in various areas that workers should have such as employment, development on knowledge and skills, career advancement, creating happiness in the workplace according to Happy Workplace topic, for more details on the topic of CSR to sustainable development on social and community.
- 10) In 2020, the outbreak of COVID-19 occurred leading the company to be worried about the employees and their families. The company proposed the virus outbreak prevention by informing each section in the company to realize their own and their families too, including having announcement about the standard policies as below :
- Have employees to wear masks, and screen temperature of all employees when entering the company.
 - Encourage all employees to take care of their personal health regularly by providing alcohol gel and liquid soap for employees to wash their hands frequently, and also cover their nose and mouth when coughing and sneezing.
 - All employees should have a social distance about 1-2 meters between each other.
 - The supervisors in each other department should observe their subordinates. If there are any abnormal symptoms, they should go to the nurse room for screening immediately. If found that the fever is higher than 37.5 degree celsius, they should be brought to the hospital to see the abnormal issues.
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- All employees should be required to have their own screening to prevent the COVID-19 pandemic.
- If there is any sick leave or the employees travel to the risk province, they must quarantine themselves 14 days after coming back.
- Setting the standard policy to prevent the outbreak of COVID-19 for the third parties for entering the company.

3.6 Roles to Society, Community and environment The Company acknowledged that sustainable growth of the company taking responsibility to society, community and environment would occur if the company pay attention on a responsibility to society, community and environment, for more details on page 24,55-56 on the CG Manual and Business Ethics, including **Social Responsibility Policy** in section 5, topic 5.4 of the CG Manual and Business Ethics on the company's website.

<http://www.unionpioneer.co.th/index.php/about-us/CorporateGovernancePolicy>.

The Company had summarized CSR in process & CSR after process at the topic of "CSR to Sustainable Development."

3.7 The Board of directors realizes the impacts on various groups of stakeholder's companies. This leads the sustainable business operation on the basis of fairness to all parties by setting up the anti-corruption policy. For the additional information, it can be found on the website <http://www.unionpioneer.co.th/index.php/about-us/CorporateGovernancePolicy> at Section 4, Against Corruption.

Principle 4: Disclosed information and transparency

The Company had disclosed important information relating to the company including financial information and non-financial information under regulations of regulators to be accurate, complete, transparent and up-to-date through the approachable channel which can be reached equivalently, reliable, not misconstrue and adequate for shareholders and investors. The board of directors determined the following regulations: (CG Code 7.1)

- 4.1 Disclosing information according to accounting periods which are financial information and non-financial information via the SET Link of the SET and on the company's website for the shareholders, investors and regulators to acknowledge the information, completely, timely and be able to use them for consideration thoroughly and fairly. (CG Code 7.1.4)
- 4.2 Disclosing transparently the shareholders structure showing the beneficial owner at <https://www.set.or.th/set/companyholder.do?symbol=UPF&language=th&country=TH>
- 4.3 Disclosing Management Discussion and Analysis (MD&A) when the Company gained income or net profit increasing (decreasing) from the same period in the previous year for more than 20 percent. (CG Code 7.1.3)
- 4.4 Significant inter-transactions will be considered, but if needed to be authorized by the board or the AGM, disclosing information on inter-transaction; which will indicate name of individuals who made those inter-transaction, relationship of, type of transactions, conditions and value of the transactions, necessity and reasons. All inter-transactions of the previous year were done within normal business transactions (CG Code 6.3)
- 4.5 Disclosing the remuneration for auditing and other services served by the independent auditors, considered by the Audit Committee at the topic, Remuneration for the independent auditor.
- 4.6 Disclosing the roles and duties of the board of directors and all subcommittees at the management structure, including disclosing of with or without having interest, numbers of attendance of each director for the whole year in form 56-1 and the annual report.
- 4.7 Disclosing the remuneration of director and executive which reflected their responsibilities of each individuals including forms of remunerations by which Nomination and Remuneration Committee had approved, comparing to other registered companies under SET which were in similar industry and business, in size which seem to be comparable, for additional can be obtained from Summary of Remuneration of Directors on page 24, including disclosing other information on the company's website as following: (CG Code 7.6)
- 4.8 The Company's vision and mission <http://www.unionpioneer.co.th/index.php/about-us/vision>

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- 4.9 Nature of the business operation <http://www.unionpioneer.co.th/index.php/about-us/com>
 - 4.10 Financial statements and the report on the financial status and the result of business operation in both current year and previous year
http://www.unionpioneer.co.th/index.php/investor_relation/downloads/sub-2-2
 - 4.11 Handing over and disclosing annual reports (form 56-1) to the regulators within 3 months from the date the accounting period ends and are downloadable on the SET 's website and on the company's website.
http://www.unionpioneer.co.th/index.php/investor_relation/downloads/main-4
 - 4.12 Handing over annual report (form 56-2) within 4 months from the date the accounting period ends and are downloadable on the SET 's website and on the company's website
http://www.unionpioneer.co.th/index.php/investor_relation/downloads/main-3
 - 4.13 Disclosing the resolutions in the board of directors' meeting on the date, time, location and agenda of the shareholders' meeting with the comment of the board of directors and the date the share transfer registry ends, disclosing resolution in the shareholders' meeting on the following day on the company's website.
http://www.unionpioneer.co.th/index.php/investor_relation/downloads/sub-5-1
 - 4.14 Disclosing invitation of shareholders' meeting with related documents on the company's website 30 days in advance
http://www.unionpioneer.co.th/index.php/investor_relation/downloads/sub-5-1
 - 4.15 Delivering and disclosing minutes of shareholders' meeting within 14 days to the Stock Exchange of Thailand and can be viewed on the company's website.
http://www.unionpioneer.co.th/index.php/investor_relation/downloads/sub-5-1
 - 4.16 Policies as well as the Company's CG Manual and Business Ethics
<http://www.unionpioneer.co.th/index.php/about-us/CorporateGovernancePolicy>
 - 4.17 Roles, responsibilities, qualifications and positioning terms of the Board of Directors, Subcommittee, Audit Committee and Nomination and Remuneration Committee.
<http://www.unionpioneer.co.th/index.php/about-us/board-of-directors-2>
 - 4.18 Individual responsible for the Investor Relations is Mr.Wiwat Jongkonrat, manager of the Accounting and Financial Division, contact number: +662-517-0105-8 ext..211 and fax number: +662-517-0345. We are pleased to hear out the comments, recommendations and information related to analyzers, institutional investors and free floats investors, (CG Code 7.5.2, 7.5.3) including more information can be obtained from Stock of Exchange Thailand's website www.set.or.th or the company's website
<http://www.unionpioneer.co.th/index.php/contact>.
 - 4.19 In the past year, the SEC did not command the Company to amend financial statements of the Company and the Company did not have any records on the delay of submitting on the financial reports quarterly and annually.
 - 4.20 Articles of Association <http://www.unionpioneer.co.th/index.php/about-us/Companyregulations>

Principle 5: Responsibilities of the Board of Directors

- 5.1 The Company Structure of the Board of Directors** composed of directors who have diverse qualifications in skills, experiences and specific talents that are useful for the Company, gender etc. In the present, the Board of Directors consist of 9 persons, which members not less than half of the directors from overall number of directors should be located in Thailand and directors not less than three-quarter of overall number of directors must be Thai citizens. Additional information can be obtained from Management Structure, including;
- 1) In the past year, the Board of Directors has reviewed the content and revised the policy on Good Corporate Governance and Business Ethics, according to CG Code 2017, to be appropriate with the Company's business on December 23, 2020.
 - 2) The Board of Directors set an Internal Audit Office in the Company to report the results to the Audit Committee, to operate according to the audit plan and to review the internal control system, which are suggestions from the Internal Audit Committee in every quarter in the Board of Director meeting.

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- 3) In the previous year, the Board of Directors meetings were held a total of 12 times and Annual General Meeting was held 1 time. Additional details are shown in the summary table of attendance of each director at the organization structure topic. (CG Code 3.9.2)
 - 4) The Board of Directors had determined an anti-corruption policy. Encouraging publicizing of knowledge and communicating with employees in all levels and individuals performing business related to the Company to acknowledge the anti-corruption policy. In the past year, the company has been certified to be the member of Thailand's Private Sector Collective Action Coalition Council against Corruption on June 30, 2020.

5.2 The Company's subcommittee: (CG Code 3.2.6)

Beside the Audit Committee that had been organized by the Company in accordance with The Stock Exchange of Thailand, the boards also organized a subcommittee in order to have good corporate governance, the Company had disclosed information on sub-committee on the management structure on page 25-27.

5.3 Roles, duties and responsibilities of the subcommittee (CG Code 1.3)

Details are stated in the "Good Corporate Governance" on page 23-25.

5.4 The Board of Directors' Meeting

- 1) The Board's meeting is scheduled dates and times in advance for the whole year i.e. on every Wednesday of the 3rd week of the month to facilitate the directors to plan for allocating time to attend the meeting. In addition, meeting agenda were handed out to the board of directors at least 5 days prior to the meeting date in order for the directors to have enough time to study the information and arrangement in order to participate in the meeting.(CG Code 3.9.1 and 3.9.4)
- 2) In consideration of any topics, the Chairman who arranges the time adequate for the meeting and gives chances for the directors to give out opinion independently therefore, casting vote in the board of directors' meeting depended on the majority votes by letting one director holds one vote.

The Board of Directors also pay attention to the conflict management of the related person with prudence, fairness and transparency. In case any directors who have any benefit on any agendas, can not participate in the meeting and have no rights to cast the vote on those agenda. (CG Code 6.3.2 and 6.3.3)

- 3) In the board of directors' meeting, management of the Company will participate in the meeting to give out useful information and acknowledge the policy directly, to be able to proceed on efficiently.
- 4) The Company's non-executive held their own meeting necessity to consider any problems of interest related to the management without the management team participating for the non-executive directors to express their opinion independently.(CG Code 3.9.7)
- 5) The Chairman of the board and managing directors considered in selection of the agenda of the directors, moreover topic of interest might be selected as the topic in the agenda as well.
- 6) The Chairman had arrangement time sufficiently and enough for the directors to debate important topics cautiously as well as supporting every director to express opinions freely.
- 7) For each board meeting, Chairman, Managing Directors and Directors will attend every meeting except for having business in foreign land or having other matters.
- 8) Executives attend every board meeting to inform additional information on accounting and financial or related issues.
- 9) When the meeting ends, the company secretary is responsible for preparing the minutes of the meeting to propose to the board of directors meeting to certify in the first agenda of the next meeting. Moreover, the directors of the company can express their opinions and request any additional amendment to the meeting minutes. For the invitation letter which included agendas including documents for the board of directors, the secretary company should arrange to send out 5 days in advance before the meeting.
- 10) In the past year, the Board has monitored the management to implement the Company's strategy through the meeting of the performance report and the operating results of the company every month

5.5 Self-evaluations of the Board of Directors and Executive (CG Code 3.7.1, 3.7.4)

The Board of Directors perform self-evaluation on the performance once a year accordingly as individuals and as committees. Moreover, self-evaluation on every sub-committee once a year is evaluated by committee and results are collected by the sub-committee and the company's secretary. The results will be reported to all the committee to review the performance, issues and obstacles during the previous year for improvement of the performance according to the good corporate governance. (CG Code 3.7.2)2)

Performance Evaluation of the entire Board of Directors with the following criteria and procedures;

Performance Evaluation Criteria	Performance Evaluation Process
Divided the evaluation into 6 main topics according to the guidelines of the Stock Exchange of Thailand, namely 1) Structure and qualifications of the Board of Directors 2) Roles, duties and responsibilities of the Board of Directors 3) Board meetings 4) Directors' duties 5) Relationship with the management 6) Self-development of directors and executive development	1. Conduct an evaluation of the operational efficiency of the Board of Directors as a group at least 1 time per year.
	2. Company Secretary summarizes and presents the results of the performance evaluation of the Board of Directors to the Nomination and Remuneration Committee to consider the evaluation results and development guidelines to improve operational efficiency.
	3. The Nomination and Remuneration Committee proposes the evaluation results and guidelines for improving operational efficiency to the Board of Directors.

Last year, the average score of the self-assessment of the entire Board of Directors was 96.63.

Individual performance evaluation of the Board of Directors has the following criteria and procedures:

Performance Evaluation Criteria	Performance Evaluation Process
Divided the evaluation into 3 main topics according to the guidelines of the Stock Exchange of Thailand, namely 1) Structure and qualifications of the Board of Directors 2) Roles, duties and responsibilities of the Board of Directors 3) Board meetings	1 The directors of the company conduct self-evaluation individually at least 1 time per year.
	2. Company Secretary summarizes and presents the results of the performance evaluation of individual directors to the Nomination and Remuneration Committee to consider the evaluation results and development guidelines to improve operational efficiency..
	3. The Nomination and Remuneration Committee proposes the evaluation results and guidelines for improving operational efficiency to the Board of Directors.

Last year, the average score of the self-assessment of individual directors was 96.97.

Performance evaluation of the sub-committee –Nomination and Remuneration Committee is as follows:

Performance Evaluation Criteria	Performance Evaluation Process
Divided the evaluation into 3 main topics according to the guidelines of the Stock Exchange of Thailand, namely 1) Structure and qualifications of the committee 2) Roles, duties and responsibilities of the committee 3) Committee meetings	1 Conduct an evaluation of the operational efficiency of the sub-committee as a group at least 1 time per year
	2. Company Secretary summarizes and presents the results of the performance evaluation of every sub-committee to the Nomination and Remuneration Committee to consider the evaluation results and development guidelines to improve operational efficiency.
	3. The Nomination and Remuneration Committee proposes the evaluation results and guidelines for improving operational efficiency to the Board of Directors.

Last year, the average score of the self-assessment of the entire Nomination and Remuneration Committee was 85.29.

Individual performance evaluation of the Audit Committee with the following criteria and procedures;

Performance Evaluation Criteria	Performance Evaluation Process
Divided the evaluation into 4 main topics; 3 topics according to the guidelines of the Stock Exchange of Thailand and 1 additional topic in the Report of the Audit Committee to the Board of Directors, namely	1. Conduct an evaluation of the operational efficiency of the Audit Committee as a group at least 1 time per year. Secretary of the Audit Committee will present the Audit Committee to evaluate in every 4 th AC Meeting.
1) Structure and qualifications of the Audit Committee 2) Audit Committee meeting 3) Roles, duties and responsibilities of the Audit Committee 4) Report of the Audit Committee	2. Secretary of the Audit Committee summarizes and presents the evaluation results in every 1 st AC Meeting.

Last year, the average score of the self-assessment of the individual Audit Committee was 97.31.

