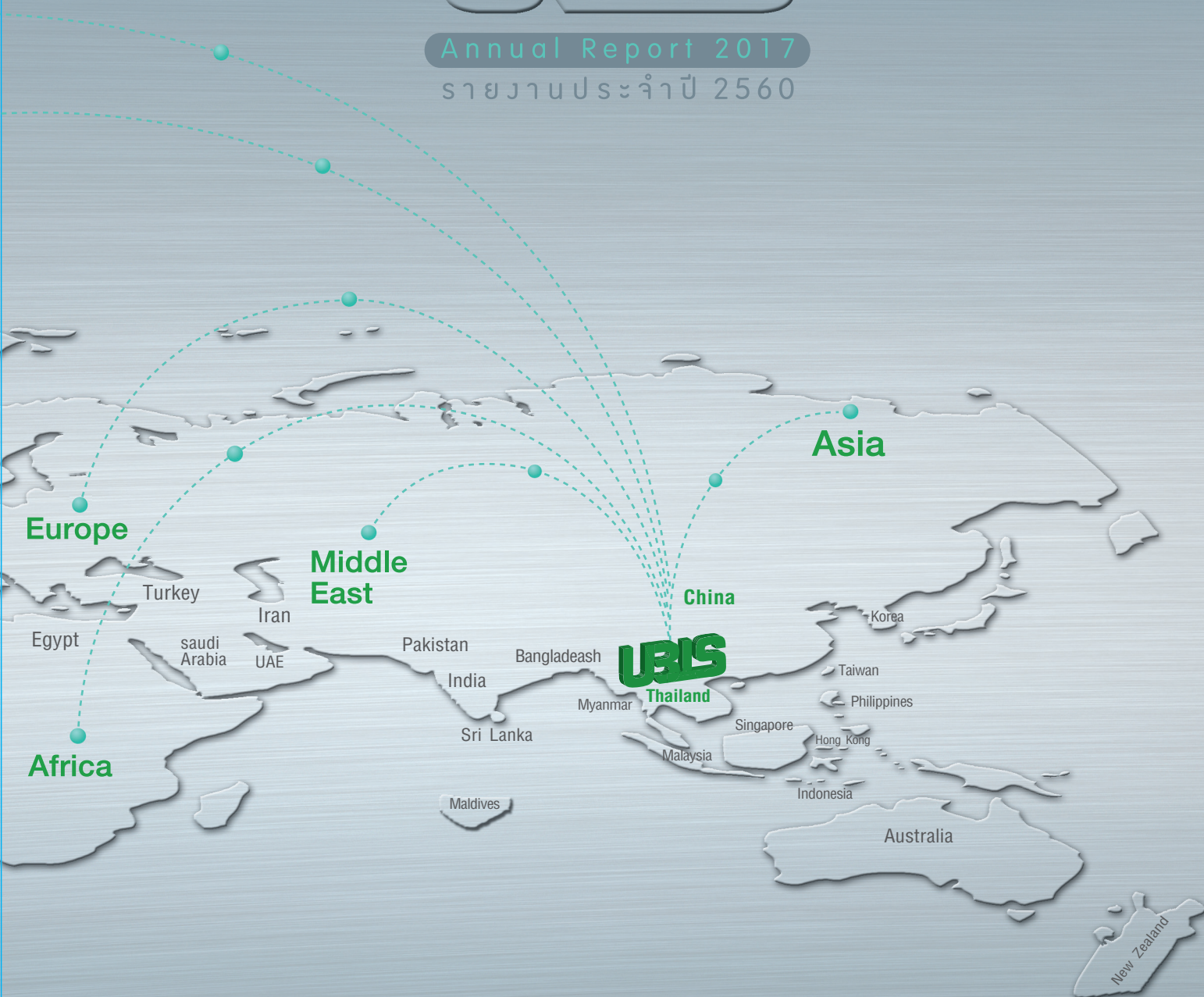




Annual Report 2017

รายงานประจำปี 2560



บริษัท ยูบิส (เอเชีย) จำกัด (มหาชน) UBIS (ASIA) PUBLIC COMPANY LIMITED

Message from Chairman



From our intention and aspiration to drive business without any form of corruptions. As a result, the company is certified as a member of the project "Thailand's Private Sector Collective Action Coalition against corruption-CAC" by the Thai Institute of Directors Association recognizes that the corruption are threaten to fair and disengage competition. It also causes havoc to the country's economic and social development.

The upcoming year 2018, the Company will continue to strive constantly for more development its competitiveness to the global market than the past year and plan to develop and implement the risk management systems effectively in order to create worthily the value for the organization. It also contributes to the success of the corporate strategy. We are ready to meet the challenges of pushing our products to the global market also encourage the new innovation to conform with our future business directions.

Finally, on behalf of the Executive Committee, all employees are grateful to our shareholders, customers, business partners and other stakeholders for constantly supporting our operations. It is also important to strengthen the staffs capabilities in the organization to align with the business expansion direction concurrently.

Mr.Chattaphum Khantiviriya
Chairman

Message from Managing Director



With the overall of Thailand's canned food business in year 2017, the company's revenue has decreased by 2% compared with year 2016, but its export volume continuously decreased since 2013 more than 16%. In year 2017, Thailand exported 1.05 Million Tonnes of Canned Food, become lower 26 percent from year 2012 which exported as at 1.41 Million Tonnes or 1.07 Billion Baht in the previous year.

The main cause of the decline period in exports is the global economic crisis which effected to the importation of various types of goods decreased especially in Canned Fruit groups such as pineapple which Thailand is the world's top exporter. There are more than 35% contraction due to pineapple is quite expensive and directly affected to many importers turn

to other fruits instead. Meanwhile, Canned Seafood products have face the problem with the increasing of the raw material prices such as Tuna which risen more than 30-40 percent, affecting to the selling prices and food consumption, but still could be driving the exports as the result that decreased only 4% when compared to year 2016

Our factory at Samut Sakhon Province has been operated for 3 years and there have not been any problems during producing process and could smoothly deliver our products to the customers. Meanwhile, the production unit in China has been producing and delivering to customers since May 2017 until now. At present, the capacity is used only 50 percentage without any problems in the quality of the product

In the year 2018, we are focus to having the growth selling both of domestically and internationally through our new products and drive to increase the proportion of sales in foreign markets from the direct customers and new distributors which to be appointed since 2017 and bring along within this year

Handwritten signature of Mr. Nawat Triyapongpattana in blue ink.

Mr. Nawat Triyapongpattana
Managing Director

2018 Main Activities

Expanding International Market

Expanded International Market by increasing the International Distributors included developing the new markets in South America and Asia

Production Unit in China

In the second quarter of the year, the Company began to produce Compound products and Repacking products at the production units in China

Termination of the shares purchasing agreement in Family Corporation Company Limited

In March 2017, the Company have terminated its investment in a subsidiary, Family Corporation Company Limited (FAM). It was because FAM provided significant improper financial information to invest in 2015 which caused the Company mistook the main content of investment. As a result, the Company has terminated its FAM Share Purchase Agreement with RF Vision Company Limited and entered into a Memorandum of voiding of the shares purchasing agreement by repayment all of share investment to the Company in the amount of 320 Million Baht by allowing to repay within 12 installments and having the personal guarantor. Consequently, RF Vision Company Limited has defaulted in the installment payment, the Company has set aside for Doubtful debts from the voiding of contract by using full amount 320 Million Baht in the financial statement for the second quarter of the year 2016 and made its decision to take legal action against the account receivable and guarantor to collect the full amount and the lawsuit is currently under trial by the Civil Court.

Contents

Chapter 1 : Company Business

Policy and Business Overview (Page 6-7)

Nature of Business (Page 8-10)

Risks Factor (Page 11-12)

Company's General Information (Page 13-14)

Chapter 2 : Management and Corporate Governance

Listed Security and Shareholders (Page 16-17)

Management Structure (Page 18-34)

Corporate Governance (Page 35-44)

Corporate Social Responsibility (Page 45-51)

Internal Control and Risk Management (Page 52-53)

Related Transactions (Page 54)

Chapter 3 : Financial Position and Overall Operation

Financial Highlight (Page 56)

Management Discussion and Analysis (Page 57-58)

Enclosure

Enclosure 1 Report of Audit Committee

Enclosure 2 Responsibility Statement of the Board of Directors to the Financial Report

Enclosure 3 Auditor's Report and Financial Statements 2017

For more information, the Company information Report (Form 56-1) could be reached via our website www.ubisasia.com or www.sec.or.th



Ubis (Asia) Public Company Limited

Chapter 1 : Company Business

Policy and Business Overview

UBIS (Asia) Public Company Limited has a registered capital of 228,000,000 Baht and issued and paid-up capital of 227,999,991 Baht (a total of 227,999,991 shares at a value of 1.00 Baht per share). The Company's main products are water base lining compound / sealant and can coating / lacquer, which are used in the manufacturing of metal cans for food and beverage packaging, as well as for other product packaging. The company's factory is located at Samut Sakorn Industrial Estate in Samut Sakorn Province.

As for the business operation, the company has created and developed a variety of features in its products and has emphasized product quality control in order to meet with the needs of customers in various areas. For example, customer's need for manufacturing machinery with improved technology and for new product usability, etc. The majority of customers, both domestic and international, are manufacturers of metal cans used in food and beverage packaging, as well as for general product packaging.

Business Policy

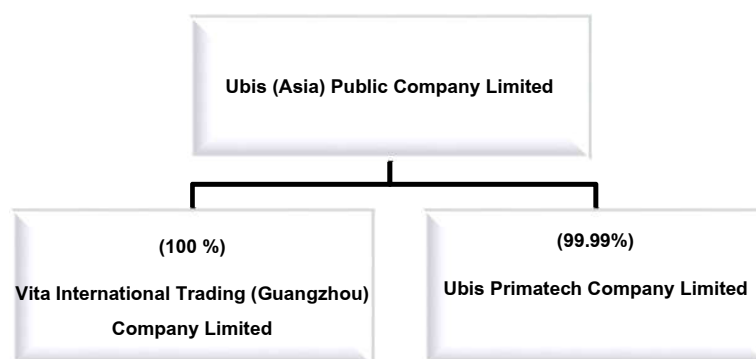
Vision

"World Class Partnership with Excellent Expertise and Innovation"

Mission

1. To improve on the Company management in order to build trust and stakeholders' values.
2. To respond to the customer's expectation with high quality products and excellent customer services.
3. To establish partnership with customers to deliver innovation with an emphasis on research and product development.
4. To enhance the capability of the manufacturing process that is environmentally friendly through the use of efficient technology.
5. To provide suitable work environment and promote employee's capability building by continuously developing the personnel's knowledge, skills and expertise.
6. To establish good corporate governance, risk management, and responsibilities towards the stakeholders and the society for the organization's quality sustainable growth.
7. To reject all forms of corruption.

Organizational Structure



Business Structure of Subsidiaries, consist of 2 companies as follow**1. Vita International Trading (Guangzhou) Co., Ltd.**

Vita International Trading (Guangzhou) Co., Ltd. ("Vita Inter") was registered as a company with Guangzhou Government and Guangzhou Industry & Economic Bureau, the People's Republic of China on 26 January 2000. The current registered capital is USD 1.40 million (approximately 38.03 million baht). The company holds 100% of its shares and is located at Room 806, No. 836, Dongjung Plaza, Dong Feng East Road, Yue Xiu District, Guangzhou, Guangdong, 510060, the People's Republic of China. The objective of Vita Inter is to be a Company's sales representative for water base lining compound / sealant and can coating / lacquer with a focus on canned food and beverages industry as well as other metal container industries in China. Vita Inter has a total of 10 executives and staff. The company's management is under the policy of UBIS (Asia) Public Co.,Ltd, which has sent 1 representatives to act as Director and Eexecutive Management

2. UBIS Primatech Co., Ltd.

UBIS Primatech Co., Ltd. ("UBIS Primatech") was registered on 30 May 2012 with a registered capital of Baht 160 million; all of which have been paid-up. The Company owns 99.99% of the shares in UBIS Primatech. UBIS Primatech is located on 6th Floor, 807/1 Rama 3 Road, Bang Phongphang Sub-district, Yannawa District, Bangkok 10120. UBIS Primatech has been supported by the Board of Investment of Thailand (BOI) to manufacture and distribute rubber sealant to food and beverage metal can manufacturing industry as well as to other metal container industries. The company's operation is under 4 board of directors, comprising 3 directors and 1 executives from UBIS (Asia) Public Co., Ltd. The operation of UBIS Primatech is under the management policy of UBIS (Asia) Public Co., Ltd as both companies are in the same industry but offer different products, in turn supporting each other.

Nature of Business

UBIS (Asia) Public Company Limited is a manufacturer and distributor of high quality specialty chemicals and to be used as a component in the manufacture of metal packaging such as metal cans, food packaging, food container, metal containers contain both 0.5 liters and 200 liters of chemicals, such as spray cans. It also includes an aluminum tube filled with pharmaceuticals or cosmetics. All products of the company have been produced and developed underneath of the formula and technology of the Company. In the business of the Company will focus on contact with each customers in close coordination to learn about the needs or problems of using the products with our Technical Sales Team, a team of experienced in technology and development professionals who develop the qualities of the products. The Company ensure to provide and all responses as customer needs even the service or quality of the products for properly work with customers' production process.

The Company is granted promotional privileges by the Board of Investment for Sealing Compounds products with the privilege of exemption from corporate income tax for a period of 8 years, the tax privilege was introduced since October 1, 2014 toward.

Sealing Compounds

Latex can be used as a sealant for metal packaging. It has the key to prevent leakage along the seam between the container and the lid, both the lower lid and the lid on during container production. After the food or container has been placed in the container, the container must be kept in place to prevent any external contamination from entering the container, thereby extending the shelf life of the product contained within the container. It also has to withstand the internal sterilization process of the production process.

Lacquers

Canned coatings Solvent Base Lacquers, which is used to cover canned and canned skin by coating both inside and outside. The canned inner lacquer must have the ability to withstand pH of the packed goods especially food items with different pH. This prevents the food from reacting to the packaging until it changes the color, flavor and taste of the food in the can to keep its shelf-life. The outer coating lacquered can protect the outer surface of the tin from corrosion, scratching, corrosion, and as a primer for exterior canning with outside printing and varnish for more beautiful packaging thus it has to be flexible in terms of high flexibility. The Company have the marketing policy to cover all parts of the market, the main customers are Food and Beverage Products and Industrial Products. The company began to introduce new products for a variety of products to customers as an alternative and to accommodate the new needs of customers in each segment, and develop the distribution system to cover all parts of the domestic market (Full Segmentation Coverage)

For the customer care policy by focusing on the domestic target customers, the Company began to introduce new products for a variety of products to customers as an alternative. In addition, we are able to meet the new demands of our customers in each segment or full segmentation coverage. For the foreign markets, the Company have a customer base spread across in many continents by deviding in 2 groups are;

Target group in China market, the Company conducts 2 transactions:

- Direct sales to the major customers to meet customer needs directly and quickly
- Our subsidiary in China, which is a supplier to customers who needs to buy in the country and potential mid-size of customers. The company will provide technical support by Thai's technical team to the customer and sales team continuously focus on after-sales service. Currently, the subsidiary has run a production unit of sealing compound products to meet the needs of customers.

Target customers in other international markets:

- Asia includes Myanmar, Philippines, Indonesia, Malaysia, Vietnam, Singapore, Taiwan, South Korea, Hong Kong, Maldives, Bangladesh, Sri Lanka, Pakistan, Turkey, India
- Australia consists of Australia, New Zealand
- Middle East consists of Iran, Saudi Arabia United Arab Emirates
- Africa consists of Egypt

- Europe consists of Italy, the Netherlands, Russia
- North America consists of Mexico
- South America consists of Brazil, Peru, Ecuador, Chile

The company has established a network partner by appointing a distributor or consultant, it can serve customers in each country effectively underneath of the Company's technical support to agents and customers in each country. The target group is a manufacturer of canned food, beverage and other industrial containers therefore, the Company must analyze factors of sales affecting, such as the quantity of competitors, monopolies, market size, and market growth in each customer segment prior selecting the target market.

International Marketing focus on promoting product by offering a trial product including the regularly visiting plan throughout the year to exchange any ideas, any advice and any issues of each business area to improve production and product development. The Company has a policy to participate in exhibitions worldwide and in the region continuously. The company has joined the show to cover the area in each, as follows;

- 1) Metpack 2017, held between 2-5 May 2017 in Essen, Germany
- 2) Latam Can 2017, held between 4-6 October 2017 in Sao Paulo, Brazil
- 3) Asia Cantech 2017, held from 30 October to 1 November 2017 in Bangkok, Thailand
- 4) Advertised in The CanMaker Magazine

The company's sales in 2017 were at 837 Million Baht, decrease of 1.40% when compared with 2016. The domestic market increased by 1.20% and the foreign market had a growth rate of 3.00%, as the result, the ratio of total sales were domestic sales 39.10%, foreign sales 59.90%, and other revenues of 1.00% which meet with the oversea market expanding target according to the Company policy and plan by laying the details of the Company's revenue structure are as follows:

Company Revenue Structure

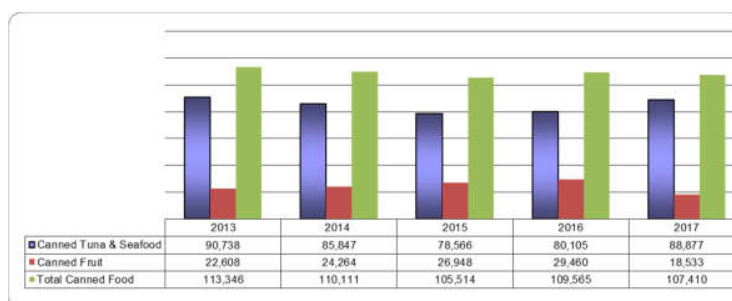
Unit : Thousand Baht	2017		2016		2015	
	Revenue	%	Revenue	%	Revenue	%
Sales Revenue						
■ Domestic ⁽¹⁾	330,676	39.10	326,703	38.26	333,673	39.70
■ International	506,632	59.90	522,117	61.14	493,656	58.80
Total Revenue from Sales	837,308	99.00	848,820	99.40	827,329	98.50
Other Revenue ⁽²⁾	8,445	1.00	5,150	0.60	12,826	1.50
Total Revenue	845,753	100.00	853,970	100.00	840,155	100.00

Note: (1) The domestic revenue includes the sales revenue from products distributed by the Company (including Quaker and Printing Inks products)

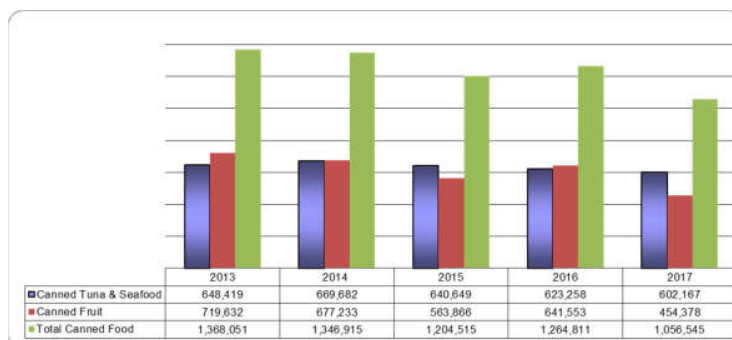
(2) Other revenue consists of commission, other services, selling of scrap materials, interests earned, profits from currency exchange (if any), and export compensations

The situation of the canned food industry according to the information of Thailand's canned food export value from Ministry of Commerce in 2017 was 107,410 Million Baht, decreased by 1.97% from the previous year. The export volume was 1,056,545 Tons, decreased 16.47% from the previous year.

Value of Thailand's Canned Food Export (Million Baht)



Volume of Thailand's Canned Food Export (Metric Ton)



** Source: Information and Communication Technology Center of the Office of the Permanent Secretary, Ministry of Commerce by the cooperation of the Customs Department

In terms of Industrial competitiveness of Thailand's canned production industrial, cans can be used in the food and beverage industry and chemical industry which the highest canned industry was canned food and beverage industry.

Sealing Compounds, in this market segment there are only UBIS and other one competitor. The competition depends on the acceptance of the technology and the reliability of the manufacturers. Therefore, considering the state of competition, sealing compounds are competing in only a few. The proportion of sales is similar, meanwhile, in the foreign markets, competitors are the large multinationals, thus, there is more advantage. Therefore, the Company focuses on research and development of quality products and production systems to meet the needs of users and to be equally acceptable in the industry

Lacquers, in this market of the canned coating industry. The Company is the only Thai manufacturer with market share in the top five in the domestic market, similar to Lacquers of foreign countries. The market share is similar, therefore, competition in canned lacquer market was moderate and each competitor in the market has its own unique expertise and having their own customer base included the characteristics of the business and technology of the industry, result in there are not new manufacturers into this business

Production Capacity

(Unit : Metric Ton)

	2017	2016	2015
Water Based Sealing Compound	9,000***	8,000	8,000
Coating Lacquer	6,000	6,000	6,000
Total Capacity	15,000	14,000	14,000
Maximum Production Capacity Rate	19,000	18,000	18,000

Remark : ***included the production in China

The Company have a production policy that is focused on quality products producing that meet the needs of customers and can deliver products on time. It also develops new products to support new technologies and specifications. This is to focus on building confidence in our customers and continuously promoting our products. Products for export and domestic sales, the process of producing and using of the raw material with the same standard, underneath of the systematic production management and ordering the right order. It can be produced according to the production plan and delivery as prescribed.

Risks Factor

Risk factors present in the Company's business operation could drastically impact the Company's investment return. The guidelines for risk prevention could be summarized as follows:

Risks towards the Company's operation

Risks from reliance on major raw material vendors

Raw materials used in the Company's production are those with specific characteristics that are safe when come into contact with food and that comply with the industrial regulations. The Company adheres to the regulations issued by government agencies of each respective country that are in charge of food safety (FDA approved raw material). Although the Company is able to procure most raw materials from general vendors, some types of raw materials are provided by very few vendors. This poses some risks in raw material shortage when vendors are not able to deliver at the time and volume required, negatively affecting the production line.

Nevertheless, the Company has specified control measures such as a policy to ensure adequate stock of raw materials, a meeting to revise the demand of raw materials, a regular order placement with close monitoring, and a policy to procure raw materials from other vendors both domestic and international. The Company also took an approach of generating a written record of safety stock of raw materials, which are placed under the responsibility of the procurement department, the production planning department, and the research and develop department.

Risks associated with major customers

The number of major customers in each country is varied. At present, 15 major customers account for 50% of the Company's total sales volume. Since the Company is able to supply products that meets more of the major customers' needs than that of the smaller customers, more staff is required to reach out to small customers. In addition, since the Company does not have any major customer whose sales volumes exceeds 10% of the total sales volume, any potential impact on the Company's sales revenue would be small.

The Company has imposed control measures as follows: customer satisfaction evaluation in Company's products and services, an emphasis on customer relationship building, applying technical management to maintain customer base. The Company also implements several management approaches to establish confidence among customers, presents new products to increase sales volume, and appoints sales representatives and consultants in order to understand problems customers face and respond to the issues rapidly. The Company has a policy to grow its customer base among the small- and medium-sized customers in order to reduce any potential impact. This initiative is under the responsibility of the sales department, the production planning department, the research and develop department, and the management team

Risks associated with changes in packaging technology

The product the Company uses is metal packaging. Any changes in the material of the packaging could potentially affect the business. As of now, others packaging technologies are not able to maintain product quality or deliver transportation safety as well as the metal packaging. Therefore, the metal packaging industry is still a popular choice for food and beverage packaging. The Company never stops but continues to develop new products that could utilizes new types of materials in the future.

Environmental risks

The Company manufactures tin-coating lacquer and sealant compound, which are chemical products. The production processes may produce pollutions in terms of noise, smell, and water contamination. The pollution usually occurs when legal requirements and industrial estate regulations are not being adhered to. It is also because of the lack of knowledge among the staff. The Company has developed a new production process that is a closed system with a good pollution management, and a wastewater treatment system, in accordance with relevant law and environmental regulations of the industrial estate.

The Company has issued a control measure as follows: set up an annual plan, operate under the standard by strictly adhering to the operation policy and all legal requirements. The Company is inspected by an external independent unit and is provided with the inspection results and solution guidelines. The Company has initiated an improvement policy for the quality system

management by elevating the quality management system from ISO 9001-2008 to ISO 14000 in order to cover environmental management in 2018. The quality system department and the production department are in charge of this task.