5.6 Remuneration of the Directors

Additional details on topic of remuneration of the directors and executives on page 131-132

5.7 Knowledge development for Directors and Executives

- 1) The Company has promoted and supported the directors to continuously attend training courses concerning the duties of directors, such as the DCP, DAP of COD, as well as to have knowledge about laws, rules, standards, risks related to business operations at present on regularly basis, and disclose information of directors' training and knowledge in the annual report. (CG Code 3.8.2, 3.8.3, 3.8.4)
- 2) For new directors, the Company has arranged an orientation according to the SET within 1 month from the date of holding office. The management submits the documents, significant information to present a briefing in order for the new director to understand the objectives, core goal, vision, mission corporate values, nature of business, business operation guidelines, and used them as guidelines for corporate governance. (CG Code 3.8.1)
- 3) The Board has set a succession plan to carry on with the duties in order for the executives to work continuously and the business operation will not be disrupted. The Managing Director reports the work performance according to the succession plan to the Board for acknowledgement at least once a year. (CG Code 4.1.3)

Courses of the Thai Institute of Directors (IOD)

Director Accreditation Program (DAP)	Boards that Make a Difference (BMD)
Director Certification Program (DCP)	Role of the Compensation Committee (RCC)
Finance for Non-Finance Director (FN)	Chartered Director Class (CDC)
Financial Statements for Directors (FSD)	Director Diploma Examination (DDE)
Audit Committee Program (ACP)	Advanced Audit Committee Program (AACP)
Boardroom Success through Financing & Investment (BFI)	Ethical Leadership Program (ELP)

In 2020, no directors were trained.

Training information of the Board of Directors about roles, duties and skills of being a director

Name-Surname	DAP	DCP	FN	FSD	ACP	BFI	BMD	RCC	CDC	DDE	AACP	ELP
Miss Dalad Saphaivichai	-	9/2001	1/2001		10/2005			-	-	4/2001	-	13/2018
Mrs. Nuntawan Sakuntanaga		166/2012		31/2016	43/2013	7/2019	9/2019					
Mrs. Rapeephan Sanuansis	5/2003	-	-		-			-	-	-	15/2014	13/2018
Mr. Komon Iamwatharin	163/2019	-	-		-			-	-	-	-	-
Mr. Chutindhon Darakananda	17/2004	-	-	-	-		-	-	-			
Mrs. Chantornree Darakananda	5/2003	-	-	-	-	-	-	-	-			
Mr. Vacharaphong Darakananda	2/2003	69/2006	-		-			15/2012	7/2013	19/2006	-	-
Mr. Nanthiya Darakananda	2/2003	212/2015	-		-			-	-	-	-	-
Mr. Kollat Tangchitkul	113/2014	-	-		-			-	-	-	25/2017	-

In the past year, the Company has a policy developing the knowledge and skill of the executives in many fields by giving knowledge, training and seminars for them to apply knowledge for managing and developing the company for sustainable growth and achieving the identified objectives. (CG Code 4.1.4) as follow;

Courses the Executives had taken for knowledge development in hours (in 2020)

Items	Courses	Number of hours
1	Measures for the minimum wage in 2020	3
2	Personal Data Protection Act 2019	6
3	2020s Decade of Challenging Economic and Trade Growth between Thailand and Cambodia	9
4	New Incoterms and International Trade Regulations 2020	3
5	Security of corporate information systems	12
6	Corruption risk & Control : CRC	6
7	Analysis strategies & foreign exchange risk management	6
8	Essential regulatory requirements for medical device approval	12
9	How HR need to prepare when the Personal Data Protection Act 2019 comes into force	6
10	Labor law which the employer and customers must know	20
11	Thai textile industry moving forward to the new normal	3
12	Step forward with the future of Thai textile business	6
13	New productivity management	6
14	Annual Report preparation guidelines	2
15	Reducing energy cost for executives	2
16	Precautions for preparing financial statement, closing accounts and presenting financial statement	6
17	Introducing Medical Devices Regulation : MDR 2017/745/EU	12
18	Personal Data Protection Act 2019 and related digital laws	6
19	Risk management for ISO-compliant medical devices	6
20	Update on taxes and foreign investment issues	4
21	Understand the key financial reporting standard and understand the auditor's report	6
22	Revenue recognition criteria according to TFR 15 for general businesses and issues involved	
	in the audit of income recognition	6
23	Tips for solving tax problems that accountants have to meet in real practice	6
24	Use of the SMART FSCOMP	3
25	Cost calculation and pricing for export	18
26	Preparation deferred income tax : Basic Deferred Tax	6
27	Management of measurement tools for ISO standard 9001, 14001, 45001, 50001	6
28	Testing of properties of compound and vulcanized rubber	6

Sub-Committee The Board of Directors had appointed sub-committee (CG Code 3.2.6) as following

- Audit Committee
- Nomination and Remuneration Committee

In order to proceed the specific matter and propose to the board of directors to consider and acknowledge, charters were arranged for subcommittee to determine their duties and responsibilities; the Company will disclose the duties and responsibilities and other information of the sub-committee in the subtopic of the management structure of the Company as well as including in the company's website.

Nomination and Appointment Directors and Chief Executives

Independent Directors is a part of board of directors that should be included; at least 1-3 of the number of directors should be independent directors and must not be less than 3 individuals must be non-executive director and qualifications according to the laws. Follow up and take care of the conduction of the management and give opinions on operation of the company independently for the uttermost benefit of the shareholders.

The nomination and remuneration committee will consider recruiting individuals with qualification according to the laws and qualification according to the definition of the independent director according to the minimum requirement of SEC by individuals who have abilities and experiences suitable and understanding to the business structure of the company including vision and time adequate for the duty.

Total number of 3 Independent Directors; 2 females and 1 male which are more than one-third total numbers of 9 directors, as 33.33% as listed below (CG Code 3.1.3)

1. Mrs. Nuntawan	Sakuntanaga	Independent Director
2. Mrs. Rapeephan	Sanguansis	Independent Director
3. Mr. Kollatat	Tangchitkul	Independent Director

Independent Directors Definition (Which the minimum requirement of SEC)

- 1 **Holding shares not over one percent** of the total shares with voting right of the applicant for license, holding company, subsidiary, affiliation, major shareholder or authorized person of the applicant for license, however, it includes shareholding by related persons of the independent director also.
- 2 **Not being or has been** a director with management participation on employees, consultant with regular salary or authorized person of the applicant for license, holding company, subsidiary, affiliation, subsidiary in same level, major shareholder or of authorized person of the applicant for license, except relieved from aforesaid characteristic at not less than two years before submitting permission to the Office. However, the prohibited characteristics do not include that of civil service or consultant of government body holding major shareholding or authorized person of the applicant for licensee.
- 3 **Not being person of whole blood or registration** as stated in the law, in the manner of being father or mother, spouse, brotherhood and offspring including spouse of the offspring of the management, major shareholder, authorized person or person designated to be management or authorized person of the applicant for license or subsidiary.
- 4 **Not have or has been in business relation** with the applicant, holding company, subsidiary, affiliation, major shareholder or authorized person of the applicant for license, in the manner that may obstruct the independent exercise of discretion including in not being or has been a significant shareholder or authorized person of the person with business relation with the applicant, holding company, subsidiary, affiliation, major shareholder or authorized person of the applicant, except relieved from aforesaid characteristics at not less than two years before the date of submission for permission from the Office. The business relation in paragraph one includes trade transactions in normal business, rent or lease on items related to asset or service or in giving or receiving financial assistance through acceptance or lending, guarantee, granting asset as debt security including similar behavior resulting in the applicant or contract party with debt burden to be settled with another party from 3% of net tangible asset of the applicant or from twenty million baht up, as which amount is lower. However, the debt burden calculation shall be in value calculation on related items as announced by the Securities Exchange Commission on Rules of Related Items, by mutatis mutandis. But the consideration of such debt burden shall include debt burdens incurred at one previous year before the date of business relation with the same person.
- 5 **Not being or has been auditor** of the applicant, holding company, subsidiary, affiliation, major shareholder or authorized person of the applicant and shall not be significant shareholder, authorized person or partner of auditing office with the auditor of the applicant, holding company, subsidiary, affiliation, shareholder or authorized person of the applicant in attachment, except relieved from such characteristic at not less than two years before the date of submission for permission from the office.
- 6 **Not being or has been any professional provider** which includes legal consulting or financial consulting with service fee over two million baht a year from the applicant, holding company, subsidiary, affiliation, major shareholder or authorized person of the applicant, and not being a significant shareholder, authorized person or partner of the professional provider, except relieved from such characteristic at not less than two years before the date of submission for permission from the Office.
- 7 **Not being a director appointed to be agent** of the director of the applicant, major shareholder or shareholder with relation with the major shareholder.
- 8 **Not operating similar or significant competitive business** to the business of the applicant or subsidiary or not being significant partner in the partnership or directorship with management participation on employees, consultant with regular salary or holding shares over one percent of the total shares with voting right in other company, operating business similar or competing with business of the applicant or subsidiary.
- 9 **Not having other characteristics** that will hinder free independent opinion in relation with the operation of the applicant.

After the appointment to be independent director with the characteristics as stated in paragraph one 1 to 9, the independent director may be assigned from the committee to make decision on the business operation of the applicant, holding company, subsidiary, affiliation, subsidiary of same level (if any), major shareholder or authorized person of the applicant under the method of collective decision.

Nomination of Directors and Chief Executives

Nomination of Directors: (CG Code 3.3)

Nomination and Remuneration Committee has established criteria and methods for nominating people, to consider, select and nominate to the Board of Directors before proposing to the shareholders for approval as follows

- 1) Have qualifications and not have any prohibited acts according to specific law on public companies and Securities and Exchange Act, including good corporate governance of the listed companies.
- 2) Have knowledge, ability and independence and able to carry out the duty with care and loyalty able to dedicate their time for the company, having competence, seniority suitable, healthy body and mind, creative in the meeting, straightforward, brave to give out opinion in the meeting and/or is well-known business people with great profile and moral as well as been accepted by the society.
- 3) Have knowledge, essential ability in at least one field such as the company's business in account and financial, strategic management, good corporate governance, laws and regulations.
- 4) Nomination and Remuneration Committee will determine the person who qualifies and does not have forbidden characteristics as mentioned above. Then, present to the board of directors for approval before proposing to the shareholders for further approval.

Nominating of Chief Executives

For nominating the individual for managing director position of the Company, Chairman of the board will do the tentative consideration of the individual for the board of directors to screen from qualification, knowledge and abilities, capabilities and experiences appropriate to manage the Company including understanding the business thoroughly.

Determining the remuneration structure

- The board of directors supervises of the determination of remuneration structure and appropriate evaluation.
- The board of directors sets the remuneration structure which is the motivation for the managing directors, chief executives, and every level of employees to work consistently with the purposes and the company's benefit in long term which includes as follows:
 1. The suitability consideration of salary and bonus.
 2. The policy determination about the remuneration which is below the labor law. The remuneration of the similar company and also have similar company size.
 3. The determination of result evaluation and the communication to be acceptable.
- The board of directors set the policy evaluating the result of the managing director's work and communicate to the managing directors to know the evaluation's criteria in advance and evaluate them at least once a year, and also approve the annual remuneration of the managing directors.
- Consideration of the criteria and evaluating factors, also the approval of the remuneration structure of the chief executives and follow up to the managing directors to evaluate the chief executives in accordance with the mentioned criteria.
- Supervising to have the criteria and other factors evaluating the operating results for the entire organization.

Corporate Governance in operating the business of subsidiary companies and affiliated companies

The Company has no subsidiary or affiliated company.

Controlling of internal information usage

The Board of Directors has established policies and guidelines for the prevention and control of internal information usage by specifying this related matter in the regulations of the company and the Good Corporate Governance Handbook, Section 2 at the topic of Preventing the Use of Internal Information. Those who violated the rules will be disciplined and penalized, according to the internal regulations of the company.

The company has established a guideline for maintaining assets and keeping confidential information of the company in the business ethics, topic 1) which is disclosed on the company's website

Remuneration of the Auditors:

In the 27th Annual General Meeting of year 2020 had a resolution to select the Company's auditors from EY Office Limited as following:

1.Miss. Vissuta	Jariyathanakorn	with CPA (Thailand)-License No. 3853 (6 th year in auditing)
2.Mrs. Poonnart	Powcharoen	with CPA (Thailand)-License No. 5238 or
3.Miss. Tippawan	Nananuwat	with CPA (Thailand)-License No. 3459 or
4.Mr. Kisada	Lertwana	with CPA (Thailand)-License No. 4958

The aforementioned auditors have no relationship or/and any gain or loss with the company/subsidiary/executives/ major share-holders/directors or any person related with the mentioned parties and are the authorized auditors who are approved by Securities & Exchange Commission (SEC).

The company has no subsidiary or affiliated company.

- (1) The Company paid the remuneration for the auditors to EY Office Limited which the Company's auditor works with.

In 2020, Baht 1,110,000 (Baht One Million One Hundred and Ten Thousand), an increase of 30,000.-baht.

In 2019, Baht 1,080,000 (Baht One Million and Eighty Thousand) , an increase of 80,000.-baht.

In 2018, Baht 1,000,000 (Baht One Million

- (2) The Company did not pay other services to the auditors.

Implementing Good Corporate Governance Principles for the listed company in 2019 (CG CODE)

In the past year, the Board of Directors had CG Principles of the Company as follows.

- The company still adhered to almost entire the 5 principles of the 2012 CG Principles
- By implementing the 8 principles of good corporate governance principles for listed companies in 2017 (CG Code) to be applied and complied with the 5 principles (CG Principles) previously used by the company
- In the past year, the Board of Directors reviewed, revised and approved the Principles of Good Corporate Governance for the year 2012 (CG Principles) to the Principles of Good Corporate Governance for the year 2017 (CG Code) on the Company's website at <http://www.unionpioneer.co.th/index.php/about-us/CorporateGovernancePolicy>

Compliance with good corporate governance principles in other matters

In the past year, the Company has been certified as a member of Thailand's Private Sector Collective Action Coalition Council against Corruption: CAC.

The Company has disclosed information by applying other best practices to be applied to support the assessment of other matters as follows

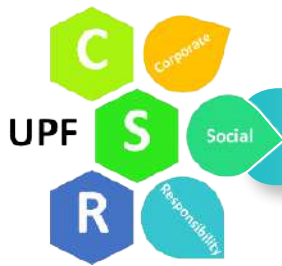
1. Corporate Governance Assessment Program for Thai Listed Companies (CGR)
2. ASEAN CG Scorecard
3. AGM Checklist Quality Assessment Program

By disclosing the practice in the annual report under the main topic as follows;

- Management structure
- Corporate Governance
- CSR heart to sustainable development
- Nomination of Directors and Executives

However, the Board of Directors has determined appropriate substitution measures. For the other topics that the company has not yet followed, they have been listed as below :

Unpracticed Topics	Substitution Measures
1. The chairman of the board should be an independent director	The Chairman of the Board of Directors is not a Managing Director. There is clearly separating the duties and responsibilities of the Chairman and the management as well as disclosing the duties and responsibilities of the Chairman and the Board which follows the code of practice 3.2.3. The Board of Directors has 3 independent directors of 9 directors to create balance authorization between management and governance. It emphasizes on the benefits of the company, shareholders and all stakeholders.
2. The board of directors should consist of more than half of the independent directors	The structure of the board of directors consist of 3 independent directors out of the total of 9 directors <ol style="list-style-type: none"> 1. The Chairman and the managing director should not be the same person. 2. The Chairman of the board should not be a member of the executives committee, nomination and remuneration committee, or assigned to have administrative responsibilities. In addition, in the year 2020, the Board of Directors has agreed as proposed by the nomination committee that nowadays, the composition and qualification of the Board of Directors are appropriate and efficient in the performance of duties of the Board.
3. The board of directors should specify that the independent director shall hold the consecutive positioning term period for not more than 9 years counting from the date of first appointment as an independent director	The Board of Directors has not determined the continuity of the longest term of independent directors, directors and sub-committees Since the Board of Directors believes that all directors are knowledgeable and capable, experienced, understand the nature of business operations, have freedom to express opinions and suggestions that are useful to the company. They are not or do not relate with major shareholders, or do not have authority in controlling or not being persuaded or dominated by the management. They have the qualifications of an independent director according to the regulations of the SEC and the SET.
4. The board of directors should determine the number of positioning term periods that hold the longest consecutive positions of directors and sub-committees..	
5. The Nomination and Remuneration Committee is an independent committee.	The Nomination and Remuneration Committee has 3 members, with at least 2 independent directors. The Chairman of the Nomination and Remuneration Committee is an independent director.



Corporate Social Responsibility



Economy



Corona Virus COVID-19 pandemic has been continuing to spread around the world, the pandemic is much more than a health crisis, it massively disrupted international trade and global value chains, trade and investment has been dramatically dropped, some countries have been locked down for months to limit the spread of corona virus, some factories have been forced to downsize and some even close permanently. The increase in unemployment rate brings unprecedented socio-economic crisis globally.

Even though we have encounter with corona COVID-19 pandemic, we are still committed to sustainable business operations, balance between business growth and community and environment development through our Corporate Social Responsibility (CSR).



The Economic Dimension.

● Operation of Fairness

The company manages the business under the policy “Satisfying Customers’ Needs, Improving Products Quality, Enhancing Employees Capability, Utilizing resource efficiently, Safety and Environment Care”. The company also care all stakeholders together with social responsibility and environment saving. The company insist not to increase the product selling price even though the demand quantity in the market increase.

● Equality of Shareholders

Good governance and business ethics are the way the company always follow. All operations of the company are transparent, honest and auditable. The intention of the company is sustainable growth, good outcome and reasonable return to all shareholders equally.

● Supply Chain Relationship Management

The company operates business on the basis of fairness, equality, honesty and build up good relationship with stakeholders in the supply chain. In the year of 2021, the company has collaborated with Rubber Technology Research Centre (RTEC), Mahidol University to develop rubber products with higher usage safety for product uniqueness and customer requirement.



● Customers Relationship Management

To response to the customer satisfaction and market needs, the company has cooperated with customers in developing product which is not irritating to the skin, the company also concentrate on product quality, on time and safety delivery and after sales service.



● Anti-Corruption

The company raises awareness on all forms of corruption and communicate to all employees in all levels and create an organizational culture under good governance and ethical business practices. In 2020, The company has been certified to be a member of “Collection Action Coalition Against Corruption” (CAC) from Thai Institute of Directors and has been effectively certified from June 30, 2020 to June 30, 2023.



● Responsibility to Consumers

The use of Face mask and Face shield in Year 2020 drive the demand of Elastic products for producing ear-loop increase. However, the company does not seek any advantages by adjusting the price during this crisis. The company provide services to every customer fairly and continuously control the product to be safe to users by sending the products to test the dangerous substance in Switzerland every year. This assures that our products are free from dangerous substance and user friendly.



The Social Dimension

Human and Labor Rights

The company is committed to respect every employee's human right, take care each employee a better quality of life as a family member. The company realize that healthy employees are the fundamental and critical pillar to support the company's sustainable strength. Human rights rules and regulations of the company are as follows:

Employment:

In 2020, some garment factories were permanently closed, some had to temporary close or downsizing. Fortunately, the company did not have the policy to layoff employees, in addition, the company also assist group companies by recruiting their existing employees as temporary or permanently transfer. The company takes care employees as family members and manages the proper working hours to balance their family and working life.

Skills and Knowledge Development

The company provided all employees the training courses, In-House and On the Job, to improve their working skills. The company has conducted an annual human resource development plan and supported the employees to join the training session in practice which has been adjusted the training platform from onsite to be online during the crisis in order to keep them develop their skills and knowledge continuously.

Career Advancement

The company provides every employee equal opportunity in job advancement. The promotion will be considered and selected from capability and job performance. All employees are treated equally, regardless of gender, age, nationality or working experience.

Creating Happiness in the Workplace

In order to support the businesses, operate smoothly, the company has built awareness to employees in taking care themselves and surrounding environment. The company has implemented safe work procedure for prevention of covid-19 at workplace, behave with discipline, stay away from risk area, keep social distancing and create social responsibility. Furthermore, the company provided all employees cloth

mask and facilitate various points of Alcohol gel sanitation.

The company treats all employees as valued family members and believes that happy worker will create happy community in workplace.



Activities to promote Happy Work Place



Community and Social Development

The company realizes that operating the business to be steady and sustainable should get along with taking care of the surrounding social and community at the same time too. This is the action which the company has been holding on for a long time to operate the business along with taking care and operating business with moral policies. Moreover, the company also fosters the employees to be generous, sacrifice, sharing, and open handed through social and other people as well. In 2020, the company has supported many activities such as taking good care of sewage system before release into river, donating face shield to the private and public sectors, donating contributions to the medical personnel to support the Corona Virus-19 disease, donating contributions to flood victims, being a part of taking care of the canal, setting the Buddhism preservation activities. donating the high-rate Oxygen aerator to hospitals, supporting activities on children's day to schools and other institutions, giving aluminum cans and lids for making artificial arm and leg, giving old calendars to the Foundation to the Blind for making braille teaching materials.

Corporate Social Responsibility (CSR) of 2020



Contribution to school and community on National Children Day



"UPF Blood Donation" Activity



Donation of Elastic Webbing for making Face shield to Public Authorities.



Donation of Elastic Webbing for making Face Shield to Woody World Company.



Donation of Kathin at Bam Pen Nuea Temple on Songkran Lunar New Year



Donation to Chulalongkorn Hospital for anti covid-19's medical support

Corporate Social Responsibility (CSR) of 2020



Donation to Bam Pen Nuea Temple on
Visakha Bucha Day



Donating old calendars to the blind foundation to make
Braille teaching materials



Donation to patients of covid-19 at Public Health,
Chachoengsao



EM releasing Activities on environment day in front
of company.



Dedicated the Buddhist Lent Candle at Bam Phen Nuea
Temple.



Cleaning Canal Activity

Corporate Social Responsibility (CSR) of 2020



Donating the bottle cap and aluminum cans for making artificial arm and leg to Pollution Control department



Donating the high-rate Oxygen aerator to Nopparat Rajathanee Hospital



Donation to Thai Chamber of Commerce for flood victims



Donation of Kathin on Buddhism Lent day at Sawangarom Temple, Sakonnakorn Province



Donating Elastic Webbing for patients' pants waist at Bangchan industrial office



Providing face shield to the medical authorities at Buddha Sothorn hospital

Corporate Social Responsibility (CSR) of 2020



Providing face shield to the medical authorities at
Panasnikon hospital



Providing face shield to the medical authorities at
Bangpakong hospital



Providing face shield to the medical authorities at
Ramathibodi Chakrinabodin hospital



Providing face shield to the medical authorities at
Hospitals within Bangpakong areas



Providing face shield to the medical authorities at Chonburi hospital

Employee Care During Corona Virus COVID-19 pandemic

The company cares the employees during the Corona virus covid-19 pandemic. Measures to prevent and take care of employees are: measuring the temperature every morning before start working, fostering employees to wash hand with gel alcohol supplied by the company and wearing mask.





Environmental Dimension

The company is well aware that sustainable business growth must be done along with caring for the environment. The products must meet customers' needs and also be environmentally friendly. The production process should not have any effect on the ecosystem, the resources and energy should be utilized maximum. Therefore, the company encourages employees of all levels to recognize the value of natural resources and energy used in daily life, sorting waste before discarding, economically use of electricity and water brings the greatest benefits. And to ensure that the operation of the company does not have any impact on the environment. Therefore, an external audit of environmental performance is required annually.



Energy Saving

Water Conservation.

Humans, animals, Plants, livings, including the production process in the industrial sector are always involved with “water” because it is regarded as an important resource to operate many activities. Nowadays, water has been used increasingly along with the increasing numbers of populations and industrial factories. The company realizes the importance of water consumption, then set up a campaign to promote employees to recognize the value of water. For the wasted water which is from the activities within organization will be passed through treatment process before release into the canal, including setting policies to check the wasted water quality to be in the standard laws, and to assure that our wasted water will not cause any pollutions which will have effects on environment and ecosystem.





● **Water Conservation.**

Global Warming” causes climate changes. The global temperature has been increasing every year, human behaviors increase the greenhouse gas effect in the atmosphere such as the burning of the forest, the pollution emission from the industrial factories, and the deforestation. These behaviors cause the particulate matters 2.5 (PM. 2.5) to be exceeded than the standard. The company also see this as the important issue leading us to set up the project to resolve this issue which is occurred from the various company activities such as using the natural gas instead of burning oil from the boiler, using filter to prevent dust before emit it out, setting the annual air quality checking, and also campaigning to create the green areas within the organization.

● **Soil Conservation.**

Nowadays, all human behaviors have an effect on the environment. One of those is “Condition of the soil” which has been destroyed by human behaviors such as throwing garbage, using chemicals for agriculture, or building industrial factories. The company aware this issue and encourage all levels of employees to manage garbage into 3 types which are general garbage, hazardous garbage, and recycle garbage. The company also encourages the employees to use cloth bags instead of plastic bags, use the containers or equipment which can be reused again to reduce the garbage quantities.



● **Water Conservation.**

Energy consumption is one of the major environmental impacts. Energy is essential to drive the production process. The company developed and improved the operation by using the new technologies to adapt to use with our machines in order to decrease the energy usage, acknowledge and encourage the employees, and save the energy which uses in daily life not only at home, but also in the workplace. In 2020, the company has been in this energy saving as follows:

- Change the roller driving machine in the Calender section, and use the inverter controlling instead.
- Changing the light bulb into LED type all over the factory
- Changing the broken air conditioner into the saving energy one
- Buying the combining machine at the Compound section which uses the inverter system and controls the operation by PLC



● Inheritance the Thailand traditions

In order to prevent the spread of Corona virus -19, the company has temporary canceled activities within the company area to comply with social distancing concept. Anyhow, the company still encouraged some conservation activities such as Candle Festival, under strict social distancing control concept.



● The Innovation and Dissemination of Technology by implementing Environmental Responsibility.



The company encourages and supports employees of all levels to propose projects improving production efficiency and effectiveness or waste reduction activities which is a part of environmental responsibility. In Year of 2020, the company had successfully implemented 3 projects as below:

1. Project: “Reduce usage quantity of Blade in Tourniquet Medical Equipment product”: The company’s working team extend the blade’s shelf-life by reuse concept and control the reused blade condition to be similar to new one’s work at 80%. When the blade reused data was collected in 2020 compared to 2019, it was found that the blade consumption reduced from 480 to 227 pcs per year, this value indicates that we could save the environment by reducing harmful blade 253 pieces in year 2020.
2. Project: “Increase the efficiency of weaving machines, Webbing Section Project”: The company’s working team adjusted the weaving machine from 1 class to 3 classes weaving, increase the weaving productivity to three times, and save up the weaving process’s electric energy to 3 times per production process.
3. Project : “Application of Technology in Human Resource Development”: The company’s working team has applied the technology instead of using paper, the implementation can reduce paper about 4,000 sheets from 2019 to 2020, which directly save the environment by reducing both garbage and deforestation.



Internal Control and Risk Management

1. Sufficiency and Suitability of the company's Internal Control System

- The Board of Directors assigned the Audit Committee with a duty and responsibility in checking the suitability and effectiveness of the company's internal control system and risk management system, created by the management level to ensure that the internal control system of the company is adequate in lowering the risk for the business management, be able to protect the company's asset lost or being used by other party without authority in working position, making the employees act according to the laws and regulations related and help financial report accurate and credible.
- The Risk Management sub-committee will consider the framework for risk management, policy in risk management including looking after and review the risk management of the Company including team whom are responsible in each department by holding the meeting together and tracking the result might happen in order to find ways to solve and manage the risk to stay in suitable level, as well as supervising to practice accordance to the policy consistently
- The Audit Committee checked the suitability and the effectiveness of the Company's internal control system and internal audit and the risk management by considering the internal auditor by considering together with internal auditor. Considering with the internal audit, concluding that the Company has already practiced internal audit process properly and have evaluated new control by using COSO (The Committee of Sponsoring Organizations of the Treadway Commission) according to the requirement of the Securities and Exchange Commission, **including 5 parts** as following: (CG Code 6.2)

1. Internal Audit in Organization

The Company managed a suitable organization structure for operation and internal controls which covered in financing & accounting sections, operations and personnel management, including actions according to the laws under the government authorities and regulations of the company, also stipulating authorities on financial permission distinctly.

2. Risk Assessment

The Company established a risk management sub-committee, specified risk management policy, evaluated and followed with risk management results in every possible way and quarterly reported the Audit Committee.

3. Operation Control

The Company held an operating manual which covered the company's system to control various implementations on credibility of information, asset protection and Information Technology (IT) system of the Company.

4. Information Technology (IT) and Communication System

The Company emphasized the Information Technology System and enough records of information, operation and decision of the manager as well as development and improvement in IT system to pertinent accuracy and to fulfill implementation regularly.

5. Follow up system

The Company had a tracking system for operation in management level and operation level by which the management committee had compared the operating results with clearly objective determined and appointed the way to reach the goal objectives. At the same time the company has an internal audit office which takes actions in certitude as well as giving advice for the internal operation of the organization governance, risk management and good appropriate internal control.

- Moreover, from the meeting with the external auditor of EY Office Limited, who audited the financial statements of year 2020; in which they commented that the overall perspective of the company's internal control system was at a satisfactory level. There were no any significant defects that will affect the financial statement and there were no further comments..
- The Board of directors assigned each director to review and evaluate the adequacy of risk management and the internal control system annually.

- The Company had set rules and procedures appropriately, clearly and uncomplicatedly by assigning authority for each level from the management level to operation employees, divided clearly the responsibilities among the employees and the controllers, to balance the authorities and able to appropriately check each other.
- Moreover, the Company also had the finance report system presenting to management to follow up the effectiveness of the work and had the asset protection system. The Company had the internal audit office that audited the main operation system and financial activities to ensure that they were practice out according to the specification and effectively which were assigned by the audit committee for annual plan and specific job as needed together with suggestions as the audit committee independently reported the results and reported directly to directors in case of urgent to be able to consider in improving and solve the situation on time, the internal audits were able to report the results independently.

2. Evaluation of the weak point of internal audit

In the past the Company regularly evaluated the internal audit systems. No drawbacks that had significance to the internal audit system, was found because there were controllers to control the practice as the system indicated.

3. Comments from the Audit Committee

The Audit Committee concluded that the investigated results are no different from the directors of the Company. The Audit Committee concluded the details of the practice on the report of the audit committee.

4. Internal Audit Supervisor

Information of Internal Audit Supervisor who is the employee of the Company.