Production risks

Although the Company utilizes an automatic production control system, there are chances that production errors may arise if the production control system is not functioning. This problem has been solved through the design of the system that permits human control during the production process to ensure uninterrupted production.

Product quality risks

Customers may face problems during the use of the Company's product, for example, at the customer's factory or at the deliver location after the products have been packaged. The Company has arranged product liability Insurance to prevent lost from customers' claims in all regions. The Company has also implemented a risk control measure by providing a monitoring service at the customer's factory. The technical service team and the sales team will work together to inspect and assess risks, as well as to provide recommendations that will be discussed with customers in order to quickly solve the problem.

The technical service department, research and development department, sales department, quality system department and production department are responsible for this task.

Risks associated with material cost fluctuation

Chemical product is the main material used in manufacturing tin-coating lacquer and sealant polymer, accounting for 80% of the total production cost. The material costs are driven by the supply and demand of the market, which also determines the production costs of the Company, as well as affects all manufacturers in the same industry. Nevertheless, the Company has set up a control measure as follows: a policy that revises purchasing orders and remaining stock to ensure proper procurement decision; a policy to contract for purchasing raw materials in advance, depending on the situation; a close monitoring of petrol and raw material prices; building good relationship with suppliers for pricing flexibility. The Company also prepares a sales forecast for long-term planning, which is under the responsibility of the procurement department, sales department, planning department, and the warehouse.

Financial Risk

This financial risk is caused by the risk in currency exchange. Since more than 60% of the Company's business activities lie in export, while the import of raw materials occur in a smaller proportion, the volatility of exchange rate could potentially impact the Company's profits. The Company hence adopted a risk control measure by means of Natural Hedging and Forward Contract with domestic financial institutions and FCD account. The execution of the policy is dependent upon the Baht currency rate situation. In 2017, the Company made a total loss of 7.3 million baht as a result of the profit of currency exchange rate 0.1 million baht from the subsidiary in China, whereas, loss on exchange rate in domestic 5.4 million baht and loss from the subsidiary 1.6 million baht

Investment Risk of the Stakeholders

Risk from the Company Having major shareholders

The first 10 majority shareholders as of 12 April 2017 own a total shares of 75.35% of the paid-up shares. Overall, the Dhangwattanotai Family owns 27.30% of the total paid-up shares. This might lead to majority shareholders having a controlling interest including the votes in the shareholders meeting and resolutions for the agenda requiring a majority vote to pass, except the agenda which requires at least 3/4 of shareholders' votes as restricted by Law or the Company's regulations.

Corruption Risk

Corruption Risk

The Company does not tolerate any kind of corruption activities related to businesses and transactions in every country and work department. The Company will not tolerate any dishonest and fraudulent conduct carried out for personal gain or to acquire benefits for colleagues and/or others. Therefore, the Company has initiated the anti-corruption policy and guidelines, which shall be abided by the director, management and all employees.

Company's General Information

Company Profile

Name	Ubis (Asia) Public Company Limited
Type of Business	Manufacturer and Distributor of Lacquer and Sealing Compounds to both Domestic and International Metal Can Industry
Company Registration Number	0107547000826
Company Address	807/1, 6 th Floor, Rama 3 Road, Bangpongpan, Yannawa, Bangkok 10120 Telephone: 02-683 0008 Fax: 02-294 2013
Factory Address	Samut Sakorn Industrial Estate 1/83, 1/84 Moo 2, Tambon Tha sai, Amphoe Mueng Samut Sakorn, Samut Sakorn Province Telephone: 034-446516 Fax: 034-446518
Website	www.ubiasia.com
Registered Capital	Baht 228,000,000 (228,000,000 ordinary shares at par value of Baht 1 per share)
Issued and Paid Capital	Baht 227,999,991 (227,999,991 ordinary shares at par value of Baht 1 per share)
Established Date	17 June 1997
Investor Relations Contact	Mr. Nawat Triyapongpattana Telephone: 02-638 0008 Fax: 02-294 2013 Email: nawat@ubiasia.com

Subsidiary Companies

Subsidiary Company 1	Ubis Primatech Company Limited
Type of Business	Manufacturer and Distributor of Sealing Compounds to both Domestic and International Metal Can Industry
Company Registration Number	0105555077962
Company Address	807/1 6th Floor, Rama 3 Road, Bangpongpan, Yannawa, Bangkok 10120 Telephone: 02-683 0008 Fax: 02-294 2013
Factory Address	Samut Sakorn Industrial Estate 1/83 Moo 2, Tambon Tha sai, Amphoe Mueng Samut Sakorn, Samut Sakorn Province Telephone: 034-446516 Fax: 034-446518
Registered Capital	Baht 160,000,000 (16,000,000 ordinary shares at par value of Baht 10 per share)
Issued and Paid Capital	Baht 160,000,000 (16,000,000 ordinary shares at par value of Baht 10 per share)
Investment Ratio	99.99%
Established Date	30 May 2012

Subsidiary Company 2	Vita International Trading (Guangzhou) Company Limited
	(Located in Guangzhou, China)
Type of Business	Importer, Distributor of Lacquer and Sealing Compounds to the Metal Can Industry in China
Company Registration Number	440101400001952
Company Address	Room 806, No.836 Dong Jung Plaza, Dong Feng East Road, YueXiu District, Guangzhou, Guangdong 510060, P.R. China
Issued and Paid Capital	USD 1.40 million (approximately 38.03 million baht)
Investment Ratio:	100%

References

Auditor	Mr. Paibool Tunkul, Certified Public Accountant Registration Number 4298
	PricewaterhouseCoopers ABAS Ltd.
	15th Floor, Bangkok City Tower, 179/74-80 South Sathorn Road, Sathorn, Bangkok 10120
	Telephone: 02-344 1000 Fax: 02-286 5050
Legal advisor	-None-
Financial advisor	-None-
Registrar	Thailand Securities Depository Company Limited
	93, 14th Floor, Ratchadapisek Road, Din Daeng District, Din Daeng, Bangkok 10400
	Telephone: 02-009 9000 Fax: 02-009 9992
Other important information	-None-



Ubis (Asia) Public Company Limited

Chapter 2 : Management and Corporate Governance

Listed Security and Shareholders

As of December 29, 2017, the Company has a registered capital of 228,000,000 Baht which issued and paid-up capital of 227,999,991 Baht (a total of 227,999,991 ordinary shares at a value of 1.00 Baht per share) as a listed company in Market for Alternative Investment (mai)

The listed of 10 majority shareholders according to the book of shareholders registration as of December 29, 2017 are as follows;

No	Name of Shareholders	Number of Shares	Percentage
1.	Dhangwattanotai Family	62,466,360	27.40%
	Mr.Sawat Dhangwattanotai	15,614,275	25.00%
	Mr.Sawong Dhangwattanotai	2,366,725	3.79%
	Ms.Patra Dhangwattanotai	7,650,000	12.25%
	Mr.Sawaeng Dhangwattanotai	8,687,235	13.91%
	Ms.Pimthong Dhangwattanotai	7,200,000	11.53%
	Mr.Sakun Dhangwattanotai	7,200,000	11.53%
	Mr.Sawang Dhangwattanotai	5,796,475	9.28%
	Ms.Mayuree Dhangwattanotai	4,035,725	6.46%
	Ms.Ratchanee Dhangwattanotai	3,915,725	6.27%
	Mrs.Suwannee Dhangwattanotai	200	0.00%
2.	Mr.Nant Kritayanuttakul	29,192,200	12.80%
3.	Mr.Pichai Satawornmanee	17,823,700	7.82%
4.	Mr.Panusun Preungwiriya	17,700,000	7.76%
5.	Mr.Sirisak Piyatassikul	10,000,000	4.39%
6.	Mr.Teerayuth Reanchaiyuth	9,692,900	4.25%
7.	Mr.Paisarn Preungwiriya	8,643,100	3.79%
8.	Ms.Sutkanueng Panyathara	8,532,130	3.74%
9.	Ms.Airada Chinwat	6,000,000	2.63%
10.	Mr.Komsan Techamaitrijit	5,030,000	2.21%
	Minority Shareholders	52,919,601	23.21%
Total		227,999,991	100.00%

Limitations of Foreign Shareholders

Non-Thai shareholders are allowed to hold the Company's shares not exceeding a total of 49 percentage of the issued and the paid-up capital as of December 29, 2017, the proportion of the Company's shares owned by foreign shareholders was 0.27 percentage

The listed of shareholders who are Directors and/or Executives according to the book of shareholder's registration as of December 29, 2017 are as follows;

No	Name of Directors/Executives	Number of Shares	Percentage
1	Mr.Wiroj Thangpitakpaisal	1,202,400	0.53%
2	Mr.Nawat Triyapongpattana	1,110,000	0.49%
3	Ms.Puanggern Kanjarak	91,000	0.04%
Total		2,403,440	1.05%

Dividend Payment Policy

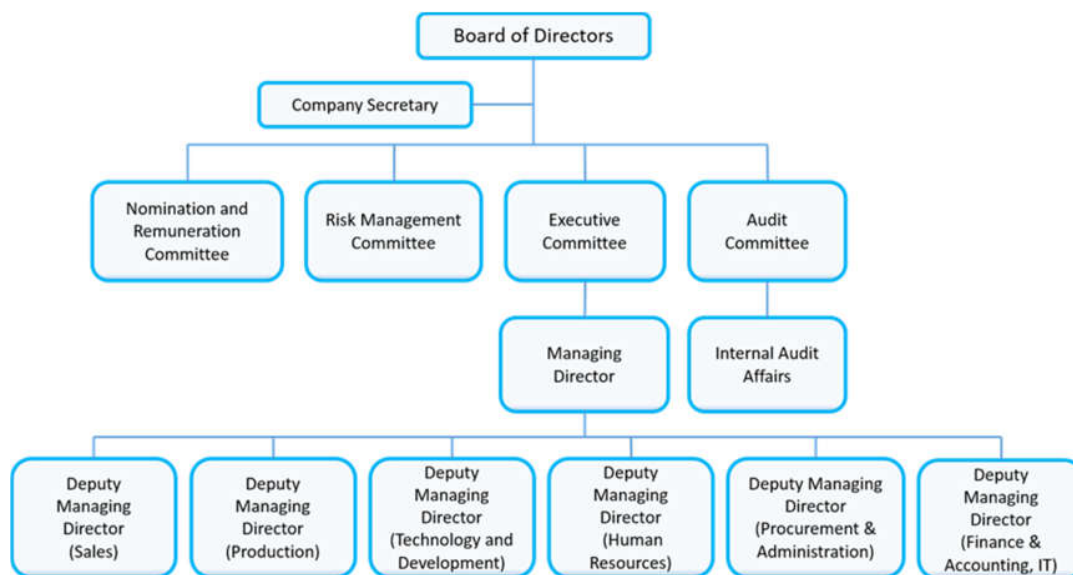
In a normal situation where the Company has a sufficient cash flow and does not require extra cash for additional investments or business expansion, the Company has a policy to pay the dividend at a minimum of 40% of the operating net profit after the deduction of corporate income tax and legal reserve as required. However, the Board of Directors may adjust the dividend policy as deemed appropriate depending on the necessity, for example, in the circumstance where fund is needed for investment or

business expansion, or where there is a change in economic situation or market condition, or where the Company's financial liquidity is affected by any particular situation.

Subsidiary's Dividend Payment Policy

The subsidiaries have the policy to pay the dividend according to their respective performance. The exact dividend amount to be paid is not specified and is dependent upon the future investment plan of the subsidiary.

Management Structure



Board of Directors

The Board of Directors (as of December 31, 2017) consist of

1. Mr. Chattaphum Khantiviriya



Position	Chairman of the Board
	Chairman of the Executive Committee (The Authorized Director)
Age	56
Date of appointment	27 February 2015
Years in position	2 year 10 months
Qualifications	
Bachelor of Accountancy, Chulalongkorn University	
Master of Business Administration, Kasertsart University	
Training	
Director Accreditation Program (DAP), Thai Institute of Directors	
Company Secretary Program, Thai Institute of Directors	
Role of Remuneration Committee, Thai Institute of Directors	
Role of Audit Committee, Thai Institute of Directors	

Current position and work experiences in the past 5 years

2015 – Present	Chairman of the Board and Chairman of the Executive Committee, UBIS (Asia) Public Co., Ltd.
2015 – Present	Director, UBIS Primatech Co., Ltd.

Position in other listed companies

2013 – Present	Director, DNA 2002 Public Co., Ltd.
2014 – Present	Director, Communication and System Solution Public Co., Ltd.

Position in the non-listed companies

2014-Present	Director, Bun Co., Ltd.
--------------	-------------------------

Holding a position in a company that may cause conflict of interest -None-

Having any interests in the Company and its affiliates -None-

Family relationship between the director and the executives -None-

Percentage of shareholding (%) -None-

2. Mr. Phakdi Kanchanavalai

Position	Chairman of the Audit Committee
	Vice Chairman
	Independent Director
Age	79
Date of appointment	1 August 2004
Years in position	13 years 4 months
Qualifications	
	Bachelor of Accountancy, Thammasat University
Training	
	Director Accreditation Program (DAP) 14/2004, Thai Institute of Directors
Current position and work experiences in the past 5 years	
	2004 – Present Chairman of the Audit Committee and
	Vice Chairman
	UBIS (Asia) Public Co., Ltd.

Position in other listed companies -None-

Position in the non-listed companies

1968 – Present Certified Public Account, Kanchanakij Accounting (Accounting Audit)

Holding a position in a company that may cause conflict of interest -None-

Having any interests in the Company and its affiliates -None-

Family relationship between the director and the executives -None-

Percentage of shareholding (%) -None-

3. Mr. Nawat Triyapongpattana

Position	Director/Managing Director (The Authorized Director)
Age	45
Date of appointment	1 February 2012
Years in position	5 years 10 months
Qualifications	Bachelor of Arts, Faculty of Humanities, Kasetsart University Master of Business Administration, Bangkok University

Training

Director Certification Program (DCP) 216/2016, Thai Institute of Directors

Current position and work experiences in the past 5 years

2015 – present	Director, UBIS (Asia) Public Co., Ltd.
2015 – present	Director, Executive Committee Member, UBIS Primatech Co., Ltd. (Subsidiary company)
2012 – present	Executive Committee Member, Managing Director, UBIS (Asia) Public Co., Ltd.

Position in other listed companies -None-

Position in the non-listed companies -None-

Holding a position in a company that may cause conflict of interest -None-

Having any interests in the Company and its affiliates -None-

Family relationship between the director and the executives -None-

Percentage of shareholding (%) 0.49%

4. Ms. Sopha Nachanhom

Position Director/Executive Committee
(The Authorized Director)

Age 42

Date of appointment 14 May 2015

Years in position 2 year 7 months

Qualifications

Bachelor of Accountancy, Ramkhamhaeng University

Master of Business Administration (Accounting),

Ramkhamhaeng University

Training

Director Accreditation Program (DAP) 121/2015, Thai Institute of Directors

Director Certification Program (DCP) 248/2017, Thai Institute of Directors

Company Secretary Program (CSP) 81/2017, Thai Institute of Directors

Strategic CFO in Capital Markets Program (SCFO) 4/2017, The Stock Exchange of Thailand

Current position and work experiences in the past 5 years

2015 – Present Director and Executive Committee Member, UBIS (Asia) Public Company Limited

2017 – Present Deputy Managing Director and Company Secretary, UBIS (Asia) Public Company Limited

Position in other listed companies -None-**Position in the non-listed companies**

2002 – Present Certified Public Accountant, Freelance Accounting Firm

2017 – Present Director, Tapaco Public Company Limited

2017 – Present Director, Tapaco Mold Company Limited

Holding a position in a company that may cause conflict of interest -None-**Having any interests in the Company and its affiliates -None-****Family relationship between the director and the executives -None-****Percentage of shareholding (%) -None-**

5. Mr. Sawang Dhangwattantai

Position	Director
Age	62
Date of appointment	1 August 2004
Years in position	13 years 4 months

Qualifications

Bachelor of Chemical Engineering, Chulalongkorn University

Master of Business Administration, Oklahoma State University,

USA

Training

Director Accreditation Program (DAP) 18/2004, Thai Institute of Directors

Current position and work experiences in the past 5 years

2004 – Present	Director, UBIS (Asia) Public Co., Ltd.
2004 – 2015	Director of Operations, UBIS (Asia) Public Co., Ltd.

Position in other listed companies -None-

Position in the non-listed companies –None-

Holding a position in a company that may cause conflict of interest -None-

Having any interests in the Company and its affiliates -None-

Family relationship between the director and the executives -None-

Percentage of shareholding (%) 2.54%

6. Mrs.Thitiporn Silaparassamee

Position Independent Director
Nomination and Remuneration Committee

Age 65

Date of appointment 7 January 2016

Years in position 1 Year 11 months

Qualifications

Bachelor of Finance,
University of the Thai Chamber of Commerce
Master of Business Administration (SME),
Ramkhamhaeng University

Training

Director Accreditation Program (DAP) 124/2016,
Thai Institute of Directors

Current position and work experiences in the past 5 years

2016 – Present Independent Director, UBIS (Asia) Public Company Limited

2016 – Present Nomination and Remuneration Committee, UBIS (Asia) Public Company Limited

Position in other listed companies

-None-

Position in the non-listed companies

2010 – Present CEO, Saengrunghawon Company Limited

2010 – Present Advisor, Trailer Industry Company Limited

2010 – Present Advisor, Sirawat Land Company Limited

Holding a position in a company that may cause conflict of interest -None-

Having any interests in the Company and its affiliates -None-

Family relationship between the director and the executives -None-

Percentage of shareholding (%) -None-

7. Mr. Sirisak Piyathassrikul

Position	Director, Nomination and Remuneration Committee
Age	45
Date of appointment	9 March 2016
Years in position	1 Year 9 months
Qualifications	Bachelor of Business Administration, Assumption University Master of Business Administration, Hawaii Pacific University, USA

Training

Director Accreditation Program (DAP) 124/2016, Thai Institute of Directors

Current position and work experiences in the past 5 years

2016 – Present Director, UBIS (Asia) Public Company Limited

2017 – Present Nomination and Remuneration Committee, UBIS (Asia) Public Company Limited

Position in other listed companies

2010 – Present Director, DNA 2002 Public Company Limited

Position in the non-listed companies

2015 – Present Director, Samed Utilities Company Limited

2013 – Present Director, DNA Fresh Air Company Limited

2011 – Present Director, DNA Revolution Company Limited

1999 – Present General Manager, Thai Cosme Company Limited

Holding a position in company that may cause conflict of interest –None-

Interested transaction in company and its affiliates -None-

Family relationship between the director and the executives –None-

Percentage of shareholding –None-

8. Mr. Anan Sirisaengtaksin

Position Independent Director, Audit Committee, Chairman of Risk Management Committee

Age 67

Date of appointment April 28, 2017

Years in position 9 Months

Qualifications

Bachelor of Accountancy, Chulalongkorn University

Master of Business Administration, Eastern New Mexico University

Training

Top Executive Program, Capital Market Academy

Diploma, National Defence College, The National Defence Course Class 2546

Advanced Audit Committee Program

Director Accreditation Program (DAP), Thai Institute of Directors

**Current position and work experiences in the past 5 years**

2017-Present Independent Director, Audit Committee, Chairman of Risk Management Committee Ubis (Asia) PCL

Position in other listed companies

2016-Present Independent Director, Chairman, Chiang Mai Rim Doi PCL

2015-Present Director, Asean Potash Chaiyaphum PCL

2015-Present Director, Aira Capital PCL

2012-Present Independent Director, Chairman, Nippon Pack (Thailand) PCL

Position in the non-listed companies -None-

Holding a position in a company that may cause conflict of interest -None-

Having any interests in the Company and its affiliates -None-

Family relationship between the director and the executives -None-

Percentage of shareholding (%) -None-

9. Mr. Kawin Chalermroj

Position	Independent Director, Audit Committee, Risk Management Committee
Age	41
Date of appointment	June 21, 2017
Years in position	6 Months

Qualifications

Bachelor of Production Engineering,
 Sirindhorn International Institute of Technology, Thammasat University
 Master of Science in Computer Science,
 Vincent Mary School of Science and Technology, Assumption University

**Training**

Director Accreditation Program (DAP), Thai Institute of Directors

Current position and work experiences in the past 5 years

2017-Present	Independent Director, Audit Committee, Risk Management Committee Ubis (Asia) Public Company Limited
--------------	--

Position in other listed companies

2013-Present	Director and Assistant to Chairman, United Power of Asia PCL
2013-Present	Managing Director, Dome Land Estate Co.,Ltd.
2009-Present	Executive Committee, Heart and Mind Apparel Co.,Ltd.

Position in the non-listed companies -None-

Holding a position in a company that may cause conflict of interest -None-

Having any interests in the Company and its affiliates -None-

Family relationship between the director and the executives -None-

Percentage of shareholding (%) -None-

The Board of Directors

As of December 29, 2017, the Board of Directors consists of the following names ;

	Name-Surname	Position
1.	Mr.Chattaphum Khantiviriya	Chairman of the Board
2.	Mr.Phakdi Kanchanavalai	Vice Chairman/Independent Director
3.	Mr.Nawat Triyapongpattana	Director
4.	Ms.Sopha Nachanhom	Director
5.	Mrs.Thitiporn Sillaparasmee	Independent Director
6.	Mr.Kavin Chalermroj	Independent Director
7.	Mr.Sawang Dhangwattanotai	Director
8.	Mr.Anan Sirisaengtaksin	Independent Director
9.	Mr.Sirisak Piyatassikul	Director

The Board of Directors, hold the position for 3 years of each term

Scope of Authority and Duties of the Board of Directors

1. To consider and approve important matters related to the Company's operations such as vision and strategy financial goals, risks, anti-corruption measures, and annual and budgets plan by taking into the benefit of all stakeholders and to monitor and supervise the management to work efficiently and effectively and comply with the Company's policy

2. Manage the Company in accordance with the law, objectives and regulations of the Company along with the resolutions of the shareholders' meeting shall be in accordance with the law, honesty and prudence

3. Supervise the management of the Executive Committee in accordance with the policies assigned except in the following cases; the Board of Directors must obtain the approval from the shareholders' meeting prior the proceeding with accordance to the law requires the approval from the shareholder meeting, such as capital increase, capital reduction, issuance of debentures, sale or transfer of the entire or essential part of the business to other persons and the purchase or acceptance of the business of another company belongs to the company and amendments to the Memorandum or Articles of Association

4. The Board may appoint a number of directors as it deems appropriate to be the Executive Committee to perform the tasks assigned by the Board of Directors. The Board of Directors shall appoint one Executive Director, therefore, the Executive Committee is entitled to receive remuneration and gratuities as determined by a meeting of the Board of Directors, however, it does not affect the rights of Executive Directors to receive compensation and other benefits as Directors or employees of the Company.