Anti- Corruption (CG Code 6.4)

Union Pioneer Public Company Limited announced an anti-corruption policy including various practices which is related to employees and stakeholders through various channels by fostering them to realize and be aware of all types of the corruptions along with creating an organizational culture under a good corporate governance system and adhering to business ethics in order to build confidence and meet the stakeholder's expectations.

In 2019 the company signed a declaration as a coalition for the Thai private sector which is against corruption. On June 30, 2020, the company was accredited as a member of the Thai Private Sector Collective Action Coalition Against Corruption for the first time which the certification will be valid for three years from the date of approval from the Thai Private Sector Collective Action Coalition Against Corruption.

Whistleblowing (CG Code 6.5)

The company is committed to operating in good faith and not taking advantage and or causing troubles to the society by providing a channel to stakeholders to the relevant parties that have provided clues or information about actions which are inconsistent with the anti-corruption policy and related practices through various channels such as complaint box (red box), letter, and e-mail to the audit committee, and also direct phone calls to the managing director. The company also realizes the importance of keeping the information of the whistleblowing information confidential without disclosing the identity of the reporter. At the same time, the company also has a process to prevent and protect whistleblowers.

In 2020, the company has not received any complaints from the stakeholders regarding illegal activities, corruption company regulations, or the violation of the company's business ethics.

Name – Last name	Mr. Nattpawatch Thomwan
Age	38 years
Position	Manager of Internal Audit section and Secretary of the Audit Committee
Education	<ul style="list-style-type: none"> • Master Degree of Science Program on Corporate Governance, Chulalongkorn University • Bachelor Degree of Administration Accounting, Rajamangala University of Technology Bangkok • Diploma Degree Internal Auditing Education Partnership (IAEP) The Institute of Internal Auditors : IIA

Shareholding in the Company	None
Family Relations with Other Directors	None
Training Courses in 2020	<p><u>Thai Institute of Directors Association (IOD)</u></p> <ul style="list-style-type: none"> Corruption Risk and Control: Technical Update (CRC) Class 5/2020 <p><u>Federation of Accounting Professions Under Royal Patronage</u></p> <ul style="list-style-type: none"> Personal Data Protection Act 2019 and related digital laws Be aware of key financial reporting standards and understand the auditor's report, Class 1/2020 Revenue recognition criteria according to the TFRS 15 for general businesses and Matters related to auditing in revenue recognition Class 2/2020 <p><u>Thai Listed Companies Association</u></p> <ul style="list-style-type: none"> Cyber Security - Unforgettable Risk (Online training) <p><u>Silver Bullet Security Services Company Limited</u></p> <ul style="list-style-type: none"> Secure Bangkok 2020: Cyber Security and Risk Summit <p><u>BSI Group (Thailand) Co., Ltd</u></p> <ul style="list-style-type: none"> Introducing Sedex members Ethical Trade Audit (Online Training)
Work Experience	<ul style="list-style-type: none"> November 2012 – August 2016 : Assistant Internal Audit Manager, Nation Broadcasting Corporation Public Company Limited September 2016 – present : Internal Audit Manager and Secretary of Audit Committee, Union Pioneer Public Company Limited
Responsibilities	<ul style="list-style-type: none"> Take actions as chief for “internal auditor” who is responsible according to policies of internal audit office, which were approved by the Audit Committee Take actions as secretary of Audit Committee, who arranges audit meeting and prepares the documents of meeting agendas and minutes.

Opinion of the Audit Committee regarding qualification of the Internal Audit Manager (in case of being the Company's employee)

The Audit Committee had an opinion on the operation of the manager of the internal audit section that he worked well and accurately according to the required laws, including having the knowledge and ability to operate job duties effectively.

Inter - Transactions

The Company emphasized on approving the inter-transactions or related transactions or any transactions that may have a conflict of interest. The guidelines are as follows;

For approving the Inter-transactions or related transactions or any transactions that may have a conflict of interest, Directors and the management could not attend for consideration on this approval.

1. Directors and executives sign off the certificate annually to express that they will not perform anything related to conflict of interest to the company or disclose the confidence information to use with their personal benefit, causing the loss to the Company.
2. Prohibit on information disclosure to customer, supplier, service provider, competitor or third parties, except the information used to communicate normally or detail for public.
3. The nature of inter-transactions is transactions occurred in the normal trade terms as reasonable market price mechanism such as purchasing on materials etc. These are transactions that occur continuously.
4. Last year the Company had no securities offering forms or draft prospectuses, then no comment from the directors and the third parties on this.
5. Necessity and reasonableness of inter-transaction; Group Companies has a policy to set up a division for sourcing the raw material in the same group companies, and to gain the bargaining power of price and quantity. Inter-transactions are done as necessity and reasonableness for the benefit of the company.
6. Inter-transaction Approval Procedure; to propose to the Audit Committee for consideration according to the size of transaction; small, medium, large for considering on the power-operated. For normal transaction, assuming as if third parties, there is a procedure of the common transaction at market price which the Board has already approved the action principle of inter- transaction. The authorized persons for approval have no interest in that transaction, have tracking of cash transferring (receiving and payment), setting the due date payment of each transaction and keeping the practice as standard procedure.
7. Trend of Future Inter-transactions are the transactions which carry out in accordance with the normal trade, use the trade policy as market price mechanism of the business. There is no any benefit transferring between the Company and the related companies or persons. There is no special transaction occurring last year, then no any comments of the Directors, third parties, or independent experts.
8. Last year there was no special transaction, then there was no any opinion of directors, third party or independent experts.
9. Entering Inter-Transaction, the inter-transactions are appropriately done. The rental price is fair, acceptable to both parties and does not affect or have any conflict with the interests of the Company in business transaction. In this regard, the consideration and approval on each type of transaction have been complied with the regulations of the Stock Exchange of Thailand and the SEC. In addition, if there is an inter-transaction which is considered as a related party transaction, the Audit Committee considers and provides opinions before proposing it to the Board of Directors for considering it last. Independent directors have had no different opinion from the opinion of the Board of Directors and have completely disclosed information in accordance with the relevant regulations via electronic media of the Stock Exchange of Thailand.
10. The Company does not have inter-transactions in the forms of financial assistance such as loan, credit guarantees, etc.
11. Last year the Company did not provide any financial assistance to the related companies.
12. Last year the Company had no violation or non-compliance with the rules for inter - transactions according to the rules of the SET / SEC.

Conflict of interest

The Company has policy to maintain the interest of the Company to avoid the conflict of interest, therefore the company regulates as following::

- Do not perform anything that may have conflict of interest both direct and indirect way such as losing the benefit or received less benefit than it should have.
- Follow the practice, procedure and disclose any inter-transactions strictly, as the rules and regulation of

Stock Exchange of Thailand and the Office of the Securities and Exchange Commission, at the topic of Disclosure on information and Operation of the Listed Companies for the inter-transactions, as well as laws, regulations, notices or related orders.

- Do not perform anything that consider like competition with the company both direct and indirect way.
- Do not take own benefit rather than company benefit such as any performance for supplying product and service to company.

Transactions with third parties

The Company has a policy to treat all stakeholders and the guidelines for all stakeholder's groups. The Company proceeds the business operation under the scope of competition law with fair trading, considers the fair and appropriated price by realizing on the reasonable price, quality and service that the Company received, and can give the appropriate reason when being audited.

Inter-Transactions between Union Pioneer Public Company Limited and the persons who may have led to the conflict of interest in 2020

Related companies and Type of relationship	Type of Transaction	Value of significant transactions (Baht)	Pricing Policy	Reasonability and Necessity of Inter-Transaction
1. Saha Union Public Co., Ltd. (SUC) -major shareholder -having mutual directors	1. Pay dividend 2. Purchase materials 3. Factory Rent 4. Account Payable	477 6,195 3,300 337	1. From the AGM no. 27/2021 2. Able to compare with market prices 3. As contractual price	1. Resolution from shareholder meeting which was normal returning from investment 2. Common transactions at market price 3. Renting price form the rental lease, comparing the price nearby the renting location using for factory facilities 4. Be outstanding balance and accrued expenses as at 31st December 2020
2. Thai Rubber Enterprise Co., Ltd. (TRE) -having mutual directors	1. Land Rent	30	As contractual price	1. Renting price from the rental lease, based on comparing the nearby location using for natural rubber storage
3. Union Thread Industries Co., Ltd. (UI) -having mutual directors	1. Land Rent	300	As contractual price	1. Renting price from the rental lease based on comparing the nearby location using for factory facilities
4. Union Rubber Products Corp., Ltd. (URP), -having mutual directors	1. Purchase product 2. Account Payable	79,778 7,379	Able to compare with market prices	1. Common transactions at market price 2. Be outstanding balance and accrued expenses as at 31st December 2020
5. Union Zip Co., Ltd. (UZC) -having mutual directors	1. Sell product 2. Account Receivable	16,830 4,145	Able to compare with market prices	1. Common transactions at market price 2. Be outstanding balance and accrued expenses as at 31st December 2020
6. Union Plastic Public Co., Ltd. (UP) -having mutual directors	1. Purchase materials 2. Service Income	627 774	Able to compare with market prices	Common transactions at market price
7. Union Thai-Nichiban Co., Ltd. (UTN) -having mutual directors	1. Purchase materials 2. Service Income	761 773	Able to compare with market prices	Common transactions at market price
8. Uni-Fibre Co., Ltd (UNF) -having mutual directors and shareholders	1. Purchase materials	660	Able to compare with market prices	Common transactions at market price
Total of Inter-Transaction in 2020		122,366		

Shareholders or investors can view historical information in the topic. 12. Inter-Transactions in Form 56-1 on the Company's website at http://www.unionpioneer.co.th/index.php/investor_relation/downloads/main-4?lang=th

Management Discussion and Analysis MD&A

Business Overview

In 2020, the coronavirus outbreak (COVID-19) resulted in a severe recession of the global economy, including Thailand. The clothing and textiles industry which is the main market of the Company has been severely affected. In the second quarter of 2020, there was a severe outbreak in Asia and the production was almost entirely stopped. However, the Company has had opportunity on the increase of the global mask demand, leading to a significant increase in the elastic demand for mask production. Many customers in the clothing and textile industry have turned to fabric masks production instead of stopping their clothing production. Existing customers who have already produced the N-95 masks, their elastic orders are doubled. In addition, the Company has an opportunity to expand the new markets in Japan and Europe. Therefore, the overall performance of the Company clearly increased from the year 2019.

Business Operating Results and Profitability

Transaction	For the Year ended 31 st December (Unit: Million Baht)			
	Year		Increase (Decrease)	
	2020	2019	Amount	%
Total Revenues	693.07	561.80	131.27	23.37
Costs and Expenses	611.52	563.21	48.31	8.58
Profit (Loss) -Net	66.80	1.04	65.76	6,323.08

In 2020, the Company had revenue from sales at 679.64 million baht increasing from the year 2019 by 129.75 million baht or 23.60%. It was divided to export sale increasing from the previous year by 130.92 million baht or 43.61 % due to an increasing elastic demand for mask production, domestic sale decreased by 1.17 million baht or 0.47 % due to slowdown market from the coronavirus outbreak (COVID-19), other income increased by 1.52 million baht or 12.78%. and cost of sales increased by 48.31 million baht or 8.58% due to higher raw material costs from the previous year, relevant cost to support higher sales.

The Company's net profit was 66.80 million baht or 9.64% of total revenue compared with the year 2019 with net profit of 1.04 million baht or 0.19% of total revenues. The profit increased by 65.76 million baht or 8.91 baht per share, mainly due to a significant increase in the elastic sales for mask production.

Significant Financial Ratios

Debt to equity ratio

In 2020, the Company had a debt to equity ratio of 0.39 times, higher than in 2019 at 0.30 times, indicating that the debt ratio is still low when comparing with the equity.

Return on Equity (ROE)

According to the Company's financial statements, the net profit was 66.80 million baht, representing a return on equity of 16.53%, higher than that of 2019 with the return on equity ratio of 0.29%.

Liquidity Ratio was 5.88 times, decreasing from 2019 which was 6.27 times due to an increase in current liabilities from the stock of raw materials for use in production.

Inventory turnover was 3.44 times, increasing from 2019, which was 3.22 times due to higher cost of sales.

Asset Management

As of 31st December 2020, the Company's financial position was analyzed from changes in the assets, liabilities and shareholders' equity as follows;

Transaction	For the Year ended 31 st December (Unit: Million Baht)			
	Year		Increase (Decrease)	
	2020	2019	Amount	%
Total Assets	560.24	449.60	110.64	24.61
Total Liabilities	156.13	104.48	51.65	49.44
Total Shareholders' Equity	404.11	345.12	58.99	17.09

Assets

The Company's total assets at year ended 2020 was 560.24 million baht, with the proportion of the asset consisting of current assets at 78.48%, property, plant and equipment at 12.94% and other assets at 8.58% when compared to the year 2019, which was increased by 110.64 million baht or 24.61%. The main changing transactions were from inventories amounted to 174.78 million baht, raised from 2019 at 25.32% due to the higher stock of raw materials for use in production and the higher price of natural rubber, mainly material.

Trade and Other Receivable

As of 31st December 2020, trade accounts receivable and other receivables shown the value as the net realized gain amounting to 125.75 million baht, decreased by 5.32 million baht or 4.06% from the year 2019, due to the debt settlement during the period. Most customers have no any problem for getting a debt settlement. For some debtors were overdue with their term payment, the Company set the net unrealized values at 0.12 million baht.

Liabilities

The Company's total liabilities were 156.13 million baht, increased by 51.65 million baht or 49.44%, from last year, mainly due to the change in lease liabilities in accordance with the Financial Reporting Standard No. 16, regarding lease agreements.

Shareholders' Equity

The Company had shareholders' equity of 404.11 million baht, increased by 58.99 million baht or 17.09% because the Company had higher net profit from operations comparing to last year.

Liquidity and Capital Sufficiency

Analysis of Changes in Capital.

As of 31st December 2020, Cash and cash equivalents amounted to 104.84 million baht increased by 24.60 million baht for the year 2019, which the details of the acquisition and uses of cash in the year 2020 as follow;

Transaction	For the Year ended 31 st December (Unit: Million Baht)	
	2020	2019
Cash Flow from (used in) operating activities	78.30	49.68
Cash Flow from (used in) investing activities	(49.10)	(4.72)
Cash Flow from (used in) financing activities	(4.61)	(18.08)
Cash and cash equivalents at the beginning of year	80.24	53.35
Cash and cash equivalents at the end of year	104.84	80.24

-
- Net cash from operating activities increased due to better performance of the Company.
 - Net cash used in investing activities increased due to the purchases of machinery for production and the investment on the government bonds.
 - Net cash used in financing activities decreased due to the decrease in the annual dividend payment of last year.

Liability and Off-Balance-Sheet Management

The Company disclosed in Note 25 of the financial statements and the consolidated financial report as of 31st December 2020 was summarized below.

- Last year there were no any special transactions or transactions came from the abnormal operations.
- There was no significant change after the date specified in the latest financial statement that may affect the financial status and operating results of the Company.
- There was no effect from the shareholding restructure of group companies to the operating results of the Company.
- The Company had no guarantee for outsiders or any obligation in project investment or other similar obligations that may effect to its operation.

Factors Affecting Business Operation in the Future

Company's business outlook for 2021, the Company predicts that the global economy will continue to slow down for 1-2 years as a result of the 2019 Coronavirus Disease (COVID-19) outbreak. Although the overall situation is improving, if there is a new outbreak, it is expected to have both positive and negative effects on the Company's business operations. The positive effect is the increase in elastic sales for mask production. The negative effect is the shrinkage of consumption in the garment and textile products. With the aforementioned effects, the Company has emphasized on the signification of determining and improving on the production process for maintaining the Company's competitiveness.

In addition, the Company's Risk Management Committee is composed of the executives and the team workers who are responsible in each division, considered in specifying the frameworks, policies and reviewing the methods of the Company's risk management to cover and comply with the economic condition, society and environment, by having meeting and tracking the risk management results, to find out that they are controlled and managed in the acceptable levels.

Report of the Audit Committee

Dear shareholders

In 2020, the audit committee, consisting of 3 independent directors, have had 5 meetings in total. Mrs. Nuntawan Sakuntanaga is the chairman of the committee with Mrs. Rapeepan Sanguansis and Mr. Kollatat Tangchitkul as committee members. The company's executive management, internal auditors, and certified public accountants joined relevant meetings

Summary of Performance:

1. Review of financial statements:

The audit committee asked the external auditor about the accuracy and completeness of financial statements, related parties transaction, information disclosure and adjustment of key accounting entries to ensure that the preparation of the financial statements abided by legal requirements and generally accepted accounting standards.

2. Review of internal control and internal audit process:

The audit committee approved the annual internal audit plan and reviewed quarterly internal control reports in order to ensure that the company has appropriate internal control system and internal audit process and mechanism. The committee also asked the internal audit office to follow up assigned tasks to make sure that management departments made timely improvements as per any suggestions made.

3. Review of risk management process:

With the management, the audit committee regularly reviewed the efficiency and effectiveness of the risk management plan and process and provided recommendations for process improvements.

4. Review of Legal compliance:

The audit committee regularly reviewed the company's compliance with applicable laws and regulations to ensure that the company has strictly adhered to not only the laws and regulations of the Security and Exchange commission (SEC) and those of the Stock Exchange of Thailand (SET), but also of other laws and regulations applicable to the business of the company.

The new law, 2019 Personal Information Protection Act, came into effect in 2020 as announced in the government gazette on 27 May 2019 stating that the law would become effective on 27 May 2020. However, due to lack of readiness among many organizations, the effective date of this act has been postponed to 1 June 2021. The audit committee have often urged management to accelerate its preparation for such laws.

5. Consideration for auditor appointment

The audit committee having considered the qualifications, remuneration as well as past performance of the proposed auditors, agreed to endorse auditors from EY Office Company Limited to be the company's auditor for 2020 with an auditing fee of 1,110,000 Baht (One million one hundred and ten thousand Baht) for the Board's concurrence and the shareholders' approval at the next AGM. The audit committee also had a meeting with the external auditor, without presence of the company's management, to discuss independently about the audit scope and any concern the auditor, may have.

6. Review of related transactions or transactions that could have conflict of interest

The audit committee reviewed, as well as inquired the external auditor, about related transaction or transactions that could have conflict of interest to ensure that the company has complied with rules and regulations of the SEC and has made sufficient information disclosure.

7. Review of governance and anti-corruption measures.

The audit committee reviewed internal control measures to ensure that the company has sufficient and appropriate anti-fraud and anti-corruption policy implementation. On 30 June 2020, Union Pioneer Public Company Limited has been certified as a member of Thailand's private sector collective action coalition against corruption (CAC) for the first time. The certification lasts 3 years from the date of approval. .

8. Performance report

The audit committee provided quarterly performance report to the company's Board. The report includes comments and suggestion for process improvements for improved governance, risk management and internal control.

9. Self-evaluation

The audit committee have reviewed its own charter and evaluated themselves both as a group and as individuals as per the charter and SET's guideline. The evaluation result shows that the audit committee have performed efficiently according to their scope of duty as well as SET's best practices

To conclude, the Audit Committee have given priority to a good internal control system to ensure that the company have good governance, efficient internal control system, and an efficient risk management process that can cope with economic and technological changes as well as conforming to all relevant laws regulations

On behalf of the Audit Committee

N. Sakuntanaga

(Mrs. Nuntawan Sakuntanaga)

Chairman of the Audit Committee

Union Pioneer Public Company Limited

Nomination and Remuneration Committee's Report

Dear Shareholders

Union Pioneer Public Company Limited recognizes the influencing of directors to supervise and drive the organization toward success. The Company has always been aware of the significance of the nomination and remuneration process, which must be appropriately executed and comply with the corporate governance principles. Therefore, the Board of Directors appointed the Nomination and Remuneration Committee to nominate, select and propose the candidates with proper qualifications to assume directorship and the highest executive position of the Company. Moreover, the Committee proposes the policy, type, criteria of remuneration for the Board of Directors and other sub-committees.

The Nomination and Remuneration Committee of the Company is comprised of three directors, namely Mrs. Rapeephan Sanguansis (Independent director) acting as the Chairman of the Nomination and Remuneration Committee, Mr. Kollatat Tangchitkul (Independent Director) and Mr. Vacharaphong Darakananda (Director) are members of the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee performed the duties assigned by the Board of Directors with prudence, transparency and fairness and improved the operating guidelines to cover and comply with the current situation and the Company's business strategies, including being aware of the best interests of shareholders and stakeholders. In 2020, the Nomination and Remuneration Committee convened a total of two meetings. All the Nomination and Remuneration Committee Members attend all meetings, except for any Nomination Committee Members who have interest in any agendas, cannot be in the meeting room and have no right to vote in that agenda. The summary of the Nomination and Remuneration Committee performance are as follows:

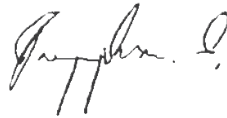
1. Nominating and selecting qualified candidates for directorship to be submitted to the Board of directors for consideration and proposed to the Annual General Meeting of Shareholders to appointed as the Company's directors to succeed retiring directors.
2. Nominating and selecting qualified candidates for directorship to be submitted to the Board of directors for consideration and proposed to the Annual General Meeting of Shareholders to appointed as the Company's directors to replace directors who resigned before completing their terms.
3. Considering determining remuneration and its type for the Board of Directors and sub-committees and proposing to the Board of directors for consideration and proposed to the Annual General Meeting of shareholders for approval.
4. Arranging the orientation for new directors in order to understand the roles, duties and responsibility, awareness of the policies and nature of the Company's business including other information that is useful for the performance.
5. Assessing the Nomination and Remuneration Committee performance and reporting the outcomes to the Board of Directors for acknowledgement. In 2020 the average score of the self-assessment of the Nomination and Remuneration Committee was 85.29

The Nomination and Remuneration Committee has established criteria and methods for nominating people, to consider, select and nominate to the Board of Directors before proposing to the 2020 Annual General Meeting of Shareholders for approval as to have qualifications and not have any prohibited acts according to specific laws, have qualifications as the Securities & Exchange Commission (SEC), the Stock Exchange of Thailand (SET), in accordance with the principles of Good Corporate Governance of listed companies regarding the Board Structure, as well as being persons who are knowledgeable, capable and independent including the skills, expertise and experience in various professions that are necessary and beneficial to the Company's business.

For determining the remuneration and its type, the Nomination and Remuneration Committee has considered every matter fairly and reasonably, and has reviewed the remuneration every year by comparing with the listed companies that have the same size of business and / or are in similar industries, including considering various related factors such as duties, responsibilities, operation results, financial performance of the Company and the overall economic situation.

Last year the Nomination and Remuneration Committee completely performed its assigned duties with prudence, transparency, fairness and independence for the best benefit of the Company, shareholders and all stakeholders.

On behalf of the Nomination and Remuneration Committee



(Mrs. Rapeephan Sanguansris)

Chairman of the Nomination and Remuneration Committee
Union Pioneer Public Company Limited

Board of Directors' responsibility for Financial Reporting

The Board of Directors is responsible for the Company's the financial statements and information as listed in the annual report. Such financial statements are prepared in accordance and consistency with the Accounting Standards for Publicly Accountable Entities. The aforementioned financial statements are generated in accordance with generally accepted accounting/ standards by implementing the appropriate accounting policies on consistency basis, with carefully consideration, including adequately disclosing the essential information in the Notes of financial statements that the independent auditors give unconditional comments on the independent auditors' report.

The Board of Directors has maintained an appropriated and efficient internal control system to ensure that the account recordings are correct, complete, and sufficient to protect the Company's interests, to devise protection against fraud or other suspicious activities.

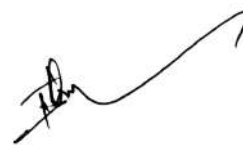
The Board of Directors has appointed the Audit Committee who are the Independent Directors, are also Non-Executive Directors. They are responsible for the quality of the financial statements and internal control system. For the views of the Audit Committee are reported in the Audit Committee's report in the Company's Annual Report.

The Board of Directors confidents that the good corporate governance, risk management and internal control system of the Company are satisfactory to ensure reasonably the credibility of the Company's financial statements as of 31st December 2020 that are revealed the financial position and operating results correctly and appropriately in the significant matters.

On behalf of the Board of Directors
Union Pioneer Public Company Limited.



(Miss Dalad Sapthavichaikul)
Chairman



(Mr. Komon Iamwatharin)
Managing director

The Details of the Board of Directors

1. Miss Dalad Saphthavichaiikul

Chairman

Age: 64 years

Education

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

IOD's Training

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

Family relations between directors and executives: - None -

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.
- 2004 – 2017 Director, Computer Union Co., Ltd.
- 2011 – May 2014 Director, Union Plastic Public Company Limited
- 2012 – May 2012 Director, Union Pioneer Public Company Limited
- 2012 – 2016 President, Saha-Union Public Company Limited
- 2012 – July 2019 Chairman of the Risk Management Committee, Saha-Union Public Company Limited
- May 2014 – June 19, 2020 Director, The Royal Hotel Co., Ltd.
- May 2015 – May 20, 2020 Chairman, Union Textile Industries Public Company Limited
- 2017 Vice Chairman, Saha-Union Public Company Limited
- January 2017 – October 2018 Chairman, Saha-Union Holding Co., Ltd

Current Positions

Listed Companies

- 2018 – Present Chairman, Saha-Union Public Company Limited.
- May 2014 – Present Chairman, Union Plastic Public Company Limited
- June 2012 – Present Chairman, Union Pioneer Public Company Limited

Saha-Union Group Companies

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

Other Companies

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

Years of Directorship 9 years (since January 1, 2012)

2. Mrs. Nuntawan Sakuntanaga

Independent Director / Chairman of the Audit Committee

Age: 62 years

Education

- M.B.A., in Marketing and International Business UNIVERSITY OF WISCONSIN at MADISON (Wisconsin, USA)
- B.Ac., in Finance and Banking CHULALONGKORN UNIVERSITY

IOD's Training

- Financial Statements for Directors (FSD) Class 31/2016
- Director Certification Program (DCP) Class 166/2012
- Audit Committee and Continuing Development Program (ACP) Class 43/2013
- Boardroom Success through Financing & Investment (BFI) Class 7/2019
- Boards that Make a Difference (BMD) Class 9/2019

Other Training

- Corporate Governance Program for Directors and Executives of State Enterprises and Public Organization, Public Director Institute (PDI) Class 12/2013

Family relations between directors and executives: - None -

Experiences

- October 2013 Director General, Department of International Trade Promotion, Ministry of Commerce
- July 2014 – July 3, 2020 Independent Director / Chairman of the Corporate Governance Committee, PTT Public Company Limited
- October 2015 Director General, Department of Intellectual Property, Ministry of Commerce
- October 2016 Director General, Department of Internal Trade, Ministry of Commerce
- October 2017 – September 30, 2018 Permanent Secretary, Ministry of Commerce

Current Positions

Listed Companies

- January 2020 – Present Independent Director / Chairman of the Audit Committee, Union Pioneer Public Company Limited

Other Listed Company

- July 2020 – Present Chairman of the Corporate Governance Committee, PTT Public Company Limited

- September 18, 2018 – Present Independent Director / Chairman of the Corporate Governance Committee, Asset World Corp Public Company Limited

Saha-Union Group Companies - None -

Other Companies

- April 2019 – Present Chairman, The Gem and Jewelry Institute of Thailand (Public Organization)
- May 11, 2019 – Present Director, The Securities and Exchange Commission, Thailand

Years of Directorship 1 year (since January 1, 2020)

Years of Independent Directorship 1 year (since January 1, 2020)

3. Mrs. Rapeephan Sanguansis

Independent Director / Audit Committee

Chairman of the Nomination and Remuneration Committee

Age: 70 years

Education

- Bachelor's degree, Faculty of Economics, Thammasat University

IOD's Training

- Director Accreditation Program (DAP) Class 5/2003
- Advanced Audit Committee Program (AACP) Class 15/2014
- Ethical Leadership Program (ELP) Class 13/2018

Family relations between directors and executives: - None -

Experiences

- Director, Union Footwear Public Company Limited
- January 2014 – December 2019 Chairman of Audit Committee, Union Pioneer Public Company Limited

Current Positions

Listed Companies

- January 2011 – December 2020 Director, Union Pioneer Public Company Limited
- February 2013 – December 2020 Independent Director, Union Pioneer Public Company Limited
- January 2014 – December 2020 Chairman of the Nomination and Remuneration Committee, Union Pioneer Public Company Limited
- January 2020 – December 2020 Audit Committee, Union Pioneer Public Company Limited

Saha-Union Group Companies -None -

Other Companies - None -

Years of Directorship 10 years (since 26 January 2011)

Years of Independent Directorship 8 years (since 23 January 2013)

(Remark : Mr. Wanchai Rattanawong as Company's Director and Independent Director in replacement Mrs. Rapeephan Sanguansis, effective on January 1, 2021)

4. Mr. Komon Iamwatcharin

Managing Director

Age: 63 years

Education:

- Bachelor's degree, Faculty of Economics, Thammasat University

IOD's Training

- Director Accreditation Program (DAP) Class 163/2019

Family relations between directors and executives: - None -

Experiences

- 1992 - 2008 Sales Manager, Saha-Union Public Company Limited (Bangchan Branch)
- 2009 - 2014 Assistant Managing Director, Union Pioneer Public Company Limited
- 2009 - 2019 Sales and Marketing Manager, Union Pioneer Public Company Limited
- 2014 - 2019 Deputy Managing Director, Union Pioneer Public Company Limited

Current Positions

Listed Companies

- January 2020 - Present Managing Director, Union Pioneer Public Company Limited

Saha-Union Group Companies - None -

Other Companies - None -

Years of Directorship 1 year (since January 2020)

6. Mrs. Chantornree Darakananda

Director

Age: 57 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

Family relations between directors and executives:

- Younger sister in law of Mr. Chutindhon Darakananda
- Elder sister in law of Mr. Vacharaphong Darakananda

Experiences

- 1990 - February 2017 Director, Ladphrao Hospital Public Company Limited
- 1994 - 2008 Deputy Managing Director, Union Industries Corp., Ltd.
- 2002 - 2008 Deputy Managing Director, Union Thread Industries Co., Ltd.
- 2002 - 2009 Director, Saha-Union Public Company Limited
- 2002 - 2014 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

Current Positions

Listed Companies

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

Saha - Union Group Companies

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

Other Companies

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

Years of Directorship 5 year 9 months (since April 2015)

5.Mr. Chutindhon Darakananda

Director

Age: 61 years

Education:

- Master's Degree in Business Administration, SASIN Graduate Institute of Business Administration of Chulalongkorn University
- Bachelor's Degree in Industrial Engineering, Stanford University, U.S.A

IOD's Training

- Director Accreditation Program (DAP) Class 17/2004

Family relations between directors and executives:

- Elder brother of the husband of Mrs. Chantornree Darakananda
- Elder brother of Mr. Vacharaphong Darakananda

Experiences

- December 1990 - 2006 Director, Saha-Union Public Company Limited
- 1992 - February 2017 Vice Chairman, Venus Thread Co., Ltd.
- 1993 - 2007 Director, Union Textile Industries Public Company Limited
- 2001 - March 2009 Director, Union Pioneer Public Company Limited
- 2001 - March 2009 Director, Union Energy (China) Co., Ltd.
- 2002 - January 2018 Vice Chairman / Managing Director, Union Thread Industries Co., Ltd.
- 2002 - January 2018 Vice Chairman / Managing Director, Union Industries Corp., Ltd.
- 2007 - 2012 Vice Chairman (Investments in China), Saha-Union Public Company Limited
- May 2014 - February 2017 Director, The Royal Hotel Co., Ltd.
- March 2017 - February 2018 Vice Chairman, The Royal Hotel Co., Ltd.
- January 2019 - January 2020 Managing Director, The Royal Hotel Co., Ltd.