5. The Board may appoint any other person to operate the Company under the control of the Board or may authorize such person to have the power as deemed appropriate by the Board and within the proper time the Board deems appropriate. The Board may revoke, change or modify such powers at anytime

6. The directors are prohibited from engaging in business activities of the same nature and competing with the business of the Company or to be a partner in a limited partnership to liability or to be a director of another company which having the same business and competition with the Company whether to do for their own benefit or the benefit of others except those directors have notify to the shareholders's meeting prior to the resolution to appoint them as directors

7. Interim Dividend Payment

8. Hiring or Appointing Managing Director

9. Appointment of Director in Subsidiary

In case of any matter that any director or person may have conflicts of interest with the Company or its Subsidiary (as per the notification of the Stock Exchange of Thailand and The Securities and Exchange Commission, Thailand). The Board of Directors must abstain from voting and / or present the matter to the Board of Directors and / or the shareholders' meeting to consider and approve such items under the relevant regulations or notifications or laws

Sub-Committees

The management structure consists of four sub-committees, which are Audit Committees, Executive Committees, Nomination and Remuneration Committees, and Risk Management Committees as detailed below:

Audit Committee

	Name-Surname	Position
1.	Mr.Phakdi Kanjanavalai	Chairman of Audit Committee
2.	Mr.Anan Sirisaengtaksin	Audit Committee
3.	Mr.Kavin Chalermroj	Audit Committee

Scope of Duties and Responsibilities of Audit Committees

- To review the Company's financial reporting process to ensure that it is accurate and adequate
- To review the corporate governance, internal audit system, risk management and the Company's anti-corruption measures according to the guideline accepted by the Stock Exchange of Thailand and the Securities and Exchange Commission
- To review that the Company has an appropriate and efficient internal audit agency, to determine internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit
- To ensure that the Company has duly complied with the laws on securities and exchange, the Stock Exchange of Thailand's regulations and the laws relating to the Company's business
- To consider, select and nominate an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year
- To review the connected transactions, or the transactions that may lead to conflicts of interests, to ensure that they comply with the laws and the Stock Exchange of Thailand's regulations, and are reasonable and for the best interests of the Company
- To prepare the Audit Committee's report disclosed in the Company's annual report, which must be signed by the Chairman of the Audit Committee and consist of at least the following information:
 - (a) an opinion on the accuracy, completeness and creditability of the Company's financial report
 - (b) an opinion on the adequacy of the Company's internal control system
 - (c) an opinion on the compliance with the law on securities and exchange, the Stock Exchange of Thailand's regulations, or the laws relating to the Company's business
 - (d) an opinion on the suitability of an auditor
 - (e) an opinion on the transactions that may lead to conflicts of interests
 - (f) the number of the Audit Committee meetings, and the attendance of such meetings by each committee member
 - (g) an opinion or overall remarks received by the Audit Committee from its performance of duties in accordance with the charter
 - (h) other transactions which, according to the Audit Committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's board of directors
- To audit cases informed by the Company's auditor when he/she discovers any suspicious circumstance that the managing director, or any person responsible for the Company's operation commits an offence specified under the Securities and Exchange Act (No. 4) B.E.2551 and to report the result of preliminary inspection to the Securities and Exchange Commission and the auditor within thirty days of being informed by the auditor
- To express opinions regarding the operation plan and operation results, budgeting and manpower of the internal audit office
- To review and approve the Internal Audit Charter
- To prepare the operation report submitted to the Board of Directors at least once a year

12. To revise the Audit Committee Charter at least once a year
13. To invite executive officers or supervisors to attend its meeting for clarification purpose or to submit relevant documents based on the scope of its authority
14. To obtain appropriate consultations from the independent specialist relating to its scope of duties and responsibilities with the Company's expenses.
15. To perform any other tasks as assigned by the Board of Directors upon the Audit Committee's consent. The Audit Committee will serve a three-year term, which will expire according to the Board of Director's term.

Executive Committee

	Name-Surname	Position
1.	Mr.Chattaphum Khantiviriya	Chairman of Executive Committee
2.	Mr.Nawat Triyapongpattana	Executive Committee
3.	Ms.Sopha Nachanhom	Executive Committee
4.	Mr.Wiroj Thangpitakpaisal	Executive Committee

Scope of Duties and Responsibility of the Executives Committees

1. Plan, conduct and supervise the Company's business following the policy approved by the Board of Directors, as well as do any business to support the operation in accordance with the Company's regulations, the Board of Director's policy, and the anti-corruption policy and measures and specify the employees' duties;
2. Formulate the Company's business operation strategies;
3. Determine and guidelines about the Company's investment in compliance with the Company's policy;
4. Have an authority to approve any loan or line of credit for the usual company transaction and to serve as a guarantor for payment or debt repayment for the usual business operation not exceeding Baht 100 million;
5. Define organizational structure and management process; possess authority to employ, appoint, dismiss, discharge, fire, specify employment rate, reward, adjust salary, compensation, and bonus for employees in Department Director position and above.
6. Have the authority to consider employee welfare in accordance with the state of tradition and situation, and in compliance with applicable law.
7. Have the authority to approve normal business expenses and the purchase of raw materials for production or purchase goods for sales, including the contract of commitment of the company in the amount not exceeding Baht 20 million
8. Have the authority to approve the transaction related to buying or selling asset or procurement or construction or leasing for normal business operation under the objectives of the company, including the assets rental for earning income under the objectives of the company in the amount not exceeding Baht 20 million.
9. Supervise the operation of the company in order to comply with the laws, objectives and articles of association of the company and resolutions of the shareholders' meeting.
10. Perform other duties assigned by the Board of Directors at each meeting.

The delegation of authority and responsibility of the Executive Committee mentioned above exclude authority and/or power of attorney to approve any listing or individuals who may have conflicts of interest (As defined in the SEC's Notification) or benefits in any other way that conflict with the Company or its subsidiaries such approval must be submitted to the Board of Directors and/or the shareholders' meeting. (case by case) to approve such transaction according to the company's regulations or relevant laws.

Nomination and Remuneration Committee

	Name-Surname	Position
1.	Mr.Phakdi Kanjanavalai	Chairman of NR Committee
2.	Mrs.Thitiporn Sillaparasamee	NR Committee
3.	Mr.Sirisak Piyatassikul	NR Committee

Scope of Duties and Responsibility of the Nomination and Remuneration Committee

1. Recruitment practices

- To consider elements and qualifications of the Board of Directors as a whole and individually tailored to the size, type and complexity of the Company's business. In the field of education, knowledge, expertise, skills, experience, specific capabilities related to the business of the Company and independence in accordance with the Company's rules.
- To consider the qualifications of top executives appropriate to the management of the Company's business to achieve the specification vision. It covers both the education, experience, knowledge, expertise and also includes important and relevant business environment factors, such as economic and industry conditions and trends, business competition is also considered
- Determine the process and criteria for recruiting to comply with the structure and qualifications set out as above.
- Supervise the Company to arrange the orientation program and provide useful documents for the performance of duties to the newly appointed directors
- Prepare and review the succession plan of the Company's top executives by preparing as a continuation plan to have successors to keep the management of the company can continue
- Selection of a qualified director to be a sub-committee member and proposed to the Board of Directors for appointment when having vacant positions

2. Compensation Practices

- Review and propose format along with the remuneration criteria should be complied with the responsibilities of the directors by linking the remuneration into the overall performance of the Company to attract and retain qualified and qualified directors, the Board of Directors shall consider and approve the matter prior proposing to the Annual General Meeting of Shareholders for further approval
- Evaluation of the annual performance and will also consider adjusting the appropriate remuneration to the Company's top executives and propose to the Board of Directors for further approval

3. Review the charter of the Nomination and Remuneration Committee at least 1 time per year

4. Responsible for any other tasks assigned by the Board of Directors

Risk Management Committee

	Name-Surname	Position
1.	Mr.Anan Sirisaengtaksin	Chairman of Risk Management Committee
2.	Mr.Kavin Chalermroj	Risk Management Committee
3.	Mr.Chattaphum Khantiviriya	Risk Management Committee
4.	Mr.Nawat Triyapongpattana	Risk Management Committee

Scope of Authority and Duties of the Risk Management Committee

1. The Risk Management Committee is empowered to perform various functions in the organization by writing the information or invite the executives and related staffs to attend a meeting with the Risk Management Committee to clarify or provide verbal information for risk and duty compliance as the Risk Management Committee deems appropriate
2. The Risk Management Committee is empowered to operate the various organizations in the organization or perform any one of the tasks as necessary to be able to perform the duties as specified in the charter or other special functions as the Board of Directors will assign additional special cases
3. Review the internal control and risk management of the organization
4. Supervision, counseling, advice, recommendations on internal control and risk management are key issues of the organization
5. Appoint the risk management team to follow as the rules and guidelines for good corporate governance by delegating clearly authority to directly monitor the risk management

6. Supervise and support the policy review and the risk management framework of the organization on a regular basis, at least every year to ensure that the policy and the risk management framework are remains consistent and suitable for the overall business environment and risk management activities in the Company
7. Report the significant risk management results to the Board of Directors
8. To consider other matters as assigned by the Board of Directors

Management Team

As of December 31, 2017, consists of the following names ;

	Name-Surname	Position
1.	Mr.Nawat Triyapongpattana	Managing Director
2.	Ms.Sopha Nachanhom	Deputy Managing Director – Finance & Accounting, IT
3.	Mr.Wiroj Thangpitakpaisal	Deputy Managing Director – Global Sales
4.	Mr.Chatchai Dowrueng	Deputy Managing Director - Manufacturing
5.	Ms.Pueangngern Kanjarak	Deputy Managing Director – Human Resources
6.	Dr.Doug Rasic	Deputy Managing Director – Technology and Development

Authorized Director of the Company

The authorized signatories are Mr. Chattaphum Khantiviriya, Mr. Nawat Tripongattana, Miss Sopana Nachantom and Mr. Sawang Dhungwattanotai, 2 of 4 Directors signed together with the company seal

Scope of Authority and Duties of Managing Director

1. Define vision, mission, strategic directions of the Company and manage and maintain the Company's goals
2. Supervise the implementation of activities to achieve the objectives as legally and other regulations
3. Improve efficiency management system and having sustainable development
4. Define the quality policies and management, welfare, health and safety including environmental impact
5. Promote and support the valuable staff of the organization to be honest and harmony and having continuously self development
6. Communicate the Company's goals, objectives, strategies, and provide the necessary business information regularly to the employees in the organization
7. Communicate correctly and suitable and timely for all necessary business information to outsiders people
8. Carry out any business to support its operations under the Company's regulations and the Board of Directors's Policy and Anti-Corruption Policy including defines responsibilities for employees of various levels

Therefore, the authority of the Managing Director exclude (comply with the SEC rules) authorize to approve the transaction to Managing Director or the person who may have conflict, equity or there may be conflict of interest in any other way with the Company and its subsidiaries including the items required for approval from the Board of Directors or the shareholders's meeting such as connected transaction or acquire or dispose of the assets of the Company and its subsidiaries etc

Company Secretary

Miss Sopha Nachantom has been appointed as the Company Secretary since June 21, 2017. The qualifications of the person holding the position as the Company Secretary shall be in accordance with section 89/15 and section 89/16 of the Securities and Exchange Act with responsibility, carefully and honesty including must comply with the law, objectives, company regulations and the resolutions of Board of Directors and the Shareholders' meeting

Scope of Authority and Duties of Company Secretary

1. To prepare and maintain the following documents:
 - Registration of Directors
 - Notice of the Board of Directors Meeting, Minutes of the Board of Directors Meeting and the Company's annual report
 - Notice of the Shareholders' Meeting and Minutes of the Annual General Meeting of Shareholders

2. Keeping the reports of conflict of interests which reported by Directors or Executives and shall be sent a copy of the reports of conflict of interests to Chairman of the Board and Chairman of Audit Committee within 7 business days from the date of receipt of the report according to Section 89/14
3. Perform other actions as prescribed by the Board of Capital Market Supervisory, in addition, Company Secretary has other duties as assigned by the Company or the Board of Directors as follows:
 - Provide legal advice and relevant rules and Code of Conduct should be complied with the law
 - Responsible for organizing the Board of Directors 'meetings and Shareholders' meetings
 - Contact with regulatory agencies such as SET and overseeing the disclosure and reporting of information to regulatory authorities and the public to be accurate and completely in law
 - Provide the orientation program and any advises to new directors
 - Other duties as assigned by the Company

During the past year, the Company held the Board of Directors Meeting and Sub-Committees to perform the Company Performance comply with the principles of good corporate governance. The Company collected the attendance records of each committee in the year 2017 as of December 31, 2017 with the details as follows:

Summary of Director's Meeting 2017

Name-Surname	Position	Number of Attendance			
		Committee			
		Board of Directors	Audit	Nomination and Remuneration	Risk Management
Mr.Chattaphum Khantiviriya	Chairman of the Board of Directors Risk Management Committee	8/8	-	-	2/2
Mr.Phakdi Kanjanavalai	Vice Chairman Chairman of Audit Committee Chairman of NR Committee Independent Director	8/8	5/5	2/2	-
Mr.Nawat Triyapongpattana	Director Risk Management Committee	7/8	-	-	2/2
Ms.Sopha Nachanhom (1)	Director NR Committee Risk Management Committee	8/8	-	2/2	1/2
Mr.Sawang Dhangwattana	Director	6/8	-	-	-
Mrs.Thitiporn Sillaparasamee	Independent Director NR Committee	8/8	-	2/2	-
Mr.Sirisak Piyatassikul	Director NR Committee	8/8	-	-	0/2
New Directors :					
Mr.Anan Sirisaengtaksin (2)	Independent Director Audit Committee Chairman of Risk Management Committee	4/8	3/5	-	1/2
Mr.Kavin Chalermroj (3)	Independent Director Audit Committee Risk Management Committee	3/8	2/5	-	1/2

Remarks (1) Ms. Sopha Nachanhom

- Resigned from the position of NR Committee on June 21, 2017 and appointed Mr.Sirisak Piyatassikul on June 21, 2017 in replacement
- Change of position in the Risk Management Committee to be the secretary of the Risk Management Committee, effective from August 1, 2017

(2) Mr. Anan Sirisaengtaksin was appointed on April 28, 2017, replacing Mr. Pongsak Liengsiri, who ended his tenure by the resolution of the Annual General Meeting of Shareholders in year 2017 and was appointed as the Audit Committee in replacement of Mr. Pongsak Liengsiri

(3) Mr.Kavin Chalermroj was appointed on June 21, 2017 to replace Mr. Sutee Phetlohakul who resigned on May 31, 2017 and was appointed as the Audit Committee in replacement of Mr. Sutee Phetlohakul

Remuneration for Directors and Executives

1. Monetary Remuneration

Details of directors' remuneration are as follows;

Name-Surname	Position	Remuneration and Meeting Allowance			
		Committee			
		Board of Directors	Audit	Nomination and Remuneration	Total
Mr.Chattaphum Khantiviriya	Chairman of the Board of Directors Risk Management Committee	850,000	-	-	850,000
Mr.Phakdi Kanjanavalai	Vice Chairman Chairman of Audit Committee Chairman of NR Committee Independent Director	550,000	40,000	10,000	600,000
Mr.Nawat Triyapongpattana	Director Risk Management Committee	400,000	-	-	400,000
Ms.Sopha Nachanhom	Director NR Committee Risk Management Committee	400,000	-	10,000	410,000
Mr.Sawang Dhangwattanotai	Director	400,000	-	-	400,000
Mrs.Thitiporn Sillaparamee	Independent Director NR Committee	400,000	-	10,000	410,000
Mr.Sirisak Piyatassikul	Director NR Committee	400,000	-	-	400,000
New Directors :					
Mr.Anan Sirisaengtaksin (1)	Independent Director Audit Committee Chairman of Risk Management Committee	270,833	30,000	-	300,833
Mr.Kavin Chalermroj (2)	Independent Director Audit Committee Risk Management Committee	200,000	20,000	-	220,000
Terminated of Director					
Mr.Pongsak Liangsiri	Independent Director Audit Committee	129,166	10,000	-	139,166
Resigned of Director					
Mr.Sutee Petchlohakul	Independent Director Audit Committee	170,833	20,000	-	190,833
Grand Total		4,170,833	120,000	30,000	4,320,833

Remarks (1) Mr. Anan Sirisaengtaksin was appointed on April 28, 2017, replacing Mr. Pongsak Lieangsiri, who ended his tenure according to the resolution of the Annual General Meeting of Shareholders for the year 2017, and was appointed as the Audit Committee in replacement of Mr. Pongsak Lieangsiri
(2) Mr. Kavin Chalermroj was appointed on June 21, 2017 to replace Mr. Sutee Phetlohakul, who retired on May 31, 2017, and was appointed as Audit Committee in replacement of Mr. Sutee Phetlohakul

2. Management Remuneration

In 2017, the Company paid management remuneration that consists of salary and bonus to 6 executives in total of 28.03 million baht (For 2016, the remuneration was 26.41 million baht)

3. Other Remuneration

Other Remuneration for Board of Directors -None-

4. Other Remuneration of Managements

With regard to provident fund, the Company has set up a provident fund in which the Company makes a contribution equal to 2-3 % of the salary, depending on the work duration. In 2017, the Company contributed a total of 0.41 million baht to the provident fund of 6 executives (In 2016, the contribution was 0.44 million baht).

Corporate Governance

Corporate Governance Policy

The Company directors are committed to good corporate governance in accordance with the code of conduct for the directors of listed companies and its related practices set by the Stock Exchange of Thailand, and the Securities and Exchange Commission. Additionally, the Company is determined to develop the corporate governance to meet the international practice.

The corporate governance policy focuses on the structure and relationship of committees, management and shareholders to ensure competitiveness, growth and value added to shareholders in the long term. The Company directors have adopted a good corporate governance principle in compliance with basic principles to apply knowledge in a meticulous and moral manner and to provide an efficient, transparent and accountable management system. This will create confidence and reliance in shareholders, investors, stakeholders and all parties concerned so that good governance is a tool to add value and promote the company's sustainable growth

Therefore, the Board of Directors understand the roles, duties and responsibilities with the Company and Shareholders and practice the guidelines for good corporate governance for the listed company directors to comply with the guidelines of the Stock Exchange of Thailand and to improve the company operates to ensure above-board in working and implementation of business ethics and preparation of internal control systems including the importance of equality of shareholders and to maintain of Shareholders's benefit is important

Rights of shareholders

In addition to the basic rights of shareholders, such as the right to transfer shares, shareholders can transfer shares without any legal requirements. The Company also conducts various matters that promote the exercise of the rights of shareholders as follows:

➤ The Company emphasizes on and respects the rights of shareholders by following the rules prescribed by law and according to the Corporate Governance Policy, the Company held the Annual General Meeting of Shareholders for the year 2017 on 28 April 2017. There were 9 directors attending the meeting. The senior managers, and the Auditors from PricewaterhouseCoopers ABAS Ltd. and Inventech Systems (Thailand) Co., Ltd. oversaw the registration and reviewed the voting results in each ballot. The Legal Agenda and Consultant Mr. Thanyapong Limwongyuti from Intelligent Partners Co., Ltd. attended the meeting as observants this meeting.

➤ The Company has publicized both the Thai and English versions of the invitation to shareholders' meeting on the Company's website, www.ubisasia.com. The Company informed the shareholders through the news system of the Stock Exchange of Thailand (SET) on 10 April 2017 so that the shareholders had 30 days to study the information before the meeting date. The Company published the Company Information and Annual Report on 10 April 2017

➤ The company announced the rules and procedures for attending shareholders' meeting along with the sufficient information for each agenda's decision of the shareholders in the notice of the meeting.

➤ The Company provided documentation to assist the delegation, prepared Power of Attorney Form B and Form C, and nominated Independent Directors to be considered by the shareholders. Stamp are provided for convenience without any extra charge

➤ The Company has disclosed the Minutes of the Annual General Meeting of Shareholders for the year 2017 on the Company's website, www.ubisasia.com, and informed the shareholders through the news system of the Stock Exchange of Thailand on 11 May 2017 after the meeting 14 days

Equal treatment for shareholders

Board of Directors has a policy to treat shareholders equally whether major shareholder, minor shareholders, institutional investors, or foreign shareholders in order to achieve true equality

➤ On 28 September 2016, the Company provided the opportunity for the shareholders to propose the agenda item and to nominate persons to be elected as directors in advance for the Annual General Meeting of Shareholders for the year

2017, the period from 15 October 2016 to 31 January 2017 by informing through the Stock Exchange of Thailand and also publish the rules and procedures of such matters on the Company's website at www.ubiasia.com

➤ On 1 February 2017, the Company informed the Stock Exchange of Thailand that none of the shareholders proposed agenda or the list of persons to be elected as directors in advance

➤ The Company sent the invitation letter together with the Proxy Form B and Form C, which are the form that the shareholders can set their own voting of each agenda and to avoid inconvenience of the shareholders who are unable to attend the meeting on their own, they can delegate power of attorney to other persons or independent directors to attend the meeting and vote on their behalf. Shareholders can download the proxy form via the Company website www.ubiasia.com

➤ The company used a computerized system for registration and vote counting including the use of ballots for shareholders' convenience. Particularly, for an election of directors, the ballot will be the type for individual voting. The company collected all ballots after the end of the each agenda from all shareholders attending the meeting.

➤ The company did not add to the agenda or change any important information without informing the shareholders in advance in the Annual General Meeting of Shareholders for the year 2017

➤ The Company gave shareholders the opportunity to express their opinions and make inquiries at the meeting before any resolution was made each agenda

➤ Board of Directors imposed restrictions on the use of internal information by directors, executives, and related staff in order to exploit the company's shares for personal gain, to let others use the information for benefits in trading company shares. Directors and the executives must prepare a securities holding report as stipulated under Section 59 of the Securities and Exchange Act 2008.

➤ Board of Directors determined that the Board of Directors and executives are required to report their own interests and that of related persons, as prescribed in Section 89/14 of the Securities and Exchange Act 2008, by the end of December each year or report immediately if any related action has taken place

Taking into account the role of stakeholders

The Company operates its business by taking into account the rights and fairness of all stakeholders whether they are stakeholders within the company, such as employees and management of the company, or stakeholders outside the company, such as competitors, partners and customers, as prescribed in the guidelines set out in the Company's Code of Conduct. The Company recognizes that the support and advice from all stakeholders will be beneficial for the Company's business and business development, so it monitors and follow-up on the business operation to ensure compliance to related laws and regulations with an extension to all stakeholders. The details are as follows.

➤ **Employees**. The company places great importance on its employees. It recognizes that employees are the important resource that will drive the organizational success. The Company therefore focuses on continual employee development by setting annual training plan, both within and outside the organization. The Company also ensures the most suitable and safest workplace environment, treats employees fairly, provides appropriate compensation and welfare to promote good quality of life by providing provident fund, diligent care, nursing room, annual health checkup, accident insurance and health insurance, and employee uniform. The Company also makes annual travel arrangements and the management of sports events between head office and factory. The Company also set up policies about Occupational Health and Work Environment and appoint a safety committee to ensure maximum safety as well as the installation of signs of accident statistics from work, and provide security training. They also prepared fire prevention and containment plans, fire escape routes, fire extinguishers and alarms in order to provide employees with a safe working environment.

➤ **Customers** are committed to producing standardized products and services with a focus on continuous product quality development, proper and fair pricing to meet the needs of customers including the importance of effective after-sales service, allow customers to understand and use the product correctly. It is customer satisfaction. The company provides channels of commenting or complaints via the company website. It will be sent directly to the company's management. It also allows customers to visit the production process or review the production process in accordance with the standard quality management system.

➤ **Shareholders.** The Company respect the basic rights of shareholders as prescribed by the law, company regulations and ethics. The company also controls intercompany transactions, measures to prevent conflict of interest, and protect the internal data usage for personal benefits. And the company works by creating an appropriate compensation to shareholders. In addition, in the annual general meeting of shareholders, The Company takes into account the voting rights of shareholders and lets the shareholders ask questions and express their opinions independently. The Company's Board of Directors and management will respond fully to inquiries and information.

➤ **Competitors.** The Company has a policy to treat competitors honestly and fairly according to the Code of Ethics and the strict legal framework. Therefore, there are requirements for the implementation of the anti-counterfeiting and anti-corruption policy.

➤ **Partners.** The company has a policy of fair dealing with partners, equal treatment with contract partners, and / or agreements made under common commercial terms. The company has set up procurement procedures to be in line with ISO9001 quality system and select partners who do business in accordance with the law and comply with safety and occupational health standards as well as partners who are aware of the business environment.

➤ **Environment.** The Company establishes guidelines for conducting business under the framework of responsibility for the environment, community and society by focusing on the production system that is friendly to the community by controlling the production according to the production process in accordance with the requirements. Of the industrial estate. It also has a policy to check the quality of the environment from outside experts. The company has never had any disputes with the community or employees. In terms of Community Support Activities, the company also pays attention to projects such as inviting employees to donate to flood victims in the southern part of the country.

➤ **Financial Institutions.** The company treats employees according to terms and conditions of trade agreements including the fulfillment of contractual conditions established between the company and commercial banks or financial institutions well throughout. The company has not had any conflicts over the past period and for trade creditors, the company has an obligation to comply with ISO 9001 to ensure fairness to all trade creditors, and still maintain a good relationship. It can always be trusted.

➤ **Intellectual Property/Copyrights.** The company does not support activities that involve the infringement of intellectual property or copyrights by imitation. In the year 2016, the company has no involvement in the infringement of intellectual property or copyrights in any way.

➤ **Corruption.** The Company has established guidelines for supervision and control to prevent and track the risks of corruption by publishing policies and practices in the fight against corrupt corruption.

■ The Company has established Whistle Blowing Channels to keep the complainers informed of appropriate and fair protections as well as being protected against distillation due to the complaint. If anyone has a clue about counterfeiting or corruption, illegal business ethics or internal defect control systems that may cause business risk / damage, you can use the following channels:

- Send mail to 807/1, 6th Floor, Rama 3 Road, Bang Phongphang, Yannawa, Bangkok 10120
- Sending e-mails to CEO
- E-MAIL: D2B@ubisasia.com
- Send via the company's website www.ubisasia.com/contactus

■ In case of employee complaints, complaints will be sent to the Executive Chairman as per the set up on the system on the company website.