Current Positions

Listed Companies

- 2013 - Present Director, Union Garment Co., Ltd.
- 2013 - Present Director, Union Micronclean Co., Ltd.
- November 2015 - Present Director, Union Zojirushi Co., Ltd.
- March 2017 - Present Director, Venus Thread Co., Ltd.
- May 2017 - Present Director, Union Nifco Co., Ltd.
- February 2018 - Present Chairman, Union Spinning Mills Co., Ltd.
- February 2018 - Present Chairman / Managing Director, Union Business Management Co., Ltd.
- March 2018 - Present Chairman / Managing Director, Union Thread Industries Co., Ltd.
- November 2018 - Present Chairman / Managing Director, Union Industries Corp., Ltd.
- Present Chairman, The Royal Hotel Co., Ltd.
- Present Chairman, Saha Union Holding Co., Ltd.
- Present Chairman, Vice Chairman and Director, Other Companies in Saha-Union Group

Other Companies

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

Years of Directorship

4 year (since May 2017)

7. Mr. Vacharaphong Darakananda

Director / Nomination and Remuneration Committee

Age: 55 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

Family relations between directors and executives:

- Younger brother of Mr. Chutindhon Darakananda
- Younger brother of the husband of Mrs. Chantornree Darakananda

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

Other Companies - None -

Years of Directorship 21 years 8 months (since 28 April 1999)

9. Mr. Kollatat Tangchitkul

Independent Director/Audit Committee

Nomination and Remuneration Committee

Age: 37 years

Education:

- Master of Science in Technology Management, University of Illinois at Urbana-Champaign, Illinois, U.S.A (2009)
- Bachelor of Business Administration International Business Management Program, Assumption University (2006)

IOD's Training

- Director Accreditation Program (DAP) Class 113/2014
- Advanced Audit Committee Program (AACP) Class 25/2017

Family Relations with Other Directors: -None-

Experiences

- 2010-2012 Sales & Marketing, Global Sales Executive, Kuehne & Nagel (Thailand) Company Limited.
- 2007-2009 Sale & Marketing, USA Trade Sales Representative, NYK Line (Thailand) Company Limited.

Current Positions**Listed Companies**

- 2014 – Present Independent Director, Union Pioneer Public Company Limited
- 2017 – Present Audit Committee, Union Pioneer Public Company Limited
- 2020 – Present Nomination and Remuneration Committee, Union Pioneer Public Company Limited

Saha-Union Group Companies - None -

Other Companies

- 2004 - Present Director, Niyom Service Company Limited.
- Present Director, Cargo Fast Company Limited.

Years of Directorship 7 years (since January1,2014)

Years of Independent Directorship 7 years (since January1,2014)

8. Mr. Nanthiya Darakananda

Director

Age: 52 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) 212/2015

Family relations between directors and executives:

- Cousin of Mr. Chutindhon Darakananda and Mr. Vacharaphong Darakananda

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 27 years 8 months (since 22 April 1993)

Company Secretary

Mrs. Chadaporn Jiemsakultip

Age 58 years

Education:

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

Training :

- CGR Workshop 2019 "Enhancing Good Corporate Governance based on CGR Scorecard", Thai Institute of Directors (IOD)
- 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

Family relations between directors and executives: - None -

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 5 year

Roles and responsibilities of the Company Secretary.

The Company Secretary has the duties according to the law section 89/15 and 89/16 under the Securities and Exchange Act (No.4) B.E.2008 effective on 31st August 2008, with responsibility, awareness and trustworthy thus taking the position according to the laws, objective and company's regulations, resolutions of the Board of Directors, including resolutions of the shareholders.

Roles and Responsibilities of the Company Secretary, as required by laws

1. Prepare and keep the documents listed below:
 - a. Registry of Boards
 - b. Documents on invitation of board of meeting, board of meeting report and the Company's annual report.
 - c. Documents on invitation of meeting of shareholders, shareholder meeting reports.
2. Keep and secure the documents with the interest from the directors and executives and send the documents according to the law section 89/14 to the chairman to verify within 7 days from the date that the documents were received.
3. Act according to the requirement of Capital Market Supervisory Board

Moreover, the Company Secretary also has other duties as assigned by the Company or the Board of Directors as listed below:

- Be a Chief of Compliance Unit to give advice on lawsuits and regulations related and actions with, should be taken to supervise and operate the activities of the board of directors as the law.
- Action on arranging the general board of director meeting and shareholder meetings.
- Coordinate within the company to act according to the board of directors and meeting of shareholders' resolution
- Corporate in-charge of such as The Stock Exchange of Thailand, The Securities and Exchange Commission (S.E.C) and to supervise the disclosure of information and to report the information to the public correctly and completely according to the law.
- Provide orientation, significant documents/information to the newly appointed directors, cooperated with directors to have necessary training courses for directors or specific committees.
- Perform any duties as assigned by the Company

Executive Management

1. Mr. Wiwat Jongkonrat

Age: 41 Years

Position: Accounting & Finance Manager (Appointed on January 1st, 2017)
Chief Financial Officer (CFO) (Appointed on January 1st, 2017)

Education:

- Bachelor Degree of Business Administration (Accounting) Rajamangala Institute of Technology
- Master Degree of Economics, Ramkhamhaeng University

Proportion of shareholding: None

Family relations between directors and executives: None

Training in 2020:

- Course on strategies, analysis and risk management of foreign exchange rates. (6 hours of CPD in accounting): Dharmniti Seminar & Training
- Course on Basic Deferred Tax preparation (6 hours of CPD in accounting): Dharmniti Seminar & Training

Experience:

- 2013-2014 Internal Audit Supervisor, Union Pioneer Public Company Limited
- 2015-2016 Internal Audit Section Manager, Union Pioneer Public Company Limited

Current Position:

- 1st January 2017 Appointed as a Chief Financial Officer (CFO)
- 2017-Present Accounting & Finance Manager, Union Pioneer Public Company Limited

Opinion of the Audit Committee regarding training courses and work experience of the Chief Financial Officer (CFO)

For the training courses of the Chief Financial Officer (CFO) the Audit Committee considers that such courses are consistent and beneficial to the company and the number of training hours of such courses is according to the Federation of Accounting Professions.

For the work experience of the Chief Financial Officer (CFO), the Audit Committee considers that such experience is directly beneficial to the business operation and the duration of such work is in accordance with the announcement.

2. Mr. Sikavej Sopaphan**Age:** 41 years**Position:** Human Resources Manager (Appointed on January 1st, 2016)**Education:**

- Bachelor's degree of Engineering Program (Chemical Engineering), Kasetsart University
- Master's Degree, Business Administration (General Management), Ramkhamhaeng University
- Master's Degree, Human Resource and Organization Development, National Institute of Development Administration

Proportion of shareholding: None**Family relations between directors and executives:** None**Experience:**

- 2007-2009 Assistant Environment and Safety Manager, Union Pioneer Public Company Limited
- 2010-2011 Assistant Human Resources Section Manager, Union Pioneer Public Company Limited
- 2012-2015 Human Resources Section Manager, Union Pioneer Public Company Limited

Current Positions:

- 2016-Present Human Resources Manager, Union Pioneer Public Company Limited

3. Mrs. Sureeporn Chompunutyanyong**Age:** 48 years**Position:** Sales and Marketing Manager (Appointed on September 2nd, 2019)**Education:**

- Bachelor's Degree, Faculty of Business Administration (International Business Management), Assumption University.
- Master's Degree, Business Administration (General Management), Assumption University

Proportion of shareholding: None**Family relations between directors and executives:** None**Experience:**

- 1994-2003 Export Marketing Manager, Pan Asia (1981) Co., Ltd.
- 2004-2012 General Manager Value, Pharma Co.Ltd.
- 2013-2018 Part time Lecturer, Rajamangala University of Technology Thanyaburi

Current Positions:

- 2019-Present Sales and Marketing Manager, Union Pioneer Public Co.,Ltd.

4. Miss Warunee Khumtong**Age:** 44 years**Position:** Quality Assurance Manager (Appointed on January 1st, 2019)**Education:**

- Bachelor's Degree, Science in Chemical Engineering, Chulalongkorn University
- Master's Degree, Business Administration (Innovation Management), Ramkhamhang

Proportion of shareholding: None**Family Relations with Other Directors:** None**Experience:**

- 2001-2009 Research and Development Supervisor, Union Pioneer Public Co.,Ltd.
- 2010-2011 Assistant Quality Assurance Section Manager, Union Pioneer Public Co.,Ltd.
- 2012-2018 Quality Assurance Section Manager, Union Pioneer Public

Current Positions:

- 2019-Present Quality Assurance Division Manager, Union Pioneer Public Co.,Ltd.

Miss Punnee Jitadkanont**Age:** 60 years**Position:** Accounting Section Manager (Appointed on June 2nd, 2014)
Chief Accountant (Appointed on January 1st, 2017)**Education:**

- Bachelor's Degree, Business Administration (Accounting), Sukhothai Thammathirat Open University
- Bachelor's Degree, Business Administration (General Management), Sukhothai Thammathirat Open University

Proportion of shareholding: None**Family relations between directors and executives:** None**Training in 2020:**

- Topic "Precautions for preparing financial statements, closing accounts and presenting financial statements" (6 hours of CPD in accounting): Dharmniti Seminar & Training
- Topic "Tips to Solve Tax Problems that Accountants Have to Find from Real Practice" (6 hours of CPD in other fields): Dharmniti Seminar & Training
- Topic "Guidelines for preparing financial reports of the companies affected by the COVID-19": (Online Training) human resource development training program for listed companies in 2020, the Stock Exchange of Thailand-SET
- Topic "CGR Workshop No. 2/2020": (Online Training), Thai Institute of Directors Association - IOD
- Topic "Energy Cost Reduction for executives": (Online Training): Federation of Thai Industries - FTI
- Topic "Impacts of the COVID-19 Pandemic Situation to listed companies and preparation for the financial statements closing process of the year 2020": (Online Training) EY Office Company Limited
- Topic "Update on taxes and foreign investment issues": (Online Training) Thai Listed Companies Association-TLCA
- Training how to use the Smart FSCOMP system: Sukree Auditorium at the Stock Exchange of Thailand-SET

Experience:

- 2002 - 2009, Accounting Supervisor, Union Pioneer Public Company Limited
- 2010 - 2014, Assistant Accounting Section Manager, Union Pioneer Public Company Limited

Current Positions:

- 2014 - Present, Accounting Section Manager, Union Pioneer Public Company Limited
- 2017 - Present, Chief Accountant, Union Pioneer Public Company Limited

Opinion of the Audit Committee regarding training courses and work experience of the Chief Accountant

For the training courses of the Chief Accountant, the Audit Committee considers that such courses are consistent and beneficial to the company and the number of training hours of such courses is according to the Federation of Accounting Professions. She has the qualifications and conditions of being an accountant in accordance with the rules prescribed in the Notification of the Department of Business Development.

For the work experience of the chief accountant, the Audit Committee considers that such experience is directly beneficial to the business operation and the duration of such work is in accordance with the announcement.

For the past five years, directors, executives, and authorized persons have been in compliance with the Securities and Exchange Act BE. 1992, with

- (1) There is no dishonest action or serious negligence.
- (2) There is no disclosure or disseminate information or false statements that may cause significant errors or conceal the actual message that should inform the subject matter, which may affect the decision of the shareholders, investors or related parties.
- (3) There is no unfair or unfavorable conduct in the trading of securities or derivatives, or have or used to have participated or supported the mentioned action.

The Company does not operate the business mainly by holding shares in other companies.

Independent Auditor's Report

To the Shareholders of Union Pioneer Public Company Limited

Opinion

I have audited the accompanying financial statements of Union Pioneer Public Company Limited (the Company), which comprise the statement of financial position as at 31 December 2020, 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 Pioneer Public Company Limited as at 31 December 2020, and 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 Matter

Key audit matter is the matter that, in my professional judgement, was of most significance to my audit of the financial statements of the current period. This matter was 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 this matter.

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 this matter. 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 matter below, provide the basis for my audit opinion on the accompanying financial statements as a whole

Key audit matter and how audit procedures respond to the matter are described below.

Revenue recognition

The amount of sales is significant to the financial statements (98% of total revenues). In addition, the Company has a large number of customers, both domestic and export, and overseas sales are made under differing terms, meaning that recognition of revenue from sales is made under a variety of conditions. There are therefore risks with respect to the timing of revenue recognition.

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
- 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 that matter that was of most significance in the audit of the financial statements of the current period and is therefore the key audit matter. I describe this matter 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.