■ In the case of administrative complaints, complaints will be sent to the Chairman of the Audit Committee as it is set up on the system on the company website.

■ The Company has disclosed a clear process for dealing with complaints as stated in the Anti-Corruption Policy Guide and Guidelines. In 2017, the Company did not receive any complaints from stakeholders.

Disclosure and Transparency

The Company is aware of the Company's important information disclosure for both financial and other important information, which is the policy of corporate governance completely, transparently and in compliance with the criteria established by the Office of the Securities and Exchange Commission And the Stock Exchange of Thailand by providing equal information to shareholders through various channels such as Annual Report, Annual Report Form (Form 56-1), Stock Exchange of Thailand Information system, including Publish on Company Website (www.ubisasia.com) which always updates the information. The company has disclosed information to show transparency in doing business as follows:

➤ The Company has established a corporate governance policy and ethical business practices that the company must be socially responsible and environmentally responsible

➤ The Company has appointed a new Risk Management Committee according to the resolution of the Board of Directors Meeting No. 7/2560 held on August 11, 2017, the Board of Directors approved the appointment of new Risk Management Committee to provide effective risk management oversight and comply with the new risk management guidelines and to be systematic covers all aspects as appropriate and specify the risk management policy to support management and operations under the management of risk management and the prevention of corruption

➤ The company has disclosed the list of directors and sub committees including the roles, duties, scope of authority and term of the Board of Directors and sub committees, number of meetings, and number of times each director attended the meeting in 2017

➤ The Board of Directors has provided opinions on the financial statements accurately, completely and credibly with full and sufficient disclosure for investors to make decisions. The Board of Directors 'Report on the Board of Directors' Responsibilities for Financial Statements has been prepared in the Annual Report for the year 2017 and submitted to the Stock Exchange of Thailand.

➤ The Company facilitates the work of independent auditors and cooperates in the disclosure of accurate and transparent information to enable the auditor to express his / her opinion accurately, completely and independently in order for shareholders and investors to trust the company information with confidence

➤ The Company discloses the policy on remuneration for directors and executives. The Nomination and Remuneration Committee will determine the remuneration structure for directors and executives by comparison with the same industry level based on information surveyed by trusted agencies such as the Stock Exchange of Thailand or the Thai Institute of Directors Association, etc., together with the performance of the Company and responsibilities of directors by presenting to the shareholders meeting for approval. Except for the Managing Director, the Board of Directors will approve.

➤ The Audit Committee has prepared a report of the Audit Committee to give opinions on the internal control system and the proposed list of auditors which included in the 2017 Annual Report.

➤ The Board of Directors determines the policy for directors and executives to report to the Company on their own and related parties' interests from the date of their appointment. The company secretary is responsible for documenting the stakeholders' reports to the Board of Directors. In 2017, the Company's directors and executives did not have any interest and if any director or management has any stake in the matter, directors with vested interests will not participate in the decision on the agenda. The Company will notify its resolutions via the Stock Exchange of Thailand's information dissemination system for shareholders to know about

➤ The Board must ensure that the Company complies with SEC announcement in case of connected transactions. The company will propose these cases to the Audit Committee for review and approval before submitting them to the Board meeting. This will let the Board know the details of connected transactions before making an approval and informing SET

➤ UBIS (Asia) Public Company Limited has assigned specific persons responsible for investor relations on the Company's behalf and communicate with institutional investors, shareholders, analysts and public sector. The Company appointed Mr. Nawat Triyapongpattana, Managing Director, as a representing executive who discloses the information, together with the Investor Relations, via e-mail nawat@ubisasia.com or telephone number 02-683 0008. In 2017, the Company joined Opportunity Day event, in which all listed companies met all investors, on 31 May 2017 for Q1/2017 and on 12 September 2017 for Q2/2017

and on 13 December 2017 for Q3/2017. In the event, which was held at SET, Mr. Chattaphum Khantiviriya, Chairman, Mr. Nawat Triyapongpattana, CEO and Managing Director, and Ms. Sopha Nachanhom, Company Secretary/Deputy Managing Director of Finance-Accounting and IT, shared the information about the company, performance and business direction with analysts, investors, press members and general public attending the event. On May 3, 2016, the Company opened its door to welcome shareholders, investors and analysts who observed the production process, viewed products, and learnt the management information from the top executives. Moreover, the Company has joined the "Company Snapshot @ Nomura" program, the SET allowed all listed companies to meet and present their information at the Stock Exchange Room to the institutional and individual investors, analysts and marketing staff of Nomura on June 1, 2017.

➤ The Board provides whistle-blowing channels for all stakeholders to directly contact the directors and complain via their e-mail addresses. The Company is now updating the investor relations section in its website, which serves as a communication channel for all stakeholders to directly and conveniently contact the independent directors. Moreover, the Board will keep the complainants' information confidential.

➤ The Company has been certified as a member of Collective Anti-Corruption (CAC) of Thai Institute of Directors according to the resolution of CAC Committee no. 4/2017 on February 12, 2018, the certificate will be valid for 3 years from the date of approval

Responsibilities of the Board of Directors

The Board comprises a group of skilled and knowledgeable individuals from various fields of expertise and with accepted leadership. The Board takes part in setting the vision, mission, strategies and business policies and oversee the company's operation to make sure that it complies with laws, objectives, regulations, resolution of shareholder's meeting and good governance. The Company follows the principles and direction given by SET as below:

The Principles of Corporate Governance

Always valuing the Principles of Good Corporate Governance, the Board formulated the policy to ensure the transparent and auditable business conduct and increase the investors' confidence by regularly disclosing the information to the public and shareholders. The Company also recognizes the importance of internal control and internal audit. For risk management, it closely controls and manages risks by putting code of conduct as a top priority and fairly treating business partners, shareholders and all stakeholders.

Leadership and Vision

The Board plays the roles in compliance with the standard of good corporate governance as below:

- Setting vision, mission, strategies, goals, business plans and company budget
- Regularly overseeing and monitoring the management performance to ensure that it follows the plan and achieves the goals.
- Providing sufficient internal control system and regularly monitoring it, with Dharmniti Co., Ltd. auditing, assessing, and reviewing the Company's internal control system during the annual audit.
- Ensuring that the company has proper risk management measure that is regularly monitored for the Company's best interest.

Conflict of Interest

To prevent the conflict of interest, the Board cautiously directs the business transactions that may potentially lead to conflict of interest. It defines the policy and method to prevent the management and related parties from using the Company's inside information for personal interest. The Board must approve the transactions with conflict of interest, and the Audit Committee must approve the connected transactions. The approval for these transactions must consider the company's best interest, fairness, reasonable transaction that meets the market price. Moreover, to ensure fairness and the Company's best interest, the stakeholders or parties who may have conflict of interest cannot attend the approval process. If the connected transaction falls under SET regulations, announcements, order or rules, the Company will follow SET requirements. Furthermore, the Company laid out the preventive measure against the use of inside information by allowing only the assigned individuals to access that information. All

directors and executives of the Company are aware of their duties and responsibilities for inside information and will not use it for their personal interest or trading. The company also set the disciplinary penalty for violation or incompliance.

Business Ethics

The company has realized the importance of ethics value creation for company's culture. The company has created business code of conduct to promote all responsibility behaviors for work, shareholder, coworker, stakeholder and society including how to avoid any behavior that might against ethics, laws and regulations. The company has created 10 business code of conduct as follow; 1) honesty 2) trust 3) confidentiality 4) professionalism 5) personnel 6) leadership 7) ownership 8) good governance 9) Anti-corruption and 10) reporting employee's violation against ethics.

Power balancing of non-executive committee

The company has audit committees consisted of 3 independence audit committees and 1 Independent committee. Thus, the Company has 4 Independent committees from total of 9 company's committees which is more than one – third of all committees so this can help balancing power of nonexecutive committee.

Compensation of executives and committees

The company defines compensation for the company's committee at the same level as industry and suit with their duty and responsibility. Compensation is high enough to keep and motivate committees qualified under the company's requirements. For the executives, the compensation is followed by the policies and regulations made by the company's directors, and related with company performance and each executive's performance.

Board meetings

The Company has set up a meeting of the Board of committees at least once every 3 months and has additional meetings as necessary. There is a clear agenda ahead, and the monitoring of the results on a regular basis. To hold the annual meeting of the committees, the meeting invitation will be prepared with the supporting documents 7 days in advance of the meeting in order for the board to have sufficient time to study the information before attending the meeting.

Internal control system

The company gives priority toward internal control system both in management level and staff level. For the efficiency, the company has set up duties, authorities, and responsibility of all staffs and executives. The company has securities holding usage control for benefit the company, and separate duties and authorities of staff, monitoring staff, and evaluators for balancing and auditing properly. In addition, there is also internal control toward finance system. The company has defined approval authority of committees by defining financial approval authorities, financial amount as approval lists required; such as usual expenses of business, buying production materials, buying any selling products, including contract commitment and assets trading list, or purchasing or construction or rental for company business followed by company's objective, and asset rental revenue under consideration properly in management and company's business. The company has defined additional conditions as follow; 1) all authorities can't approve their own requests 2) any duties or progress under approval financial amount must follow the laws, regulations, guidelines, manuals, and announcements from the company, The Securities and Exchange Commission, and The Securities Exchange of Thailand 3) the authorities of subsidiary committee has to be defined by the executive committee but not exceed than executive committee's approval authority. If exceed than that, have to ask for executive committee's approval. The subsidiary also conduct adequate internal control systems and all-time monitoring by Dharmniti Internal Audit Co., Ltd. that audit and review company internal control for annual internal auditing.

Committee's report

Company's committee takes responsibility toward significant business conduct, business financial of company and subsidiary company, and financial information which public in annual information report and annual report. The financial report has to follow the accounting standard that is certified in Thailand by picking up and carefully conduct proper policy, estimates the best including reveal enough significant information in financial budget note.

Conducting business with fairness and anti-corruption

UBIS (ASIA) CO., LTD. Or "UBIS" stands by its mission in conducting business transparency and fairness by taking responsibility for social or all stakeholders under good governance and ethics guidelines, including company's policy and stakeholder's regulation. The Company has been certified as a member of Collective Anti-Corruption (CAC) of Thai Institute of Directors according to the resolution of CAC Committee no. 4/2017 on February 12, 2018, the certificate will be valid for 3 years from the date of approval

The Company joined in member of "Collective Action Coalition in Private Sector against Corruption" in order to show intention against corruption. Thus, the Company has policy for executive, committees, and employee to follow law strictly, has strong intention against corruption, and realize that corruption is critical threat that can destroy freedom and fair competition, including damage on country's economy and social development.

The company has policy to define responsibility, regulation, and rule for proper conduct against corruption in all company's business activities. For proper considering and acting decision toward risky corruption business, the company created "Anti-corruption policy" to be company's regulation for business conduct and sustainable business development.

In addition, company has set up the whistle-blowing channel for reporting bad behavior and corruption. If anyone has clue about bad behavior and corruption, or any attempts that violate code of conduct, or defective internal control system that might cause risk or damage to company's business, he or she can contact directly to chairman of committees, the chairman of audit committees, independence committees, and/or audit committees in these following channels.

- Send letter to the company's address : 807/1 6th floor Rama3 Road Bangpongpang Yannawa Bangkok 10120
- Send an email directly to Chairman, Email : D2B@ubisasia.com
- Send via company website www.ubisasia.com or **Contact Us**
- For employee's complaint, it will be sent directly to Chairman
- For executive's complaint, it will be sent directly to Chairman of Audit Committees

However, all complaint has to be polite and has these below information.

- Name and Surname of person who be complained
- Facts or details about bad behavior and corruption, send along with evidences (If available)
- Name and Surname of appellant

The standard regulation to protect appellant or complaint as below

- Company will keep clues as secret and only reveal as required for safety and to protect appellant from any damage. (In case the appellant doesn't want to reveal his or her name, he or she has to identify information, fact, or enough evidence that show corruption or bad behavior like complaint.)
- Appellant can ask for protection properly.
- The person who get damaged will receive relief with fair and proper process.

Inquiry process toward complaint

- In case those who was complained is manager or lower position, their commander and human resource director have to investigate together.
- In case those who was complained is executive or higher position, the committees has to investigate.
- In case the result of investigation is unacceptable by those who was complained. It is able to bring this to have committee consideration.

However, company will not accept complaint or behavior as below

- Complaint or topic that was already decided decisively and no additional evidences.
- Employee has relinquished more than 5 years.
- Topic that cannot indicate evidences or behavior that indicate corruption clear enough to investigate the fact.

Management toward clues and complaint has regulations as below

Company secretary take responsibility to collect documents in order to summarize all main points and recommendation of all topics, then present to company's committee for consideration. The company has regulation to appoint committee of enquiry for fair justice process in investigation and punishment. If there is evidence showed that the appellant is dishonest toward clues or evidences, they might receive punishment for each case as follow.

- For employee, will get investigated and considered punishment following working regulations.
- For third party that causes any damage to company, the company will consider by law toward the appellant or those who complain as well.

In order to keep details from the complaint reporter confidential, the company will keep the information confidential and will not reveal any information to others unless required in the process of investigation, suing, bearing witness by words or action to court or government sector that has legal authority.

The Company is in process of improving its self-assessment process relation to anti-corruption measure. The self-assessment form will be submitted to the Collective Action Initiative Against Anti-Corruption Committee.

Nomination of Directors and Executives

The Board of Directors is responsible for recruiting and appointing directors and executives. The person appointed to serve as directors and executives of the company must be qualified under Section 68 of the Public Limited Companies Act 1992, the Regulation of Capital Market Supervisory Board No. 28/2008 regarding the approval and permitting the sale of new shares, which were issued on 15 December 2008, and must not be a person who is prohibited under the Regulation of the Securities and Exchange Commission regarding the requirements of the Executives of the issuing company. The Company's directors and executives must have no offense history under the law within the last 10 years prior to the filing date of the application. They must have no history of being finally sentenced to bankruptcy and must not possess history related to violating the rules, regulations, notifications, orders, and resolutions of the Board of Directors, or the securities registration agreement and the circular letter of the Stock Exchange of Thailand, including disputes or lawsuits pending trial judge.

Supervision of the Operation of Subsidiaries

The Board of Directors has a governance mechanism that enables them to monitor and manage the operations of its subsidiaries. They maintain the benefits of the company's investment by sending a person to represent the company as a director, executive or controlling person in a subsidiary and associated company according to the shareholding proportion, which must be approved by the Board of Directors. The Board of Directors also oversee connected transactions of subsidiaries and ensure that they are in accordance with the Company's regulations.

Supervising the use of Internal Information

The Company has a policy prohibiting directors, executives, and employees who are exposed to internal information from disclosing it to the public for their own gain or for the benefits of others. The guidelines are as follows:

➤ The directors and executives are to prepare and submit the company's securities holding reports of themselves, their spouse, and their underage children to The Securities and Exchange Commission as follows:

- Report the first securities holding (Form 59-1) within 30 days from the date of the appointment.
- Report changes in securities holdings (Form 59-2) within 3 business days from the date of purchase,

sale, transfer or transfer of securities holdings and submit a copy of the report on the securities holding to the Company's secretary within the date of report submission in order to record changes and summarize the number of securities owned by the directors and executives, and to present to the Board of Directors for acknowledgment at the next meeting.

➤ Announce that directors, executives, and employees are aware of significant internal information that may affect the price of the securities. The Company must suspend the purchase or sale of the Company's securities within one month before the date the Company announces its performance (45 business days from the end of the quarter and 60 days from the end of the accounting period) or until that significant internal information is publicly available.

In the Company's regulations and rules, the Company has imposed highest legal penalties for any breach in disclosing the Company's internal information for personal gain.

Personnel

The Company employs a total of 125 employees; 23 employees at its headquarters, and 102 employees located in the Samut Sakorn Industrial Estate. The details are as follows.

Main field of workers		Full time worker	
		2017	2016
1.	Executive Office	3	4
2.	Finance - Accounting and Information Technology	14	13
3.	Sales and Marketing	9	9
4.	Production line (factory)	75	72
5.	Technology and Development	18	17
6.	Human Resources	6	5
7.	Internal Audit Office (none)	-	-
Total		125	120

The total compensation for the year 2017 and 2016 is as follows.

Type of compensation	2017	2016
Total salary	61,176,875	59,767,874
Bonus included	9,440,933	8,267,205
Contribution to Provident Fund	1,236,435	1,208,444
Total	71,854,243	69,243,523

The Company recognizes the importance of enhancing the knowledge and expertise of its employees by providing a human resource management system that takes into consideration the suitability of the capabilities of the people who work in each activity for maximum efficiency. The company also has annual performance evaluations using KPIs and performance appraisals to determine compensation and carry out additional training for increasing the potential and effective in customer services. In addition, the capacity planning is appropriate for the workload and recruitment in advance. The company has no labor unions but it also facilitates the freedom of expressing the opinions of employees freely through the channels provided by the company such as E-mail, which serves as a comment box that send messages directly to top management, or via the company website that employees can send their suggestions directly to the directors for further consideration, or through the most secure and confidential complaint system. The Company recognizes that it is a joint initiative in company development.

Labor dispute

Currently, the company has no labor disputes over the past 3 years

Auditor's remuneration

Auditor's compensation (Audit fee)				
Payer Company's name	Name of Auditor 2017	Auditor Fee 2017 (Baht)	Name of Auditor 2016	Auditor Fee 2016 (Baht)
Ubis (Asia) Public Company Limited	Mr.Paiboon Tankul	3,495,000	Mr.Chanchai Chaiprasit	3,250,000
	PricewaterhouseCoopers		PricewaterhouseCoopers	
	ABAS Ltd.		ABAS Ltd.	
Ubis Primatech Company Limited	Mr.Paiboon Tankul	130,000	Mr.Chanchai Chaiprasit	170,000
	PricewaterhouseCoopers		PricewaterhouseCoopers	
	ABAS Ltd.		ABAS Ltd.	
Vita International Trading (Guangzhou) Co.,Ltd.	Mr.Jinsheng Zhang	200,000	Mr. Zhang Dong Liang,	200,000
	Guangzhou Zhisheng Certified	(RMB 40,000)	Guangzhou Tianhe Jiade Certified	(RMB 40,000)
	Public Accountants		Public Accountants	

Other Fee (Non-Audit Fee) -None-

Mr. Paiboon Tankul and PricewaterhouseCoopers ABAS Ltd. and Mr. Jinsheng Zhang and Guangzhou Zhisheng Certified Public Accountants Office have no relationship and no conflict of interest with the Company / Subsidiary / Management / Major Shareholder Or those related to such person.

Mr. Paiboon Tankul is the signatory certifying of the company's financial statements for the year 2017

Mr. Chanchai Chaiprasit was the signatory certifying the company's financial statements for year 2016

Mr. Udom Thanurutrakong was the signatory certifying the company's financial statements for year 2015

Mr. Kraisit Artmongkolkul was the signatory certifying of the company's financial statements for the year 2014

Mr. Jinsheng Zhang is the signatory certifying the financial statements of "Vita Inter" for the year 2017

Mr. Zhang Dong Liang was the signatory certifying the financial statements of "Vita Inter" from 2014 to 2016

Compliance with Good Corporate Governance Principles in Other Matters

The Board of Directors is committed to the business management that is based on good corporate governance and good practices for directors, listed companies, and that complies with regulations and related practices of the Stock Exchange of Thailand, and the Securities and Exchange Commission. The Company is committed to improving the corporate governance to an international standard.

The Board of Directors of UBIS (Asia) Public Company Limited will promote and ensure compliance with the policies set forth by the Company in order to achieve the Company's and shareholders' security and stability. The Board understands the roles, duties and responsibilities of the Board of Directors and shareholders, and have studied the guidelines of good corporate governance for directors of listed company as specified by the Stock Exchange of Thailand to improve the way the company operates to ensure transparency in work, implementation of business ethics, and preparation of various internal control systems. The Company places great importance on the equality of shareholders and keeping the interest of shareholders.

Therefore **"The Board of Directors has considered and reviewed the corporate governance policy which adjusted as the business context of the Company for the year 2017 to the Board of Directors Meeting No. 1/2018 on February 20, 2018 and reported the performance into Form 56-1 / Clause 9. Corporate Governance / Article 9.1.1 - Clause 9.1.5 "**

Corporate Social Responsibility

The Company emphasizes on developing business conduct based on sustainability with fairness and transparency, responsibility toward social and environment, including realizing about stakeholders properly

Overall Policy

The social responsibility policy has been set as guidelines for social responsibility of company's business without support or promote any action that might lead to any corruption attempt in both public and government sector. For business process, the company has set CSR-in-process by considering all stakeholders and environment within company and integration with normal process system, process in ISO requirements, and other practice manuals.

The Company has set a social responsibility policy and guideline for conduct all company's business and subsidiary company's business with responsible for social, environment, and stakeholders under 8 principles as below.

Business Operation with Fairness and Anti-Corruption Policy

The Company conducts the business with transparency, fairness, reliable, and auditable under good governance and business ethics. All executive committees and employees in the company have to follow the policy strictly.

The company supports all types of anti-corruption which including acting against covered bribed and the Company has been certified as a member of Collective Anti-Corruption (CAC) of Thai Institute of Directors according to the resolution of CAC Committee no. 4/2017 on February 12, 2018, the certificate will be valid for 3 years from the date of approval. Also, the Company has made anti-corruption defensive measure for transparent business which leads to company's and Thailand's sustainable development. The measure is declared to be used by all companies and subsidiary companies. It is defined that all committees, executives, and employees in the company has to follow the anti-corruption defensive measure. Moreover, there are also process, regulation, following and assessment, including revealing knowledge for employees. Also how to complain for employee and external person (the addition information is shown in Article 9.1 Taking care of business policy/committee's responsibility/operation with fairness and anti-corruption). In 2017, the company does not find any corruption or complaint toward bad behavior that is against business code of conduct.

Human Resource Development

The company defines strategy to develop human resource that conform to company's policy vision. The company realized the importance of human resource development in every levels to be efficient and is acceptable and develop working latency. So that there is decision of yearly human resource development plan that covers every fields such as enterprise risk management seminar, Leadership seminar, team building seminar, company annual financial budget seminar, first aid and cardiopulmonary resuscitation seminar, ISO9001 and ISO14001 seminar.

Fair Labour Practices

The Company emphasizes on efficient management by realizing toward the importance of safety and employee's hygiene. So the company has made occupational health safety and environment committee and made policy for employees about health safety and environment to follow as below.

- Employee's health and safety with integration for development and adjustment in every activities that will not cause damage or be risky to employees such as always having disaster and fire drill and having enough safety equipment at work place also having annual physical check for employees, and having proper report for each person.
- Supporting employees to have good conscious to work to get the best and the most reliable products which also support safety culture for all employees via morning talk in every morning before start to work. Also have enough seminars for employees such as seminar for employee's safety to gain more knowledge in order to work properly and correctly. Moreover, the company should have campaign to reduce accident at work to zero and always monitor the result.

- Making working environment to fit effective working. It is one of employee hygiene. The company has to check and evaluate 5S (Clearing, Cleaning up, Comfortable, Caring, and Concentrate). In addition, the company should always have big cleaning day.

Service Qualification and Responsibility towards Customers and Business Partner

The Company emphasizes on developing service qualification to make satisfaction for customers. Also make importance and responsibility for stakeholder's group. Such as below.

- Follow and coordinate with customers with politeness and trust. Also making standard to measure satisfaction of the customers toward products and services.
- Give correct, adequate, and latest information to customers for preventing any misunderstanding toward products and services.
- Give priority to service after selling with fast and latest update on customer's situation.
- Keep client's secrets without using for personl or other's benefit.
- Give efficient explanation of how to use to the customers about products.
- Let the customers visit and check qualification of company's business.
- Support guidelines making process for finding good qualified materials from good and acceptable resources location.
- Make a regulation about reviews and development for products so that the company can hand in standard and safe products continuously.
- Use ISO 9001 that is certified by Bureau Veritas (BVQI) which emphasizes on systematic management from finding material to produce, until delivery with standard.
- The company has channels for stakeholders to complain or give clues about any bad behavior via website, phone, and email. The channel send the information to the chairman and executive committees directly.