Vissuta Jariyathanakorn

Certified Public Accountant (Thailand) No.3853

EY Office Limited

Bangkok: 24 February 2021

Statements of financial position

As at 31 December 2020

(Unit: Baht)

	Note	2020	2019
Assets			
Current assets			
Cash and cash equivalents	8	104,835,061	80,242,285
Trade and other receivables	9	125,748,054	131,074,245
Inventories	10	174,775,653	139,465,473
Derivatives assets	27	1,775,950	-
Other current financial assets	11	29,963,645	-
Other current assets		2,556,316	1,900,286
Total current assets		439,654,679	352,682,289
Non-current assets			
Restricted investments	12	-	5,175,597
Other non-current financial assets	12	5,196,256	-
Property, plant and equipment	13	72,465,031	78,038,370
Advance payment for purchase of equipment		4,408,200	2,728,000
Right-of-use assets	15	26,236,695	-
Intangible assets		194,303	295,855
Current tax assets		788,188	788,188
Deferred tax assets	20	11,296,803	9,783,045
Other non-current assets		-	107,806
Total non-current assets		120,585,476	96,916,861
Total assets		560,240,155	449,599,150

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

Statements of financial position (Continued)

As at 31 December 2020

(Unit: Baht)

	Note	2020	2019
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables	14	66,503,965	55,865,317
Income tax payable		5,266,759	-
Current portion of lease liabilities	15	2,446,641	-
Other current liabilities		533,553	411,674
Total current liabilities		74,750,918	56,276,991
Non-current liabilities			
Lease liabilities - net of current portion	15	24,255,682	-
Provision for long-term employee benefits	16	57,119,446	48,205,033
Total non-current liabilities		81,375,128	48,205,033
Total liabilities		156,126,046	104,482,024
Shareholders' equity			
Share capital			
Registered			
7,500,000 ordinary shares of Baht 10 each		75,000,000	75,000,000
Issued and fully paid up			
7,500,000 ordinary shares of Baht 10 each		75,000,000	75,000,000
Share premium		30,625,000	30,625,000
Retained earnings			
Appropriated - statutory reserve	17	18,834,366	18,834,366
Unappropriated		279,654,743	220,657,760
Total shareholders' equity		404,114,109	345,117,126
Total liabilities and shareholders' equity		560,240,155	449,599,150

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

Statements of comprehensive Income

(Unit: Baht)

	Note	2020	2019
Profit or loss:			
Revenues			
Sales and service income	18	679,643,337	549,896,676
Other income		13,425,352	11,904,944
Total revenues		693,068,689	561,801,620
Expenses		539,870,104	489,974,459
Selling and distribution expenses		38,071,166	36,672,084
Administrative expenses		32,225,966	36,561,428
Other expenses		1,348,641	-
Total expenses		611,515,877	563,207,971
Profit (loss) from operating activities		81,552,812	(1,406,351)
Finance income		577,919	776,259
Finance cost		(1,181,812)	-
Profit (loss) before income tax expenses		80,948,919	(630,092)
Income tax revenue (expenses)	20	(14,150,819)	1,672,341
Profit for the year		66,798,100	1,042,249
Other comprehensive income:			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>			
Actuarial loss		(8,682,243)	(4,324,987)
Less: Income tax effect		1,736,449	864,997
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		(6,945,794)	(3,459,990)
Other comprehensive income for the year		(6,945,794)	(3,459,990)
Total comprehensive income for the year		59,852,306	(2,417,741)
Earnings per share	21		
Basic earnings per share		8.91	0.14

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

Statements of changes in shareholders' equity

For the year ended 31 December 2020

(Unit: Baht)

	Issued and paid-up share capital	Share premium	Retained earnings		Total shareholders' equity
			Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2019	75,000,000	30,625,000	18,834,366	241,150,501	365,609,867
Profit for the year	-	-	-	1,042,249	1,042,249
Other comprehensive income for the year	-	-	-	(3,459,990)	(3,459,990)
Total comprehensive income for the year	-	-	-	(2,417,741)	(2,417,741)
Dividend paid (Note 24)	-	-	-	(18,075,000)	(18,075,000)
Balance as at 31 December 2019	<u>75,000,000</u>	<u>30,625,000</u>	<u>18,834,366</u>	<u>220,657,760</u>	<u>345,117,126</u>
Balance as at 1 January 2020	75,000,000	30,625,000	18,834,366	220,657,760	345,117,126
Cumulative effect of change in accounting policy (Note 4)	-	-	-	119,677	119,677
Balance as at 1 January 2020 - as restated	<u>75,000,000</u>	<u>30,625,000</u>	<u>18,834,366</u>	<u>220,777,437</u>	<u>345,236,803</u>
Profit for the year	-	-	-	66,798,100	66,798,100
Other comprehensive income for the year	-	-	-	(6,945,794)	(6,945,794)
Total comprehensive income for the year	-	-	-	59,852,306	59,852,306
Dividend paid (Note 24)	-	-	-	(975,000)	(975,000)
Balance as at 31 December 2020	<u>75,000,000</u>	<u>30,625,000</u>	<u>18,834,366</u>	<u>279,654,743</u>	<u>404,114,109</u>

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

Cash flow statement

For the year ended 31 December 2020

(Unit: Baht)

	2020	2019
Cash flows from operating activities		
Profit (loss) before tax	80,948,919	(630,092)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	26,405,524	22,794,385
Allowance for doubtful accounts (reversal)	(14,121)	123,546
Reduction of value of inventories to net realisable value	43,113	97,744
Gain on sales of equipment	(284,267)	(245,163)
Long-term employee benefit expenses	7,733,346	14,050,808
Unrealised loss on exchange	1,594,339	2,298,222
Gain on derivatives	(1,344,050)	-
Interest income	(577,919)	(776,258)
Interest expense	1,181,812	-
Profit from operating activities before changes in operating assets and liabilities	115,686,696	37,713,192
Operating assets (increase) decrease		
Trade and other receivables	3,651,748	(945,103)
Inventories	35,353,293	25,540,142
Other current assets	(656,030)	598,138
Other non-current financial assets	(26,836)	-
Other non-current assets	-	15,741
Operating liabilities increase (decrease)		
Trade and other payables	11,040,746	(6,207,898)
Other current liabilities	121,879	32,787
Provision for long-term employee benefits	(7,501,176)	(5,683,693)
Cash flows from operating activities	86,963,734	51,063,306
Cash paid for income tax	(8,661,369)	(1,384,656)
Net cash flows from operating activities	78,302,365	49,678,650

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

Cash flow statement (Continued) For the year ended 31 December 2020

(Unit: Baht)

	2020	2019
Cash flows from investing activities		
Interest income	473,903	933,475
Decrease in current investments	-	19,859,876
Increase in other current financial assets	(29,963,645)	-
Acquisitions of building improvements and equipment	(11,344,995)	(12,258,789)
Acquisitions of intangible assets	(22,600)	(341,148)
Proceeds from sales of equipment	403,271	245,683
Prepayment for equipment	(8,650,523)	(13,154,650)
Net cash flows used in investing activities	(49,104,589)	(4,715,553)
Cash flows from financing activities		
Cash paid for lease liabilities	(2,458,797)	-
Interest paid	(1,171,203)	-
Dividend paid	(975,000)	(18,075,000)
Net cash flows used in financing activities	(4,605,000)	(18,075,000)
Net increase in cash and cash equivalents	24,592,776	26,888,097
Cash and cash equivalents at beginning of year	80,242,285	53,354,188
Cash and cash equivalents at end of year	104,835,061	80,242,285
Supplemental cash flows information		
Non-cash transactions		
Purchase of equipment for which payments have yet to be made	503,934	906,032
Transfer prepayment to equipment	6,970,323	13,150,650

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

1. Corporate information

Union Pioneer Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its parent company is Saha-Union Public Company Limited, which is incorporated in Thailand. The Company is principally engaged in the manufacture and distribution of finished elastic products. The registered address of the Company is No.1 Soi Serithai 62, Kweang Minburi, Khet Minburi, Bangkok.

2. Basis of preparation

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.

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 (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements. However, the new standard involves changes to key principles, which are summarised below:

Financial reporting standards related to financial instruments

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

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

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

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model, calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

The significant impacts of the adoption of these standards on the Company's financial statements are classifications of financial assets and liabilities and recognition of an allowance for expected credit losses on its financial assets, which is no longer necessary for a credit-impaired event to have occurred. The Company applies the simplified approach to consider impairment of trade and other receivables.

The Company adopted these financial reporting standards which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 4.

TFRS 16 Leases

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

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

The Company adopted these financial reporting standards using the modified retrospective method of initial adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 4.

b. Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2021

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

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

4. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 3 during the current year, the Company has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings as at 1 January 2020. Therefore, the comparative information was not restated.

The impacts on the balance of retained earnings and classifications as at 1 January 2020 from changes in accounting policies due to the adoption of these standards are presented as follows

(Unit: Thousand Baht)

	31 December 2019	The impacts of Financial reporting standards related to financial instruments	TFRS 16	1 January 2020
Statement of financial position				
Assets				
Current assets				
Trade and other receivables	131,074	(312)	-	130,762
Derivative assets	-	432	-	432

(Unit: Thousand Baht)

	31 December 2019	The impacts of Financial reporting standards related to financial instruments	TFRS 16	1 January 2020
Non-current assets				
Restricted investments	5,176	(5,176)	-	-
Other non-current financial assets	-	5,176	-	5,176
Right-of-use assets	-	-	29,151	29,151
Liabilities and shareholders' equity				
Current liabilities				
Current portion of lease liabilities	-	-	2,448	2,448
Non-current liabilities				
Lease liabilities - net of current portion	-	-	26,703	26,703
Shareholders' equity				
Retained earnings - unappropriated	220,658	120	-	220,778

4.1 Financial instruments

The impact on retained earnings as at 1 January 2020 due to the adoption of financial reporting standards related to financial instruments is recognition of an allowance for expected credit losses on financial assets of Baht 0.1 million.

The classifications and measurement basis of financial assets and liabilities in accordance with TFRS 9 as at 1 January 2020 are amortised cost, except derivatives which are classified and measured at fair value through profit or loss.

4.2 Leases

Upon initial application of TFRS 16 the Company recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate at 1 January 2020.

(Unit: Thousand Baht)

Operating lease commitments as at 31 December 2019	3,675
Add: Option to extend lease term	32,655
Less: Deferred interest expenses	(7,179)
Lease liabilities as at 1 January 2020	29,151
Comprise of:	
Current lease liabilities	2,448
Non-current lease liabilities	26,703
	29,151

Weighted average incremental borrowing rate (% p.a.) 4.62

The adjustments of right-of-use assets due to TFRS 16 adoption as at 1 January 2020 are summarised below:

(Unit: Thousand Baht)

Land	2,667
Buildings	26,484
Total right-of-use assets	29,151

5. Significant accounting policies

5.1 Revenue and expense recognition

Sales of goods

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

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

5.2 Cash and cash equivalents

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

5.3 Inventories

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

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

5.4 Property, plant and equipment and 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	-	20 years
Building improvements	-	5 years, 10 years and 20 years
Machinery and equipment	-	3 years and 5 years
Furniture and fixtures	-	3 years and 5 years
Motor vehicles	-	5 years

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 including in profit or loss when the asset is derecognised.

5.5 Leases

At inception of contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Accounting policies adopted since 1 January 2020

The Company applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Company recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs or the revalued amount, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Land	- 10 years
Buildings	- 10 years

If ownership of the leased asset is transferred to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Company discounted the present value of the lease payments by the interest rate implicit in the lease or the Company's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

Accounting policies adopted before 1 January 2020

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

5.6 Related party transactions

Related parties comprise enterprises and individuals 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 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.

5.7 Foreign currencies

The Company is presented in Baht, which is also the Company's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction.

Before 2020, monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period, with the exception of those covered by forward exchange contracts, which are translated at the contracted rates.

Since 2020, 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.

5.8 Impairment of non-financial assets

At the end of each reporting period, the Company performs impairment reviews in respect of the property, plant and equipment, right-of-use assets, 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.

5.9 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 plan. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

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

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

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

Plan assets are assets held by a long-term employee benefit fund. They are not available to the Company's creditors and cannot be returned to the Company. The Company measures the fair value of plan assets by using market price and in case that plan assets are debt instruments in active market, the Company measures them by using quoted price.

5.10 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.

5.11 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.

5.12 Financial instruments

Accounting policies adopted since 1 January 2020

The Company initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Company's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Company measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at FVTPL

Financial assets measured at FVTPL which are derivatives, are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Company's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Company takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Company has transferred substantially all the risks and rewards of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Company recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Company considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Accounting policies adopted before 1 January 2020

Trade accounts receivable

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

Investments

Investments in debt securities, expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective interest rate method with the amortised/accreted amount presented as an adjustment to the interest income.

5.13 Derivatives

The Company uses derivatives, such as forward currency contracts to hedge its foreign currency risk.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

5.14 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 their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company 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.

6. Significant accounting judgements and estimates

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

Allowance for expected credit losses of trade receivables

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Company's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

Depreciation of plant and equipment

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment (if any) and to review estimate useful lives and residual values when there are any changes.

Leases

Determining the lease term with extension options - The Company as a lessee

In determining the lease term, the management is required to exercise judgement in assessing whether the Company is reasonably certain to exercise the option to extend the lease considering all relevant facts and circumstances that create an economic incentive for the Company to exercise either the extension or termination option.

Estimating the incremental borrowing rate - The Company as a lessee

The Company cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

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.

7. 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)

	2020	2019	Pricing policy
<u>Transactions with parent company</u>			
Purchases of raw materials	6	3	Cost plus margin of parent company
Rental expenses	3	3	Contract price
<u>Transactions with related companies</u> (related by common shareholders)			
Sales of finished goods	17	14	Cost plus margin
Purchases of raw materials	82	31	Cost plus margin of related companies

As at 31 December 2020 and 2019, the balances of the accounts between the Company and those related parties are as follows:

	(Unit: Thousand Baht)	
	2020	2019
<u>Trade and other receivables - related parties (Note 9)</u>		
Related companies (related by common shareholders)	4,327	3,708
Total trade and other receivables - related parties	4,327	3,708
<u>Trade and other payables - related parties (Note 14)</u>		
Parent company	341	564
Related companies (related by common shareholders)	7,991	4,069
Total trade and other payables - related parties	8,332	4,633

Directors and management's benefits

During the years ended 31 December 2020 and 2019, the Company had employee benefit expenses payable to its directors and management as below

	(Unit: Thousand Baht)	
	2020	2019
Short-term employee benefits	7,750	10,344
Post-employee benefits	(10)	74
Total	7,740	10,418

8. Cash and cash equivalents

	(Unit: Thousand Baht)	
	2020	2019
Cash	21	30
Bank deposits	24,883	23,335
Short-term bonds	79,931	56,877
Total	104,835	80,242

As at 31 December 2020, bank deposits in saving accounts and short-term bonds carried interests between 0.13 and 0.46 percent per annum (2019: between 0.37 and 1.33 percent per annum).

9. Trade and other receivables

	(Unit: Thousand Baht)	
	2020	2019
<u>Trade receivables - related parties</u>		
Aged on the basis of due dates		
Not yet due	3,832	3,551
Past due		
Up to 3 months	364	-
Total trade receivables - related parties	4,196	3,551
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	95,463	92,763
Past due		
Up to 3 months	22,929	28,111
3 - 6 months	51	534
6 - 12 months	39	-
Over 12 months	98	124
Total	118,580	121,532

Less: Allowance for expected credit losses		
(2019: Allowance for doubtful accounts)	(123)	(257)
Total trade receivables - unrelated parties, net	118,457	121,275
Total trade receivables - net	122,653	124,826
<u>Other receivables</u>		
Other receivables - related parties	131	157
Other receivables - unrelated parties	2,964	6,091
Total other receivables	3,095	6,248
Total trade and other receivables - net	125,748	131,074

10. Inventories

(Unit: Thousand Baht)

	Cost		Reduce cost to net realisable value		Inventories-net	
	2020	2019	2020	2019	2020	2019
Finished goods	40,246	36,649	(1,048)	(1,154)	39,198	35,495
Semi finished products	12,516	14,500	(483)	(347)	12,033	14,153
Work in process	9,436	11,488	(13)	-	9,423	11,488
Raw materials and chemicals	91,999	62,448	-	-	91,999	62,448
Packing materials	6,210	5,590	-	-	6,210	5,590
Spare parts and factory supplies	3,473	3,961	-	-	3,473	3,961
Raw materials in transit	12,440	6,330	-	-	12,440	6,330
Total	176,320	140,966	(1,544)	(1,501)	174,776	139,465

11. Other current financial assets

The balance as at 31 December 2020, represented investments in government bonds which are measured at amortised cost and carried interest between 0.35 - 0.44 per annum.

12. Restricted investments/ Other non-current financial assets

This represents investments in government bonds which are pledged as collateral to secure electricity use which are measured at amortised cost and carried interest 1.92 per annum.

13. Property, plant and equipment

(Unit: Thousand Baht)

	Land	Building and building improvements	Machinery and equipment	Furniture and fixtures	Motor vehicles	Assets under installation and under construction	Total
Cost:							
As at 1 January 2019	6,173	107,636	643,867	15,872	17,020	2,506	793,074
Additions	-	36	22,003	502	1,091	957	24,589
Disposals	-	-	(1,384)	(1,449)	(725)	-	(3,558)
Transfers	-	-	2,506	-	-	(2,506)	-
As at 31 December 2019	6,173	107,672	666,992	14,925	17,386	957	814,105
Additions	-	540	14,720	571	1,971	112	17,914
Disposals	-	-	(7,082)	-	(1,197)	-	(8,279)
Transfers	-	-	957	-	-	(957)	-
As at 31 December 2020	6,173	108,212	675,587	15,496	18,160	112	823,740
Accumulated depreciation:							
As at 1 January 2019	-	88,844	598,919	14,681	14,450	-	716,894

(Unit: Thousand Baht)

	Land	Building and building improvements	Machinery and equipment	Furniture and fixtures	Motor vehicles	Assets under installation and under construction	Total
Depreciation for the year	-	3,449	17,693	648	941	-	22,731
Depreciation on disposals	-	-	(1,384)	(1,449)	(725)	-	(3,558)
As at 31 December 2019	-	92,293	615,228	13,880	14,666	-	736,067
Depreciation for the year	-	3,124	18,863	524	857	-	23,368
Depreciation on disposals	-	-	(7,082)	-	(1,078)	-	(8,160)
As at 31 December 2020	-	95,417	627,009	14,404	14,445	-	751,275
Net book value:							
As at 31 December 2019	6,173	15,379	51,764	1,045	2,720	957	78,038
As at 31 December 2020	6,173	12,795	48,578	1,092	3,715	112	72,465
Depreciation for the year:							
2019 (Baht 21 million included in manufacturing cost, and the balance in selling and administrative expenses)							22,731
2020 (Baht 22 million included in manufacturing cost, and the balance in selling and administrative expenses)							23,368

As at 31 December 2020, certain plant and equipment items had been fully depreciated but were still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 685 million (2019: Baht 667 million).

14. Trade and other payables

(Unit: Thousand Baht)

	2020	2019
Trade payables - related parties	8,005	3,910
Trade payables - unrelated parties	21,083	20,551
Other payables - related parties	327	723
Other payables - unrelated parties	36,274	30,616
Advance receipts from customers	815	65
Total trade and other payables	66,504	55,865

15. Leases

The Company has lease contracts for various items of property, plant, and equipment used in its operations. Leases generally have lease terms between 1 - 3 years with extension options.

a) Right-of-use assets

Movement of right-of-use assets for the year ended 31 December 2020 are summarised below:

(Unit: Thousand Baht)

	Land	Buildings	Total
1 January 2020	2,667	26,484	29,151
Depreciation for the year	(266)	(2,648)	(2,914)
31 December 2020	2,401	23,836	26,237

b) Lease liabilities

(Unit: Thousand Baht)

	2020	2019
Lease payments	32,700	-
Less: Deferred interest expenses	(5,998)	-
Total	26,702	-
Less: Portion due within one year	(2,446)	-
Lease liabilities - net of current portion	24,256	-

The maturity of lease payment's as at 31 December 2020 based on contractual undiscounted cash flows are as bellow:

	(Unit: Thousand Baht)
With in 1 year	3,630
1 - 5 years	18,150
Over 5 year	10,920
Total	32,700

c) Expenses relating to leases that are recognised in profit or loss

	(Unit: Thousand Baht) 2020
Depreciation expense of right-of-use assets	2,914
Interest expense on lease liabilities	1,182

d) Others

The Company had total cash outflows for leases for the year ended 31 December 2020 of Baht 3.6 million.

16. Provision for long-term employee benefits

Provision for long-term employee benefits, which is compensations on employees' retirement, was as follows:

	(Unit: Thousand Baht)	
	2020	2019
Present value of defined benefit obligation	75,243	68,685
Fair value of plan assets	(18,124)	(20,480)
Net defined benefit liability	57,119	48,205

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

	(Unit: Thousand Baht)	
	2020	2019
Defined benefit obligation at beginning of year	68,685	53,898
Included in profit or loss:		
Current service cost	2,943	3,001
Interest cost	1,506	1,487
Past service cost	-	10,148
Transferred employees from a related company	48	-
Included in other comprehensive income:		
Actuarial loss arising from		
Demographic assumption changes	19	-
Financial assumption changes	7,493	1,850
Experience adjustments	1,170	2,475
Benefits paid during the year	(6,621)	(4,174)
Defined benefit obligation at end of year	75,243	68,685
	(Unit: Thousand Baht)	
	2020	2019
Fair value of plan assets at beginning of year	20,480	18,385
Change in fair value	(3,284)	585
Contribution by the Company	1,332	2,308
Paid during the year	(404)	(798)
Fair value of plan assets at end of year	18,124	20,480

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

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law was effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Company has additional long-term employee benefit liabilities of Baht 10 million as a result. The Company reflected the effect of the change by recognising past service costs as expenses in the portion of profit or loss of the year 2019.

The Company expects to pay Baht 5 million of long-term employee benefits during the next year.

As at 31 December 2020, the weighted average duration of the liabilities for long-term employee benefit is 11 years (2019: 11 years).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)	
	2020	2019
Discount rate	1.4	1.1
Salary increase rate	3.5 - 5.0	3.0 - 5.0
Employee turnover rate	0 - 30	0 - 40

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2020 and 2019 are summarised below:

	(Unit: Million Baht)			
	2020		2019	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(5.7)	6.0	(4.2)	4.8
Salary increase rate	6.3	(5.6)	6.0	(5.3)
Employee turnover rate	(0.1)	0.1	(0.1)	0.1

17. Statutory reserve

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

However, under the Company's Articles of Association, the Company is required to set aside to a statutory reserve at least 10 percent of net profit after deducting accumulated deficit brought forward (if any) until the reserve reaches 25 percent of the registered share capital. The Company has already set aside a full statutory reserve.

18. Sales and service income

Revenue from sales and service income mainly comprises revenue from distribution of elastic products and revenue from shipping service as the Company has an obligation to ship goods sold to customers in accordance with conditions of contracts.

19. Expenses by nature

Significant expenses by nature are as follow:

	(Unit: Thousand Baht)	
	2020	2019
Salary and wages and other employee benefits	172,643	172,854
Depreciation and amortisation	26,405	22,794
Rental expenses from operating lease agreements	54	3,687
Raw materials and consumables used	291,320	255,062
Changes in inventories of finished goods, semi finished products and work in progress	440	2,666
Purchases of finished goods and raw materials	9,287	7,541

20. Expenses by nature

Income tax (revenue) expense for the years ended 31 December 2020 and 2019 are made up as follows:

	(Unit: Thousand Baht)	
	2020	2019
Current income tax:		
Current income tax charge for the year	13,928	174
Deferred tax:		
Relating to origination and reversal of temporary differences	223	(1,846)
Income tax (revenue) expense reported in profit or loss	14,151	(1,672)

Significant expenses by nature are as follow:

	(Unit: Thousand Baht)	
	2020	2019
Deferred tax on actuarial (gain) loss	(1,736)	(865)
	<u>(1,736)</u>	<u>(865)</u>

The reconciliation between accounting profit (loss) and income (revenue) tax expense is shown below.

	(Unit: Thousand Baht)	
	2020	2019
Accounting profit (loss) before tax	80,949	(630)
Applicable tax rate	20%	20%
Accounting profit (loss) before tax multiplied by applicable tax rate	16,190	(126)
Effects of:		
Non-deductible expenses	54	98
Additional expense deductions allowed	(2,210)	(1,615)
Others	117	(29)
Total	(2,039)	(1,546)
Income tax (revenue) expense reported in profit or loss	<u>14,151</u>	<u>(1,672)</u>

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

	(Unit: Thousand Baht)	
	2020	2019
Deferred tax assets		
Allowance for diminution in value of inventories	309	300
Provision for long-term employee benefits	11,250	9,440
Unrealised loss from forward contracts	-	43
Lease	93	-
Total	11,652	9,783
Deferred tax liabilities		
Unrealised gain from forward contracts	(355)	-
Total	(355)	-
Net	11,297	9,783

21. 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.

22. Financial information by segment

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 and distribution of finished elastic products. 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.

Revenues from external customers based on locations of the customers are as follows:

	(Unit: Thousand Baht)	
	2020	2019
Revenues from external customers		
Thailand	248,500	249,673
United States	272,912	175,348
Others	158,231	124,876
Total	679,643	549,897

Major customer

For the year 2020, the Company had revenue from a major customer in amount of Baht 100 million (2019: Baht 93 million).

23. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 3 percent of basic salary. The fund which is managed by BBL Asset Management Company Limited, will be paid to the employees upon termination in accordance with the fund rules. The contributions for the year 2020 amounting to approximately Baht 3 million (2019: Baht 2 million) were recognised as expenses.

24. Dividends

(Unit: Baht)			
Dividends	Approved by	Total dividends	Dividend per share
Final dividends for 2018	Annual General Meeting of the shareholders on 24 April 2019	18,075,000	2.41
Total for 2019		18,075,000	2.41
Final dividends for 2019	Annual General Meeting of the shareholders on 22 April 2020	975,000	0.13
Total for 2020		975,000	0.13

25. Commitments and contingent liabilities

25.1 Capital commitments

As at 31 December 2020, the Company had capital commitments of approximately Baht 7 million, relating to the acquisition of machinery (2019: Baht 4 million).

25.2 Guarantees

As at 31 December 2020, there was outstanding bank guarantee of Baht 1 million issued by a bank on behalf of the Company to guarantee contractual performance (2019: Baht 1 million).

26. Fair value hierarchy

As at 31 December 2020 and 2019, the Company had the assets and liabilities that were measured at fair value or for which fair value was disclosed using different levels of inputs as follows:

(Unit: Million Baht)				
As at 31 December 2020				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Derivatives				
Foreign currency forward contracts	-	2	-	2
Assets for which fair value are disclosed				
Financial assets measured at amortised cost				
Investments in government bonds	-	110	-	110
Restricted investments in government bonds	-	5	-	5
(Unit: Million Baht)				
As at 31 December 2019				
	Level 1	Level 2	Level 3	Total
Assets for which fair value are disclosed				
Financial assets measured at amortised cost				
investments in government bonds	-	57	-	57
Restricted investments in government bonds	-	5	-	5

27. Financial instruments

27.1 Derivatives

(Unit: Thousand Baht)		
	2020	2019
Derivative assets		
Derivative assets not designated as hedging instruments	1,776	-
Total derivative assets	<u>1,776</u>	<u>-</u>

The Company uses foreign exchange forward contracts to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from 6 to 12 months.

27.2 Financial risk management

The Company's financial instruments principally comprise cash and cash equivalents, investments in government bonds, trade and other receivables, trade and other payables, and derivatives. The financial risks associated with these financial instruments and how they are managed is described below.

Credit Risk

The Company is exposed to credit risk primarily with respect to trade accounts receivable, deposits with banks, other financial instruments. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

Trade receivables

The Company manages the risk by adopting appropriate credit control policies and procedures including receiving advance payment for goods from new customers and retail customers. Outstanding trade receivables are regularly monitored. In addition, the Company does not have high concentrations of credit risk since it has a large customer base in various industries. The Company therefore does not expect to incur material financial losses.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Financial instruments and cash deposits

The credit risk on debt instruments and derivatives is limited because the counterparties are government and banks with high credit-ratings assigned by international credit-rating agencies.

Market risk

There are two types of market risk comprising currency risk and interest rate risk.

Foreign currency risk

The Company's exposure to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies. The Company seeks to reduce this risk by entering into foreign currency forward contracts and matching the currency received with the currency to be paid. In addition, balances of financial assets and liabilities denominated in foreign currencies which were not hedged by foreign exchange forward contracts were not significant. The foreign currency risk is then expected to be minimal.

Interest rate risk

Since most of the Company's financial assets bear floating interest rates or fixed interest rates which are close to the market rate and are classified as short-term, the interest rate risk is expected to be minimal.

Liquidity risk

As at 31 December 2020, the Company's carrying value of current financial liabilities was Baht 69 million while carrying value of current financial assets was Baht 261 million. The Company has access to sufficient sources of funding. As a result, the Company has assessed the liquidity risk to be low.

27.3 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.

The methods and assumption used by the Company in estimating the fair value of financial instruments are as follows:

- a) For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, trade and other receivables and trade and other payables, their carrying amounts in the statement of financial position approximate their fair value.
- b) For investments in government bonds, the fair value is generally derived from quoted market prices as announced by the Thai Bond Market Association.
- c) For derivatives, their fair value has been determined by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, and yield curves of the respective currencies. The Company had considered to counterparty credit risk when determining the fair value of derivatives.

During the current year, there were no transfers within the fair value hierarchy.

28. Capital management

The primary objective of the Company's capital management is to ensure that it has an appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2020, the Company's debt-to-equity ratio was 0.39:1 (2019: 0.30:1).

29. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 24 February 2021.

TO BE THE LEADER IN RUBBER THREAD & RUBBER TAPE, ELASTIC BRAID AND ELASTIC WEBBING IN WHICH VERY WELL ACCEPTED IN WORLD MARKET ABOUT QUALITY



Goal

The company runs the business on morality with the good corporate governance and good conducting. We are pursuit to be *"the leader in Rubber Thread & Rubber Tape, Elastic Braid and Elastic Webbing"* for targeting on world class quality, and be accepted among worldwide market. We also emphasized on the benefit of the Company's stakeholders for well growth.

Strategies

The company has been improving internal system to achieve efficiency so as to respond to the changing market environment and economy of speed. About the quality of product, we emphasized on time delivery and great service for the customer.

Mission

1. Make business growth of continued circulation
2. Manufacture in quality product; safe for consumer, and on time delivery.
3. Make strength point on research and developing in product.
4. Develop in human resource
5. Strive in internal management for efficiency
6. Make continuous customer impression and customer satisfaction
7. Responsible for shareholders, employees, partners, society and environment





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