Social and Environmental Responsibility

The Company emphasizes on supporting social and environmental development by take care environment as defined in company policy to reduce emission with 3Rs (Reduce, Reuse, and Recycle). There will be reviews and risk management for environment affectionation from pre-production and post-production, including waste disposal from production that the company hires waste disposal company to take responsibility about this. Every year, the company measure environmental problems in both factory and production location in order to preventing and finding immediately measure so the company still never has problems toward environmental with any places or any sectors. Moreover, the company still support all social activities for environment continuously by attending the projects under Samut Sakorn industrial estate authority, which emphasizing on community or social development. The company still emphasize the significant of living together and community development. The company will set up the social responsibility policy toward business's conform policies.

Respect for Human Rights

The company will respect human right that everyone deserve as one of social member, including freedom and human honor. The company will give equality without discrimination under the law, give right and support toward working with full effort and performance, including set up policy about compensation based on knowledge and skill. The company has already used policy about code of conducts which is covered with human rights such as discrimination labor right and customers data protection.

Competitive Behavior

The company emphasizes on independence and fairness competition with transparent, code of conduct, and ethics toward trading competition law, including other related regulations in Thailand and international. However, code of conduct policy for employees which covered guidelines about competition with fairness and trade competition, to protect from competition without

fairness. However, the company offers stakeholders the channels to give clue or complain via company's website, phone, email directly to executive committees and board of audit committee of the company.

Innovation Development

The innovation is one of company's important thing to make company success and grow up. The company emphasizes and give the significant on thinking, researching, and developing new innovation to get the best benefits and to serve the needs of customers. The company has clearly defined innovation managing strategy to make lots of developing both inside and outside the company such as cooperation from national science and technology development agency toward researching new innovation. The company has set technology and development sector working directly under management committee to gain more independence and agility toward working.

Report Preparation and Procedures

The company always follows regulations including evaluation, regulation and guidelines defining, communicating with employees, and monitoring regularly. In addition, the report has been prepare by the sector which taken responsibility or related with

Procedures that affect social responsibility

The company and subsidiary company has no effective problems and never been complained or checked by any other sectors. The company also never done something against laws about all of 8 social responsibilities policies significantly.

After Process of Corporate Social Responsibility

UBIS (ASIA) PUBLIC COMPANY LIMITED operates under good corporate governance. We have been in business for more than 40 years and have been producing and distributing Sealing Compound products and Lacquer for using in the metal canned industry and bottle cap in food and beverage packaging and other products. The Company also invented and developed a variety of products and maintain the good quality continuously to meet the different needs of customers. The one of our firm commitment that is a business transaction integrate with the reciprocation to society throughout Corporate Social Responsibility (CSR) also encourage all sectors of our organization to participate in our activities. "UBIS Volunteer" with a shared consciousness that infiltrates the heart of employees whether it is in the form of strength, mind and smile to to every society

Over the years, the Company has continuously participated in CSR activities both inside and outside the organization. Our internal activities in year 2017 as follows:

Blood Donation by employees and executives management to donated at Samut Sakhon Industrial Estate on the occasion of Mother's Day and to be a part of the charitable contributions for human life.



Giving alms to Thai's Southern flood victims



UBIS Volunteer On June 7, 2017, the management and employees participated in giving stationery and improving the school building at Bann Chai Taley Bang Ka Joa School, Muang Samutsakhon, Samutsakhon Province



and on June 17, 2017, Mr. Nawat Triyapongpattana, Managing Director donated to Blind with Multiple Disabilities Cha-am education school at Phetchaburi Province



School for Education Project Thap Boek Child Development Center at Phetchaboon Province, the Company has provided learning equipment and necessary things to contribute the project with the Faculty of Management, Mahachulalongkornrajavidyalaya University, Bangkok



Green Factory Project



Growing Yellow Marigolds to Honour HM the Late King Bhumibol



Roofing Metal Sheet Renovation and fish ponds

Ubis (Asia) Public Company Limited and Allnex (Thailand) LTD. have joined to improve the roof of the waste separation plant and fish ponds and having sports activities with the students on December 14, 2017.



Corruption Involvement Prevention

UBIS (ASIA) CO., LTD. or "UBIS" has ideal in conduct business transparency and fairness by taking responsibility for social or all stakeholders under good governance and ethics guidelines, including company's policy and stakeholder's regulation

The Company has been certified as a member of Collective Anti-Corruption (CAC) of Thai Institute of Directors according to the resolution of CAC Committee no. 4/2017 on February 12, 2018, the certificate will be valid for 3 years from the date of approval

The Company joined in member of "Collective Action Coalition in Private Sector against Corruption" in order to show intention against corruption. Thus, the Company has policy for executive, committees, and employee to follow law strictly, has strong intention against corruption, and realize that corruption is critical threat that can destroy freedom and fair competition, including damage on country's economy and social development.

The company has policy to define responsibility, regulation, and rule for proper conduct against corruption in all company's business activities. For proper considering and acting decision toward risky corruption business, the company created "Anti-corruption policy" to be company's regulation for business conduct and sustainable business development.

In addition, company has set up the whistle-blowing channel for reporting bad behavior and corruption. If anyone has clue about bad behavior and corruption, or any attempts that violate code of conduct, or defective internal control system that might cause risk or damage to company's business, he or she can contact directly to chairman of committees, the chairman of audit committees, independence committees, and/or audit committees in these following channels.

- Send letter to the company's address : 807/1 6th floor Rama3 Road Bangpongpang Yannawa Bangkok 10120
- Send an email directly to Chairman, Email : D2B@ubiasia.com
- Send via company website www.ubiasia.com or **Contact Us**
- For employee's complaint, it will be sent directly to Chairman
- For executive's complaint, it will be sent directly to Chairman of Audit Committees

However, all complaint has to be polite and has these below information.

- Name and Surname of person who be complained
- Facts or details about bad behavior and corruption, send along with evidences (If available)
- Name and Surname of appellant

The standard regulation to protect appellant or complaint as below

- Company will keep clues as secret and only reveal as required for safety and to protect appellant from any damage. (In case the appellant doesn't want to reveal his or her name, he or she has to identify information, fact, or enough evidence that show corruption or bad behavior like complaint.)
- Appellant can ask for protection properly.
- The person who get damaged will receive relief with fair and proper process.

Inquiry process toward complaint

- In case those who was complained is manager or lower position, their commander and human resource director have to investigate together.
- In case those who was complained is executive or higher position, the committees has to investigate.
- In case the result of investigation is unacceptable by those who was complained. It is able to bring this to have committee consideration.

However, company will not accept complaint or behavior as below

- Complaint or topic that was already decided decisively and no additional evidences.
- Employee has relinquished more than 5 years.
- Topic that cannot indicate evidences or behavior that indicate corruption clear enough to investigate the fact.

Management toward clues and complaint has regulations as below

Company secretary take responsibility to collect documents in order to summarize all main points and recommendation of all topics, then present to company's committee for consideration. The company has regulation to appoint committee of enquiry for fair justice process in investigation and punishment. If there is evidence showed that the appellant is dishonest toward clues or evidences, they might receive punishment for each case as follow.

- For employee, will get investigated and considered punishment following working regulations.
- For third party that causes any damage to company, the company will consider by law toward the appellant or those who complain as well.

In order to keep details from the complaint reporter confidential, the company will keep the information confidential and will not reveal any information to others unless required in the process of investigation, suing, bearing witness by words or action to court or government sector that has legal authority.

The Company is in process of improving its self-assessment process relation to anti-corruption measure. The self-assessment form will be submitted to the Collective Action Initiative Against Anti-Corruption Committee

Internal Control and Risk Management

Remarks from the Board of Director regarding to the Company Internal Control

The Board of Directors' meeting no. 1/2018 held on 20 February 2018. The Audit Committee attended this meeting to inform about the appropriateness and the adequacy of the internal control. The Audit Committee has addressed and reported the 2017 Internal Control Report to the board of committees.

The Audit Committee has reported that from the result, analysis, and further comments regarding to the internal control, the Audit Committee has focused its audit on improving the practical process of the Company in order to be more efficient. In addition, the committee has set up a monitoring and fixing the result especially the risk factors that will affect the business procedure, the documents that may accuse conflict of interest, the accurate and credible business statements, and the most benefits according to the Company policy with secure assets management.

The Audit Committee has reported that in 2017, there is no indicator that relate to corruption and the inappropriate usage of company's securities. The result has complied with the government regulations and company's policy. In term of internal control system along with the comments from the independent certified public accountant, the internal control system is adequate. The result of the internal control is appropriate and there is no error in the main key points that will affect the internal control system and the financial statement. In addition, the Company has improved the accounting process following the certified public accountant remarks.

The Board of Directors has evaluated the internal control from the internal control report of the Audit Committee and has summarized into 5 categories which are internal control, risk management, control activities, information system and communication, and monitoring system. All of these can be summarized as below:

Organization and environment

The Company has set up a clear scope of business operation for better appropriate operation, adapting to the change in industry, and support the Company's long term plan and expansion plan. The company set up organization chart accordant with operation strategy, and Internal Control Affairs which is independently and directly report to the Audit Committee.

Risk management

The Company's risk management policy is an important policy where the Board of Directors and the executives jointly evaluated the risk and set up person in each department for this responsibility. The Company have risk planning and risk management policy, the evaluating for any risk factors that will affect the Company goals, and the monitoring of risk management of any sectors within the company. The Company also set up training to support the Company's procedure continuously.

Control Activities

The Board of Directors has set up (1) the authority, level of authorization, leading, loan, and payment in written (2) set up a performance system and authorization in operation process (3) the Company has published a handbook about laws and regulations that the Company must follow.

Regardless, the Board of Directors has approved the annual plan of internal audit to cover every high risk management process where it covered the stakeholders' expectation to gain confidence in the Company internal control that is sufficient for every operation duty in term of financial, operation, and all activities according to the law and any regulations. In addition, the Board of Director has considered the main point and the problems discovered by the internal auditor and external auditor to monitor closely and prepare preventive plan.

Information system and communication

The Company prepared important information to support the Board of Directors decision. The information includes comparison report, principal and reason, and the supporting documents which are delivered 7 days before the meeting. The Company appointed a Company Secretary for the purpose of informing the laws and regulations that the Board of Directors should know. The Company Secretary looks over the Board of Directors' activities and coordinates the management with the Board of

Directors' decision. The Company Secretary collects and stores every important documents and information according to the regulation.

The Audit Committee has work along with the auditor, the Internal Audit Affairs, and person that relate in making financial statement in order to build confidence that the Company has a procedure according to general accepted accounting principle, and suitable for the company's nature of business, and appropriate disclosed information.

Monitoring system

The Company has procedures in monitoring from the Board of Directors to the management in order to follow up the goals and proceed according to the strategy and plan which be approved by the Board of Director along with its subsidiaries.

Comments from the Audit Committee that differ from the Board of Directors

-None-

Internal control chief and company work cooperation chief

The company appointed Dharmaniti Internal Audit Co., Ltd. to be the internal audit, inspect all procedures in the company under plans approved by audit committees. The company appointed Ms.Sopha Nachanhom to be the coordinator of audit committee. So there is no internal audit chief. The consideration and approval, appoint, relieve, remove, transfer of company's internal audit control chief or the appointment of external sector to become internal control, have to get agreement and approval from internal control committee's opinion that is different opinions from company's committee.

Related Transactions

The Company has terminated for investment in Family Corporation Co., Ltd. The effect of termination agreement is as if the Company has never held in Family Corporation Co., Ltd.'s shares. However, the relationship and related party transactions of the Group and Family Corporation Co., Ltd. are still related in other related company. The Group still discloses of related party transaction, including transactions and balances between the Group and Family Corporation Co., Ltd. in consolidated and separate financial statements for the year ended 31 December 2016.



Ubis (Asia) Public Company Limited

Chapter 3 : Financial Position and Overall Operation

Financial Highlight

	Consolidated Financial Statement			Separate Financial Statement		
For the fiscal year ended 31 December 2017	2017	2016	2015	2017	2016	2015
Stock Data						
Par Value Per Share (Baht)	1.00	1.00	1.00	1.00	1.00	1.00
Book Value Per Share (Baht)	1.15	2.16	1.71	1.14	2.19	1.42
Earnings Per Share (Baht)	(1.04)	0.50	0.48	(1.06)	0.82	0.28
Operating Results (Thousand Baht)						
Sales Revenue	837,308	848,820	827,329	733,856	743,289	677,388
Total Income	845,753	853,970	840,155	803,760	899,808	733,440
Net Profit	(236,012)	113,408	109,937	(242,232)	186,890	64,440
Balance Sheet (Thousand Baht)						
Total Asset	704,211	1,035,482	864,176	840,391	1,118,731	937,263
Total Liabilities	442,079	543,124	474,016	580,068	620,007	614,275
Issued and Paid-up Capital	228,000	228,000	228,000	228,000	228,000	228,000
Shareholders' Equity	262,132	492,358	390,160	260,323	498,724	322,989
Financial Ratio						
Return on Shareholders' Equity (%)	(90.04)	23.03	28.18	(93.05)	37.46	19.95
Return on Total Asset (%)	(23.73)	16.05	19.12	(22.01)	21.36	12.02
Return on Fixed Asset (%)	(110.73)	81.42	77.01	(134.94)	137.08	61.04
Gross Profit (%)	35.02	40.33	39.21	24.95	28.37	26.60
Net Profit (%)	(28.19)	13.36	13.29	(33.01)	25.14	9.51

Management Discussion and Analysis

Company Performance Analysis

Ubis (Asia) Public Company Limited ("the Company") would like to clarify on the performance and the financial status for the year 2017 ended December 31, 2017 of the Company and its subsidiaries, as shown below:

(Unit : Million Baht)	2017	2016	Change
Revenue	837	849	-1.4%
Gross profit margin	293	342	-14.3%
Selling Expenses	80	96	-16.7%
Doubtful debts from the voiding of contract	320	-	100.0%
Finance cost	21	19	11.5%
Net profit	-236	113	308.5%

In overall, the Company and its subsidiaries have a net profit in the year 2017 of -236 MB by decreasing 349 MB or 308.5 percent when compared to the year 2016 as following results:

- **Revenue**

Year 2017, the Company and its subsidiaries have total revenue of 837 MB which decreased from year 2016 by 12 MB or 1.4 percent which came from the decrease of sales markets

- **Gross profit margin**

Year 2017, the Company and its subsidiaries have the total gross profit of 293 MB decreased from year 2016 by 49 MB or 14.3 percent while the gross profit margin is 35 percent (39 percent in year 2016) which from the effects from the increasing of the main raw material and the currency fluctuations in exchange rates

- **Sales Expenses**

Year 2017, the Company and its subsidiaries have the expenses of 80 MB decreased from year 2016 by 16 MB or 16.7 percent mainly decreased from the controllable of sales expenses such as entertain and commission expenses, etc

- **Doubtful debts from the voiding of contract**

Year 2017, the Company and its subsidiaries have recorded account receivable from the voiding of contract with allowance for doubtful debts in the amount of 320 MB. Management had evaluated and decided to take immediately the legal actions against related debtors and guarantor to collect the debts

- **Finance Cost**

Q3/2017, the Company and its subsidiaries have the loan interest 21 MB increased from year 2016 in the amount of 2 MB which is the result of the Company more maintain foreign currency in FCD account and manage the capital circulation in short-term liquidity

Financial Status

The overall financial statuses of the Company and its subsidiaries as of December 31, 2017 with the comparison to the financial status as of December 31, 2017 are summarized as below:

- **Assets**

As of December 31, 2017, the Company and its subsidiaries have a total asset by 704 MB which decreased from year 2017 by 331 MB and decreased when comparing with cash or equate with cash by 32 MB and increased 6 MB of account receivable and increased of the inventory stocks by 15 MB and decreased of other debtor from the nullification of shares agreement between UBIS and RF Vision Co.,Ltd by 320 MB and decreasing of the other current asset by 4 MB and 3 MB for the non-current asset and increasing 1 MB from the tax income

- **Liabilities**

As of December 31, 2017, the Company and its subsidiaries have a total liability of 442 MB decreased from December 31, 2017 for 101 MB and having overdrawn amount 37 MB and account payable or creditor decreased 17 MB and settle the long-term loan to the financial institute decreased 66 MB and decreasing 5 MB from Income Tax Payable, decreased of the employee's benefit obligation 2 MB and decreased 48 MB from the long-term loan

- **Shareholders' Equity**

As at December 31, 2017, the Company and its subsidiaries had total shareholder equity of 262 MB, decreased from December 31, 2016 in amount of 230 MB due to the Company and its subsidiaries' net profit for year 2017 by 236 MB and having actuarial gains by estimated based on the actuarial assumptions 6 MB

Cash Flow Analysis

Based on the results for year 2017, the company has cash flow as following details

- Net cash flow from operating activities was 85 MB or 34 percent when compared with year 2017 will be decreased 44 MB due to the fact that the increasing of cash from account receivable decreased
- Cash flow from the investment 14.5 MB came from purchase of intangible assets and equipment
- Cash flow from financing activities decreased 83 MB from the paid of the financial institution loans

Factors or situation that may significantly impact financial position or business performance in the future

In 2017, the Company will have a water based sealant compound production unit in China and will commence the production in the second quarter at the capacity of 2000 ton per year. This production unit will help establish greater confidence among Chinese customers and will allow the Company to respond quickly to the product demand without having to import the products from Thailand, which does take some time to prepare and transport the product. The sales volume in Chinese market is over 30% greater than the total sales volume of the Company, and many customers have asked for a setup of a production unit for quite some time. The newly established production unit will help elevate the service capacity as well as create a good image for the Company. However, this production unit is not a complete set unlike that used in Thailand. The production unit in China will process a concentrated product and packaged it for sales at the factory in China. The main reason for this is that the Company would like to keep the product's formula confidential. Besides, the prices of raw materials in China are not that much different from those in Thailand. Thus, there is no need to run a full production process in China.



UBIS (ASIA) PUBLIC COMPANY LIMITED

ENCLOSURE 1

REPORT OF AUDIT COMMITTEE

REPORT OF THE AUDIT COMMITTEE

The Audit Committee of Ubis (Asia) Public Company Limited consists of three directors who are independent from the Company's management, namely Mr. Phakdi Kanchanavalai, the Chairman, as well as Mr. Anan Sirisaengtaksin and Mr. Kawin Chalermroj, members. All of them possess qualifications as required by the Stock Exchange of Thailand.

In 2017, the Audit Committee performed under the scope of duties and responsibilities under the Audit Committee's Charter, which had been approved by the Board of Directors. The Audit Committee verified the quarterly financial reports and the annual statements, in conjunction with a certified public accountant (CPA), the Internal Audit, the Accounting, and the management in meetings, before presenting these documents to the Company's Board of Directors. The Audit Committee reviewed the Internal Audit and Internal Control Reports to ensure their efficiency and effectiveness. In addition, the Committee verified related transactions that might have a conflict of interests to ensure the compliance with the Stock Exchange of Thailand's requirements, the laws on securities and the Stock Exchange of Thailand, as well as laws related to the Company's business. The Audit Committee also considered and proposed the appointment of an independent CPA and the remuneration to the Board of Directors.

The Audit Committee is of the opinion that the Company's 2017 Financial Report is accurate, complete, and creditable and that the internal control system and the management of risk management were efficient and suitable for the Company's transactions. In addition, the Committee reviewed the compliance with laws on securities and the Stock Exchange of Thailand, the Stock Exchange of Thailand's requirements, laws on the Company's business, as well as related transactions and conflict of interest transactions. The Committee found the full compliance and complete disclosure of information.

The Audit Committee proposed the Board of Directors to propose to the General Shareholders' Meeting to appoint PricewaterhouseCoopers ABAS Co., Ltd., as the Company's Auditor for year 2018 and appoint Mr. Paiboon Tunkoon, CPA No. 4298 or Mr. Pisit Thangtanagul, CPA No. 4095 or Mr. Chanchai Chaiprasit, CPA No. 3760 or another CPA from PricewaterhouseCoopers ABAS Co., Ltd., as approved based on the Notification on CPA Approval, to sign in Audit Report 2017, with total remuneration amounting to 3,825,000 baht



Mr. Phakdi Kanchanavalai
Chairman of the Audit Committee



UBIS (ASIA) PUBLIC COMPANY LIMITED

ENCLOSURE 2

RESPONSIBILITY STATEMENT OF THE BOARD OF DIRECTORS TO THE FINANCIAL REPORT

RESPONSIBILITY STATEMENT OF THE BOARD OF DIRECTORS TO THE FINANCIAL REPORT

The Board of Directors is responsible for the consolidated financial statements of the Company and its subsidiaries and the financial information presented in the annual report. The financial statements are prepared based on the Thailand's Generally-Accepted Accounting Principles (GAAP). This has involved a policy that is appropriate and regularly complied with, prudent discretion, reasonable estimation, and adequate disclosure of important information in the notes to the financial statements. Furthermore, the Board of Directors has provided and maintained an effective internal control system to be reasonably certain that the accounting records are accurate, complete, and adequate for maintaining assets and identifying weaknesses to prevent corruption or materially irregular action.

In this regard, the Board of Directors has appointed the Executive Committee, composed of independent directors who are not part of the management, to take responsibility for the quality of the financial reports and the internal control system and to provide opinions on related transactions or conflict of interest transactions to ensure their accuracy and completeness. The Audit Committee's opinion on such matter is presented in the Audit Committee Report, which is included in the annual report this year.

The Board of Directors is of the opinion that, overall, the internal control systems of the Company and its subsidiaries were at a satisfactory level and could create reasonable confidence in the trustworthiness of their financial statements as of 31 December 2017.



(Mr. Chattaphum Khantiviriya)
Chairman



(Mr. Nawat Triyapongpattana)
Managing Director



UBIS (ASIA) PUBLIC COMPANY LIMITED

ENCLOSURE 3

AUDITOR'S REPORT & FINANCIAL STATEMENTS

UBIS (ASIA) PUBLIC COMPANY LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2017



Independent Auditor's Report

To the shareholders and the Board of Directors of Ubis (Asia) Public Company Limited

My opinion

In my opinion, the consolidated financial statements of Ubis (Asia) Public Company Limited ("the Company") and its subsidiaries ("the Group") and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 December 2017, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2017;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

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

Key audit matter	How my audit addressed the key audit matter
<p><i>Allowance for doubtful debt from account receivable arising from related void contract and legal proceedings</i></p> <p>Refer to Note 28 'Account receivable from void contract and legal proceedings' to the consolidated and separate financial statements</p> <p>As at 31 December 2017, the Company has gross account receivable from void contract of Family Corporation Co., Ltd. of Baht 320 million, representing 45% and 38% of total assets for the Group and the Company, respectively.</p> <p>However, the Company had set up related allowance in full of Baht 320 million in June 2017. Subsequently, the Company filed a lawsuit against the debtor and the guarantor to claim for contract breach, guarantee, and compensation for the due and defaulted amounts of Baht 170 million from the first to seventh repayments due, which is currently in the Civil Court process.</p> <p>The Company estimated the allowance based on the matured and not yet due repayments. For the allowance portion for the repayments not yet due, management also considered historical collectability data, the guarantee and the debtor's financial position, and the cause of the delay and provided for the additional allowance as appropriate.</p> <p>I focused on this area due to the sizable amount of account receivable from the void contract, and because the management's allowance is subjective, based on assumptions concerning the ability of receivable to repay the debts in the future.</p>	<p>I evaluated the appropriateness of the allowance for doubtful debt from account receivable from the void contract and legal proceedings by:</p> <ul style="list-style-type: none"> • challenging management about the appropriateness of the method and data used to set the allowance • testing the reliability of the management's debt collectability analysis report used in assessing the allowance • assessing the appropriateness of management's reasoning for whether or not to adjust the additional allowance • testing subsequent actual payments and the progress of negotiations • inquiring about the progress of the legal proceedings with the attorney and reviewing documents filed in the lawsuit, and • obtaining a legal confirmation letter from the legal counsel and considering the progress, timing, likelihood and completeness of legal proceedings provided in the confirmation letter. <p>As a result of my work, I found that the allowance for doubtful debt from account receivable from void contract and legal proceedings was reasonable, consistent with historical data, and in alignment with the evidence of historical collectability, including the evidence of the legal proceedings.</p>



Other information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and 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 the directors either intend to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Group and the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate 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 TSAs 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 consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and 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 consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

PricewaterhouseCoopers ABAS Ltd.

A handwritten signature in black ink, appearing to read "Paiboon Tunkoon", written over a horizontal line.

Paiboon Tunkoon
Certified Public Accountant (Thailand) No. 4298
Bangkok
20 February 2018

Ubis (Asia) Public Company Limited
Statement of Financial Position
As at 31 December 2017

		Consolidated		Separate	
		financial statements		financial statements	
		2017	2016	2017	2016
Notes		Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	7	49,353,889	81,097,953	39,427,881	68,832,720
Trade and other receivables, net	8	244,674,759	238,038,464	294,622,896	280,144,111
Dividend receivable	26	-	-	49,999,991	-
Inventories, net	9	170,443,094	155,643,869	89,373,641	79,227,577
Current portion of account receivable from void contract, net	28	-	170,000,000	-	170,000,000
Other current assets	10	12,645,334	17,332,146	9,762,111	14,168,544
Total current assets		477,117,076	662,112,432	483,186,520	612,372,952
Non-current assets					
Fixed deposits pledged as collateral	27	412,000	412,000	412,000	412,000
Account receivable from void contract	28	-	150,000,000	-	150,000,000
Investments in subsidiaries, net	11	-	-	159,999,970	159,999,970
Investment property, net	12	28,836,500	28,836,500	28,836,500	28,836,500
Property, plant and equipment, net	13	185,754,481	187,048,912	159,462,022	160,168,703
Intangible assets, net	14	5,370,366	2,117,433	4,351,504	2,090,071
Deferred income tax assets	15	6,568,732	4,802,834	3,990,975	4,698,529
Other non-current assets		152,000	152,000	152,000	152,000
Total non-current assets		227,094,079	373,369,679	357,204,971	506,357,773
Total assets		704,211,155	1,035,482,111	840,391,491	1,118,730,725

Director




Director



The accompanying notes are an integral part of these consolidated and separate financial statements.

Ubis (Asia) Public Company Limited
Statement of Financial Position (Cont'd)
As at 31 December 2017

		Consolidated		Separate	
		financial statements		financial statements	
		2017	2016	2017	2016
Notes		Baht	Baht	Baht	Baht
Liabilities and equity					
Current liabilities					
Bank overdraft and short-term borrowings from					
financial institutions	17	298,979,049	261,911,998	226,585,845	225,460,900
Trade and other payables	16	108,338,138	125,692,812	322,598,995	243,079,464
Current portion of long-term borrowings from					
financial institutions	17	3,128,895	68,593,035	3,128,895	68,593,035
Income tax payable		5,980,612	11,068,642	4,587,464	9,707,197
Other current liabilities		2,920,408	3,216,567	1,200,860	1,720,284
Total current liabilities		419,347,102	470,483,054	558,102,059	548,560,880
Non-current liabilities					
Long-term borrowings from financial					
institutions	17	-	48,008,247	-	48,008,247
Employee benefit obligations	18	22,732,111	24,632,935	21,966,567	23,438,164
Total non-current liabilities		22,732,111	72,641,182	21,966,567	71,446,411
Total liabilities		442,079,213	543,124,236	580,068,626	620,007,291

The accompanying notes are an integral part of these consolidated and separate financial statements.

Ubis (Asia) Public Company Limited
Statement of Financial Position (Cont'd)
As at 31 December 2017

		Consolidated		Separate	
		financial statements		financial statements	
		2017	2016	2017	2016
Notes		Baht	Baht	Baht	Baht
Liabilities and equity (Cont'd)					
Equity					
Share capital	19				
Authorised share capital					
228,000,000 ordinary shares at					
par value of Baht 1 each		228,000,000	228,000,000	228,000,000	228,000,000
Issued and paid-up share capital					
227,999,991 ordinary shares paid-up of					
Baht 1 each		227,999,991	227,999,991	227,999,991	227,999,991
Premium on share capital	19	26,870,810	26,870,810	26,870,810	26,870,810
Retained earnings (deficits)					
Appropriated - legal reserve	20	22,800,000	22,800,000	22,800,000	22,800,000
Unappropriated		(19,509,746)	210,992,338	(17,347,936)	221,052,633
Other components of equity		3,970,887	3,694,736	-	-
Equity attributable to owners of the parent		262,131,942	492,357,875	260,322,865	498,723,434
Non-controlling interests		-	-	-	-
Total equity		262,131,942	492,357,875	260,322,865	498,723,434
Total liabilities and equity		704,211,155	1,035,482,111	840,391,491	1,118,730,725

The accompanying notes are an integral part of these consolidated and separate financial statements.

Ubis (Asia) Public Company Limited
Statement of Comprehensive Income
For the year ended 31 December 2017

	Notes	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		Baht	Baht	Baht	Baht
Revenues from sales of goods		837,308,198	848,820,306	733,856,782	743,288,928
Cost of sales		(544,101,554)	(506,512,695)	(550,750,552)	(532,396,043)
Gross profit		293,206,644	342,307,611	183,106,230	210,892,885
Other income	21	8,445,477	5,149,693	69,904,577	156,518,849
Selling expenses		(80,159,129)	(96,475,517)	(52,883,800)	(56,708,429)
Administrative expenses		(93,259,617)	(89,974,656)	(83,068,043)	(77,393,984)
Doubtful debt from void contract	28	(320,000,000)	-	(320,000,000)	-
Other expenses		(14,638,482)	(8,603,005)	(12,708,490)	(13,766,372)
Finance costs		(20,760,101)	(18,626,774)	(17,757,282)	(16,810,540)
(Loss) profit before income tax		(227,165,208)	133,777,352	(233,406,808)	202,732,409
Income tax expense	23	(8,847,738)	(20,369,753)	(8,825,411)	(15,842,594)
Net (loss) profit for the year		(236,012,946)	113,407,599	(242,232,219)	186,889,815
Other comprehensive income (expense):					
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of employment benefit obligations	18	6,542,357	(3,365,331)	4,789,563	(3,398,723)
Income tax on items that will not be reclassified subsequently to profit or loss	15, 23	(1,031,495)	673,066	(957,913)	679,745
Total items that will not be reclassified subsequently to profit or loss		5,510,862	(2,692,265)	3,831,650	(2,718,978)

The accompanying notes are an integral part of these consolidated and separate financial statements.

Ubis (Asia) Public Company Limited
Statement of Comprehensive Income (Cont'd)
For the year ended 31 December 2017

	Note	Consolidated financial statements		Separate financial statements	
		2017 Baht	2016 Baht	2017 Baht	2016 Baht
Other comprehensive income (expense): (Cont'd)					
Items that will be reclassified subsequently to profit or loss					
Currency differences on translating financial statement		276,151	(81,631)	-	-
Total items that will be reclassified subsequently to profit or loss		276,151	(81,631)	-	-
Other comprehensive income (expense) for the year, net of tax		5,787,013	(2,773,896)	3,831,650	(2,718,978)
Total comprehensive (expense) income for the year		<u>(230,225,933)</u>	<u>110,633,703</u>	<u>(238,400,569)</u>	<u>184,170,837</u>
(Loss) profit attributable to:					
Owners of the parent		(236,012,946)	113,407,599	(242,232,219)	186,889,815
Non-controlling interests		-	-	-	-
		<u>(236,012,946)</u>	<u>113,407,599</u>	<u>(242,232,219)</u>	<u>186,889,815</u>
Total comprehensive (expense) income attributable to:					
Owners of the parent		(230,225,933)	110,633,703	(238,400,569)	184,170,837
Non-controlling interests		-	-	-	-
		<u>(230,225,933)</u>	<u>110,633,703</u>	<u>(238,400,569)</u>	<u>184,170,837</u>
(Loss) earnings per share					
Basic (loss) earnings per share	24	<u>(1.04)</u>	<u>0.50</u>	<u>(1.06)</u>	<u>0.82</u>

The accompanying notes are an integral part of these consolidated and separate financial statements.

Ubis (Asia) Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2017

Consolidated financial statements											
Attributable to owners of the parent											
Other components of equity											
Cumulative											
currency											
differences on											
translating											
financial											
statement											
Baht											
Total other											
component											
of equity											
Baht											
owners of Non-controlling											
the parent											
interests											
Baht											
Total equity											
Baht											
Retained earnings (deficits)											
Appropriated											
- legal reserve											
(Note 20)											
Unappropriated											
Baht											
Premium on											
share capital											
(Note 19)											
Baht											
Issued and											
paid-up											
share capital											
(Note 19)											
Baht											
Note	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Opening balance											
at 1 January 2016	227,999,991	26,870,810	22,800,000	108,713,030	3,776,367	3,776,367	390,160,198	-	-	390,160,198	
Changes in equity for the year											
Dividends payment	25	-	-	(8,436,026)	-	-	(8,436,026)	-	-	(8,436,026)	
Total comprehensive income for the year		-	-	110,715,334	(81,631)	(81,631)	110,633,703	-	-	110,633,703	
Closing balance											
at 31 December 2016	227,999,991	26,870,810	22,800,000	210,992,338	3,694,736	3,694,736	492,357,875	-	-	492,357,875	
Opening balance											
at 1 January 2017	227,999,991	26,870,810	22,800,000	210,992,338	3,694,736	3,694,736	492,357,875	-	-	492,357,875	
Changes in equity for the year											
Total comprehensive expense for the year		-	-	(230,502,084)	276,151	276,151	(230,225,933)	-	-	(230,225,933)	
Closing balance											
at 31 December 2017	227,999,991	26,870,810	22,800,000	(19,509,746)	3,970,887	3,970,887	262,131,942	-	-	262,131,942	

The accompanying notes are an integral part of these consolidated and separate financial statements.

Ubis (Asia) Public Company Limited
Statement of Changes in Equity (Cont'd)
For the year ended 31 December 2017

		Separate financial statements				
		Issued and paid-up share capital (Note 19) Baht	Premium on share capital (Note 19) Baht	Retained earnings (deficits) Appropriated - legal reserve (Note 20) Baht	Unappropriated Baht	Total equity Baht
	Note					
Opening balance						
at 1 January 2016		227,999,991	26,870,810	22,800,000	45,317,796	322,988,597
Changes in equity						
for the year						
Dividends payment	25	-	-	-	(8,436,000)	(8,436,000)
Total comprehensive income						
for the year		-	-	-	184,170,837	184,170,837
Closing balance						
at 31 December 2016		227,999,991	26,870,810	22,800,000	221,052,633	498,723,434
Opening balance						
at 1 January 2017		227,999,991	26,870,810	22,800,000	221,052,633	498,723,434
Changes in equity						
for the year						
Total comprehensive expense						
for the year		-	-	-	(238,400,569)	(238,400,569)
Closing balance						
at 31 December 2017		227,999,991	26,870,810	22,800,000	(17,347,936)	260,322,865

The accompanying notes are an integral part of these consolidated and separate financial statements.

Ubis (Asia) Public Company Limited
Statement of Cash Flows
For the year ended 31 December 2017

	Notes	Consolidated financial statements		Separate financial statements	
		2017 Baht	2016 Baht	2017 Baht	2016 Baht
Cash flows from operating activities					
(Loss) profit before income tax		(227,165,208)	133,777,352	(233,406,808)	202,732,409
Adjustments for:					
Unrealised losses (gain) on foreign currency translation		6,310,591	(1,728,715)	5,971,415	668,498
Doubtful debts		283,858	112,608	-	-
Doubtful debt from void contract	22, 28	320,000,000	-	320,000,000	-
Loss (reversal of) impairment of inventories	22	2,589,075	2,178,630	2,723,393	(196,520)
Loss on impairment of investment in subsidiary	11, 22	-	-	-	8,263,461
Depreciation and amortisation charge	13, 14, 22	9,678,625	8,972,024	8,063,865	7,479,753
Finance costs		20,760,101	18,626,774	17,757,282	16,810,540
Interest income	21	(1,424,902)	(332,295)	(1,341,626)	(330,249)
Dividends income	26	-	-	(49,999,991)	(139,999,974)
Loss on disposal of assets		1,619,411	1,826,984	1,223,714	1,826,984
Employee benefit obligations	18	7,709,133	2,729,232	6,385,566	2,026,579
Cash flows before changes in operating assets and liabilities		140,360,684	166,162,594	77,376,810	99,281,481
Changes in operating assets and liabilities:					
- Trade and other receivables		(8,017,198)	(40,360,477)	(15,575,830)	(72,292,485)
- Inventories		(17,388,301)	(23,655,300)	(12,869,457)	(11,814,762)
- Other current assets		4,257,061	(2,362,628)	3,976,682	(2,736,178)
- Other non-current assets		-	349,427	-	(152,000)
- Trade and other payables		(16,055,250)	51,457,698	80,861,220	(4,414,266)
- Other current liabilities		(296,159)	(4,884,710)	(519,424)	242,619
Cash provided by operating activities		102,860,837	146,706,604	133,250,001	8,114,409
- Interest received		1,731,124	26,630	1,647,849	24,588
- Employee benefit paid	18	(3,067,600)	(515,819)	(3,067,600)	(515,819)
- Income tax paid		(16,303,397)	(17,082,243)	(13,765,753)	(13,709,811)
Net cash provided by (used in) operating activities		85,220,964	129,135,172	118,064,497	(6,086,633)

The accompanying notes are an integral part of these consolidated and separate financial statements.

Ubis (Asia) Public Company Limited
Statement of Cash Flows (Cont'd)
For the year ended 31 December 2017

	Notes	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		Baht	Baht	Baht	Baht
Cash flows from investing activities					
Acquisition of associate	28	-	(40,000,000)	-	(40,000,000)
Purchases of intangible assets		(4,925,459)	(2,105,088)	(3,767,868)	(2,048,440)
Purchases of leasehold improvement and equipment		(10,317,474)	(13,021,657)	(9,040,086)	(11,863,835)
Proceeds from disposal of equipment		734,853	4,116,272	734,853	4,116,272
Decrease in fixed deposits pledged as collateral		-	63,100	-	63,100
Dividends received		-	-	-	139,999,974
Net cash (used in) provided by investing activities		<u>(14,508,080)</u>	<u>(50,947,373)</u>	<u>(12,073,101)</u>	<u>90,267,071</u>
Cash flows from financing activities					
Increase in short-term borrowings from financial institutions		33,839,046	62,338,093	3,553,018	47,753,170
Proceeds from long-term borrowings from financial institutions	17	-	15,000,000	-	15,000,000
Payments on long-term borrowings from financial institutions	17	(113,472,387)	(68,096,426)	(113,472,387)	(68,096,426)
Interest paid to financial institutions		(20,760,101)	(18,626,774)	(17,757,282)	(16,810,540)
Dividends payment	25	-	(8,436,026)	-	(8,436,000)
Net cash used in financing activities		<u>(100,393,442)</u>	<u>(17,821,133)</u>	<u>(127,676,651)</u>	<u>(30,589,796)</u>
Net (decrease) increase in cash and cash equivalents		<u>(29,680,558)</u>	<u>60,366,666</u>	<u>(21,685,255)</u>	<u>53,590,642</u>
Cash and cash equivalents at beginning of the year		46,457,649	(16,320,836)	39,322,965	(16,679,496)
Exchange (losses) gain on cash and cash equivalents		<u>(5,291,511)</u>	<u>2,411,819</u>	<u>(5,291,511)</u>	<u>2,411,819</u>
Cash and cash equivalents at end of the year		<u>11,485,580</u>	<u>46,457,649</u>	<u>12,346,199</u>	<u>39,322,965</u>
Cash and cash equivalents at end of the year consist of					
Cash and cash equivalents	7	49,353,889	81,097,953	39,427,881	68,832,720
Bank overdraft	7, 17	<u>(37,868,309)</u>	<u>(34,640,304)</u>	<u>(27,081,682)</u>	<u>(29,509,755)</u>
		<u>11,485,580</u>	<u>46,457,649</u>	<u>12,346,199</u>	<u>39,322,965</u>

The accompanying notes are an integral part of these consolidated and separate financial statements.

Ubis (Asia) Public Company Limited
Statement of Cash Flows (Cont'd)
For the year ended 31 December 2017

Significant non-cash transactions

Significant non-cash transactions for the year ended 31 December are as follows:

		Consolidated		Separate	
		financial statements		financial statements	
		2017	2016	2017	2016
	Note	Baht	Baht	Baht	Baht
Accounts payable - purchases of intangible assets		187,250	-	187,250	-
Accounts payable - purchases of leasehold improvement and equipment		79,715	1,518,507	37,450	1,518,507
Account receivable from void contract	28	-	40,000,000	-	40,000,000

The accompanying notes are an integral part of these consolidated and separate financial statements.

1 General information

Ubis (Asia) Public Company Limited ("the Company") is a public limited company which is listed on the Stock Exchange of Thailand in Market for Alternative Investment ("MAI") and is incorporated and domiciled in Thailand. The address of the Company's registered office is as follows:

Head office: No. 807/1, 6th Floor, Rama 3 Road, Bangpongpan, Yannawa, Bangkok, 10120

Factory: No. 1/83 and No. 1/84, Moo 2, Tha Sai, Muang Samutsakhon, Samutsakhon, 74000

For reporting purposes, the Company and its subsidiaries are referred to as "the Group".

The principal business operation of the Group is manufacturer and distributor of sealing compounds, lacquers and coatings used in can production and bottle closure for the food, beverage and general industries.

The consolidated and separate financial statements were authorised for issue by the Board of Directors on 20 February 2018.

2 Accounting policies

The principal accounting policies adopted in the preparation of these consolidated and separate financial statements are set out below:

2.1 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Professions Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention except as disclosed in Note 2.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

An English version of the consolidated and separate financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

2 Accounting policies (Cont'd)

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations

2.2.1 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2017

a) Financial reporting standards, which have significant changes and are relevant to the Group:

TAS 1 (revised 2016)	Presentation of financial statements
TAS 16 (revised 2016)	Property, plant and equipment
TAS 19 (revised 2016)	Employee benefits
TAS 27 (revised 2016)	Separate financial statements
TAS 34 (revised 2016)	Interim financial reporting
TAS 38 (revised 2016)	Intangible assets
TFRS 10 (revised 2016)	Consolidated financial statements

TAS 1 (revised 2016), the amendments provide clarifications on a number of issues, including:

- Materiality - an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.
- Disaggregation and subtotals - line items specified in TAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals.
- Notes - confirmation that the notes do not need to be presented in a particular order.
- OCI arising from investments accounted for under the equity method - the share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income.

TAS 16 (revised 2016), key amendments are 1) The amendments clarify that depreciation of an item of property, plant and equipment based on revenue generated by using the asset is not appropriate and 2) The amendments include bearer plants in scope of TAS 16.

TAS 19 (revised 2016), the amendments clarify that when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important and not the country where they arise.

TAS 27 (revised 2016), the amendments allow an entity a policy choice to account for investments in subsidiaries, joint ventures and associates in its separate financial statements using the equity method as described in TAS 28. While current TAS 27 allows entities to measure their investments in subsidiaries, joint ventures and associates either at cost or at fair value (when announced). The election can be made independently for each category of investment (subsidiaries, joint ventures and associates). Entities wishing to change to the equity method must do so retrospectively.

TAS 34 (revised 2016), the amendments clarify that what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report'; entities taking advantage of the relief must provide a cross-reference from the interim financial statements to the location of that information and make the information available to users on the same terms and at the same time as the interim financial statements.

2 Accounting policies (Cont'd)

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)

2.2.1 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2017 (Cont'd)

- a) Financial reporting standards, which have significant changes and are relevant to the Group: (Cont'd)

TAS 38 (revised 2016), the amendments include a rebuttable presumption that the amortisation of intangible assets based on revenue is inappropriate. This presumption can be overcome if either the intangible asset is expressed as a measure of revenue (i.e. where a measure of revenue is the limiting factor on the value that can be derived from the asset), or it can be shown that revenue and the consumption of economic benefits generated by the asset are highly correlated.

TFRS 10 (revised 2016), the amendments clarify that: 1) the exception from preparing consolidated financial statements is also available to intermediate parent entities which are subsidiaries of investment entities and 2) an investment entity should consolidate a subsidiary which is not an investment entity and whose main purpose and activity is to provide services in support of the investment entity's investment activities.

The management has assessed and considered that the above revised standards do not have significant impact to the Group.

- b) Revised financial reporting standards and interpretations with minor changes and relevant but do not have impact to the Group are as follows:

TAS 2 (revised 2016)	Inventories
TAS 7 (revised 2016)	Statement of cash flows
TAS 8 (revised 2016)	Accounting policies, changes in accounting estimates and errors
TAS 10 (revised 2016)	Events after the reporting period
TAS 12 (revised 2016)	Income taxes
TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 21 (revised 2016)	The effects of changes in foreign exchange rates
TAS 23 (revised 2016)	Borrowing costs
TAS 24 (revised 2016)	Related party disclosures
TAS 26 (revised 2016)	Accounting and reporting by retirement benefit plans
TAS 33 (revised 2016)	Earnings per share
TAS 36 (revised 2016)	Impairment of assets
TAS 37 (revised 2016)	Provisions, contingent liabilities and contingent assets
TAS 40 (revised 2016)	Investment property
TFRS 2 (revised 2016)	Share-based payment
TFRS 3 (revised 2016)	Business combinations
TFRS 8 (revised 2016)	Operating segments
TFRS 13 (revised 2016)	Fair value measurement
TSIC 15 (revised 2016)	Operating leases - Incentives
TFRIC 4 (revised 2016)	Determining whether an arrangement contains a lease
TFRIC 10 (revised 2016)	Interim financial reporting and impairment
TFRIC 14 (revised 2016)	TAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction

2 Accounting policies (Cont'd)

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)

2.2.2 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2018

a) Financial reporting standards, which have significant changes and are relevant to the Group:

TAS 7 (revised 2017)	Statement of cash flows
TAS 12 (revised 2017)	Income taxes
TFRS 12 (revised 2017)	Disclosure of interests in other entities

TAS 7 (revised 2017), the amendments require additional disclosure of changes in liabilities arising from financing activities. This includes changes arising from cash and non-cash.

TAS 12 (revised 2017), the amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. Specifically, the amendments confirm that:

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
- An entity can assume that it will recover an amount higher than the carrying amount of an asset to estimate its future taxable profit.
- Where the tax law restricts the source of taxable profits against which particular types of Deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profits.

TFRS 12 (revised 2017), the amendments clarify that the disclosure requirements of TFRS 12 apply to interests in entities that are classified as held for sale in the scope of TFRS 5 (revised 2017), except for the summarised financial information.

The management has assessed and considered that the above revised standards do not have significant impact to the Group.

2 Accounting policies (Cont'd)

2.3 Group accounting - Investment in subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains or loss on transactions between the Group are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the separated financial statements, investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

(1) Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(2) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

2 Accounting policies (Cont'd)

2.4 Foreign currencies translation

(a) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Thai Baht, which is the Company's functional and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.

(c) Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each statement of comprehensive income are translated at average exchange rates. All resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.5 Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the consolidated and separate statement of financial position, bank overdrafts are shown in current liabilities.

2.6 Trade receivables

Trade accounts receivable are carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year-end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and recognised in profit or loss within selling expenses.

2.7 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the moving average method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimate of the selling price in the ordinary course of business, less applicable variable selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

2 Accounting policies (Cont'd)

2.8 Investment property

Investment property is land held for a currently undetermined future use which is measured at its cost.

2.9 Property, plant and equipment

All other property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Land is not depreciated. Depreciation is calculated on the straight line basis to write off the cost of each asset to its residual value over the estimated useful life as follows:

Plant and leasehold improvements	30 years
Furniture, fixture and office equipment	5 years
Machinery and equipment	5 - 30 years
Vehicles	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposals of the assets are determined by comparing the proceeds with the carrying amount and are recognised within 'Other (losses)/gains - net' in statement of income.

2.10 Intangible assets

Trademarks and licences

Separately acquired trademarks and licences are shown at historical cost. Trademarks and licences acquired in a business combination are recognised at fair value at the acquisition date. Trademarks and licences have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licences over their estimated useful lives of 10 years.

Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives, which does not exceed 5 years.

2.11 Impairment of assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2 Accounting policies (Cont'd)

2.12 Leases

Where a Group is the lessee

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of income on a straight-line basis over the period of the lease.

2.13 Borrowings

Borrowings are recognised initially at the fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective yield method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

2.14 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements.

However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2 Accounting policies (Cont'd)

2.15 Employee benefits

The Group operates various retirement benefits schemes. The Group has both defined benefit and defined contribution plans.

Defined contribution

A defined contribution plan is a retirement plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Group pays contributions to a separate fund which is managed by an external fund manager in accordance with the provident fund Act, B.E. 2530. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Retirement benefits

A defined benefit plan is a retirement plan that is not a defined contribution plan. Typically defined benefit plans define an amount of retirement benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period, together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated every 3 years by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in profit or loss.

2.16 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

2.17 Revenues recognition

Revenues from sales of goods

Revenue comprises the fair value for the sale of goods and service in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts, and after eliminating sales within the Group. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer. Revenue from services is recognised when service is rendered.

2 Accounting policies (Cont'd)

2.17 Revenues recognition (Cont'd)

Rental and service income

Revenue comprises the value of the consideration received for service. Revenue is shown net of value-added tax, rebates and discounts value. Rental income is recognised on a straight-line basis over lease term when service is rendered.

Other income

Other incomes are recognised on an accrual basis. In addition, interest income is recognised on a time proportion basis, taking account of the principal outstanding and the interest rate over the period to maturity, when it is determined that such income will accrue to the Group. Dividend income is recognised when the right to receive payment is established.

2.18 Dividends

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders, and interim dividend are approved by the Board of Directors.

2.19 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director that makes strategic decisions.

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

3.1.1 Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures which mainly currency is Thai Baht and Yuan. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

Entities in the Group use foreign currency forward contracts to hedge their exposure to foreign currency risk in connection with financial institution.

3 Financial risk management (Cont'd)

3.1 Financial risk factors (Cont'd)

3.1.1 Foreign exchange risk (Cont'd)

The Company enters into foreign currency forward contracts with financial institution to hedge foreign currency risk related to trust receipts. At 31 December 2017, outstanding balance of foreign currency forward contracts with maturity dates from 26 March 2018 to 29 June 2018 (2016: from 18 April 2017 to 15 May 2017) are as follows:

	Consolidated and separate financial statements	
	Asset Baht	Liabilities Baht
At 31 December 2016	288,223	-
At 31 December 2017	24,832,326	-

The fair value, net of foreign currency forward contracts as at 31 December are as follows:

	Consolidated and separate financial statements	
	2017 Baht	2016 Baht
Gain on foreign currency forward contracts	2,660	9,848

Fair value of foreign currency forward contracts is calculated (using the rates set by the bank counterparties) as if the contract was cancelled as at the date of the statement of financial position. The fair value is within level 2 of the fair value hierarchy.

3.1.2 Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. All interest rate derivative transactions are subject to approval by the finance director before execution. The Group has no significant interest-bearing assets.

3.1.3 Credit risk

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Derivative counterparties and cash transactions are limited to high credit quality financial institutions. The Group has policies that limit the amount of credit exposure to any one financial institution.

3.1.4 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group Treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

3 Financial risk management (Cont'd)

3.2 Fair value estimation

The analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) for assets or liabilities (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The fair values of the financial assets and liabilities are disclosed in relevant notes.

There were no transfers between levels 1 and 2 during the year.

1) Financial instruments in level 1

The fair value of financial instruments that are not traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 2.

2) Financial instruments in level 2

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the statement of financial position date, with the resulting value discounted back to present value;
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

4 Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

4.1 Plant and equipment

Management determines the carrying value of plant and equipment based on estimates, assumptions, and judgments in respect of the assets' residual values and useful lives. These estimates, assumptions, and judgments reflect both historical experience and expectations regarding future operations, utilisation, and performance.

4.2 Employee benefits

The present value of the employee benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions, including the discount rate. Any changes in these assumptions will have an impact on the carrying amount of employee benefit obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the employee benefit obligations. In determining the appropriate discount rate, the Group considers the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related employee benefit obligations.

Other key assumptions for employee benefit obligations are additional disclosed in Note 18.

5 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

6 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Managing Director that makes strategic decisions. The Group operates the manufacture of industrial chemistry in geographical areas which comprised domestic business and overseas business.

The segment information for the year ended 31 December 2016 is as follows:

	Consolidated financial statements		
	Domestic Baht	Overseas Baht	Total Baht
Segment revenues	326,703,397	522,116,909	848,820,306
Segment gross profit	121,089,172	221,218,439	342,307,611
Selling and administrative expenses			(186,450,173)
Operating profit			155,857,438
Other income			5,149,693
Other expenses			(8,603,005)
Finance costs			(18,626,774)
Profit before income tax			133,777,352
Income tax expense			(20,369,753)
Net profit			113,407,599
Assets as at 31 December 2016			
Property, plant and equipment, net			187,048,912
Total assets			1,035,482,111

The segment information for the year ended 31 December 2017 is as follows:

	Consolidated financial statements		
	Domestic Baht	Overseas Baht	Total Baht
Segment revenues	330,675,897	506,632,301	837,308,198
Segment gross profit	114,962,023	178,244,621	293,206,644
Selling and administrative expenses			(173,418,746)
Operating profit			119,787,898
Other income			8,445,477
Doubtful debt from void contract			(320,000,000)
Other expenses			(14,638,482)
Finance costs			(20,760,101)
Loss before income tax			(227,165,208)
Income tax expense			(8,847,738)
Net loss			(236,012,946)
Assets as at 31 December 2017			
Property, plant and equipment, net			185,754,481
Total assets			704,211,155

7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Cash on hand	724,838	573,700	164,914	278,576
Deposits at banks - savings	48,612,670	80,507,900	39,247,586	68,538,791
Deposits at banks - current	16,381	16,353	15,381	15,353
Total	49,353,889	81,097,953	39,427,881	68,832,720

The average interest rate on saving bank deposits was 0.25% per annum (2016: 0.25% per annum).

Cash, cash equivalents and bank overdrafts include the following for the purposes of the statement of cash flows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Cash and cash equivalents	49,353,889	81,097,953	39,427,881	68,832,720
Bank overdraft (Note 17)	(37,868,309)	(34,640,304)	(27,081,682)	(29,509,755)
Total	11,485,580	46,457,649	12,346,199	39,322,965

8 Trade and other receivables, net

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Trade receivables				
- third parties	228,662,666	224,050,151	117,225,792	114,928,638
- related parties (Note 26)	-	-	167,906,707	153,511,957
<u>Less</u> Allowance for doubtful debts	(425,260)	(1,349,770)	-	-
Trade receivables, net	228,237,406	222,700,381	285,132,499	268,440,595
Post-dated cheques	6,182,549	7,605,464	4,195,312	6,238,175
Prepayments	5,231,395	4,058,342	1,266,395	3,541,097
Deposits for office rental	-	750,000	-	750,000
Other receivables	5,001,014	2,598,464	4,028,540	867,871
Others	22,395	325,813	150	306,373
Total	244,674,759	238,038,464	294,622,896	280,144,111

8 Trade and other receivables, net (Cont'd)

Outstanding trade receivables as at 31 December can be analysed as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Current	163,520,501	184,570,516	184,720,481	177,413,210
Overdue				
Up to 3 months	54,757,961	35,017,675	38,555,210	48,734,283
3 - 6 months	7,997,963	1,939,449	38,801,732	38,700,638
6 - 12 months	1,963,812	1,172,741	23,055,076	3,592,464
Over 12 months	422,429	1,349,770	-	-
	228,662,666	224,050,151	285,132,499	268,440,595
<u>Less</u> Allowance for doubtful debts	(425,260)	(1,349,770)	-	-
Trade receivables, net	228,237,406	222,700,381	285,132,499	268,440,595

9 Inventories, net

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Raw materials	65,121,375	63,179,542	45,813,837	43,175,919
Work in process	4,487,245	3,209,327	3,169,859	1,815,574
Finished goods	81,380,995	50,321,292	41,113,825	23,927,366
	150,989,615	116,710,161	90,097,521	68,918,859
<u>Less</u> Allowance for impairment of inventories	(5,675,656)	(3,086,581)	(2,777,873)	(54,480)
Goods in transit	25,129,135	42,020,289	2,053,993	10,363,198
Inventories, net	170,443,094	155,643,869	89,373,641	79,227,577

The Group has no reversal of the allowance for impairment of inventories during the year 2017 (2016: Reversal of impairment of inventories of Baht 196,250, which the amount reversed has been included in cost of sales in the statement of comprehensive income).

10 Other current assets

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Value added tax receivables	12,381,371	13,746,511	9,502,551	13,746,511
Others	263,963	3,585,635	259,560	422,033
Total	12,645,334	17,332,146	9,762,111	14,168,544

Ubis (Asia) Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2017

11 Investment in subsidiaries, net

The Group comprises of the subsidiaries listed below as at 31 December 2016 as follows:

Company name	Country of incorporation	Place of business/ Country of incorporation	Nature of business	Proportion of ordinary shares directly held by parent		Separate financial statements Cost	
				2017 %	2016 %	2017 Baht	2016 Baht
Ubis Primattech Company Limited	Thailand		Manufacture and distribute sealing compounds for food and beverage canning	99.99	99.99	159,999,970	159,999,970
Vita International Trading (Guangzhou) Company Limited	Republic of China		Distribute sealing compounds for food and beverage canning and lacquer	100.00	100.00	38,027,500	38,027,500
						198,027,470	198,027,470
<u>Less</u> Allowance for impairment of investment in subsidiary						(38,027,500)	(38,027,500)
Investment in subsidiaries, net						159,999,970	159,999,970

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held.

11 Investment in subsidiaries, net (Cont'd)

The movements of investment in subsidiaries for the year ended 31 December 2017 are as follows:

	Separate financial statements		Net book amount
	Cost Baht	Allowance for impairment Baht	
At 1 January 2016	198,027,470	(29,764,039)	168,263,431
Addition	-	(8,263,461)	(8,263,461)
At 31 December 2016	198,027,470	(38,027,500)	159,999,970
Addition	-	-	-
At 31 December 2017	198,027,470	(38,027,500)	159,999,970

During the year 2016, the Company tested for impairment of investment in subsidiaries and recognised loss on impairment of investment in Vita International Trading (Guangzhou) Company Limited of Baht 8,263,461. At 31 December 2016, the Company had set up related allowance in full of Baht 38,027,500.

12 Investment property, net

	Consolidated and Separate financial statements
	Land Baht
At 1 January 2017	
Cost	28,836,500
Net book amount	28,836,500
For the year ended 31 December 2017	
Opening net book amount	28,836,500
Closing net book amount	28,836,500
At 31 December 2017	
Cost	28,836,500
Net book amount	28,836,500
Fair value	44,726,000

The fair value of investment property is based on market approach by the independent appraisal company on 6 December 2016. The fair value is within level 2 of the fair value hierarchy.

At 31 December 2016, the Company's investment property at net book value of Baht 28,836,500 has been pledged as collateral for long-term borrowings from financial institution (Note 17).

At 31 December 2017, the Company redeemed investment property pledged as collateral for long-term borrowings from financial institution (Note 17).

Ubis (Asia) Public Company Limited

13 **Property, plant and equipment, net**

	Consolidated financial statements						
	Land and land improvements	Plant and leasehold improvements	Furniture, fixture and office equipment	Machinery and equipment	Vehicles	Machinery and equipment under installation	Building and assets under construction
	Baht	Baht	Baht	Baht	Baht	Baht	Baht
At 1 January 2016							
Cost	47,178,250	78,466,752	15,523,317	57,871,243	28,574,032	2,584,355	-
Less Accumulated depreciation	-	(3,270,232)	(9,583,769)	(14,344,790)	(15,660,649)	-	-
Net book amount	47,178,250	75,196,520	5,939,548	43,526,453	12,913,383	2,584,355	-
For the year ended 31 December 2016							
Opening net book amount	47,178,250	75,196,520	5,939,548	43,526,453	12,913,383	2,584,355	-
Foreign exchange differences	-	-	(57,047)	-	-	-	-
Additions	-	-	1,792,728	2,483,071	-	7,593,542	2,727,870
Transfers in (out)	-	2,427,790	5,945,280	4,517,470	-	(10,162,670)	(2,727,870)
Disposals and write-offs, net	-	-	(169,254)	-	(5,774,002)	-	-
Depreciation charge	-	(2,640,111)	(1,321,895)	(2,934,699)	(1,989,800)	-	-
Closing net book amount	47,178,250	74,984,199	12,129,360	47,592,295	5,149,581	15,227	-
At 31 December 2016							
Cost	47,178,250	80,894,542	17,875,161	59,477,146	12,221,972	15,227	-
Less Accumulated depreciation	-	(5,910,343)	(5,745,801)	(11,884,851)	(7,072,391)	-	-
Net book amount	47,178,250	74,984,199	12,129,360	47,592,295	5,149,581	15,227	-

Ubis (Asia) Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2017

13 Property, plant and equipment, net (Cont'd)

	Consolidated financial statements					
	Land and land improvements	Plant and leasehold improvements	Furniture, fixture and office equipment	Machinery and equipment	Vehicles	Machinery and equipment under installation
	Baht	Baht	Baht	Baht	Baht	Baht
At 1 January 2017						
Cost	47,178,250	80,894,542	17,875,161	59,477,146	12,221,972	217,662,298
Less Accumulated depreciation	-	(5,910,343)	(5,745,801)	(11,884,851)	(7,072,391)	(30,613,386)
Net book amount	47,178,250	74,984,199	12,129,360	47,592,295	5,149,581	187,048,912
For the year ended 31 December 2017						
Opening net book amount	47,178,250	74,984,199	12,129,360	47,592,295	5,149,581	187,048,912
Additions	-	218,200	681,600	7,978,882	-	8,878,682
Disposals and write-offs, net	-	-	(395,002)	(695)	(890,000)	(1,300,924)
Depreciation charge	-	(2,706,811)	(2,036,182)	(3,504,831)	(624,365)	(8,872,189)
Closing net book amount	47,178,250	72,495,588	10,379,776	52,065,651	3,635,216	185,754,481
At 31 December 2017						
Cost	47,178,250	81,112,742	17,776,696	67,454,685	8,321,972	221,844,345
Less Accumulated depreciation	-	(8,617,154)	(7,396,920)	(15,389,034)	(4,686,756)	(36,089,864)
Net book amount	47,178,250	72,495,588	10,379,776	52,065,651	3,635,216	185,754,481

Ubis (Asia) Public Company Limited
Notes to the Consolidated and Separ
For the year ended 31 December 201

13	Property, plant and equipment, net (Cont'd)	Separate financial statements							
		Land and land improvements Baht	Plant and leasehold improvements Baht	Furniture, fixture and office equipment Baht	Machinery and equipment Baht	Vehicles Baht	Machinery and equipment under installation Baht	Building and assets under construction Baht	Total Baht
At 1 January 2016									
	Cost	47,178,250	78,417,434	14,724,403	23,954,898	28,574,032	2,584,355	-	195,433,372
	Less Accumulated depreciation	-	(3,269,490)	(9,020,109)	(7,329,987)	(15,660,649)	-	-	(35,280,235)
	Net book amount	47,178,250	75,147,944	5,704,294	16,624,911	12,913,383	2,584,355	-	160,153,137
For the year ended 31 December 2016									
	Opening net book amount	47,178,250	75,147,944	5,704,294	16,624,911	12,913,383	2,584,355	-	160,153,137
	Additions	-	-	1,293,393	1,767,537	-	7,593,542	2,727,870	13,382,342
	Transfers in (out)	-	2,427,790	5,945,280	4,517,470	-	(10,162,670)	(2,727,870)	-
	Disposals and write-offs, net	-	-	(169,254)	-	(5,774,002)	-	-	(5,943,256)
	Depreciation charge	-	(2,638,469)	(1,224,326)	(1,570,925)	(1,989,800)	-	-	(7,423,520)
	Closing net book amount	47,178,250	74,937,265	11,549,387	21,338,993	5,149,581	15,227	-	160,168,703
At 31 December 2016									
	Cost	47,178,250	80,845,224	16,633,959	30,239,905	12,221,972	15,227	-	187,134,537
	Less Accumulated depreciation	-	(5,907,959)	(5,084,572)	(8,900,912)	(7,072,391)	-	-	(26,965,834)
	Net book amount	47,178,250	74,937,265	11,549,387	21,338,993	5,149,581	15,227	-	160,168,703

Ubis (Asia) Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2017

13 Property, plant and equipment, net (Cont'd)

	Separate financial statements					
	Land and land improvements Baht	Plant and leasehold improvements Baht	Furniture, fixture and office equipment Baht	Machinery and equipment Baht	Vehicles Baht	Machinery and equipment under installation Baht
At 1 January 2017						
Cost	47,178,250	80,845,224	16,633,959	30,239,905	12,221,972	15,227
Less Accumulated depreciation	-	(5,907,959)	(5,084,572)	(8,900,912)	(7,072,391)	-
Net book amount	47,178,250	74,937,265	11,549,387	21,338,993	5,149,581	15,227
						187,134,537
						(26,965,834)
						160,168,703
For the year ended 31 December 2017						
Opening net book amount	47,178,250	74,937,265	11,549,387	21,338,993	5,149,581	15,227
Additions	-	135,000	447,833	6,976,196	-	-
Disposals and write-offs, net	-	-	-	-	(890,000)	(15,227)
Depreciation charge	-	(2,704,119)	(1,954,065)	(2,077,934)	(624,365)	-
Closing net book amount	47,178,250	72,368,146	10,043,155	26,237,255	3,635,216	-
						159,462,022
At 31 December 2017						
Cost	47,178,250	80,980,224	17,081,792	37,216,101	8,321,972	-
Less Accumulated depreciation	-	(8,612,078)	(7,038,637)	(10,978,846)	(4,686,756)	-
Net book amount	47,178,250	72,368,146	10,043,155	26,237,255	3,635,216	-
						190,778,339
						(31,316,317)
						159,462,022

13 Property, plant and equipment, net (Cont'd)

Depreciation expense of Baht 8,872,189 (2016: Baht 8,886,505) has been charged in cost of goods sold, selling expense and administrative expense in the consolidated financial statements of Baht 5,318,633 (2016: Baht 5,013,328), Baht 629,042 (2016: Baht 1,243,213) and Baht 2,924,514 (2016: Baht 2,629,964), respectively.

Depreciation expense of Baht 7,360,483 (2016: Baht 7,423,520) has been charged in cost of goods sold, selling expense and administrative expense in the separate financial statements of Baht 3,948,625 (2016: Baht 3,648,051), Baht 613,473 (2016: Baht 1,236,713) and Baht 2,798,385 (2016: Baht 2,538,756), respectively.

At 31 December 2016, the Company's land and buildings at net book value of Baht 42,883,500 has been pledged as collateral for long-term borrowings from financial institution (Note 17).

At 31 December 2017, the Company redeemed land and buildings pledged as collateral for long-term borrowings from financial institution (Note 17).

14 Intangible assets, net

	Consolidated financial statements			Total Baht
	Computer software Baht	Trademark Baht	Computer software under installation Baht	
At 1 January 2016				
Cost	159,950	97,624	-	257,574
<u>Less</u> Accumulated amortisation	(146,497)	(13,213)	-	(159,710)
Net book amount	13,453	84,411	-	97,864
For the year ended 31 December 2016				
Opening net book amount	13,453	84,411	-	97,864
Additions	486,148	-	1,618,940	2,105,088
Amortisation charge	(75,703)	(9,816)	-	(85,519)
Closing net book amount	423,898	74,595	1,618,940	2,117,433
At 31 December 2016				
Cost	646,098	97,624	1,618,940	2,362,662
<u>Less</u> Accumulated amortisation	(222,200)	(23,029)	-	(245,229)
Net book amount	423,898	74,595	1,618,940	2,117,433
At 1 January 2017				
Cost	646,098	97,624	1,618,940	2,362,662
<u>Less</u> Accumulated amortisation	(222,200)	(23,029)	-	(245,229)
Net book amount	423,898	74,595	1,618,940	2,117,433
For the year ended 31 December 2017				
Opening net book amount	423,898	74,595	1,618,940	2,117,433
Additions	2,605,306	-	2,507,403	5,112,709
Transfers in (out)	3,050,503	-	(3,050,503)	-
Written-offs, net	-	-	(1,053,340)	(1,053,340)
Amortisation charge	(796,674)	(9,762)	-	(806,436)
Closing net book amount	5,283,033	64,833	22,500	5,370,366
At 31 December 2017				
Cost	6,301,907	97,624	22,500	6,422,031
<u>Less</u> Accumulated amortisation	(1,018,874)	(32,791)	-	(1,051,665)
Net book amount	5,283,033	64,833	22,500	5,370,366

14 Intangible assets, net (Cont'd)

	Separate financial statements			Total Baht
	Computer software Baht	Trademark Baht	Computer software under installation Baht	
At 1 January 2016				
Cost	159,950	97,624	-	257,574
<u>Less</u> Accumulated amortisation	(146,497)	(13,213)	-	(159,710)
Net book amount	13,453	84,411	-	97,864
For the year ended 31 December 2016				
Opening net book amount	13,453	84,411	-	97,864
Additions	429,500	-	1,618,940	2,048,440
Amortisation charge	(46,417)	(9,816)	-	(56,233)
Closing net book amount	396,536	74,595	1,618,940	2,090,071
At 31 December 2016				
Cost	589,450	97,624	1,618,940	2,306,014
<u>Less</u> Accumulated amortisation	(192,914)	(23,029)	-	(215,943)
Net book amount	396,536	74,595	1,618,940	2,090,071
At 1 January 2017				
Cost	589,450	97,624	1,618,940	2,306,014
<u>Less</u> Accumulated amortisation	(192,914)	(23,029)	-	(215,943)
Net book amount	396,536	74,595	1,618,940	2,090,071
For the year ended 31 December 2017				
Opening net book amount	396,536	74,595	1,618,940	2,090,071
Additions	1,447,715	-	2,507,403	3,955,118
Transfers in (out)	3,050,503	-	(3,050,503)	-
Written-offs, net	-	-	(1,053,340)	(1,053,340)
Amortisation charge	(630,583)	(9,762)	-	(640,345)
Closing net book amount	4,264,171	64,833	22,500	4,351,504
At 31 December 2017				
Cost	5,087,668	97,624	22,500	5,207,792
<u>Less</u> Accumulated amortisation	(823,497)	(32,791)	-	(856,288)
Net book amount	4,264,171	64,833	22,500	4,351,504

15 Deferred income tax

The analysis of deferred income tax assets as at 31 December is as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Deferred income tax assets				
Deferred tax asset to be recovered within 12 months	642,051	10,896	555,574	10,896
Deferred tax asset to be recovered after more than 12 months	5,926,681	4,791,938	3,435,401	4,687,633
Deferred income tax, net	<u>6,568,732</u>	<u>4,802,834</u>	<u>3,990,975</u>	<u>4,698,529</u>

The movements in the deferred income tax account is as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
At 1 January	4,802,834	3,810,838	4,698,529	3,705,736
(Tax charged)/credited to profit or loss	2,797,393	318,930	250,359	313,048
(Tax charged)/credited to other comprehensive income	(1,031,495)	673,066	(957,913)	679,745
At 31 December	<u>6,568,732</u>	<u>4,802,834</u>	<u>3,990,975</u>	<u>4,698,529</u>

	Consolidated financial statements		
	Allowance for impairment of inventories Baht	Employee benefit obligations Baht	Total Baht
Deferred tax assets			
At 1 January 2016	-	3,810,838	3,810,838
(Tax charged)/credited to profit or loss	10,896	308,034	318,930
(Tax charged)/credited to other comprehensive income	-	673,066	673,066
At 31 December 2016	<u>10,896</u>	<u>4,791,938</u>	<u>4,802,834</u>
At 1 January 2017	10,896	4,791,938	4,802,834
(Tax charged)/credited to profit or loss	631,155	2,166,238	2,797,393
(Tax charged)/credited to other comprehensive income	-	(1,031,495)	(1,031,495)
At 31 December 2017	<u>642,051</u>	<u>5,926,681</u>	<u>6,568,732</u>

15 Deferred income tax (Cont'd)

	Separate financial statements		
	Allowance for impairment of inventories Baht	Employee benefit obligations Baht	Total Baht
Deferred tax assets			
At 1 January 2016	-	3,705,736	3,705,736
(Tax charged)/credited to profit or loss	10,896	302,152	313,048
(Tax charged)/credited to other comprehensive income	-	679,745	679,745
At 31 December 2016	10,896	4,687,633	4,698,529
At 1 January 2017	10,896	4,687,633	4,698,529
(Tax charged)/credited to profit or loss	544,678	(294,319)	250,359
(Tax charged)/credited to other comprehensive income	-	(957,913)	(957,913)
At 31 December 2017	555,574	3,435,401	3,990,975

The Group did not recognise deferred tax assets in respect of tax losses of subsidiary in Republic of China, amounting to Baht 41,995 (2016: Baht 2,222,239 which will be expired in 2021) which will be expired in 2022 since the management has considered that the subsidiary may has inadequate taxable profits to realise tax losses in the future.

16 Trade and other payables

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Trade payables				
- third parties	88,548,926	105,014,378	66,041,237	80,975,967
- related parties (Note 26)	-	390,205	239,239,119	144,348,758
Post-dated cheques	1,375,627	2,883,806	991,373	2,626,890
Other payables	3,517,811	1,495,859	1,765,612	187,934
Accrued expenses	11,996,326	11,991,917	11,743,608	11,060,500
Advance received	500,603	2,309,761	500,103	2,309,261
Retention	41,786	310,278	28,469	310,278
Others	2,357,059	1,296,608	2,289,474	1,259,876
Total	108,338,138	125,692,812	322,598,995	243,079,464

17 Borrowings

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Current				
Bank overdraft	37,868,309	34,640,304	27,081,682	29,509,755
Promissory notes	205,000,000	127,500,000	165,000,000	112,500,000
Bill of exchange	-	79,241,476	-	79,241,476
Trust receipts	56,110,740	20,530,218	34,504,163	4,209,669
Total	298,979,049	261,911,998	226,585,845	225,460,900
Current portion of long-term borrowings from financial institutions	3,128,895	68,593,035	3,128,895	68,593,035
Total current borrowings	302,107,944	330,505,033	229,714,740	294,053,935
Non-current				
Long-term borrowings from financial institutions	-	48,008,247	-	48,008,247
Total non-current borrowings	-	48,008,247	-	48,008,247
Total borrowings	302,107,944	378,513,280	229,714,740	342,062,182

At 31 December 2017, the Company redeemed investment property and land and buildings pledged as collateral for long-term borrowings from financial institutions (Note 12 and Note 13).

The movements in borrowings for the year ended 31 December are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
At 1 January	378,513,280	364,451,355	342,062,182	341,199,141
Changes in short-term borrowings from financial institutions	37,067,051	67,158,351	1,124,945	53,959,467
Addition	-	15,000,000	-	15,000,000
Repayments of long-term borrowings from financial institutions	(113,472,387)	(68,096,426)	(113,472,387)	(68,096,426)
At 31 December	302,107,944	378,513,280	229,714,740	342,062,182

The interest rate exposure on the borrowings of the Group are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Borrowings:				
- at fixed rates	45,000,000	10,000,000	35,000,000	10,000,000
- at floating rates	257,107,944	368,513,280	194,714,740	332,062,182
Total	302,107,944	378,513,280	229,714,740	342,062,182

17 Borrowings (Cont'd)

The effective interest rates at the statement of financial position date are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 %	2016 %	2017 %	2016 %
Bank borrowings	3.25 - 6.25	3.97 - 6.15	3.25 - 6.25	3.97 - 6.15

The carrying amounts and fair values of certain long-term borrowings are as follows:

	Consolidated and separate financial statements			
	Carrying amounts		Fair values	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Long-term borrowings	3,128,895	116,601,282	3,128,895	117,002,392

The fair values are based on discounted cash flows using a discount rate based upon the borrowing rate of 5% (2016: 4% - 5%) and are within level 2 of the fair value hierarchy.

The fair value of current borrowings equal their carrying amount, as the impact of discounting is not significant.

Maturity of long-term borrowings are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Not later than 1 year	3,128,895	68,593,035	3,128,895	68,593,035
Later than 1 year but not later than 5 years	-	48,008,247	-	48,008,247
Total	3,128,895	116,601,282	3,128,895	116,601,282

18 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Statement of financial position Retirement benefits	22,732,111	24,632,935	21,966,567	23,438,164
Profit or loss charge included in operating profit Retirement benefits	7,709,133	2,729,232	6,385,566	2,026,579
Remeasurement for Retirement benefits	(6,542,357)	3,365,331	(4,789,563)	3,398,723

18 Employee benefit obligations (Cont'd)

The movements of employee benefit obligations are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
At 1 January	24,632,935	19,054,191	23,438,164	18,528,681
Current service cost	7,178,449	2,344,399	5,941,862	1,699,981
Interest expense	530,684	384,833	443,704	326,598
Benefits paid	(3,067,600)	(515,819)	(3,067,600)	(515,819)
	29,274,468	21,267,604	26,756,130	20,039,441
Remeasurements: (Gain) losses from change in actuarial assumptions	(6,542,357)	3,365,331	(4,789,563)	3,398,723
At 31 December	22,732,111	24,632,935	21,966,567	23,438,164

The principal actuarial assumptions used are as follows:

	Consolidated and separate financial statements	
	2017 %	2016 %
Discount rate	2.41	2.10
Salary growth rate	5.00	7.00
Turnover rate of employee	0.00 - 33.00	0.00 - 33.00

Consolidated financial statements			
Impact to employee benefit obligations			
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	Decrease by 9.00% - 13.64% (2016: 8.90% - 14.88%)	Increase by 10.26% - 16.08% (2016: 10.23% - 17.79%)
Salary growth rate	1%	Increase by 10.39% - 16.04% (2016: 10.03% - 17.29%)	Decrease by 9.30% - 13.87% (2016: 8.93% - 14.79%)
Turnover rate of employee	1%	Decrease by 9.34% - 14.39% (2016: 9.22% - 15.52%)	Increase by 2.88% - 6.79% (2016: 0.52% - 0.79%)
Separate financial statements			
Impact to employee benefit obligations			
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	Decrease by 9.00% (2016: 8.90%)	Increase by 10.26% (2016: 10.23%)
Salary growth rate	1%	Increase by 10.39% (2016: 10.03%)	Decrease by 9.30% (2016: 8.93%)
Turnover rate of employee	1%	Decrease by 9.34% (2016: 9.22%)	Increase by 2.88% (2016: 0.79%)

18 Employee benefit obligations (Cont'd)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the employee benefit obligations to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

The weighted average duration of the defined benefit obligation is 9.83 years (2016: 10.02 years).

Analysis of the maturity of the payment of retirement benefits without discount rates:

	Consolidated financial statements				
	Within 1 year Baht	Between 1 - 2 years Baht	Between 2 - 5 years Baht	Over 5 years Baht	Total Baht
At 31 December 2016					
Retirement benefits	218,280	2,572,590	4,486,468	158,555,747	165,833,085
Total	218,280	2,572,590	4,486,468	158,555,747	165,833,085

	Consolidated financial statements				
	Within 1 year Baht	Between 1 - 2 years Baht	Between 2 - 5 years Baht	Over 5 years Baht	Total Baht
At 31 December 2017					
Retirement benefits	-	-	5,386,719	152,011,523	157,398,242
Total	-	-	5,386,719	152,011,523	157,398,242

	Separate financial statements				
	Within 1 year Baht	Between 1 - 2 years Baht	Between 2 - 5 years Baht	Over 5 years Baht	Total Baht
At 31 December 2016					
Retirement benefits	218,280	2,572,590	4,486,468	102,562,235	109,839,573
Total	218,280	2,572,590	4,486,468	102,562,235	109,839,573

	Separate financial statements				
	Within 1 year Baht	Between 1 - 2 years Baht	Between 2 - 5 years Baht	Over 5 years Baht	Total Baht
At 31 December 2017					
Retirement benefits	-	-	5,386,719	103,732,999	109,119,718
Total	-	-	5,386,719	103,732,999	109,119,718

19 Share capital and premium on share capital

	Number of shares Shares	Number of paid-up shares Shares	Ordinary shares Baht	Premium on share capital Baht	Total Baht
At 1 January 2016	228,000,000	227,999,991	227,999,991	26,870,810	254,870,801
Issue of shares	-	-	-	-	-
At 31 December 2016	228,000,000	227,999,991	227,999,991	26,870,810	254,870,801
Issue of shares	-	-	-	-	-
At 31 December 2017	228,000,000	227,999,991	227,999,991	26,870,810	254,870,801

The total number of authorised ordinary shares is 228,000,000 shares (2016: 228,000,000 shares) with par value of Baht 1 per share (2016: Baht 1 per share). The 227,999,991 ordinary shares are issued and fully paid-up.

20 Legal reserve

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
At 1 January	22,800,000	22,800,000	22,800,000	22,800,000
Appropriation during the year	-	-	-	-
At 31 December	22,800,000	22,800,000	22,800,000	22,800,000

Under the public limited company Act., B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The legal reserve is non-distributable.

21 Other income

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Rental and services income	583,308	855,803	12,715,861	12,768,491
Dividend income	-	-	49,999,991	139,999,974
Commission income	1,930,136	1,195,739	1,930,136	1,195,739
Interest income	1,424,902	332,295	1,341,626	330,249
Others	4,507,131	2,765,856	3,916,963	2,224,396
Total	8,445,477	5,149,693	69,904,577	156,518,849

22 Expense by nature

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Changes in finished goods and work in process	17,653,423	12,100,165	224,332,034	254,565,950
Raw material and consumables used	485,035,155	451,855,627	305,371,029	255,507,970
Employee benefit expenses	103,459,919	114,155,279	72,713,659	71,709,248
Transportation and sale department expenses	46,273,705	44,805,716	31,331,300	29,355,641
Consultant and professional fee	15,790,697	18,978,279	15,317,274	18,516,701
Utility expenses	12,068,903	26,051,242	8,847,429	9,830,131
Operating lease payment	1,391,950	8,999,181	3,644,809	7,837,668
Depreciation and amortisation (Note 13 and Note 14)	9,678,625	8,972,024	8,063,865	7,479,753
Loss on written-offs of intangible asset	1,053,340	-	1,053,340	-
Loss on impairment of investment in subsidiary (Note 11)	-	-	-	8,263,461
Loss on inventories destruction	2,574,399	-	-	-
Loss on (reversal of) impairment of inventories	2,589,075	2,178,630	2,723,393	(196,520)
Doubtful debt from void contract (Note 28)	320,000,000	-	320,000,000	-
Travelling expenses	11,739,108	-	8,972,675	6,882,995
Repair and maintenance cost	1,938,094	7,345,027	1,334,031	1,977,703
Loss from exchange rate	14,468,084	3,068,276	12,538,117	-
Others	6,444,305	3,056,427	3,167,930	8,534,127
Total	1,052,158,782	701,565,873	1,019,410,885	680,264,828

23 Income tax

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Current tax:				
Current tax on profits for the year	(11,645,131)	(20,688,683)	(9,075,770)	(16,155,642)
(Increase) / decrease in deferred tax assets (Note 15)	2,797,393	318,930	250,359	313,048
Total income tax expense	(8,847,738)	(20,369,753)	(8,825,411)	(15,842,594)

23 Income tax (Cont'd)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
(Loss) profit before tax	(227,165,208)	133,777,352	(233,406,808)	202,732,409
Tax calculated at a tax rate of 20% (2016: 20%)	45,433,037	(26,755,470)	46,681,362	(40,546,482)
Tax effect of:				
Benefit from BOI regulation	9,086,237	13,872,557	-	-
Income not subject to tax	-	-	9,999,998	27,999,995
Expenses not deductible for tax purpose	(63,470,495)	(3,476,611)	(65,637,962)	(3,462,628)
Revenues that are granted income tax exemption or expenses that are deductible at a greater amount	145,478	200,385	131,191	166,521
Adjustment in respect of prior year	-	(1,988,375)	-	-
Tax losses for which no deferred income tax asset was recognised	(41,995)	(2,222,239)	-	-
Income tax	(8,847,738)	(20,369,753)	(8,825,411)	(15,842,594)

Income tax relates to component of other comprehensive income are as follows:

	Consolidated financial statements					
	2017			2016		
	Before tax Baht	Tax Baht	After tax Baht	Before tax Baht	Tax Baht	After tax Baht
Remeasurement on retirement benefit obligations	6,542,357	(1,031,495)	5,510,862	(3,365,331)	673,066	(2,692,265)
Other comprehensive income (expense)	6,542,357	(1,031,495)	5,510,862	(3,365,331)	673,066	(2,692,265)
	Separate financial statements					
	2017			2016		
	Before tax Baht	Tax Baht	After tax Baht	Before tax Baht	Tax Baht	After tax Baht
Remeasurement on retirement benefit obligations	4,789,563	(957,913)	3,831,650	(3,398,723)	679,745	(2,718,978)
Other comprehensive income (expense)	4,789,563	(957,913)	3,831,650	(3,398,723)	679,745	(2,718,978)

24 (Loss) earnings per share

Basic (loss) earnings per share is calculated by dividing the net (loss) profit attributable to shareholders of the Company by the weighted average number of issued ordinary shares during the year.

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
(Loss) earnings (Baht)	(236,012,946)	113,407,599	(242,232,219)	186,889,815
Weighted average number of ordinary shares outstanding (Shares)	227,999,991	227,999,991	227,999,991	227,999,991
Basic (loss) earnings per share (Baht per share)	(1.04)	0.50	(1.06)	0.82

25 Dividend

On 11 April 2016, at the 2016 Annual Ordinary Shareholders' meeting of the Company, the shareholders passed a resolution to approve dividend in respect of 2015 of Baht 0.037 per share, totaling Baht 8.44 million. Dividend was paid on 10 May 2016.

26 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related-party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Relationship between the Group and related companies and persons are set out as below;

Name of related parties and persons	Country/Nationality	Relationships	Type of relationships
Ubis Primatech Company Limited	Thailand	Subsidiary	Direct shareholders
Vita International Trading (Guangzhou) Company Limited	Republic of China	Subsidiary	Direct shareholders

As mentioned in Note 28, the Company has terminated for investment in Family Corporation Co., Ltd. The effect of termination agreement is as if the Company has never held in Family Corporation Co., Ltd.'s shares. However, the relationship and related party transactions of the Group and Family Corporation Co., Ltd. are still related in other related company. The Group still discloses of related party transaction, including transactions and balances between the Group and Family Corporation Co., Ltd. in consolidated and separate financial statements for the year ended 31 December 2016.

The Group has transactions with related persons or parties. These parties are related through common shareholders and/or directorships. The material transactions with related person or parties as included in the financial statements are determined at the prices in line occurring in the normal course of business based on the market price in general or the price as stipulated in the agreement if no market price exists.

26 Related party transactions (Cont'd)

Criteria for income and expenses of intercompany are as follows:

Transaction	Pricing policies
Purchase - Sale goods	The market price is comparable to the selling price to the third parties
Interest income - Interest expense	Interest rate is 1% per annum
Rental property	Contract price
Personal fee	Contract price
Consultant fee	Contract price

The following significant transactions were carried out with related person or parties:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Sales of goods - Subsidiaries	-	-	154,490,213	179,430,599
Purchases of goods - Subsidiaries	-	-	211,802,117	228,984,014
Purchases of goods - Related parties	-	1,622,161	-	146,161
Dividend income - Subsidiaries	-	-	49,999,991	139,999,974
Rental and services income - Subsidiaries	-	-	12,132,553	11,912,688
Other income - Subsidiaries	-	-	109,105	28,050
Consultant fee (Directors)	-	10,920,000	-	10,920,000

The Company entered into the consultant agreements with related persons (directors) from 1 January 2015 to 31 December 2016 with the remuneration amounting Baht 0.84 million per month plus other remuneration as stipulated the agreements.

On 8 January 2016, directors who entered into consultant agreements resigned from being the Company's directors, so the related consultant agreements were terminated and the Company compensated them as stipulated the agreements.

Outstanding balances arising from sales/purchases of goods, services and other:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Receivable - Subsidiary	-	-	167,906,707	153,511,957
Dividend receivable - Subsidiary	-	-	49,999,991	-
Payables - Subsidiaries	-	-	239,239,119	144,221,773
Payables - Related parties	-	390,205	-	126,985

Key management includes directors (executive and non-executive), members of the executive committee. The compensation paid or payable to key management for employee services is shown below:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Short-term employee benefits	32,098,623	29,082,743	30,418,194	29,082,743
Post-employment benefits	1,936,000	1,152,833	1,936,000	1,152,833
	<u>34,034,623</u>	<u>30,235,576</u>	<u>32,354,194</u>	<u>30,235,576</u>

27 Commitments

Letters of guarantee

As at 31 December 2017, there was outstanding letter of bank guarantee of Baht 412,000 issued by a bank on behalf of the Company in the normal course of business (2016: Baht 412,000).

Operating lease commitments - Where the Group is the lessee

The Group entered into the lease agreements for rental of office, warehouse and motor vehicles. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Not later than 1 year	2,810,400	2,250,000	2,810,400	2,250,000
Later than 1 year but not later than 5 years	4,663,035	5,115,839	4,663,035	5,115,839
	<u>7,473,435</u>	<u>7,365,839</u>	<u>7,473,435</u>	<u>7,365,839</u>

Contractual commitment

On 28 December 2016, Vita International Trading (Guangzhou) Company Limited has entered into a contract with UV Tech Material Ltd., third party company, located at Republic of China for a container lacquer service and coating used in can production. Vita International Trading (Guangzhou) Company Limited should have production orders not less than 800 tons per year and maintains the proportion of lacquer containers not over than 30% of the total production capacity. The contract will be effective for three years from 1 April 2017 to 31 March 2020.

28 Account receivable from void contract

On 1 July 2015, the Company purchased 400,000 ordinary shares of Family Corporation Co., Ltd. from RF Vision Co., Ltd. ("the Seller") according to the Share Sale Purchase Agreement dated 5 June 2015 in the amount of Baht 280 million. The Company classified it as investment in associate with ownership interest of 40% in the financial statements as at 31 December 2015 as previously reported.

On 26 February 2016, Family Corporation Co., Ltd issued increased ordinary shares. The Company purchased 400,000 increased ordinary shares in the amount of Baht 40 million to maintain their ownership interest of 40%.

Subsequently on 15 March 2017, the Company's Board of Director has approved the cancellation of the Share Sale Purchase Agreement on ordinary shares of Family Corporation Co., Ltd. by referring to conditional right No. 11 "The Cancellation" in the Share Sale Purchase Agreement. It was because the Seller provided significant improper financial information of Family Corporation Co., Ltd. to invest in 2015 which caused the Company mistook the main content of investment. The Company's legal advisor has considered the Civil and Commercial Code and viewed that the investment in Family Corporation Co., Ltd. was void by law and retrospectively effective since the first investment amounting to Baht 280 million in 2015 and the additional investment amounting to Baht 40 million in 2016.

28 Account receivable from void contract (Cont'd)

Therefore, on 21 March 2017, the Company and the Seller have signed on Memorandum of void contract and restitution that the Company shall immediately transfer the first investment of 400,000 ordinary shares and the additional investment of 400,000 ordinary shares, totally 800,000 ordinary shares of Family Corporation Co., Ltd. back to the Seller when receiving full repayment of Baht 320 million. The Company has allowed the seller to repay by instalment 12 months as follows:

No. 1	By the end of June 2017	Not less than Baht 20 million
No. 2	By the end of July 2017	Not less than Baht 20 million
No. 3	By the end of August 2017	Not less than Baht 20 million
No. 4	By the end of September 2017	Not less than Baht 20 million
No. 5	By the end of October 2017	Not less than Baht 30 million
No. 6	By the end of November 2017	Not less than Baht 30 million
No. 7	By the end of December 2017	Not less than Baht 30 million
No. 8	By the end of January 2018	Not less than Baht 30 million
No. 9	By the end of February 2018	Not less than Baht 30 million
No. 10	By the end of March 2018	Not less than Baht 30 million
No. 11	By the end of April 2018	Not less than Baht 30 million
No. 12	By the end of May 2018	Not less than Baht 30 million
Total		<u>Baht 320 million</u>

The collaterals of the repayment comprise:

- 1) the 800,000 ordinary shares of Family Corporation Co., Ltd. which will be transferred back to the seller when receiving full repayment.
- 2) Personal guarantee agreement by Mr. Phaisarn Pruangviriya, the president of Family Corporation Co., Ltd.

As a result of the void contract, the Company has reversed all equity gain taken in the past year and recorded the seller as account receivable from void contract.

Debt collection and related amount for doubtful account

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Current assets				
Current portion of account receivable from void contract	320,000,000	170,000,000	320,000,000	170,000,000
<u>Less</u> Allowance for doubtful debt	(320,000,000)	-	(320,000,000)	-
	-	170,000,000	-	170,000,000
Non-current assets				
Account receivable from void contract	-	150,000,000	-	150,000,000
	-	320,000,000	-	320,000,000

In June 2017, the first instalment was due from the account receivable arising from the void contract. The fact reveals that the account receivable repaid the first instalment by a cheque dated 30 June 2017. Subsequently, that cheque could not be exchanged into cash from related bank. Management had attempted and demanded for repayments several times from the account receivable and guarantor. Management had obtained a confirmation from counterparties concerned that the situation would have been resolved quickly. However, cheque received at that time from the first instalment still could not be exchanged to cash from related bank. Also, the Company has not received repayment for the second instalment. Management have continued their best efforts in collecting the repayments due from both the account receivable and guarantor but still no progress made. Consequently, management has reassessed the current situation of repayments including the intention and the ability of the account receivable and guarantor which was substantially changed in their position from the previous assessment. Management therefore have decided to be prudent and thus have set up related allowance in full for outstanding amount in June 2017. On 11 August 2017, the Board of Directors made its decision to take legal action against the account receivable and guarantor to collect the full amount as soon as possible.

28 Account receivable from void contract (Cont'd)

On 15 August 2017 and 1 September 2017, the Company ("the plaintiff") assigned the attorney to prepare a written notice to demand repayment and a letter of default to the account receivable ("the first defendant") and a notice to demand repayment to the guarantor ("the second defendant"). Both defendants have received these notices and letters but they have still been ignored. The action of the first defendant is a breach of the Memorandum of void contract and restitution, and the second defendant is jointly liable with the first defendant.

Subsequently on 9 October 2017, the plaintiff assigned the attorney to file a lawsuit against the defendants with charges for breach and guarantee, and to claim compensation totalling Baht 61 million. The defendants are jointly liable for repayments of the first instalment, the second instalment and the third instalment, which matured and defaulted at Baht 60 million and with interest at the rate of 7.5% per annum for principal totalling Baht 60 million, commencing on the date of the lawsuit until the full repayment to the plaintiff. However, the lawsuit is currently under trial by the Civil Court.

On 1 October 2017, 1 November 2017, 1 December 2017 and 3 January 2018, the plaintiff assigned the attorney to prepare a written notice to demand repayment and a letter of default to the first defendant and a notice to demand repayment to the second defendant. Both defendants have received these notices and letters but they have still been ignored. The action of the first defendant is a breach of the Memorandum of void contract and restitution, and the second defendant is jointly liable with the first defendant.

Subsequently on 1 February 2018, the plaintiff assigned the attorney to file a lawsuit against the defendants with charges for breach and guarantee, and to claim compensation totalling Baht 112 million. The defendants are jointly liable for repayments of the fourth instalment, the fifth instalment, the sixth instalment and the seventh instalment, which matured and defaulted at Baht 110 million and with interest at the rate of 7.5% per annum for principal totalling Baht 110 million, commencing on the date of the lawsuit until the full repayment to the plaintiff. However, the lawsuit is currently under trial by the Civil Court.

On 6 February 2018, the plaintiff assigned the attorney to prepare a written notice to demand repayment and a letter of default to the first defendant due to default repayments of the eighth instalment, amounting to Baht 30 million. Currently, it's still in the process of producing a written notice to demand repayment and a letter of default to the second defendant, and take further legal action against the defendants. For the undue portion of outstanding instalments, the plaintiff has no right to litigate yet. However, if the default occurs, the plaintiff will take further legal action to collect the default amount against the defendants.

29 Promotional privileges

The subsidiary has received the following promotional privileges from the Board of Investment (BOI):

The promotional certificate No. 2363(5)/2555

The promotional privilege was received from the BOI for the manufacture of sealing compound as per the promotional certificate No. 2363(5)/2555 dated 5 March 2012. The main privileges include the reduction in import duty on machinery as approved by the BOI and the exemption from corporate income tax for the promoted activities for a period of 8 years from the date income is first derived (20 March 2012).

To be entitled to the privileges, the subsidiary must comply with the conditions and restrictions as stipulated for in the promotional certificates.

Revenue are classified according to BOI promoted and non-BOI promoted as follows:

	2017 Baht	2016 Baht
Revenue from BOI promoted activities	225,222,221	252,561,162
Revenue from non-BOI promoted activities	59,303,908	53,543,537
Total	284,526,129	306,104,699



UBIS (ASIA) PUBLIC COMPANY LIMITED

Head office : 807/1 6th Floor, Rama 3 Rd.,
Bangpongpan, Yannawa, Bangkok 10120 Thailand.

Tel : +662 - 683 0008 Fax : +662 - 294 2013

www.ubisasia.com